

# This Rock's not in a hard place

By ED GRAY

SALEM, N.H. — The dreaded monster which devoured Suffolk Downs won't rear its greedy head at Rockingham Park.

Real estate, by far the most insidious enemy of all racetracks today, does not pose a threat to the continuation of racing at Rock.

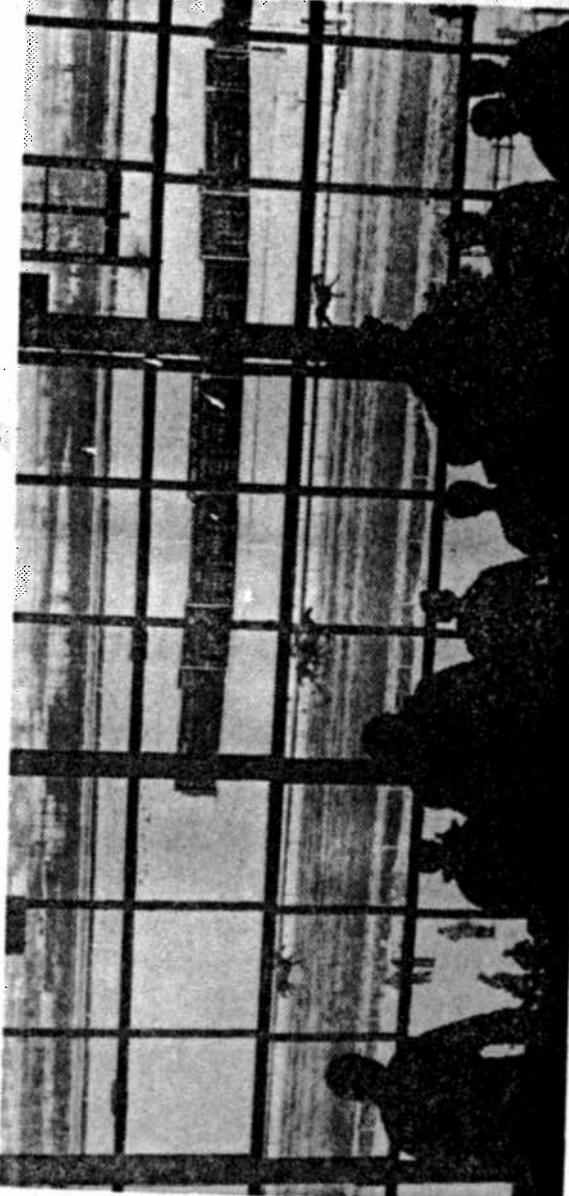
"That won't happen here. Everybody I'm involved with here loves the racing business," Rockingham president Joseph Carney said yesterday. "I assure you we will be around for a while."

Which is not to say that Carney and his partners in Rockingham Venture, who purchased the Salem, N.H., track for \$12.5 million in 1983, haven't become involved with developing their track's real estate.

Yet, unlike Buddy LaPourt, whose plan to develop the real estate at his East Boston thoroughbred track resulted in its closure on Saturday, Carney and his partners have done so without jeopardizing their racetrack.

Rockingham Venture recently sold off 85 of its 250 acres for \$20 million to a development company which will build a \$100 million shopping mall.

"It was not a life-and-death situation. We've been able to break even or show a little profit every year, so the track wouldn't have closed if we didn't sell the land," Carney said. "But it makes things easier."



**THE DAY SUFFOLK DIED:** A sparse crowd watches the leaders come down the stretch at Suffolk Downs on Saturday, the last day of the 54-year-old East Boston oval. Rockingham president Joseph Carney vows his track won't meet the same fate.

And Rockingham is making things easier on these horsemen who are being forced to vacate Suffolk Downs, which held its last racing program Saturday.

"We took care of most of the horsemen at Suffolk," said Rock director of racing Bob DeStasio, who for many years held the same position at Suffolk.

"The ones I feel sorry for are the mutuel clerks, the maintenance workers and the guys who sell hot dogs," said DeStasio, who grew up in the shadow of

last New Year's Day, while the handle of \$63,074 was more than \$135,000 over last year's business.

"I expect to see some improvement, sure. But over a period of time, if racing doesn't resume at Suffolk Downs, I do see some significant gains in the future," said Carney, whose group resurrected the charred Rockingham in May 1984.

Carney has "rough plans" for expansion of the Rock facility in his possession, but won't make a move until it is determined if Suffolk Downs will remain closed.

"We didn't have the plans drawn up in anticipation of Suffolk closing, but in anticipation of leasing Suffolk ourselves and having a split schedule," said Carney, who had proposed a 10-year lease of Suffolk to LeRoux without success. "I would like to create a sports bar and finish off the patio area overlooking the paddock."

The expansion project is estimated to cost \$3 million, so Carney won't make any rash decisions until Rock's future is more clear. However, the Suffolk Downs refugees will settle for Rockingham just the way it is for now, especially the jockeys. Stewart Elliott guided three winners, including two for former Suffolk trainer Bill Perry, while Rudy Baez entered the winner's circle twice on the 11-race card.

Rockingham already has shown increases. Yesterday's attendance of 4,810 was up 400 from

# Rockingham Park: The story of the 1980's

By PAUL McCARTHY  
CORD STAFF WRITER  
PART II OF II

SALEM - The huge grandstand fire of July 29, 1980 effectively put Rockingham Park out of business for the first time in 47 years.

The 247 acres of prime commercial and industrial land, a dream to developers as it was located off the first exit on N.H. Interstate 93, then became the target (for years) by numerous groups of speculators who wanted to develop the acreage.

After the August 1, 1980 announcement by N.H. Jockey Club President Kenneth Graff that Rockingham would not continue its thoroughbred racing season, Delaware North Companies prepared the first large scale plan.

Two months in the planning stage, Delaware North, the \$450 million Buffalo, New York-based holding company (read: conglomerate) that owned the Boston Bruins as well as Boston Garden, arrived on the scene to announce they had taken a \$200,000 exclusive option to purchase the racetrack.

They proposed a \$50 million, 18,000-seat arena to house the Bruins, an eight-story hotel as well as rebuilding the grandstand and clubhouse for thoroughbred and harness racing.

