



**LACONIA CITY COUNCIL
SPECIAL MEETING
JUNE 29, 2015
CITY HALL – CONFERENCE ROOM 200A
7:00 P.M.**

CALL TO ORDER:

Mayor Engler called the meeting to order at 7:00 p.m.

RECORDING SECRETARY: City Clerk Reynolds

ATTENDANCE: Councilor Ava Doyle, Councilor David Bownes, Councilor Henry Lipman, Councilor Brenda Baer, Councilor Robert Hamel, Councilor Armand Bolduc.

Mayor Engler noted that there are were six (6) Councilors in attendance and a quorum is established.

STAFF ATTENDANCE: City Manager Scott Myers

I. PUBLIC HEARING

Mayor Engler opened the public hearing at 7:02 p.m. with the notice being made in the Thursday, June 18, 2015 edition of the Laconia Daily Sun, at City Hall, the Gale Memorial Library, the Laconia Community Center and the offices of the Laconia School District.

Mayor Engler provided backup for those in attendance. The Belknap Economic Development Council (BEDC), through a wholly-owned limited liability corporation (LLC), has secured an agreement to purchase the Colonial Theatre buildings, comprising of the theatre, residential units and commercial store fronts totaling three (3) buildings, in Downtown. On May 26, 1025 the City Council met in non-public session to discuss the financing of this purchase and voted unanimously to support a resolution committing the City to the following actions:

- A loan would be made to BEDC for the price that will enable the sale to be closed in approximately 30 days; BEDC will pay interest only for a term of up to 18 months and the loan will be secured with real estate purchased.
- An interest-only loan to BEDC for an amount between \$2 -\$3 million that will help facilitate a closing on the Colonial Theatre restoration and renovation project will be made by the City in approximately 12 to 18 months. The term of the note will be seven (7) years and the real estate will secure the loan.
- After the renovation work is completed the City will become the sole tenant of the Colonial Theatre for the first seven (7) years and operate the facility as a civic auditorium with the City determining who uses it and at what cost, if any.
- The City will secure the option to purchase the auditorium from the BEDC at the end of the seven (7) year lease period for an amount equal to the face value of the note

for renovations. If the City declines to exercise this option the note will be due and payable at that time.

Mayor Engler further explained that RSA 33:3 authorizes municipalities to become financially involved, for the purposes of economic development, in public-private partnerships if the public benefit is found to outweigh any benefit accruing to a private party. The City Council commits to these actions with determination that the financial obligations incurred won't affect the amount needed to be collected in property taxes in any year to a point where the City's property tax cap would need to be overridden.

Mayor Engler asked former Mayor Rod Dyer for comment on behalf of the Cultural Arts Committee. Mr. Dyer also delivered a statement from Mark Primeau on behalf of Bank of New Hampshire in favor of the proposal, attached herein.

Mr. Dyer reviewed the Colonial Theatre Needs Assessment, dated December 31, 2010, at which time several determinations were made, attached herein. Mr. Dyer also reviewed how the dynamics of Downtown Laconia would change from the Colonial Theatre renovation, attached herein.

Mayor Engler thanked Mr. Dyer for his efforts and comments. Chairman of the Board of Education Joe Cormier was asked to comment from an educational perspective. Chairman Cormier expressed the need for a larger auditorium space because the high school is the only space in the City, which is far too small and cannot accommodate the needs of the community. The civic auditorium would allow for the community, educational programs, and the City to have a place that is used and needed in the City. Mayor Engler thanked Mr. Cormier for his comments.

Mayor Engler called for general comments from the public from a list of those signed in to speak. The following spoke in favor:

Mary Diver (49 Parker St) is the Director of the New Horizons Band of the Lakes Region. M. Diver commented that this would be a fantastic place to open up to local performing groups and to have art displays. M. Diver feels that a civic auditorium would bring other business back to Downtown, as has happened in other communities.

Melissa Bigler (7 Wildwood Rd) stated that she appreciates what the Colonial Theatre will offer to the community, not only to the business endeavors it could help create, but to the theatrical community. This will bring the community together and the possibilities are endless.

