

Nottingham Select Board Meeting
11/23/20
Official Minutes as of 12/28/2020

1 Call to Order

2 Members Present: Chair Ben Bartlett, Vice Chair John Morin, Tiler Eaton, Tony Dumas, Donna
3 Danis

4 Absent:

5 Others: Chris Sterndale, Steve Soreff, Brian O'Brien & Chris Norwood from NAI Norwood
6 Group, Charlene Anderson

7 Chair opened the meeting at 6:30pm with the Pledge of Allegiance.

8 Route 4 Property Sale Process

9 Mr. O'Brien thanked the BOS for reviewing NAI Norwood Groups' proposal for marketing the
10 former USA Springs Facility. Mr. O'Brien introduced himself as the Managing Broker of their
11 Portsmouth NH office and Chris Norwood as the President of NAI Norwood Group.

12 Mr. O'Brien felt their two offices could provide attention to the facility; they are experienced and
13 have been around for over 50 years; the Portsmouth office for 12 years. Portsmouth's five
14 person team handles Commercial Real Estate, each broker has a minimum of 10+ years'
15 experience, Mr. O'Brien said he has over 30 years. They handle all aspects of Commercial Real
16 Estate. Mr. Norwood lives on the Seacoast and has traveled many times past the parcel. He
17 feels they are a good fit for the property, highlighting their frequent state and municipal work;
18 The Cities of Concord and Nashua are current clients, also The State Department of
19 Transportation and Department of Employment Security. Former clients include the City of
20 Manchester's Economic Development Office and Admin Services Office. They are very keen
21 on the different levels of reporting and transparency that are required in a public domain setting.

22 Mr. Sterndale asked Mr. O'Brien what their perception of the property would be or what the
23 target market would be; what does that asset look like to the market? How would you approach
24 the sale? Mr. O'Brien stated they had not walked the structure, has anyone conducted diligence
25 on the pad and/or frame, or are those portions depreciated? Mr. Sterndale confirmed no
26 investigation and acknowledged the depreciation: no floor, just the beams and the roof, roof is
27 failing. The beams may be salvageable.

28 Mr. O'Brien said the most active sector right now is Industrial, there is a shortage from the
29 Seacoast out concentrically, the vacancy rate is under 3%, the largest shortage is building and
30 available space. Much is due to the retail standstill and other commercial uses. From a
31 marketing perspective, this is a large parcel for the area. The difficulty is the Nottingham
32 demographics (vehicles, rooftops) making it a tougher sell in a slower market. Mr. Norwood
33 said construction prices today are very high and the target market would be owner occupants.
34 Examples are 50% anchor tenant builds around the Airport. There is also a chance of an owner
35 who may see value in being able to occupy and improve infrastructure, drainage, and then sell
36 off smaller parcels. He repeated target markets would be owner occupants, and then land
37 developers.

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38 Ms. Danis said there is a negative history to this property; does that change your approach? Mr.
39 O'Brien said it doesn't bother him, they would reposition it, would not refer to it as "The Former
40 USA Springs Property" instead marketing it as a "bulk land opportunity in a growing area".

41 Ms. Danis asked if there was no pandemic, what might be a time frame to sell this property? Mr.
42 O'Brien said they look for at least a 12 month opportunity. He pointed out weather conditions,
43 getting people to the site, any due diligence, much of it is timing, but 12 months is typical. If it
44 got to 9 months they may extend it. Mr. Norwood confirmed it may be a long task as far as
45 timeline is concerned. The other component, beyond identifying the buyer, are entitlements
46 (surveys, etc.) needed for closing beyond that time period.

47 Ms. Danis asked what would be their recommendation for the cell tower? Mr. Norwood asked if
48 the land owner receives the benefit of the lease, or has the lease been sold off? Mr. Sterndale
49 said the Town holds the lease and must provide access; the tower hardware is taxed separately.
50 The Town may either reserve the land to the town from a sale or include it in the sale of the
51 parent parcel. The leaning is to monetize it through a sale of the parent parcel. The lease was
52 just renewed last year for 30 years. It creates good revenue.

53 Mr. Norwood asked if revenue goes to the Municipality. Mr. Sterndale confirmed yes.

54 Mr. Norwood said Norwood is a Member firm of NAI Global offices worldwide, one California
55 office, NAI Wireless Capital, deals with cell towers. They may have them look at the income
56 stream, and what value if disposed. Income from Cell Tower from 30 year lease could be
57 significant, perhaps higher than the balance of the value of the land, although this summary is an
58 observation early in the process. Mr. O'Brien stated there is an intense demand for cell tower
59 investments and they sell at a low capitalization rate. That should be explored more. It would
60 work in favor of the property, to offset tax or development cost to a future buyer. It is a positive
61 attribute to the property. Mr. Norwood said often it depends on who they will monetize the cell
62 tower to. Some holding companies acquire cell tower sites; they apply easements to the land and
63 access to it and that's it. They don't want the land. This should be part of the discussion.
64 Should the town have single sales or multiple sales regarding the cell tower?

65 Mr. Dumas said his first question, the sales strategy, had been addressed. How would this
66 property be used, that wouldn't throw up any red flags for the residents; make it an easy sell?

67 Mr. Norwood says the cell tower changes the history and the target audience. It opens up to
68 passive investors. The best uses for the community depends on zoning, but the cost of land there
69 will be lower than on the seacoast or toward route 101. A user that would need yard space for
70 materials, a storage warehouse, a passive capacity. More diligence would be needed on this.