The KEY to their proposal, however, was the inclusion of dog racing - an aspect of racing Salem voters had rejected at the ballot box - than once in the decade pre-

Delaware North made it simple, their plan hinged on dog racing. *No, dog racing, no Bruins, no arena, no hotel, no racetrack.*

That announcement in November, 1980 was the start of a fierce struggle between pro-development and anti-dog racing factions in town.

## 11 MONTH BATTLE

Innumerable meetings were held by Delaware North on their proposal. Numerous other meetings were also held by a group aptly named: Salemites Against Dogs as well as the Standardbred Owners Association.

The anti-dog faction spared no expense in getting their message across prior to the ballot vote on the question in March of 1981.

They had private investigators in town, they published a short-lived newspaper and even flew in the son of a murdered Arizona reporter (Don Bolles) whose death was blamed on the predecessor of Delaware North - Emprize Corporation.

It was estimated Delaware North spent \$50,000 in their effort to convince Salem voters to support their proposal (article 2 on the ballot) with an equal amount by its opponents.

When the March election came around the lobbying reached a fever pitch with residents either airing a 2's the one button or a D- with a frown. They even saw the emergence of Burma Shave sequence North Salem yard. It read: *Don't let a few*

## Tuck it to You Vote no on 2

The largest voter turnout of the decade was registered at the polls (63%). When the votes were counted, article 2 passed by a 5-to-3 margin (5,110 for; 3,183 against).

The anti-dog forces were unsuccessful when they took the vote to the N.H. Supreme Court to get it overturned.

What wasn't known by residents was that their vote only paved the way for an even greater battle in the legislature up in Concord. Their vote, essentially, meant nothing.

With Salem's voter approval, Delaware North then had to convince the legislators to approve dog racing as well as a \$75 to \$122 million tax break for the first 25 years of operation - as well as \$40 million in tax-free, low interest development bonds!

In what was the heaviest lobbying of state legislators ever recorded, Delaware North and their prime adversaries - Yankee Greyhound Racetrack of Seabrook, spent a total of \$108,204.06 to pass/defeat the proposal.

That breaks down to an average of \$260 spent on EACH of the legislature's 424 members.

Yankee Greyhound, who eventually defeated the Delaware North proposal, outspent the Buffalo firm \$76,424.61 to \$32,779.45. Yankee maintained a re-opened Rockingham Park with dog racing would severely damage their daily handle - and thus the money paid to the state.

Their spending paid off dividends as a house subcommittee voted (9-4) in May, 1981 NOT to allow dog racing with 40 miles of an existing racetrack (Seabrook is 28 miles away from Salem) thus preventing the key to the Delaware North proposal. Tax breaks were also denied - even though Delaware North reduced their initial financial requests.

The subcommittee DID decide to offer financial incentives to anyone interested in the track property and rejected the prospect of the state taking over the property.

In a classic understatement, Delaware North spokesman Sam Gifford said (after the vote), "We were quite surprised at the degree of influence the principals at Yankee Greyhound Park in Seabrook had in N.H."

It was estimated by Delaware North that they had spent \$1 million before they pulled out of the state.

## NEXT

A rush of prospects came to fill the vacuum left by Delaware North's departure.

Among them were major, ambitious plans by:

## MGM GRAND HOTELS

The Las Vegas-based company proposed a \$100 million entertainment mecca which included casino gambling, horse and dog racing, a 350-room hotel as well as a convention center. The entire deal would be privately financed - if the state passed legalized gambling!

LADBROKE GROUP PLC  
This London-based corporation

## NEW OWNERS

Gov. John Sununu, (2nd from left) is pictured congratulating the new

July 29, 1980 touched off a decade-long development story which has yet to be concluded.

File Photos by Paul McCarthy



UNBELIEVABLE FIRE - The fire at Rockingham Park in the early morning hours of



owners of Rockingham Park at a press conference announcing its purchase in 1983.

also needed legalized gambling to make Rockingham Park successful. Their \$50 million proposal in March, 1983 was modest when compared to MGM Grand's. Their \$350,000 option was rejected by the track because of anti-gambling sentiment in the state capital.

## HINSDALE GROUP

The owners of Hinsdale Raceway and developer Gilbert Campbell never got their act together. They plopped down a \$250,000 down payment on the track - then failed to meet a February, 1983 deadline to complete the deal.

There were also several other groups who at various times expressed interest in the property. These "minor players" included

Edward DeBartolo, the Ohio-based shopping mall magnate who wanted to build a 208-store mall before losing interest.

David Murray, the owner of nearly all the Burger King restaurants in N.H. (currently in bankruptcy).

Stanley Berenson, who operates a Jai Alai fronton in Hartford, Ct. and proposed jai alai here.

Lynn, Mass. grocery store manager John Sowinski who, with 25 other businessmen, proposed to put down \$2.3 million for the track in 1982.

Canadian race track owner Pierre Levesque.

Lawrence oil company owner Thomas Fay Jr. of Windham.

George Landers, who headed a

large construction firm.

And many others who took frequent tours of the track.

## THE WINNER IS...

After a while it was hard to know the players in the racetrack sweepstakes without a scorecard. It seemed everyone wanted a piece of the \$12.5 million acreage.

Before the Hinsdale-Campbell Group was in firm possession of a "definitive final agreement" to purchase the track in October of 1982, yet another new partnership formed expressing interest in Rockingham: Rockingham Venture.

The Venture consisted of Yankee Greyhound principals Joseph

Continued on page 8

# Rockingham Park development was story of decade

Continued from page 1

and Dr. Thomas Carney, Edward in and former CIA Deputy for Max Hugel.

They moved into the void created when the Hinsdale Group failed to come up with the remainder of the money to buy the track in February of 1983.

After Ladbrooke was denied an option on the property in April of 1983, the Venture is granted a \$50,000 30-day option to come up with a plan.

That same month the Venture meets with Salem residents and drops its plan for dog racing after no one expresses support (they would have had to get their dog track ban rescinded by the legislature to do so).

In May of 1983, N.H. House minority leader Chris Spirou of Manchester, an outspoken opponent of all but the Venture plan, proposed legislation which would provide an indirect subsidy to help the Venture buy the track.