Alfred Columb (114 Hickory Stick Lane) commented that this is some of the greatest news he has heard in a long time for the City. A. Columb feels this would be a real "shot in the arm" for the Downtown and will encourage nightlife and activities with musicians on the streets. The Town of Meredith has a television advertisement enticing people to come for the theatres and the City could be doing something similar. A. Columb thanked everyone that has been working on this and acknowledged that there is a lot of work to come.

Debbie Frawley Drake (94 Baldwin St) stated she is very excited to see this happening, having been a former business owner in Downtown and seeing the impact the closing of the Colonial Theatre has had on the economy. There is a positive sense for Downtown with the new businesses opening and this is another great happening.

David Stamps (20 Pine Brook Lane) commented as one of the original founding members of the Laconia Main Street Initiative that the Colonial Theatre has been on the top of the list every year and many shots were made to have this happen but no one gave up. D. Stamps added that the day after this was announced you didn't have to say what you were smiling about. The biggest benefit of this will be intangible and will help the City move forward spiritually with the heart being put back into the Downtown rather than the cancer in there soul. If the Colonial Theatre hadn't been saved it would have needed to be torn down in time.

Kate Bishop Hamel (Belknap Independent Business Alliance - BIBA) expressed that BIBA supports the City in its efforts to loan BEDC funds in its efforts to purchase the Colonial Theatre as a public benefit for our community.

Pam Clark (191 Sandhurst Dr) commented that four (4) years ago she posed a challenge to the City to get the Colonial Theatre up and running again and she is happy to see that it is going to happen. P Clark, on behalf of the Laconia Historical and Museum Society and the Laconia Heritage Commission, offered support of both organizations and noted that the press conference was emotional for her to watch.

Jessica Alward (36 Emerald Dr) commented on behalf of the Streetcar Company Community Theatre, which is the longest continually running theatre group in the Lakes Region and has offered productions for over 40 years. Over the last 40 years the Streetcar Company never had a permanent home but was fortunate to have performance spaces at the Garden Theatre and Laconia High School. A few years ago performances were moved to the Interlake's High School Auditorium because it could accommodate the Company. The Streetcar Company wants to be a Laconia based group and showcase talents in Downtown Laconia. The renovation of the Colonial Theatre will provide for all entertainment and arts genres and will provide for an anchor in Downtown. The Board of Director of the Streetcar Company highly favor the plans for the Colonial Theatre and pledge there support in time, talents, and funding.

Matt Lahey (48 Cottonwood Ave) congratulated the Council and BEDC on pulling this off. When M. Lahey was on the Council there was always talk of revitalization and the definition was tossed around; this Council has made that definition by making the statement that sometimes a project is so big and beneficial to the City at large that the collective resources of the City need to be called upon to make it happen. This is big for all of the reasons that have already been said and this is one of the biggest happens to the City in a while.

Steven Bogert (21 Spruce St) commented that this was a very good idea and this is going to be a key to the development of Downtown. It was noted that there is housing with the Colonial Theatre buildings and this needs to be considered as well. S. Bogert thanked the Council for pulling it off.

Michael Persson (43 McGrath St) is in strong support of the project and the economic development as a local business owner. One of the points previously made was regarding housing and those above the Colonial Theatre are some of the worst in the City. M. Perrson added that this is a concern for the United Way, for which he serves, and the renovation of those units can attract people who can spend in Downtown.

Sean Sullivan (16 Gale Ave), as the past Chair and current Treasurer of the BEDC, thanked the Council for all of the support for this project. S. Sullivan noted that there was an editorial article in the newspaper this morning in opposition of this project with several inaccuracies about the details of this proposal. The BEDC purchase of the property will not remove it from the taxable

property because it will not be used for a charitable purpose as a 501 (c) 6 organization; the renovation of the property will actually increase the value of the property and will take the burden of the cost of renovation off of the tax payers of the City. S. Sullivan added that there are hopes that this will encourage further development in the Downtown area and the public benefit far outweighs any risk the City may have with this proposal.