71 Mr. O'Brien said he quickly looked at the zoning, the spirit of the ordinance is commercial in the
72 front and industrial type uses in the back portion of the parcel. He agrees with Mr. Norwood that
73 land costs are exorbitant – this will be perceived as a much lower cost option. Mr. Sterndale
74 asked if they had ideas of use with more taxable value, yard space doesn't generate much tax
75 revenue. Mr. O'Brien said yard space is multiple or with a large building with an accompanying

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76 yard area. Carve off the in the front of route 4, maybe some commercial use? Those markets are
77 difficult right now. Industrial properties are the greatest demand.

78 Mr. Norwood said the old rule of thumb was 10,000 square feet of building for every acre for
79 Industrial. A 10,000 square foot building ideally would be on a couple acres. If you want to
80 drive up revenue, maybe multiple buyers and develop multiple sites? Zoning and infrastructure
81 would need to be reviewed. They are currently working with the City of Nashua on 44 Broad
82 Street, it was taken by eminent domain, it was zoned industrial, but the City got a variance and
83 rezoned it to commercial use prior to listing it for sale.

84 Mr. Dumas said this stretch of highway is zoned commercial/industrial and was made so in 2019.

85 Mr. Sterndale confirmed 2019. Mr. Sterndale said the zoning isn't so much an obstacle as how
86 the town acquired it through tax deed. Carving it up may be tricky but it is worth discussing.
87 Lot lines could be moved. There may be some legal work involved. Mr. Norwood said the
88 above items are the Town's value-add – up front consultation that is needed prior to sale. The
89 cell tower, moving lot lines, their value-add as consultants when hired and prior to bringing it to
90 market.

91 Mr. Bartlett said the main objective is to recoup the taxes that are owed. The rest would be
92 gravy. Mr. Dumas said anything we get over taxes owed must to go to the prior owners and
93 posed the question to Mr. Sterndale. Mr. Sterndale said he doesn't believe we are in danger of
94 making more than is owed in taxes. If that is the case, we would, but he doesn't believe for what
95 we think is the value of the property.

96 Mr. O'Brien asked if the Town would be in a position to offer any incentives; tax, capped,
97 municipal financing? Mr. Sterndale said we haven't found anything yet that applies, the Board
98 would be open to anything that fits.

99 Mr. O'Brien asked if there's been any interest yet? Mr. Sterndale said some interest.

100 Mr. O'Brien asked if any conceptual drawings or engineering done to show use scenarios?
101 Anything engineered to show concepts and to help market? Ms. Danis said we haven't but that
102 is an interesting point. Mr. Norwood mentioned for 44 Broad Street, Nashua had a concept
103 drawing of a bank drive-through done gratis to show options. A concept can be more beneficial
104 than a full narrative.

105 Mr. Dumas asked if NAI Norwood has had any issues marketing a contentious property such as
106 this?

107 Mr. Norwood said he hesitates as he is currently working on some that have had 'bad pasts' but
108 one sale - the former Allied Tannery site in Penacook- was for the City of Concord. There were
109 contaminants in the ground that were encapsulated and a list of things done to protect the new
110 owners. They rebranded it Penacook Landing. A plan for fifty four workforce housing units is
111 now in place, and the development of Phase One just started.

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112 Mr. Dumas asked if they would rebrand this? Mr. Norwood said yes, but it may be the last thing
113 needed for this parcel; first decide your plan. What are the main goals? One large lot sale?
114 Selling it piecemeal? Selling the cell tower? That will drive any rebranding.

115 Mr. Eaton said one of the problems at the site is lack of municipal water or sewer – will that
116 affect the type of buyer that is brought in? Mr. O'Brien said it is a large parcel, much land to
117 work with to get around those concerns, confirmed any industrial use would prefer public water
118 and sewer availability. It may be a slight pediment, but not much.

119 Mr. Norwood said sewer is not as critical for industrial use. The other concern may be a
120 sprinkler system – the cost to install a system in a building to meet codes, a large cistern would
121 be costly. That is a large hurdle cost depending on the buyer. Ms. Danis said the answers have
122 been extremely helpful.

123 Charlene Anderson asked via an online chat the cost of a large cistern – Mr. Norwood said
124 approximately \$200,000 or \$300,000 – that includes the sprinkler lines, and cistern. There are
125 companies that specialize in installations. Mr. Dumas agreed it's best worked into an initial
126 build than to retrofit.

127 Mr. Bartlett asked if there were questions and thanked Chris and Brian for meeting with the
128 Board tonight. Mr. Norwood and Mr. O'Brien thanked everyone for their time.

129 **Other Business**

130 Mr. Bartlett spoke about the passing of Peter Bock in the fall; thanked him for his time serving
131 the town of Nottingham as a two term selectman and condolences to his family. Ms. Danis
132 spoke of what a great and kind man he was.

133 **Mr. Dumas made a motion to go into non-public session under RSA 91-A:3, II, B. Ms.**
134 **Danis seconded. Roll call vote: Mr. Morin-yay, Mr. Eaton-yay, Mr. Bartlett-yay, Mr.**
135 **Dumas-yay and Ms. Danis-yay. Unanimously approved by a vote of 5-0.**

136

137 **The meeting returned to public at 8:10 pm.**

138 **Mr. Morin made a motion seal the non-public minutes. Mr. Dumas seconded. Roll call**
139 **vote: Mr. Morin-yay, Mr. Eaton-yay, Mr. Bartlett-yay, Mr. Dumas-yay and Ms. Danis-yay.**
140 **Unanimously approved by a vote of 5-0.**

141

142 **Adjourn**

143 **Mr. Eaton made a motion to adjourn at 8:10pm. Mr. Dumas seconded. Unanimously**
144 **approved by a vote of 5-0.**

145 *Respectfully submitted, Kelly Dallaire, BOS Secretary*