In June, the legislature killed his plan on a voice vote.

On July 12, 1983 Rockingham Venture and State Properties (now New England Development) tours the property with an eye to building a mall and convention center. With them are Marriott Hotels representatives.

It wasn't until August 22, 1983 that a formal announcement was made that the Venture had successfully put together a financial package to purchase Rockingham Park.

#### THE ANNOUNCEMENT

Media was summoned to an locale for the formal announcement of the purchase: The White Horse Tavern in Milford, N.H. - some 45 minutes from Salem.

The FINAL purchase of the property took three years, 23 days from the fire to the announcement.

Residents were less than enthused with the new owners whom they saw as the primary reason the Boston Bruins and major rock groups weren't playing in Salem.

After much ballyhoo and consumption of free cocktails, their plan was laid out and the financing explained.

The purchase was aided by the state which granted several concessions for the start up, including the reduction of the state's parimutual commission from 2.5% and 5% to 1% and 2%.

The Venture took two mortgages out to purchase the property: Arlington Trust held a \$5.5 million first mortgage and Servo-mation Corporation holding a second, \$7.5 million mortgage.

Ground was broken for a new

facility following the announcement, financed through low-interest state industrial development bonds.

#### LAW SUITS

The opening of the NEW Rockingham Park May 26, 1984 brought an initial feeling of euphoria to area merchants and residents - but there was still business to be attended to by the racetrack.

The first came when they went back to the state for a further increase in their take-out concessions.

The Venture originally asked for a state bailout of \$3.5 million over 1986, '87 & '88 which would be paid back in 1995, '96, & '97.

They cited ever increasing pressure from Suffolk Downs in East Boston as the reason they needed to be more competitive. The loan was to increase purses and attract better quality horses.

On February 26, Governor John Sununu (a Salem resident) signed into law a scaled-down \$3 million tax break. The break meant the state made one-half of one-percent from straight wagers and one-percent from exotic wagers at the parimutual windows and was a lien holder on the site.

In December, 1987, a \$25 million lawsuit was filed against the Venture by a mall developer, Western Development Corp. of Washington, DC, for breach of contract.

Western claimed they had negotiated a \$37 million real estate deal in late 1986 which culminated in July, 1987 with Western becoming admitted as a general partner.

With the news that Suffolk Downs was to close, Western claimed the Venture reneged on the agreement and "began formulating a plan designed to deprive Western of their valuable contractual rights."

The Venture's attorney, Joseph Millimet, pooh-poohed the claim saying Western had not lived up to its obligations to provide a letter of credit for \$37.5 million from a lending institution.

#### ENTER N.E. DEVELOPMENT

In September 1988, yet another page in the continuing saga of Rockingham Park was written as William McCabe Jr., a principal of New England Development - a newly-formed entity which was the same as State Properties which toured Rockingham in 1983 - announced to selectmen that his firm intended to construct a \$70 to \$100 million "Megamall" on 85 acres of racetrack property.

McCabe, who represented a



**NED DEVELOPMENT** - The decade ended with a surprise proposal for a one million

square foot mall adjacent to the racetrack by New England Development.

File photo by Paul McCarthy

firm (NED) who developed many malls on the eastern seaboard - including three in N.H.: the Mall of N.H. in Manchester, The Fox Run Mall in Newington and the Pheasant Lane Mall in Nashua (the latter was built on land bought from Yankee Greyhound), told town fathers his firm had an option to purchase 85 acres from Rockingham to build a \$100 million, one-million square-foot, 155-store Megamall.

This touched off yet another round of development meetings on the property throughout 1989 with groups forming for and against the proposal.

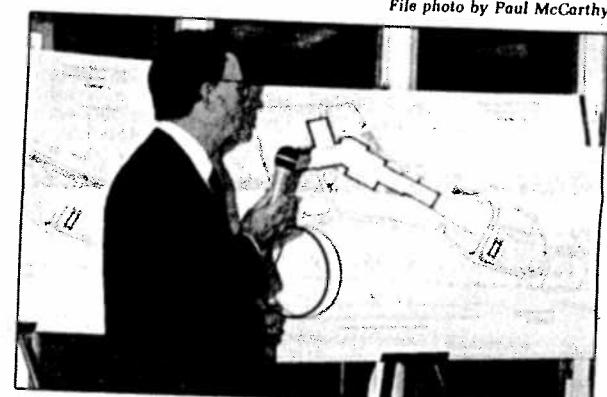
After 15 months of informal neighborhood gatherings, informational sessions and planning board meetings (more than a half dozen of the latter) the mall was passed December 5, 1989 and another chapter on the ongoing saga was completed.

But it wasn't written without controversy.

An activist group, Citizens for Responsible Development, partly bankrolled by the nearby Methuen Mall, fought NED every step of the way as did the planning board of the neighboring town of Pelham who felt their access to Route 93 was going to be limited.

As part of their 34-item conditional approval by the town planners, NED had to agree to \$20 million in townwide traffic improvements before a shopper went through a door at the mall.

The mall is expected to provide



**MAN ABOUT TOWN** - William McCabe Jr. of New England Development became a familiar face around town as his company pushed for 15 months to get a mall approved at the racetrack.

File photo by Paul McCarthy

the town \$1.2 million annually in taxes as well as provide 2,000 jobs when it is up and running in March, 1991.

No other story in the southern New Hampshire area played as long, or as complicated, as the Rockingham Park development of the 1980's.

Is there anything left for the 1990's?

Of course. First the mall will open in acreage adjacent to the park - and there will undoubtedly be wars waged over traffic.

Also, there is word around that

further improvements - including a sports bar - are slated for the racetrack grounds. A hotel or convention facility might also round out the remaining acreage now that Suffolk Downs no longer races.

The realm of possibilities for development of the parcel had dwindled somewhat with the advent of the mall - but there is still plenty of room for development there.

It is expected the story of Rockingham will continue well into the next decade.

# Seabrook: All hoopla

Continued from page 4

the ownership of a N.H. utility has the recommendation of high government officials to be exported to Salem.

It is obvious to me that an industry considering locating in his area would have more than a mild interest in the availability of

power to run its machines.

