

**TOWN OF NEWPORT, NEW HAMPSHIRE**  
**Board of Selectmen**  
**Minutes for Meeting of September 16, 2019 6:30 pm**  
**Regular Business Meeting, Municipal Building**  
**15 Sunapee Street, Newport, NH 03773**

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**SELECTMEN PRESENT:** Jeffrey Kessler, Chairman; Todd Fratzel, Vice Chairman; Barry Connell, William Wilmot, Jr.

**SELECTMAN ABSENT:** John Hooper II

**STAFF PRESENT:** Hunter Rieseberg, Town Manager

**COMMUNITY MEMBERS PRESENT:** Jacqueline Cote, Larry Cote, Virginia Irwin and Bert Spaulding, Sr.

**NCTV:** John Lunn

**CALL TO ORDER:** Chairman Kessler called the meeting of the BOS to order at 6:30 p.m. followed by the Pledge of Allegiance.

**AGENDA REVIEW:** Accepted as presented.

**MINUTES FROM PREVIOUS MEETING(S):** Minutes of August 26, 2019: On a motion by Selectman Connell, seconded by Selectman Fratzel; *the Board voted to approve the BOS minutes of the August 26, 2019 meeting as presented. The motion passed 3-0-1(Wilmot abstained).*

NPS Minutes of August 26, 2019: On a motion by Selectman Fratzel, seconded by Selectman Connell; *the Board voted to approve the NPS minutes of the August 26, 2019 BOS meeting as presented. The motion passed 3-0-1(Wilmot abstained).*

September 12, 2019: On a motion by Selectman Fratzel, seconded by Selectman Wilmot; *the Board voted to approve the minutes of the September 12, 2019 BOS Retreat meeting as presented. The motion passed 4-0-0.*

**CONSENT AGENDA:** On a motion by Selectman Wilmot, seconded by Selectman Fratzel; *the Board voted to approve the Consent Agenda of September 16, 2019 as presented. The motion passed 4-0-0.*

**OPEN FORUM:** none

**COMMUNICATIONS:** Selectman Connell had nothing to share at this time.

Selectman Fratzel had nothing to share at this time.

Selectman Wilmot said that the latest news he had concerning the Governor and State Legislature is that they are close to a settlement (on the budget).

Chairman Kessler stated the school board has four members; it is in need of one more. Interested individuals should contact the SAU 43 office on Main Street. The telephone number is 603-865-9500. Application deadline is Friday, September 20, 2019.

Town Manager Rieseberg had nothing to share at this time.

**INFORMATIONAL:** New England Family Housing-Kevin Lacasse: Chairman Kessler stated this was a continuation from the last meeting (August 26, 2019). The BOS had asked for information and feedback concerning proposed workforce housing in Newport.

Mr. Kevin Lacasse addressed the Board of Selectmen. Mr. Lacasse stated he had answered all questions the BOS members had asked him on August 26, 2019 in factual document form (BOS members had an electronic and paper copy).

Chairman Kessler stated he had had time to review it over the weekend. He thanked Mr. Lacasse for putting the material together and also pointing out to the Board members some things that were in Newport's Master Plan.

Mr. Lacasse stated it was the request of the Board that he back up his presentation with factual information. He had produced it by reaching out to the community and its employers as well as using the internet. In August the BOS had asked for testimonies from Boards and municipalities in the other towns Mr. Lacasse had constructed buildings. He asked if the BOS or Town Manager had reached out to town managers who had workforce housing he had constructed. They had not.

Chairman Kessler stated Mr. Lacasse had provided the BOS with letters of support from the mayor of Franklin and the Community Developer of Berlin. Mr. Lacasse agreed with Chairman Kessler.

Mr. Lacasse addressed Chairman Kessler and asked if the BOS preference was to review the documentation (that had been submitted) at the meeting or whether the Board members would prefer to ask questions of him.

Chairman Kessler stated that looking at the information helped to clarify things for him. Mr. Lacasse had included the regulations that would need to be followed with the building and the tenants, as well as quality of construction.

Mr. Lacasse again asked what the purview of the Board was.

Chairman Kessler polled the Selectboard present. Selectman Wilmot said he had read the document. Selectman Connell stated he had read the summary sheet. They had no questions at the time.

Chairman Kessler stated that reading the minutes and Mr. Lacasse's documentation, workforce housing was a real need in the community. Continuing, he said that many people in the community could not afford to pay market rate housing and listed several service personnel that would fit into the same group. Mr. Lacasse stated that there seemed to be a conception on August 26, 2019 that most of the employees of the larger employers in town earned too much to qualify for workforce housing. He had done a lot of research on that.