Dorothy Duffy (47 Whipple Ave) commented that she is in total support of the Colonial Theatre opening again. D. Duffy has been active in many groups in the City and each time the Colonial Theatre is a topic of discussion. With many theatres opening in other cities in the State it is needed for the City to have one as well so performers can be attracted to the area. In regards to the Putnam Fund needing a place to hold shows, D. Duffy commented that she has been turned away because the Laconia High School auditorium was at capacity and in her opinion this is pathetic. D. Duffy added that the Colonial Theatre is also a historical building and it is delighting that this one can be saved.

Robert Sawyer (520 Main St) stated that for more than four (4) decades his life has revolved around Downtown Laconia and this is the biggest and best thing that has happened in that time. R. Sawyer thanked the Council and everyone else in the room for moving forward and he cannot disagree with anything said this evening. Regarding the public purpose, R. Sawyer said that it speaks for itself because watching how society is developing this can only be done with the City's help.

John Moriarty (600 Main St), speaking as a resident, business owner and the President of the Laconia Main Street Initiative, commented that he spent a third of his life trying to do what the Council has done, and the Council made it appear so effortless, therefore he tipped his hat off to the Council. J. Moriarty added that it is the strong belief of himself and many others that there is a strong public benefit to this proposal and distributed written correspondence from those he has reached out to today regarding the proposal. J. Moriarty closed by quoting former President John Adams.

Matt Soza (19 Bowman St) commented that it was a sad day when the Colonial Theatre was shut down and he is thrilled to feel the opposite tonight. M. Soza added that this proposal has public benefit beyond anything imaginable. The cultural scenes happening in this community and they can be highlighted by this stage and facility.

Warren Clement (1480 Old North Main St) congratulated the Council and BEDC and thanked them for the vision, sense of community and jobs this project will bring.

Paul Fitzgerald (1376 Old North Main St) stated the Council should savor tonight because the citizens have lined up to thank them for their efforts. P. Fitzgerald commented that the public benefit is obvious and the intangible benefits, the largest one being the positive attitudes created with a sea of change happening. The citizens have been waiting for the lead and the Council has given it to them.

Jim Daubenspeck – Daub's Cobble Shop (24 Canal St) stated that he is very excited to see what is going on and as a new building owner in Downtown he is grateful. When J. Daubenspeck was faced with having to move he went to several communities in and out of the Lakes Region and logic told them they could go to any other community and be successful. They wanted to be part of Downtown Laconia and he is committed to spending the rest of his career in Downtown. J. Daubenspeck spoke of his excitement for the community and extended a job well done to the Council.

Mark Warren (Beacon St E), representing Grace Capital Church and the Master Plan Advisory Committee, stated that he came into the City as a learner and listener and found that the City is unique and beautiful. He has also learned that there is a sense of hopelessness when efforts have been trying. When the decision was made M. Warren noticed a change of the heart because there is now a feeling of a new beginning for the City. M. Warren commended the Council for giving belief back to the people of the City.

Pat Wood (717 Shore Drive) commented that this is an exciting opportunity, and as the Chair of the Downtown TIF Advisory Committee stated they are prepared to help in any way possible to see this project move forward. Chair Wood has been involved with Downtown since he moved to Laconia and it is the heart and soul of the City. The Council has made significant achievements over the last 15 years and this is the crowning glory of those achievements.

Mike Seymour (67 Brian Lane) stated that anytime you venture into a decision like this it comes with a greater amount of deliberation and discussion, and having worked alongside many of the Councilors during his terms as Mayor, M. Seymour is confident the due diligence was put forward to do this and it is greatly appreciated. As a reminder to the community, M. Seymour stated that this may be a catalyst to move things forward in the City it is not the only thing or an end-all savior; this is where it all begins and the reactive nature of looking to the future and adding stability to the City.

Charlie St. Clair (39 Messer St) thanked the Council for taking this step on behalf of his parents and others that are no longer here because they would be thrilled and proud that the City is taking this step. It is a win/win situation and the Council is stepping up.

Karen Barker (Lane Rd) thanked the Council for the work they have done, especially given how difficult these discussions have been in the past. K. Barker expressed that this building is an eyesore and something needs to be done so this is a good option. K. Barker does have concerns with long-term viability and understands it will take time to work out the logistics but a use of the building to make it sustainable is the responsibility of the entire community. K. Barker would also like to see, to the greatest extent possible, that local businesses are used as much as possible to keep money in the community, as well as the assurance that this is going to remain a civic auditorium and not become a money maker for someone else after the community has made so many efforts to save the building.