If that industry thinks there is the slightest possibility they would be required to shut down their machines in the middle of a production day, they will locate elsewhere. Possibly on peak power demand days in the summer due to domestic air condi-

tioning or in winter due to heating, brown-outs may cause equipment damage or lost production.

Assurances from Connecticut or promises of more windmills just may not be good enough.

It may be safe to assume that the bulk of Northeast's taxable assets are not in this area. It is also safe to assume the expansion of indus-

try in an area tends to lower or hold taxes of that area.

Couldn't it also be assumed that industry would tend to locate where the policy making authority has its own assets?

Perhaps the same group, who have been selling the point that the trained, knowledgeable people who intend to work at the Sea-

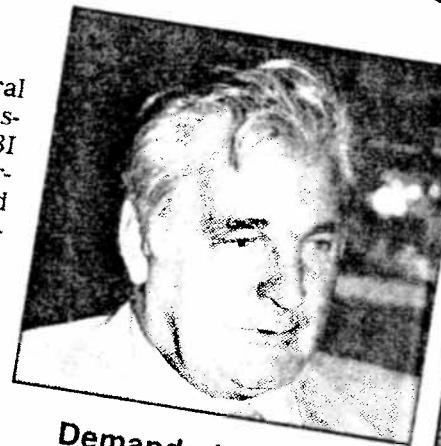
brook plant are suicidal, are now going to have us believe shareholders are for a plan which throws their money out the window.

There seems to be a strong odor blowing from somewhere.

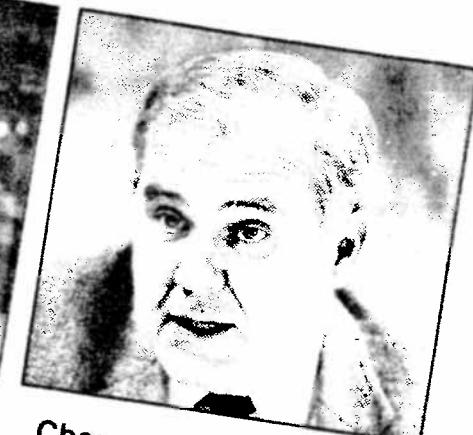
Signed:  
Robert Perry  
Seabrook

# Salem car dealer, FBI testify at extortion trial

By Jim Van Anglen  
Eagle-Tribune Writer



Demanded money?  
William Hicks



Charged with extortion:  
Charles McMahon

CONCORD, N.H. — A federal jury yesterday listened to a whistle-blowing car dealer and FBI tapes as the extortion trial of former Salem, N.H., Planning Board member Charles T. McMahon concluded its second day.

The jury heard the U.S. government charge that convicted extortionist William Hicks — acting on behalf of Mr. McMahon — demanded \$10,000 in bribe money from car dealer James Proko.

Mr. Hicks is currently in federal prison. He was sentenced to serve four years.

Mr. Proko wanted to build his car dealership in Salem, N.H., and he would not bite at Mr. Hicks' offer. He wanted to meet those whose Planning Board votes Mr. Hicks claimed to control.

Mr. McMahon is charged with extortion and perjury. The govern-

ment has charged he tried to shake down Mr. Proko and another Salem car dealer in 1985 through Mr. Hicks, threatening to kill or delay plans they had before the Planning Board.

On the day Mr. Proko sought final approval in 1985, Mr. Hicks told Mr. Proko some Planning Board members were going to "ambush" the plan.

Jurors listened to hours of tapes made by the FBI of conversations between Mr. Proko, who was wearing a tape recorder, and Mr. Hicks. The government has a record of telephone calls made by Mr. Hicks to Mr. McMahon before the final hearing on the plan.

Under cross-examination by defense lawyer Steve Shadallah, Mr. Proko admitted "he had no concrete" evidence Mr. Hicks controlled any board votes, but he did fear his plan might be delayed.

Mr. Shadallah said Mr. Hicks was "puffing," trying to sell Mr. Proko on the idea he controlled board votes. But despite constant pressure from Mr. Proko and, in turn, the FBI, to meet those board members, Mr. Hicks refused.

The final hearing on the plan was June 11, 1985. During the two weeks before that, Mr. Hicks kept dropping his price, ultimately to \$5,000.

Defense lawyers countered that Mr. McMahon was never named by Mr. Hicks. The defense argued that Mr. Hicks was acting alone and actually did not control any Planning Board votes.

The defense has argued throughout that the charges against Mr. McMahon are a "smear campaign," claiming after more than four years of searching for political corruption, the government needed someone to charge.

## Moldoff, Belair expected to testify

CONCORD, N.H. — Salem, N.H., auto dealer James Proko was expected to return to the stand today in the extortion trial of former town Planning Board member Charles McMahon. Defense lawyer Steven Shadallah began cross-examination yesterday. A number of other witnesses were expected to testify today, including:

**FORMER PLANNING BOARD MEMBER** Laurence Belair, who was on the board in 1985.

**SALEM PLANNING DIRECTOR** Ross Moldoff, who attended meetings on Mr. Proko's proposed site plan for his Route 28 dealership in 1985.

**A REPRESENTATIVE OF LIN. COLN LABORATORIES** Mr. McMahon.

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A Point of Light

Nora Victorino of Haverhill manages to get in an awful lot in one day. She works full time, is the mother of five daughters and helps us out at St. Mary-Immaculate Conception Church. She visits the sick and brings them food, and as a Eucharistic minister, does baptism interviews for the priests.

The Rev. Russell Ortega, assistant pastor St. Mary-Immaculate Conception Church, Lawrence

This is number 337 as the Eagle-Tribune searches for 1,000 points of light in the Merrimack Valley. If you have a contribution, call Sound Off (5-1000), or write: Light, Eagle-Tribune, Box 100, Lawrence, Mass., 01842

# Gagnon wants to be re-elected in Salem

(Editor's Note: The following announcement was submitted by selectman Joe Gagnon who has filed for re-election. Due to its length, the type size has been reduced.)

SALEM - I picked today [Jan. 30], my birthday, to announce my decision to seek re-election as a selectman. Being an incumbent, I think if I started my announcement with "there will be a chicken in every pot, etc." It would be like any other campaign promise.

