



# CITY OF CONCORD

*New Hampshire's Main Street™*

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Thomas J. Aspell, Jr.  
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## Gas Holder Committee Minutes September 24, 2020

### **Committee Attendees:**

Byron Champlin, Chair, City Councilor

Linda Kenison, City Councilor

Jennifer Kretovic, City Councilor

Mayor Bouley and Councilor Werner were excused.

### **Staff:**

Matt Walsh, Director of Redevelopment, Downtown Services, & Special Projects

Carlos Baia, Deputy City Manager – Development, was excused.

### **Public:**

Dick Anagnost, Anagnost Investments

Alex Ray, Common Man Restaurants

George Bald, Former Commissioner of NHDRED

Jim Garvin, Former State Historic Preservation Officer

Stu Arnett, ADG LLC Consultants

Tim Sink, Greater Concord Chamber of Commerce

Frank Lemay, Milestone Engineering and Construction

Jon Chorlian, Real Estate Developer

Mike Sheehan, Liberty Utilities

Jennifer Goodman, The Preservation Alliance

The meeting began at 10:00 AM.

Councilor Champlin read the Covid-19 public meeting procedures notice, which explained that, due to the Covid-19 "Coronavirus" Pandemic, and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, the Gas Holder Committee is authorized to meet electronically. The City utilized the Zoom platform for this electronic meeting.

1. **Overview of Agenda:** Councilor Champlin provided an overview of the meeting agenda and welcomed members of the public.
2. **Adoption of Minutes:** Councilor Kenison moved to adopt the minutes of September 16, 2020. Councilor Kretovic seconded. The minutes were adopted on a unanimous roll call voice vote.

3. **Introduction of Project Consultant:** Stu Arnett, Principal of the ADG, LLC, introduced himself to the Committee and discussed his experience in the field of economic development, land use, and real estate development. He reported that his firm had been in business for approximately 14 years and is comprised of consultants based throughout the northeast. Prior to becoming a private consultant, Mr. Arnett worked in economic development at the local and state level in New Hampshire.

He indicated that his firm's approach would be to assemble a team of experts tailored for this particular project. The team will review available data, explore various re-development options based upon the unique strengths and weaknesses of the property, and identify one or more viable re-use options for the site.

4. **Panelist Discussion:** Councilor Champlin introduced Dick Anagnost, Alex Ray, and George Bald to the Committee, and asked them to discuss their experience with this site, or redevelopment of blighted properties.
- a. **George Bald:** George Bald introduced himself to the Committee. He explained that he was the former Commissioner of the New Hampshire Department of Resources and Economic Development, as well as the Director of the Pease Redevelopment Authority. He also noted that he is currently chairing the Lakeshore Redevelopment Commission, which has been tasked with creating and implementing a redevelopment strategy for the former Laconia State School; a 250 acre site with 26 historic structures near Lake Winnisquam.

Mr. Bald described the basic approach he has historically used when examining a site for potential redevelopment. The first step in the process is to assemble a team to review existing information, as well as complete due diligence.

He noted that, in his experience, there is always a solution to overcome challenges associated with redeveloping blighted properties. However, challenges take time, money, and creativity to resolve. He also noted that, in his experience, the State and Federal Government are typically supportive of redevelopment efforts, and can be tremendous partners in overcoming challenges. He also cautioned that the process of redeveloping a blighted site is not a linear process.

Discussion ensued about his experience with environmental contamination at Pease Trade Port. Mr. Bald explained that the site was a former United States Airforce base, which had significant groundwater and soil contamination. He reported that the United States government agreed to remain responsible for soil and groundwater contamination; however, the State of New Hampshire had agreed to assume responsibility for hazardous building materials (such as lead paint and asbestos) in structures at the site.

- b. **Dick Anagnost:** Mr. Anagnost introduced himself to the Committee. He explained that he is a Manchester based developer specializing in commercial and residential real estate.

Mr. Anagnost discussed his experience with the Gas Holder property. Specifically, he reported that in 2016, he and his partners had identified a reuse for the site and attempted to acquire it from the gas company, which owned the property at the time. However, after a year of negotiations, Mr. Anagnost and his partners terminated discussions in September 2017, as negotiations were getting bogged down by the impending sale of the gas company itself to a third party.

Mr. Anagnost described his reuse plan for the property. Specifically, the project was to feature preservation and adaptive reuse of the Gas Holder, which was to be renovated into a multistory, 6,000 SF building, featuring a distillery and open concept restaurant with elevated balcony seating. The restaurant was going to be operated by the Common Man. The property was going to be supported by a 160 space, three level surface parking lot. In addition to providing parking, the parking lot was to serve as a cap for contaminated soils at the site. He

reported that the project had gone as far as securing two liquor licenses from the New Hampshire Liquor Commission. He also reported that he and his partners had completed environmental due diligence and identified a viable strategy to cap soil contamination at the property.

Mr. Anagnost reported that, in 2016, the estimated cost to repair and renovate the building to a “vanilla box” was approximately \$500,000. Site improvements (parking lots, etc.) were an additional \$500,000-\$600,000.

- c. **Alex Ray:** Mr. Ray introduced himself. He noted that he has been in the restaurant business for more than 40 years and has renovated dozens of historic buildings.

Mr. Ray discussed the history of the Gas Holder and its historic significance. He explained that he has been interested in seeing the property preserved and redeveloped for approximately 15 years.

Mr. Ray suggested that one of the major hurdles of redevelopment efforts has been soil and groundwater contamination at the site. He stated that it was his recollection that Liberty Utilities would retain legal responsibility for soil and groundwater associated with the site; however, a future owner / developer would assume responsibility for hazardous building materials inside the structure itself.

