

Bill Greiner

12 Aspen Lane

Bedford, NH 03110

For 206 Route 101 Realty

August 20, 2018

Bill Foote and Bill Kassler

Bedford School Board Facilities Committee

Good afternoon Bill and Bill,

I wanted to offer this letter to you for consideration regarding our proposed Bow Lane Development.

Our current plan calls for 120 apartments which would be done in accordance with the Town of Bedford's workforce housing regulations. Thirty units would be designated for workforce housing (people who work and have an income of under \$45,000 per year. The balance of the units would be market rate units.

We are also looking to redevelop the former Shorty's location which is a part of this roughly 8 acre parcel. As part of this project we need sewer and water, and we are proposing to connect to it via the Bedford High School and Ross Lurgio property. Connections like this are very commonplace in Bedford and other communities when utilities are present on Town and/or School properties. In most cases there is nothing required to a municipality other than connection fees which are assessed by the sewer or water enterprise districts based on formulas. That said, we are prepared to offer a few benefits to both the Bedford School District (BSD) and the taxpayers of Bedford in return for allowing us to access these utilities off of the School property. We feel it is important to make this a very transparent process, we are asking the Bedford School Board to simply

consider our current request in the context of what we are offering relative to the Bow Lane Development Project.

The apartments (114 units is the breakeven point for Liberty Utilities; they have to adhere to a Tariff formula for improvements which they make and fund using their funds as opposed to having end users pay these costs) would generate enough demand to justify Liberty Utilities to bring natural gas down County Road and connect McKelvie, the SAU building, the sewer pump station, and Bedford High School/Ross Lurgio School (BHS/Lurgio) at no cost to the District. The capital cost for this is in excess of \$1,000,000, and thus the reason it has never been able to be done. Having natural gas at McKelvie, BHS/Lurgio has always been a long term desire for the BSD, but the substantial price tag has prevented that from happening. The benefit to the BSD and taxpayer would be substantial; these school buildings will save hundreds of thousands of dollars in operating costs, going forward between what is paid today for #2 fuel oil and what would be paid for natural gas.

What we are asking:

1.) We would like to connect to the sewer lines at the Bedford High School/Lurgio property so that we can pump from our site (and other area properties who would like to connect through our site as well) to the pump station on Nashua Road. In order to do this we need permission from the Bedford School Board since the District owns the pipes on its property.

We'd be looking for an easement that would extend from the current fixed sewer line endpoint, by the BHS field snack shack, crossing the Lurgio staff parking lot and exiting to our abutting property. We would pay for your legal expenses to create a mutually agreed easement. We would either work out an agreement with the town to meter our flow, or absent such a deal, install a meter to allow us to subtract our flow from your metered flow, and pay you for our contribution to the total sewer charges, directly.

2.) We would also like to connect with Pennichuck Water through the water lines on the BHS/Lurgio school property.

We'd be asking for an easement to connect to the Pennichuck line that wraps around the Lurgio side of the building. Our connection would cross the driveway and exit to our abutting property. We would be paying the legal costs to create that easement.

Pennichuck has stated they are willing to take over 'official' ownership of the water lines on the school property, in order to expand to our site as well as others in and along Route 101. This may be nothing more than an MOU, seeing that Pennichuck already operates those lines. We would be paying the legal costs to reach that MOU.

3.) Should the planning Board approve the Bow Lane Project's density variance, and we can build 115 apartments Liberty Utilities has agreed to construct a gas pipeline to service the SAU building, McKelvie Middle School, BHS/Lurgio and the development needs of the Apartment project.

An easement for much of that line will be created by the Town of Bedford, as the line parallels County Road. When it meets the BHS/Lurgio property, an easement will be needed to send the line approximately across the lower parking lot, parallel the walking path, across the back BHS staff parking lot, under the green space between the parking lot and circumferential roadway, and exiting to Chestnut Drive. We would be paying the BSD legal costs to create that easement.

4.) The support of the Bedford School Board to the Bedford Planning Board, supporting a 120 apartment design, versus our 'by rights' ability to build 115 apartments.

A short letter to the Planning Board would be enough.

What we are offering:

It is our goal to insure that the Bedford taxpayer does not bear any burden from this development.

First, we would contribute up to \$100,000 to the District to cover the costs to the BSD of this project. That amount should be well in excess of the amount needed to convert burners for natural gas, at McKelvie and the SAU offices, and to cover the legal expenses that this 'ask' creates.