So, here are details of my accomplishments and an exposition of political positions that I have taken and those that I believe in.

## RESPONSIVENESS TO THE PUBLIC:

Many of my views come from the many citizens who have taken the time to phone me or write me. I have always been responsive to citizen requests and I thank those who have taken the time.

**REAL ESTATE TAXES:** Housing growth in Salem has been consistently in the 2 to 2.5% growth range over the past 20 years. The tax burden that we place on our residents in the form of real estate taxes should not increase percentagewise any greater than the growth in housing.

Our residents are burdened with the high cost of real estate taxes and I will continue to fight to keep taxes low and to keep them headed down.

I led the fight this past two years to cut the budget and reduce taxes and it is working. Our most recent taxes went down and I foresee another decrease next year. This is the trend I am fighting for.

**HOUSING:** My initiative for affordable housing was recently passed at town meeting and plans are beginning to take shape. My work on the planning board to allow in-law and accessory apartments in those homes where people want to share their

home with others has brought affordability to many of our residents.

**ELDERLY:** I have strongly supported our elderly and will continue to do so. I plan to author local legislation to provide subsidies of the huge deductible that our elderly must pay for Medicare. I will also continue to support the elderly services we offer our elders. They know I care.

**WETLANDS & LAND CONSERVATION** - I strongly support the recently passed wetland ordinance. It was authored by Russ Richardson and advocated by him and he deserves the credit. It will preserve our land and help keep our water clean.

**SEWER & WATER:** I led the fight to reduce the water & sewer rates. My actions have stopped the spiraling costs in those departments. I will continue this strong support for our sewer & water users.

**BUDGET:** I will NOT vote for any budget that exceeds my guidelines for expansion. I am happy to report that the most recently submitted budget comes close to my guideline, but I did not vote for it because it exceeded my goals. The taxpayer derived some real benefit from my stand, the budget did not expand by a big margin. I like to feel that I had a lot to do with that.

**COMMERCIAL DEVELOPMENT:** I support the **QUALITY** development of our commercial and business zones. They deliver good taxes and do not burden our town with excessive town service needs.

**RESIDENTIAL DEVELOPMENT:** I support the **QUALITY** development of our residential land and believe that the sewer tie-in fee that is currently charged to those persons who want a house in Salem is excessive and unnecessary.

**RECREATION:** I support the expansion of our recreation facilities. the new town

recreation center for children is high on my list of priorities. I have taken the lead in providing a large tract of town-owned land for soccer field development.

**EXECUTIVE SESSIONS** - (Secret meetings) I am opposed vehemently to our town officials meeting in secret to ponder town matters and make decisions without any citizen input or scrutiny.

**PRESS** - Because I am not "One of the Boys," there are some members of the press that report unfairly and inaccurately matters that I champion.

For example, have you ever heard the Salem Observer say anything nice about me? I say, "I will do what I believe "Come Hell or high water!" It is my constituents who deserve my time. NOT the press, to correct their errors.

**UNIONS** - The Public Works & Police union have been very willing to talk and discuss issues that concern their members. Both of those unions deserve praise for the cooperative spirit that they invoke with their dealings with the town.

It is this teamwork and cooperation that I seek to support as a member of the management of the town.

**ROADS** - I believe the roads in our town are neglected and the recent road repair management program study that was recently completed deserves some serious consideration by the voters at town meeting.

**PLANNING BOARD** - I am proud to have served for three years with one of the finest and most sophisticated planning boards in the state. The current group of professionals

who comprise the members represent a good cross-section of the community and their

fine, dedicated work is outstanding! (Take a drive on Rt. 28!)

## WASTE IN TOWN GOVERNMENT

I should say that there are many fine, dedicated employees in the town who perform their jobs with distinction and dedication. There are areas, though, that need some hard looking at.

I have pinpointed some areas that need streamlining. I will continue to demand the highest standards for these public service jobs.

## THE FUTURE IN SALEM

- Local government takes a long time to change. Dedication to ideals and commitment to leadership will effect change for the good of all. I feel Salem is in an enviable economic position for long term real estate tax reduction.

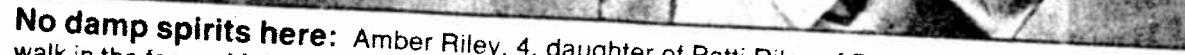
I believe that the costs of town services are headed down. I am firmly convinced in my mind that I am a catalyst in this movement. I believe we have a great future for our town and I will do all I can to keep the movement going.

In summary, if you vote for Joe Gagnon, all I can promise you is that I will do my homework, study each and every issue as it comes before me, and, after study and thought, make a timely decision that has the citizen's interest in mind.

I cannot please everyone with all my decisions, but, in the long run, I will do all I possibly can do for the citizens in town in a fair and just manner.

Lastly, I opened this announcement with the fact that today is my birthday. I want to relate to the youth in our town. I want to support those young families that have growing children. I respect immensely my elders.

I am 29 and holding.



No damp spirits here: Amber Riley, 4, daughter of Patti Riley of Derry, N.H., enjoys a ducky walk in the fog on Main Street in Derry.

Eagle-Tribune photo by Cheryl Senter

11/2/90

# Planning chairman testifies he saw McMahon pass note

## 'I need your help to stop the Proko plan'

By Brad Goldstein  
Eagle-Tribune Writer

CONCORD, N.H. — A former planning board chairman told a federal court jury yesterday he watched Charles McMahon pass a note to another member asking him to kill a car dealership.

Mr. McMahon, a former Salem, N.H., planning board member, is

on trial for putting his vote out for hire and trying to extort money from two Salem, N.H., car dealers.

Laurence Belair said he watched Mr. McMahon pass a sheet of paper to planning board member George Salisbury.

"It was handwritten," Mr. Belair said. "It said 'I need your help

to stop the Proko plan. I believe it's within 2,000 feet of another dealership.'

Mr. Belair said in his seven years on the Salem Planning Board, 1978-1985, he had never been asked to vote a certain way on a building project.

Federal prosecutors claim Mr. McMahon used convicted extortionist William Hicks to take a \$10,000 payoff from James Proko, who owns Honda Motor Cars on Route 28 in Salem.