- d. **Mike Sheehan:** Mr. Sheehan introduced himself to the Committee. He reported that he is Senior Legal Counsel for Liberty Utilities.

Mr. Sheehan addressed comments and questions about the environmental liability raised by Mr. Ray. He confirmed that, upon sale to a developer, Liberty Utilities would remain responsible for soil and groundwater contamination at the property in perpetuity. He also stated that any plan to redevelop the property would have to be generally consistent with Liberty’s obligation to cap the site in accordance with current remedial action plans.

Mr. Sheehan further explained that preservation of the building would help cap contamination beneath the structure. If the Gas Holder were to be razed, an engineered cap would need to be constructed within the footprint of the former building.

Mr. Sheehan also explained how Liberty Utilities could support redevelopment efforts financially. Specifically, Liberty could transfer funds set aside to demolish the property to a third party, who, in turn, could utilize those funds to preserve and renovate the building. Such a scenario could be viable for Liberty, provided they can demonstrate to the Public Utilities Commission that providing funds to support a renovation option would be less expensive for Liberty as compared to demolishing and capping the footprint of the building. This approach might be acceptable to the PUC, as it would be in the financial interests of Liberty’s rate payers.

Mr. Sheehan also discussed Mr. Anagnost’s redevelopment plans for the property. He confirmed that the sale of the gas company diverted attention away from negotiations with Mr. Anagnost. He also stated that Mr. Anagnost’s proposal to use a multi-tier parking lot increased capping costs for Liberty. This was unacceptable, as Liberty cannot subsidize future redevelopment of the property.

Mr. Sheehan also discussed how liability concerns associated with the structural integrity of the building are driving Liberty’s aggressive time line relative to potential demolition of the structure.

- e. **City Incentives Discussion:** Mr. Chorlian asked whether the City was interested in supporting the Anagnost redevelopment concept, and whether any discussion of potential incentives had occurred.

Matt Walsh stated that the City had engaged in discussions with Mr. Anagnost in 2016 concerning his redevelopment concept for the site. He confirmed that potential tools discussed at the time included RSA 79-E Community Revitalization Tax Relief Incentives, as well as Community Development Block Grants.

Alex Ray inquired about the status of Storrs Street Extension South, as well as the potential viability of Tax Increment Financing (TIF) to support preservation and redevelopment efforts.

Mr. Walsh addressed Mr. Ray's questions. Mr. Walsh provided a brief overview of the Storrs Street Extension project. He reported that the project was conceived in the 1997 Downtown Master Plan, and is included as project #18 in the City's FY 2021 Capital Improvement Program. He also noted that it was his recollection that a Map Line of Future Street was approved by the City Council in accordance with State law for Storrs Street Extension South to Langdon Avenue, and generally described the layout of the roadway.

Mr. Walsh then addressed the potential use of TIF to support redevelopment of the Gas Holder. He explained that TIF can only be used for off-site improvements, or improvements to City owned property. In order to use TIF to repair or renovate the Gas Holder itself, the City would need to own the property. However, he also hypothesized that it might be possible for the City to acquire and hold façade or preservation easement on the building, thereby potentially allowing the City to use TIF to help repair and renovate the building. He stressed that this would be a very innovative approach that would require review by the City's Legal Department and outside Bond Counsel.

He also noted that granting of a RSA 79-E benefit would erase incremental property revenues generated by the project for a period of time; thus potentially undermining the viability of TIF.

- f. **Structural Engineering Analysis:** Discussion ensued concerning a structural engineering evaluation of the Gas Holder building which was completed by Liberty Utilities.

Jim Garvin, former Preservation Officer at the New Hampshire Department of Historic Resources, discussed the historic significance of the building and its unique construction. He noted that the building is on the National Register of Historic Places for its national significance, and is also a National Historic Engineering Landmark.

Mr. Garvin discussed his experience with structural engineering analyses of historic buildings. He noted that few engineers have sufficient knowledge of, and experience with, such buildings and their unique construction. He suggested that it might be prudent for the Committee to seek a peer review and second opinion concerning the conclusions of Liberty Utilities' structural assessment.

He also noted that if the building is ultimately demolished, a portion of the site should be used as an interpretive monument which would discuss the significance of the Gas House.

Frank Lemay offered comments to the Committee, which echoed and expanded upon Mr. Garvin's points.

Discussion ensued about potential funding options to support preservation of the building

Councilor Kenison suggested that it might be prudent for the Committee to redirect all or a portion of the \$20,000 set aside for Mr. Arnett's contract to have a second structural assessment of the building undertaken by an engineer specializing in historic, unreinforced masonry buildings. Once completed, the Committee could then re-evaluate whether to proceed with a comprehensive review of redevelopment options.

Councilor Kretovic stated that she supports Councilor Kenison's recommendation.

Jennifer Goodman stated that she is aware of a structural engineering firm that might be a good candidate for a peer review and second opinion regarding the Liberty Utility structural analysis. She will contact the firm and request a scope of work and fee proposal.

5. **Other Business:**

- a. Councilor Champlin stated that he will work with Ms. Goodman and Carlos Baia to develop a regular schedule for Committee meetings.
- b. Stu Arnett asked the City to upload all available reports and documents to a website or FTP site so he could start acclimating himself to the project in more detail.

6. **Adjourned:** Councilor Kenison moved to adjourn the meeting. Councilor Kretovic seconded. The meeting adjourned at 11:22 AM.

Respectfully Submitted



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