Mike Kepler (Tilton) spoke on behalf of his family, with his wife being from Laconia. M. Kepler noted that he went to the Colonial Theatre 20 years ago and saw "Mission: Impossible" which is rather coincidental because the Council and BEDC has made the Colonial Theatre a "Mission: Possible".

The following signed in favor but did not choose to speak:

Shirley Richardson (130 Endicott St N #522)
Becky Guyer (194 Woodman Rd, Sanbornton)
Lynn Dadian (134 Pease Rd, Meredith)
Raelyn Cottrell (PO Box 547, Gilmanton)
Meredith Horton (131 Pine St)
Beth SanSoucie (53 Harvard St)
Suzanne Perley (125 Hickory Stick Lane)
Catherine Holt (725 Shore Dr)
Judith Buswell (20 Pine Brook Lane)

Scott Alward (36 Emerald Dr)
Aaron Witham (548 Belknap Mtn Rd, Gilford)
Hillary Ayers (53 Wood Dr, Gilmanton)
Mike Koepfer (44 S Windy Rd, Tilton)
Robert Legasse (91 Warren St)
Debbie Bolduc (67 Fairview St)
Katherine Smith (12 Pleasant St #22)
Jeanne Compton (2 Pleasant St)
Mary Jane Hoey (25 Brian Lane)
Tony Felch (189 North St)
Karen Sullivan
Emily Clement (36 McGrath St)
Kevin Sullivan (84 Shore Dr)
Jane Wood (717 Shore Dr)
Nancy Rousset (46 Pendleton Beach Rd)
Nicole Fernandez (29 Penny Lane)
Chris Fernandez (29 Penny Lane)
Valerie Kimball (22 Addison St)
Karl Kimball (21 Addison St)
Sharon Walden (449 Shore Dr)
Cari Ordway (18 Clark Ave)

Mayor Engler listed the following having written in to either the Mayor or the Laconia Main Street Initiative; all are available herein:

Penny Pitou, President (Penny Pitou Travel)
Kathleen & Brad Brown
Tim Cameron, Master Photographer (Achber Studio)
Thomas Selling (1315 Old North Main St) – in favor of the project but not the financing by the City
Stephen Wainwright (16 Race Point Rd)
Betty Anson
Melissa McCarthy, Owner (The Studio, 50 Canal St)
Bob Selig
Dean Anson II

With no other members of the public wishing to speak Mayor Engler closed the public hearing at 8:11 p.m.

II. Council Comments

Councilor Doyle commented that she feels this is a bright light in the middle of Downtown and noted that a friend in Indiana sent her a note regarding this and she is proud that this is making waves in the middle of the Country.

Councilor Bownes stated that this is the best Council meeting he has ever been to and thanked the people that came out to speak this evening. Councilor Bownes was an early attendee to the Colonial Theatre and he is humbled to be a part of the Council that is going to make this happen; the public benefit has been spoken of many times.

Councilor Lipman thanked the BEDC because without their efforts. The economic aspect of this project is unique because the loan is not spending because the funds are reserves that are not going to have an impact on the tax base, and in actuality the interest paid on the loan will possibly net more. Councilor Lipman added that the City should not be left aside and they should join the other communities that have utilized tax credits to turn their communities around. The partners involved make this project forward moving and an accomplishment on an economic, cultural and historical standpoint.

Councilor Baer commented that she has been on the Council for 10 years and when her original objective was to see Downtown revitalized. The process has been discouraging and in 2010 she had the feelings that it was the end of the line for the Colonial Theatre. Councilor Baer thanked the people behind the scenes – BCED and its members, Councilor Lipman, Mayor Engler, the Cultural Arts Committee, the Laconia Main Street Initiative, and the merchants/residents that have stuck to it and helped this happen. The Colonial Theatre is a catalyst and everything will come back.