In 1985, Mr. McMahon threatened to kill Mr. Proko's car dealership if the money was not delivered on time, federal prosecutors said.

But Mr. McMahon's lawyer tried to show his client was merely the victim of a political vendetta.

Lawyer Steven Shadallah asked Salem Town Planner Ross Moldoff if he was aware of political factions forming between planning board members.

"Mr. Moldoff, are you aware if there are factions on the board that vote a certain way?" Mr. Shadallah asked.

"No. I didn't see it as a faction," Mr. Moldoff said.

"Well then, would you agree that Mr. Belair and Mr. McMahon did not get along?"

"No."

Mr. Moldoff told the federal jury he heard Mr. McMahon asked Mr. Salisbury to postpone voting on Mr. Proko's auto dealership plan, claiming it violated a town ordinance.

## Stuart saga

the pain of discovering their faith was misplaced?

So we identify. We seek focus for our own rage, heartbreak and outrage in those who have endured more rage, heartbreak and outrage. We search for direction for our own lives in the actions of those who live bigger-than-life.

We seek to understand more about Charles and Carol Stuart so we can understand more about ourselves.

It's a vicarious search for answers, and I'm not at all sure that it works.

Because, as the Stuart saga demonstrates, sometimes the "answers" — money, a girlfriend — just aren't enough.

I'll be glad when we go back to concentrating on our own lives, and let a dead woman rest in peace.

Another Kathie Neff column will appear on Sunday.

### A Point of Light

Chairman of the Legislative Committee of the American Association of Retired Persons, Mike Molnar of Derry, N.H., watches over legislation affecting the elderly. He also spends most of every day at the Alpine Nursing and Rehabilitation Center, Derry, where he cares for his wife, Marion. While there, he visits other patients and is on the Quality Assurance Committee.

Ralph Bonner, Derry Lois Evans, Director of Nursing, Alpine Nursing and Rehabilitation Center, Derry, N.H.

This is number 338 as the Eagle-Tribune searches for 1,000 points of light in the Merrimack Valley. If you have a contribution, call Sound Off (685-1000), or write, Light, Eagle-Tribune, Box 100, Lawrence, Mass., 01842

## W speaks out on Stuart case

# Hicks testifies in McMahon trial

1/17/90

by Monique Duhamel

SALEM — William D. Hicks, convicted of attempted extortion, testified at the trial of Charles McMahon last Friday and said he and McMahon discussed the possibility of getting paid to have the Honda Motorcars site plan approved.

Hicks, who pleaded innocent to the charges at his trial in 1987, took the stand for the first time last week. He did not testify at his own trial, but admitted at McMahon's trial of meeting with James Proko of Honda Motorcars of Salem to arrange a payoff in exchange for site plan approval.

According to Hicks, in May of 1985, McMahon went to his house to go over the Honda site plan. Hicks said McMahon felt there were problems with the plan and discussed an urgent need for money.

"There was a decision made that I was going to talk to Proko and approach him as to a payoff to get his plan approved," said Hicks, who subsequently contacted Proko.

Hicks said McMahon did not participate in any of the dealings between him and Proko, preferring to remain unnamed. Hicks said he kept in touch with McMahon by phone.

"I said I knew somebody on the planning board who could be helpful to get his plan approved," Hicks said. "I thought they were good plans. There really wasn't a problem with the plans. I just made it appear that there was."

The payoff figure mentioned to Proko was \$10,000. Hicks said McMahon arrived at that figure.

Hicks and Proko met several times. Following each meeting, Hicks said he called McMahon to inform him about the meetings.

As the final hearing date neared, Hicks lowered the asking price to \$5,000, he said.

Proko wanted to make the payment to Hicks and the other person involved, according to Hicks. However, McMahon did not want to be involved and did not want to meet Proko, said Hicks.

Hicks will be released from prison this week. He said the parole board decided on his release and he did not make a deal with the government to be released early in exchange for testifying against McMahon.

According to Hicks, the payment was never made and the deal just died.

"I called McMahon. He wasn't happy," said Hicks. "I think he thought that I had gotten paid and was trying to Welch on him. When I told him there wasn't any money, he called me a liar."

Atty. Steven Shadallah, representing McMahon, pointed out that in 1983, Hicks had pleaded guilty to misdemeanor charges of tampering with a public document by rolling back an odometer. Hicks is a former Salem businessman and was a partner in Fitzgerald Hicks Dodge. At one point, McMahon had been employed by him.

Additionally, Shadallah pointed out that Hicks had pleaded innocent to the attempted extortion charges and was now admitting he was guilty. He was also found guilty of lying to FBI agents.

"You lied under oath before," said Shadallah. "It wouldn't bother you to lie again, would it?"

"Yes, now it would," responded

Hicks, who shed a few tears during his testimony.

The government had a record of several calls between Hicks' residence and McMahon's place of work. Shadallah asked Hicks if he had discussed other business, including the purchase of property, with McMahon during the months of May and June 1985. Hicks admitted he had and Shadallah argued that this was the reason for the calls between the two men, not because of the Proko site plan.

Shadallah suggested that Hicks acted alone in seeking the payoff from Proko.

Earlier during the trial last week, jurors heard testimony from former planning board members Robert Dineen and Laurence Belair as well as Planning Director Ross Moldoff and James Proko.

During Moldoff's testimony, he testified that he, overheard McMahon and Salisbury talking before the planning board meeting the night of the final hearing for the Honda site plan.

Moldoff said he heard McMahon say he wanted to hold up approval of the Proko plan.

Moldoff also testified about the site plan approval process and explained it for the jurors. He explained the 2,000 foot rule which McMahon had raised as a concern during the final hearing. The 2,000 foot rule, which is included in Salem's zoning ordinance, prevents used car sales within 2,000 feet of another used car sales site. Rogers Service Station, which is on the border between Salem and Windham, sells used cars.

Laurence Belair had sat as acting chairman of the planning board the night the Proko plan went for a final hearing before that board.

Belair testified that he saw McMahon pass a note to Salisbury, which he was able to read from his seat. Belair said the note read "I need your help to stop the Proko plan. I believe it is within 2,000 feet from another dealer."

Passing notes between board members was not a common practice during the years Belair sat on the board, he testified.