Chairman Kessler addressed Mr. Lacasse and stated that his document had been very thorough; pointing out that 74% of teachers in the Newport system would be eligible as renters in workforce housing apartments. Continuing, he stated that Mr. Lacasse had shown that of 86 municipality positions, 50 individuals (58%) qualified for an apartment in workforce housing, 50% of Sturm Ruger workers would qualify and over 90% of employees at LaValley's Building Center would qualify.

Chairman Kessler addressed Mr. Lacasse and said that at the last meeting there was a concern about a mix of people with varying area median income AMIs. He asked if this has been an issue.

From Mr. Lacasse's report and August 26, 2019 meeting:

- 17 units (25% of the apartments) would be market rate
- 34 units would be 60% area median income (AMI). Renters would earn \$15,430-\$24,480 yr.
- 10 units would be 50% AMI. Renters would earn \$25,710-\$40,800 yr.
- 7 units would be 30% AMI. Renters would earn \$30,860-\$48,960 yr.

*It will be a mixed income building that really encompasses the whole spectrum of the workforce.*

Mr. Lacasse said no. Explaining, he said this model has been in existence for a while through NH Income Housing. He told Chairman Kessler how the model had worked in other communities.

Chairman Kessler asked if the model created any stress or strain on municipal services. Mr. Lacasse said no. Explaining, he said that was in part because of the compliance and oversight part of the agreement. Because of all the oversight, it has been found that there is less strain on the municipal services than if all the apartments were market rate. If it was all market rate apartments, there would be no oversight or compliance that would be in place.

Mr. Lacasse reiterated information from August 26, 2019 meeting-information now in document form

*Mr. Lacasse told the BOS that Sullivan County has the lowest vacancy rate in all of NH at less than 1%. He stressed that landlords did not have to keep up their properties in order to rent them. Mr. Lacasse said they have found that the apartment units his company has put in other communities impacted landlords and local apartments in their area in a positive way for the Town and tenants. If local landlords want to compete they have had to upgrade the standards of their units.*

Chairman Kessler stated that the Mill Project was a \$20,000,000 project. It was only possible with the NH tax credits and grants available to him. Mr. Lacasse agreed with the statement.

Chairman Kessler said that with the tax credits and compliance required for creditors and the NH Finance Authority it provided a safety net for municipalities like Newport (tenants were vetted, property was maintained to a high standard for years). Mr. Lacasse said yes, explaining the New England Family Housing compliance and oversight will be in place for 99 years.

Chairman Kessler addressed Mr. Lacasse and said for clarification, that he (Mr. Lacasse) would like BOS support in an application with a CDGB grant he is pursuing through Sullivan County. Mr. Lacasse agreed, stating one of the changes CDGB just made (he learned from Ms. Shelley Hadfield) was that they are splitting the grant categories. Housing and public facilities have been split. Mr. Lacasse stated that

his proposal would not interfere with the Town of Newport being awarded grant funding; they would not be in competition. There was a brief discussion on the CDGB grant funding.

Chairman Kessler asked what Mr. Lacasse's potential construction timeframe would be if the project went forward. Mr. Lacasse stated:

- ❖ Construction Loan Closing May/June 2020
- ❖ Construction would start in June 2020
- ❖ Construction would be a 15-month timeframe
- ❖ Leases would start in the fall of 2021

Selectman Wilmot's question had been about public facility competition. Mr. Lacasse had addressed it.

Selectman Connell asked if Mr. Lacasse was going to attempt to use 79-E. Mr. Lacasse said probably yes. Chairman Kessler stated Mr. Ron DeCola had planned to use 79-E. It was there for individuals to use. Chairman Kessler explained what 79-E was for the benefit of those that did not know.

Selectman Fratzel said he appreciated Mr. Lacasse putting together the document; he had not read it. Selectman Fratzel said Mr. Lacasse had to be careful of the statistics he was listing.

- 74% of teachers in the Newport system would be eligible as renters in workforce housing apartments. *74% did not qualify for every (or the lowest) tier in the workforce housing units.*

Continuing, he stated that Mr. Lacasse had listed that many workers of the largest Newport employers would qualify for workforce housing. They would not qualify for every tier of the workforce housing spectrum.

Selectman Fratzel debated the reality of the statements as documented in the report.

Selectman Connell addressed Selectman Fratzel and agreed with Mr. Lacasse's statements about 74% of the teachers being eligible. He did not expect the 74% to be in the bottom tier of the AMI.

Selectman Fratzel stated that people had told him they were against the project. Mrs. Virginia Irwin stated that it was because they did not understand workforce housing.

Selectman Fratzel stated that there were other units in Town like the proposed ones. Both Mrs. Irwin and Mr. Lacasse negated his statement.