Second, we would be willing to construct a sidewalk from Bedford High School to Route 101 along Chestnut Drive, and we are willing to straighten out the curve on Chestnut Drive to allow for better and safer access to the property for emergency vehicles. The combined cost for these is in excess of \$100,000 and the benefits are reaped purely by the District.

We are proposing this connection for our project through the school site as it is the easiest and most efficient route. It is, however, not our only option. We do have the ability to connect to sewer and water from Nashua Road. It is a longer, more costly run for the lines, and if we end up going that route, we would expend the resources on that which we have set aside for the parking lot, sidewalks, and roadwork. Moreover, if we go that route we would not opt to bring natural gas to the site as there would be additional trenching costs which we would be required to cover and we are not in a position to add those costs to our project in this scenario. That is not to say that the Bedford School District couldn't elect to pay roughly \$1,000,000 to bring gas to these sites; they certainly can do that anytime they wish. But without the end demand generated by the apartments, Liberty Utilities will not make the investment (they are restricted by their tariffs as to how much they can contribute to run gas lines and it is based on end demand).

Sewer capacity, when those lines were built for the BHS/Lurgio complex, was designed for expansion and to support development to include commercial and

residential properties. In the spring of 2011, there was a meeting with Tim Mayes, myself, Town Officials, and other business owners about connecting to sewer in the exact same manner as we are proposing today. And in fact, Tim, in an email from April 5, 2011 stated that the School Board supported this. The Town of Bedford, via the Bedford Sewer District, buys additional sewer capacity from the City of Manchester and there is more than enough extra capacity for sewer in Bedford to handle our project, future commercial expansion on South River Road, and another school or two should the District need to build at some time in the future. It is the same excess capacity we would be tying into whether we got a sewer connection from the School District or off Nashua Road. There is no impact to School sewer capacity in either scenario.

The apartment project we are proposing is a “use by right” which means we are permitted for this and approval from the planning board will be very straight forward. We are currently seeking a density variance to enable us to build 120 units (we need 114 in order to generate the demand for the gas line which would benefit the District and taxpayers). If we do not get the variance, we will simply tear down the former Shorty’s building and that part of the site will permanently remain vacant, and that land would be added to our density calculation and that would mean we could build 115 apartments without a variance and by right, and it would be a smooth and efficient planning process. The downside to this is that Bedford would lose roughly \$1,500,000 in assessable property which means a loss of over \$30,000 in tax revenue. We are fully prepared to do this if necessary in order to get the density we are seeking. We don’t need permission from the Town to demolish the former Shorty’s building and therefore increase the number of apartment units we can build; all of this is a “right” of development and it is the role of the Planning Board to govern this process.

It is our intention to mirror the workforce housing project behind Copper Door on Bow Lane. That is a mix of 1, 2, and 3 bedroom units. Based on the financial modeling that we’ve done, if we end up running utilities from Nashua Road to our site, we are looking at almost no 1 bedroom units; instead we would have roughly 30% each 2, 3, and 4 bedroom units to bring in the rents to defray the additional capital costs for sewer and water. Again, gas is not an option nor a desire for us in this scenario and we will not engage Liberty Utilities to work with us.

The apartments, we believe, would be revenue neutral or positive to Bedford, just as the ones behind Copper Door are today. That aside, there are impact fees we have to pay to both the Town and the School District upon approval. The District would receive \$320,000 in impact fees which it cannot use for its operating budget but which it can use to pay down existing bonds. The Town would receive \$90,000 for its share of recreational impact fee.

So let me summarize our “ask” and what we are offering:

- We would like to connect to the sewer and water lines which are on the BHS/Lurgio property
- We are offering to work with Liberty Utilities to bring natural gas to McKelvie, SAU, and BHS/Lurgio at no cost to the District.
- Support from the District at the Planning Board for the full 120 apartment count.

For those considerations, we are offering \$100,000 to the District to use for conversion costs as well as any other needs it deems appropriate.

We are offering to construct sidewalks from the back of the BHS/Lurgio property down Chestnut Drive and connect to the ones along Route 101.

We are offering to straighten the curve in Chestnut Drive so that emergency vehicles and buses could access the site as a second means of egress should it be necessary to do so.

There are impact fees which would come from the approval of the apartments so, while that is \$320,000 to the District, we are technically not offering it to the District as these monies will come as a result of our development per site plan regulation.

Let me know if you would require further information from me.

Sincerely,

Bill Greiner