

How to save the Belmont Mill

Consultant recommends paying off grants on mill, opening up other uses for building

By TIM CAMERATO | Jun 18, 2015

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Photo by: FILE/CITIZEN

A BEST USE draft report has been issued on the Belmont Mill by the Castagna Consulting Group.

BELMONT — The town of Belmont should pay off the Belmont Mill’s grant obligations, work out a deal with Lakes Regional General Hospital and establish a town facility committee to decide the building’s best use, according to a draft report issued by Castagna Consulting Group.

The North Hampton firm was hired by the Board of Selectmen to facilitate a conversation on the mill after a Town Meeting vote rejected its plans to bond \$3.4 million to renovate the building for town offices.

On May 4, consultant Michael Castagna held a forum in the Belmont High School cafeteria, where taxpayers suggested everything from razing the building to seeking public-private partnerships. Some even suggested selling the mill.

“I heard an awful lot of things,” Castagna said. “Most of it I expected to hear.”

He believes the mill is worth saving though and the cost to repair the building is “economically viable.” Castagna wrote that what can’t be continued are the mill’s grant obligations. As part of the Community Develop Block Grants that saved the building in the 1990s, the town agreed to rent space to tenants that were low-income and served the community.

Those restrictions are slated to end in 2019 and there’s a roughly \$200,000 penalty for dropping the restrictions early.

“Buy out the grant now,” Castagna wrote. “By lifting the lease limitations, a plan can be set-up to eventually breakeven, and then finally bring a positive cash flow to the building.”

As necessary as the grants were to save the building, Castagna said they “hamstrung” the town’s ability to draw revenue, which in turn led to less money for maintenance.

“With the grant gone, everything is wide open,” Castagna said, and the town can treat the mill like a commercial building it can make money on.

The town's selectmen seem to be heading in that direction too. Town Administrator Jeanne Beaudin informed the board on Monday that the town's attorney approved the idea of using money from the Municipal Facilities Capital Reserve Fund to buy out the obligations.

Once that's completed, Castagna wrote that the doctor's office needs to be addressed. The report says there's three ways to deal with it – allow them to leave town, negotiate for them to expand within the building, or allow the affiliated Lakes Region General Hospital to buy the mill.

Castagna said he doesn't believe the doctors want to leave town and he considers working out a deal with the hospital to be the most economical option for taxpayers.

That might be easier said than done though. As of March, talks had stalled between the town and Lakes Region General Hospital to move the doctors into the Old Northway Bank Building.

Beaudin said there was one discussion with hospital officials prior to the May 4 forum but nothing came out of it other than the town reiterating it is open to talks. She said she also forwarded a copy of Castagna's report to the hospital.

In a written statement, Lakes Region General Hospital said it values its relationship with the town as a tenant in the mill building.

"This partnership allows us to serve the primary health needs of the residents of Belmont, Gilmanton, Canterbury, Tilton and elsewhere," the statement said.

"We remain open to continued discussions with the Town about our ongoing opportunity for Belknap Family Medicine to continue service to our patients in the area but we have no interest in purchasing nor renovating the Mill."

Ultimately, the report says a "town facility committee" should make decisions on the mill's future. Castagna said many past committees have been formed to look at the town's buildings but few have ever followed through on their findings.

He hopes a new one will break that tradition and work to implement its vision. The report asks that the committee hire professionals to counsel it and identify the costs of each option available.

"Make the process transparent to avoid the inference of backroom deal making," Castagna wrote.

Ruth Mooney, chairman of the Board of Selectmen, said they haven't had the chance to discuss the report but she didn't see anything that surprised her. She said all board members were present at the forum and heard what the public had to say.

Mooney said the board might be open to forming a committee to discuss the mill and bring a recommendation before the voters.

"There's an opportunity there for the town to hopefully do something that makes sense for everybody," Castagna said.