Mrs. Irwin asked him to name one. Selectman Fratzel stated the two units in Guild. Mrs. Irwin stated they were not the same kind of project. Selectman Fratzel asked them to explain. Mrs. Irwin stated that the Guild units were all income based and were subsidized housing.

Mrs. Irwin stated an example of a workforce housing tenant is for first year teachers who earned \$34,000/yr., it was also for the people that work at LaValley's or United Construction or Pinnacle Tackle.

But the "unnamed" Development in Guild is for people who are personally on subsidies and get 'benefits' from the 'system'.

People who are tenants in the proposed Newport Mills have to be in the work force. People who are tenants in Guild are not in the work force.

Mrs. Irwin addressed Selectman Fratzel and stated that it isn't low income housing; it is workforce housing to keep Newport sustainable. There was a general discussion on the Mill Project, economics and housing in Newport between Mrs. Irwin, Mr. Lacasse and Selectman Fratzel.

Mrs. Irwin addressed the Board and stated that she had been to the Guild rental units all summer (delivering food) that Selectman Fratzel is worried about. Selectman Fratzel knows the landlords. They don't care about maintenance. There is no compliance or oversight (there). The health inspector had to be called several times. There is a need for a good living dwelling for the average working family.

Mrs. Irwin listed several apartment units in Newport which have been maintained or improved by owners. She said that affordable housing was a problem in Newport, but it was a huge problem around the state.

Mr. Lacasse addressed Selectman Fratzel and explained HUD Housing versus the Workforce Housing he was proposing. Tenants had to earn their way (with a job and background check) in order to become a renter in the workforce housing.

He also stated that the 2012 Newport Master Plan (page 57) emphasized the need for workforce housing in Newport.

Selectman Fratzel stated that he did not think it was good for the community. He reiterated his concerns stated at the BOS meeting of August 26, 2019. Selectman Fratzel stated he was not interested in giving his support to the project.

Mr. Lacasse said the BOS had asked for facts. He had presented them (in a document); Selectman Fratzel had not read it. A decision on a \$20,000,000 investment in the Town needed to be voted on.

Mr. Spaulding, Sr. asked for the numbers for the workforce housing project. He wanted to know what the tax impact would be. Chairman Kessler explained 79-E as it pertained to the project. No numbers were available. Mr. Spaulding, Sr. disputed Chairman Kessler. Town Manager Rieseberg stated that it was impossible to get theoretical numbers for Mr. Spaulding, Sr.

There was a lengthy discussion on the project and the statements about the need for workforce housing as stated in the 2012 Master Plan.

Selectman Connell asked where Mr. Lacasse got his profit. Mr. Lacasse stated:

1. Developer fee for doing the project at the:
  - a. Start of construction
  - b. close of construction
  - c. when get 100% building occupancy
  - d. when project is stabilized for occupancy
2. Cash flow

### 3. Management Fee

Chairman Kessler asked Mr. Lacasse, for clarification, to explain the requirements for maintenance of the building. Mr. Lacasse gave them to the Board (see documentation and minutes of August 26, 2019).

Selectman Connell said that the biggest argument in supporting the project was that the 2012 Newport Master Plan said the Town should be doing this. He wondered why Selectman Fratzel had received so many phone calls about it. He asked what the reasons might be or if they don't understand 'workforce'.

Mr. Lacasse agreed with Selectman Connell. He said the general public doesn't understand what workforce housing is. That was another reason he had initially come before the BOS.

After further discussion between the Board and Mr. Lacasse, Chairman Kessler asked the pleasure of the Board. Selectman Fratzel said he would like to study the report further.

Chairman Kessler and Mr. Lacasse discussed the deadline for the BOS vote. The county CDGB grant was in January 2020. Mr. Lacasse also had a substantial deposit on the Mill property, it expires in October 2019. He needed to know if he would do the Newport project or look to another community to do a project. Chairman Kessler addressed the Board and stated they met again in three weeks. Did the Board members want to put it off until October 7, 2019?

Mr. Lacasse said he could wait until October 7, 2019.

Mr. Lacasse also informed the BOS that he had gotten unanimous approval at the Planning Board meeting of July 9, 2019 meeting for the workforce housing project as well as at the Zoning Board of Adjustments on August 15, 2019 (see Planning Board and Zoning Board minutes from those dates).

Chairman Kessler addressed Mr. and Mrs. Lawrence Cote and asked if they had any comments or questions.

Mrs. Cote said that she would like to see the historical integrity of the building be respected and maintained. Mr. Lacasse stated that some of the funding is historic funding. It would have to be maintained. The renovation would also have to be in compliance with the National Park Service.

Mrs. Cote asked what would happen with the hydroelectric plant there. Mr. Lacasse said it would continue to operate.

