

**City Council Workshop  
June 21, 2022  
Council Chambers  
6:42 PM**

**COUNCILORS PRESENT**

Councilor Beaudoin  
Councilor Berlin  
Councilor Desrochers  
Councilor Fontneau  
Councilor Gilman  
Councilor Gray  
Councilor Hailey  
Councilor Hamann  
Councilor Laroche  
Councilor Malone  
Deputy Mayor Lachapelle  
Mayor Callaghan

**OTHERS PRESENT**

Blaine Cox, City Manager  
Katie Ambrose, Deputy City Manager  
Terence O'Rourke, City Attorney  
Cliff Newton, resident  
human, resident  
Jean McInnis, resident  
Mark Sullivan, Deputy Finance Director

**Minutes**

**1. Call to Order**

Mayor Callaghan called the City Council Workshop to order at 6:42 PM. Deputy City Clerk Cassie Givara took a silent roll call attendance. All Councilors were present.

**2. Public Input**

Cliff Newton, resident, addressed Council regarding the proposal of residential development at the Granite Ridge. Mr. Newton also spoke regarding the public hearings versus public comment at meetings, as well as supplemental appropriations.

human, resident, spoke to the Council about emergency preparedness plans related to a potential nuclear event in Ukraine.

Jean McInnis spoke about traffic issues encountered on High Street with the construction detour and the safety risks to residents.

**3. Communications from the City Manager**

No Communication.

#### **4. Communications from the Mayor**

Mayor Callaghan reminded residents that the Lilac Family Fun Festival would be taking place on Saturday, July 9 from 4:00 PM – 9:00 PM at the Foley Community Center.

Mayor Callaghan reported that he would be assembling an ad hoc committee to discuss the money the City will be getting through the Attorney General's office resulting from the opioid settlement. The funds will need to be used towards opioid abatement. He asked interested Councilors wishing to serve on the Committee to contact him.

Mayor Callaghan asked Councilor Fontneau to give an update on the downtown parking Committee. Councilor Fontneau reported that the Committee began meeting in March and up to this point, they have primarily been information gathering and reviewing the work that had been completed in the previous parking study as well as local businesses and guidance from City Departments on the guidelines and requirements. Councilor Fontneau stated that the next step would be soliciting input from the public on their thoughts and concerns related to parking. Mayor Callaghan asked for quarterly updates in regards to the parking committee's progress.

#### **5. Update on current Strafford Regional Planning Commission projects**

Mayor Callaghan introduced Jenn Czysz, Executive Director of Strafford Regional Planning Commission (SRPC), summarized what the Strafford Regional Planning Commission does, which is primarily providing land-use, and environmental technical assistance. She explained that by statute, they also prepare a regional comprehensive plan as well as a regional housing needs assessment. SRPC is a metropolitan planning organization, which is a Federal transportation designation, and assists in developing transportation planning and investments. Additionally, Ms. Czysz stated that SRPC is an economic development district, which is another federal designation. She explained that Rochester has four commissioners and summarized their roles. She further detailed projects in which SRPC is involved within Rochester.

Councilor Desrochers referenced the assessments done as part of the Communities for Healthy Aging project that Ms. Czysz had mentioned. She asked if one of these assessments had been done for Rochester, and if so, if it was available for review. Ms. Czysz responded that there had been an assessment done for Rochester and that she would share it with those interested.

Mayor Callaghan asked if the SRPC had been involved with the Riverwalk. Ms. Czysz confirmed that staff at SRPC had been coordinating with the Riverwalk Committee.

#### **6. Presentation: TIF District**

Mark Sullivan, Deputy Finance Director, explained that he was presenting an updated version of his prior TIF presentation to clarify some information and answer some questions that had been posed. He said he would present an overview of the impacts of housing built outside of the TIF versus residential development within a TIF District. He outlined both the School and City net new construction value and how the total assessed value would decrease the tax rate; giving examples of how these numbers would differ if the development was within a TIF. Mr. Sullivan clarified that developments within the TIF pay tax on the full-assessed value and there

are no breaks. He stated that the difference is that the assessed value and any related taxation revenue is 100% retained by the TIF. Therefore, there would be no effect to the tax rate in either direction because all debt service and revenues are retained inside the TIF

Mr. Sullivan outlined several methodologies which could be utilized to mitigate any impact on City and Schools experienced from development within the TIF, and how they would prevent the City and Schools from absorbing these additional costs. He also went over other factors for consideration; including need for housing, current vacancy rates, and lack of demand for office commercial development. He also summarized some of the opportunities that could potentially be created at the Granite Ridge if residential development were initiated.

Councilor Gray stated that the TIF statute mentions “zeroing out” certain amounts and inquired if the building permits of any developments within the Rochester TIF Districts contained dollar amounts. Deputy Finance Director Sullivan stated that the permits do contain the dollar amounts of building permit value and net new construction; these numbers are just not allowed in the tax cap calculation to increase the amount to be raised by taxes on City and School.

Councilor Gray stated that the City Charter dictates how to calculate net new construction. He requested that the City administration review and report back with information on how they are able to use development in the TIF as new construction dollars. He asked if there was a provision in the state RSA regarding TIFs that allows the City to operate outside the verbiage contained in the Charter. Mr. Sullivan responded that RSA 162-A, the RSA referenced by Councilor Gray regarding TIFs, does not say anything about tax cap calculations; the tax cap is handled in the City Charter and Councilor Gray’s statements are correct. However, Mr. Sullivan clarified that the difference is the way the process was adopted administratively: because the assessed value is segregated away from the net value for new construction, the decision was made not to allow it to contribute to the tax cap calculation. This is primarily because of “commercial burden” being different from “housing burden” as well as the assessed value not being there to support it. Mr. Sullivan speculated that when the tax cap was written, it did not contemplate TIFs at all. Councilor Gray responded that he hoped that a section of the TIF RSA applies because otherwise he feels there is a conflict between the City Charter and the process currently being taken.

City Manager Cox said he would do further research and provide documentation for a future meeting. He recalled that when the TIF was first created in the early 2000s and the City was trying to determine the process, how it would factor into the tax cap, and how it would adhere to RSA 162-A. At the time, the City had consulted with the Department of Revenue Administration (DRA) for guidance. DRA had indicated that they did not have experience in this area and advised Rochester to develop a methodology. Rochester then approached DRA with the proposed methodology and the City was advised that what they had developed was adequate. City Manager Cox stated that he would see if he could gather this original documentation to show what was done when the TIF originated.

Councilor Fontneau asked if the presentation given this evening would be available. Mr. Sullivan said that both presentations given could be shared and posted on the City website as well.

Mayor Callaghan asked when the last commercial office building was constructed in

Rochester. Mr. Sullivan stated that the most recent commercial office building erected in Rochester is the building at 120 Washington Street, which was built around 2012/2013. He clarified that at the Granite Ridge specifically, 700,000 square feet was identified as office commercial space and there have been no applications received and nothing built under this designation.

**7. Department Reports**

Mayor Callaghan made a request to Chief Boudreau that, starting in July, he include information in the monthly department report regarding the police activity on Salmon Falls Road related to traffic enforcement and noise abatement. Chief Boudreau stated he would include the requested information.

**8. Non-Meeting/Non-Public**

**8.1 Non-Public Session – Land, RSA 91-A:3, II (d)**

No non-public session held this evening.

**9. Adjournment**

Mayor Callaghan **ADJOURNED** the City Council Workshop meeting at 7:41 PM.

Respectfully Submitted,

Cassie Givara  
Deputy City Clerk