Shadallah argued that Belair cooperated with the FBI to turn the

## ■ See McMAHON, Page 2

right away from him and onto McMahon. He pointed out that Belair was friendly with Donald Jutton, who is involved with Kimball Chase, the engineering firm representing the Proko plan.

Belair said he had not discussed anything with Jutton.

FBI agent Thomas Ryan contacted Belair before the meeting and told him that agents would be in the audience that evening.

During that meeting, McMahon did bring up the question of the 2,000 foot rule. He said he thought it applied in this case. Belair argued that he did not think it did.

McMahon himself made the motion to approve the plan, which was approved, with the condition that the town's legal counsel render an opinion on the 2,000 foot rule. The plan was approved unanimously.

Belair admitted that he had planned to quit the planning board in June of 1985, but remained on the board at the request of the FBI. He

also admitted he was grossly paranoid about the FBI investigation even though he felt he had done nothing wrong.

"I had no way of knowing what the FBI was looking for," he said. "I told them the truth."

Belair did resign from that board in December 1985.

The trial of Charles McMahon is continuing this week in U.S. District Court in Concord. The government charges McMahon with two counts of attempted extortion involving the Honda Plan and the Toy Store Inc. (Chandler's Service). The government dropped a third charge of attempted extortion from Avanti Auto Sales.

McMahon has pleaded innocent to extortion and perjury charges filed against him by the U.S. government.

McMahon, a long time Salem resident, sat on the Salem planning board from 1983 to 1986. He is a former member of the Board of Adjustment and Salem School Board, as well as a former state representative.

This week, testimony is expected from Joseph Shaheen, David Chandler, and agent Thomas Ryan. McMahon is also among others.



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## Planner, guilty, faces 85 years, fine

BY PAUL McCARTHY

RECORD STAFF WRITER

CONCORD - A well-known former Salem Planning Board member, Charles McMahon, 57, 7 Beginning Avenue, was found guilty Monday in U.S. District Court on 14 of 15 counts of extortion and perjury. The 12-member jury (7 men, 5 women) delivered the verdict after more than four hours of deliberation. The conviction comes as a result of a five-year-old FBI and U.S. Attorney's office probe into political corruption in Salem.

The conviction could mean a maximum of 10 to 15 years in jail and \$4.3 million in fine for McMahon. Judge Shanes Devons, Devon's prologue sentence Monday, April 2, 10:30 a.m. in U.S. District Court, Concord. It is not expected, however, that McMahon will receive the maximum sentence. He did not take the stand in his own defense.

McMahon, a former Salem school board chairman, was a representative on the board of adjustment for planning board members as well as executive assistant to U.S. Senator, was indicted by a federal grand jury August 8, 1989 on nine counts of using a telephone to promote unlawful activity and five counts of conspiring or attempting to extort money from car dealers.

Hicks and McMahon installed "pen register," between the two of them. That helped convict both of them. His wife, record writer, but not the content of calls made between various parties under investigation. Subsequent to his first solicitation by Hicks, Proko went to the FBI who wired him following conversations. During Hicks' 1987 trial, McMahon's

Continued on page 1

Drive, who killed himself in the 1970's as "The Film Flam Man" during Days of his 22 years as a Salem car dealer, was the first person taken down by federal authorities in their investigation. Hicks was also the first person in N.H. indicted (July 7, 1987) and convicted (September 10, 1987) of violating the Hobbs Act which makes it a federal offense to "extort money under the color of official right."

He started serving his 46-month sentence September 1988, served 16 months, and is now on parole. The conviction came after prosecutors proved Hicks attempted to extort between \$5,000 - \$10,000 from a car dealer during a period from May 20 - June 11, 1988.

Hicks, alleging he was the "God-father of Salem," told James Proko of Honda Motor Cars of Salem he could hold up his plans for a new building as he had influence to control votes on the planning board.

The delay of the plans for the dealership would have been costly, or eliminated the project totally. Proko testified at the trial.

McMahon, one-time employee of Hicks at his auto dealership, was serving on the planning board at that time. He is presently an engineer at Lincoln Laboratories in Lexington, Mass.

It was conversations on a FBI-

1

**Continued from page 1**

name came up repeatedly and it was obvious to those in court it would be indicted in the future.

What came as a surprise, however, was the next indictment was that of Thomas Noucher, 42, Novell Court, Selem, HI, was indicted by a federal grand jury August 16, 1988 for obstruction of justice and lying to FBI agents (December 6, 1985 & February 6, 1988 respectively).

During Noucher's trial, it was alleged he was the "big man" in an effort to collect bribes for McMahon from Saigon electrical contractor Gery Bergeron.

Noucher was convicted after a four-day trial on two counts of obstruction of justice (attempting to get Bergeron to withhold grand jury testimony) and a charge of lying to federal officials (he said the two never met).

Although McMahon did not appear or testify at the Hicks and Noucher trials, his name was prominent both of them.

In the Noucher case, McMahon allegedly wanted Noucher to collect two \$500 payments to make Bergeron's site plan pass planning board approval.

Noucher was sentenced February 8, 1989 to a four-year and two year (concurrent) prison term. At the time, defendant Shane Devine said, "I view the defendant's crimes as a most serious matter."

Unlike Hicks, who appealed his conviction and lost, Noucher went straight to jail.

Noucher started his sentence March 8, 1989 and could see parole in July.

dated him during their investigation. McMahon had publicly asserted the indictment was based on circumstantial evidence, conjecture and was part of a witch hunt drummed up by federal authorities seeking a scapegoat.

Prosecutor, U.S. Attorney, David Vicinanza, however, alleged Hicks' trial practiced the cardinal rules of political extortion in that he remained away from the scene while having on-bidding.

At the Noucher trial, McMahon was termed a "plantiff in the background" by Vicinanza. In Noucher's

indictment McMahon was referred to only as "a HI public official." Atty. Vicinanza called the jury's determination on McMahon, "just a verdict."

The jury was convinced McMahon conspired and attempted to extort money from Pluto's Honda dealership as well as from the Toy Store, another car dealership owned by David Chandler on Route 26.

Each charge carries a maximum of 20 years. The nine counts of illegal using a telephone to further extort attempts carry sentences of five years each, as on the three counts of perjury in front of the grand jury.