Mrs. Cote asked, for clarification, the amount of land into Town that Mr. Lacasse would own. Mrs. Cote said she would like to see a walkway with walkway covered bridges along the property.

Mr. Cote asked for the square footage of the proposed apartments. Mr. Lacasse stated 750 sq.ft.-1752 sq. ft. Many were 1,150 sq. ft.-1,200 sq. ft.

Selectman Connell asked about the availability of site plans for the project. The Selectmen were directed to the Planning and Zoning Office on the first floor.

Mrs. Irwin had a final comment on the project. She stated there were some condominium units in Newport where the rules are very tight, there are restrictions. There are eight rental units in her neighborhood that are currently full; there is almost no place available in Newport that is desirable to rent to people with a moderate to low-moderate income.

On a motion by Selectman Connell, seconded by Selectman Fratzel; ***the Board voted to table the agenda item to the October 7, 2019 BOS meeting. The motion passed 4-0-0.***

Mr. Lacasse thanked the Board members for their time.

The following agenda items were taken out of order.

Solar Project Update: Town Manager Rieseberg stated he had been in touch with Norwich Solar. They were having difficulties with Eversource. Due to the decrease in electrical costs, Town Manager Rieseberg has asked them to lower the benchmark price (the current price is lower than Norwich Solar had projected). Mrs. Irwin asked Town Manager Rieseberg to share the financial information concerning the solar arrays with the school because they will be starting their budget season. Town Manager Rieseberg agreed to. Norwich Solar was also unsure as to whether the proposed solar array behind the WWTP would provide enough energy to run the WWTP.

Mr. Spaulding, Sr. asked if the citizens could be given a presentation (by Norwich Solar) showing a comparison between what the Town had been told they would get and what the Town is now going to get. Town Manager Rieseberg stated it could be done.

Mrs. Cote said that at the Airport Advisory Board in August 2019 Norwich Solar had given a presentation on the revised project. They had said that the array was going to be 25% of what was originally proposed. The representative stated that construction would start this fall and be operational in 2020.

Police Department History Book: Town Manager Rieseberg said that Mrs. Jayna Hooper had completed a book which chronicled the Newport Police Department entitled: "The Newport Police Department 250 Years". He wanted the Selectboard to see the book and complimented Mrs. Hooper on her dedication, writing and wonderfully detailed book.

Mr. and Mrs. Cote stated the police department history was now documented for future generations. They complimented Mrs. Hooper as a person and local author, praising her writing style. When asked, they gave locations the book could be purchased and stated the price was \$25.00.

Selectboard Retreat Recap: Chairman Kessler stated that the major focus of the September 12, 2019 retreat was the Capital Improvements Program (CIP). The Board focused on projected purchases of \$50,000 or more within the next twenty-five years (2019-2034). With a joint School/Town CIP the BOS hoped to stabilize the tax impact in the years to come. Chairman Kessler stressed that the CIP would not be a stagnant document, it would be looked at annually and changed as necessary.

An additional BOS Retreat would be scheduled to address future Town projects.

Construction Updates: Town Manager Rieseberg gave the following updates:

- ❖ The Main Street sidewalk reconstruction project will be completed by the end of September (2019).
- ❖ The reconstruction of the District Courthouse sidewalk will be completed by September 20, 2019.

❖ The completion of the Oak Street Bridge is proposed to be on October 4, 2019. There was a discussion among the Board members and Town Manager Rieseberg concerning a ribbon cutting ceremony at the bridge. A name and time for the bridge cutting was briefly discussed.

Superior Court Update: Town Manager Rieseberg stated he had nothing to report at this time.

**ACTION ITEMS:** Approve Fire Chief McCrillis' Appointment of Liz Emerson as Deputy Health Officer: On a motion by Selectman Fratzel, seconded by Selectman Wilmot; *the Board voted to appoint Ms. Liz Emerson as Newport Deputy Health Officer pursuant to NH RSA 128:6-a. The motion passed 4-0-0.*

Town Manager Rieseberg asked the BOS to sign the financial report for the Town before they entered into NPS.

On a motion by Selectman Fratzel, seconded by Selectman Connell; *the Board voted by roll call vote to enter into NPS pursuant to RSA 91-A:3 II (a)Personnel at 8:11 p.m. The motion passed 4-0-0.*

Present were Selectboard members Jeffrey Kessler, Barry Connell, Bill Wilmot and Todd Fratzel. Also in attendance was Town Manager Hunter Rieseberg.

The Board exited the non-public session at 9:03 p.m.

No action was taken.

*The Board voted unanimously to adjourn at 9:03 p.m.*

Respectfully submitted,



Maura Stetson  
Scribe

**The next regular meeting of the Board of Selectmen is scheduled for October 7, 2019 at 6:30 p.m.**

Approved on: September 30, 2019