Councilor Hamel thanked everyone for coming and giving the Council input. Being a theatre lover with his wife, Councilor Hamel has traveled to many theatres, near and far, to see shows and productions; it will be nice to be able to walk to Downtown and see a production. With the Huot Center project, in conjunction with the stadium project, Councilor Hamel worked with Chairman Cormier and former Mayor Lahey; watching the fundraising that happened and to see the community come together was amazing. Councilor Hamel doesn't see any reason why this can't happen with this project. For the last 10 years he has been on the Council there have been efforts to make this happen and it is nice to see this happening.

Councilor Hamel added that if this had been proposed as a public project, he would not have been able to vote for it. With the public-private project and the financing that came together to make this happen, in conjunction with the meaning to the community, it is not something that can be voted against. It will benefit Downtown, the past attendees and a great place to give younger people an opportunity to see what theatre really is.

Councilor Bolduc has attended productions at every theatre in the City and has been serving 32 years on the City Council. The Colonial Theatre has been brought forward four (4) times during his service on the Council and it is finally going to happen and the credit goes to the BCED and the City Manager. Councilor Bolduc cannot wait to see the project complete and he hopes that the Garden Theatre will be next on the list. Councilor Bolduc thanked everyone for coming and encouraged everyone to come to more meetings of the Council.

III. Proposed Resolution

Mayor Engler repeated that RSA 33:3 allows for municipalities to become financially involved in public-private partnerships for the purpose of economic development so long as the public body has determined that there is a public benefit to outweigh any benefit accruing to a private party. The answer in this situation is obvious and there will be several non-profit organizations involved, including a 501 (c) 3 entity that will be involved in this process. Mayor Engler stated that the bottom line here, in terms of the public involvement and operation of the auditorium as a civic auditorium, is that this decision was made together by the elected officials of the governing body and it is being determined that the operation of this theatre as a civic auditorium, in the same manner as the City would operate and maintain other publicly owned, is a benefit to every resident of the City. Mayor Engler respects those that disagree but feels the vast majority of the public supports this proposal.

A resolution was presented to the Council. Discussion was had regarding some language and the resolution was modified to remove a section stating only non-profit organizations could be involved in the seven (7) year ownership of the property. By having this clause it could remove the flexibility to have profit organizations involved which could exclude the ability to obtain certain tax credit.

Councilor Bolduc moved the following:

WHEREAS New Hampshire RSA 33:3 expressly authorizes municipalities to issue bonds or notes for purposes of economic development, which shall include public-private partnerships involving capital improvements, loans and guarantees; and

WHEREAS the Laconia City Council did on May 26, 2015 commit to loan a limited liability corporation (LLC) formed by the Belknap Economic Development Council (BEDC) for the purpose of purchasing the three (3) Colonial Theatre buildings in Downtown Laconia a sum of up to \$1.5 million for up to 18 months; and

WHEREAS BEDC has secured a purchase and sales agreement to gain title to these properties for the sum of \$1.4 million; and

WHEREAS a closing on the Colonial Theatre properties is expected to occur no later than July 17, 2015; and

WHEREAS it is considered vital to the economic vitality of the Downtown area and the overall City that this historic property be renovated and put to productive use; and

WHEREAS the City has a clear need for a first-class, general-use auditorium space; and

WHEREAS BEDC has committed itself to spend approximately \$13.2 million renovating the Colonial Theater properties; and

WHEREAS the Laconia City Council did, on May 26, 2015, commit to lease a renovated, 800+ seat, Colonial Theatre auditorium from BEDC for a term of seven (7) years; and

WHEREAS the Laconia City Council did, on June 29, 2015, hold a public hearing for the purpose of allowing residents/property taxpayers to testify on the subject of whether the purchase and renovation of the Colonial Theatre properties would result in a significant public benefit.

Now therefore be it resolved that on the 29th day of June, 2015 the Laconia City Council finds the public benefit in a public-private partnership involving the purchase and renovation of the Colonial Theatre properties outweighs any benefit accruing to a private party.

Seconded by Councilor Baer. **Vote was 6-0 and the motion passed.**

ADJOURNMENT

With no other business to come before the Council the meeting was adjourned by Mayor Engler at 8:36 p.m.

Respectfully Submitted:

Mary A. Reynolds
City Clerk