**CHARLES McMAHON**

1990, or sooner, should he agree to help out investigators.

**McMAHON**

After McMahon's indictment has August, his defense team of Atty. William Bordin and Steve Shedd, built up their case by questioning the credibility of witnesses against him; strong woman was William Hicks.

Part of McMahon's defense was that he legitimately thought the Pluto dealership was within 2,000 feet of an existing dealership (which was prohibited by zoning); when he lashed the plan, but when local council cleared the matter up, Hicks moved to have the plan passed.

Atty. Shedd, who told the jury McMahon knew the FBI was in town in the summer of 1985. In fact, it was alleged federal agents harassed and intimi-

# McMahon found guilty

by Monique Duhamel 4/24/90

SALEM — After deliberating for four hours on Monday, a federal grand jury found Charles T. McMahon, 57, of Benning Avenue, guilty of 14 counts of extortion and perjury.

The former planning board member was charged by the U.S. Government with trying to shake down a local car dealer in exchange for site plan approval. When indicted in the summer of 1989, McMahon pleaded innocent to all the charges.

McMahon was a member of the Salem Planning Board from 1983 to 1986, and was formerly a state representative, member of the Board of Adjustment, School Board chairman and legislative aide to former U.S. Sen. Thomas McIntyre.

U.S. Attorney Jeffery R. Howard announced that the jury found McMahon guilty of attempting to extort \$10,000 from Salem automobile dealer James R. Proko, proprietor of Honda Motorcars of Salem in 1985. The jury also found McMahon guilty of conspiring with former Salem car dealer William D. Hicks, to extort Proko, as well as nine counts of illegal use of a telephone to further the extortion attempt. Finally, the jury found McMahon guilty of three counts of perjury before a federal grand jury in an attempt to cover up the scheme.

The conviction was the conclusion of a two-week long trial in U.S. District Court in Concord, before Judge Shane Devine and the jury. Devine has scheduled sentencing for April 2, 1990.

During the trial, McMahon was represented by attorneys Steven Shadallah and William Burdin, both of Salem. The government was represented by Assistant U.S. Attorney David A. Vicinanza.

In the first week of the trial, the jury heard from FBI agent Thomas Ryan, as well as Salem Planning Director Ross Moldoff, former Planning Board members Laurence Belair and Robert Dineen, James Proko, and William D. Hicks.

During the second week of the trial, the jury heard testimony from Joseph Shaheen, agent Ryan, former Planning Board member George Salisbury, and then heard closing arguments from both the prosecution and the defense.

Hicks had testified that McMahon and he decided to seek money from Proko in exchange for site plan approval. In December 1987, Hicks was convicted for his role in the Proko extortion and sentenced to four years imprisonment. He served 16 months of his term and was released from prison on January 17, 1990.

Hicks had pleaded innocent at his own trial and did not take the stand then. During McMahon's trial, he admitted to meeting with Proko and trying to obtain money in exchange for site plan approval.

Defense attorney Shadallah argued that Hicks had lied under oath before, so it wouldn't bother him to lie under oath again.

Hicks said that now it would bother him.

Last Tuesday, Joseph Shaheen, testified that McMahon asked him to help extort \$2,500 from David Chandler of Chandler's Service Inc. (The Toy Store).

Shaheen said he thought McMahon was trying to shake Chandler down. Chandler was appearing before the Salem Planning Board between September 10 and October 8, 1985 with a site plan for the expansion of his business.

According to Shaheen, McMahon visited his home a couple of times during the late summer of 1985. He previously had not seen McMahon in several years. A few weeks later, Shaheen said McMahon brought up the bribe subject. Shaheen admitted to informing Chandler about the bribe but said he told Chandler not to pay it.

He also told the jury that he and Chandler ran into McMahon at a local restaurant shortly before the plan's final hearing on October 8.

Defense attorney Burdin argued that Shaheen had told an FBI agent that McMahon never asked him to shake down his friend. Shaheen also denied that he had tried to shake down Chandler alone, and

that McMahon was not involved. According to Shaheen, he has been friends with Chandler for 25 years.

FBI agent Thomas Ryan then took the stand and informed jurors that McMahon's story changed as the investigation progressed. Defense attorney Shadallah maintained that McMahon honestly tried to assist the FBI in the investigation. Ryan said he met with McMahon three times in 1985 and each time, McMahon changed his story.

Prosecutor Vicinanza also claimed that McMahon lied to a federal grand jury. He argued that McMahon's testimony to the grand jury differed greatly with the testimony of others. For example, McMahon has said to the grand jury that he never passed a note to planning board member George Salisbury to delay the Proko plan. During the first week of testimony, Laurence Belair testified that he saw McMahon pass the note and was able to read it himself.

Salisbury then testified on Thursday. He said McMahon did not ask him to help delay any projects during the time they served on the Planning Board together.

He further testified that McMahon did not send him a note during the final hearing for the Proko plan, asking him to help delay the project,

■ See GUILTY, Page 3

## Continued from Page 1

He did agree that he and McMahon belonged to the same group, or faction, in Salem. The group included local officials and businessmen, including Thomas Noucher, who was convicted in 1988 of obstruction of justice and lying to federal agents and sentenced to a four-year prison term.

Salisbury was quizzed in depth about the so-called faction he belonged to with McMahon by prosecutor Vicinanza. Salisbury said he faction, which included Noucher and former selectman Ronald Belanger, urged him to apply for a seat on the planning board. Belanger was elected in 1984 and Salisbury was appointed to the planning board that year. At one point, Belanger as the selectmen's representative to the planning board.

Vicinanza said Salem business men Joseph Cuomo and Raymond Currie were also part of the faction that met at Noucher's 400 Lounge in Methuen.

In the final day of the trial, both sides presented their closing arguments. Vicinanza argued that McMahon engineered the extortion attempts. The defense argued that McMahon was an innocent victim of the investigation and of an extortion attempt gone sour.

Prior to the April 2 sentencing, McMahon's attorneys will decide whether to file an appeal.

What to do with the Depot? That was the question facing selectmen on Monday night and they did not have a clear cut answer. Neither does the planning board. New England Development will be paying the town \$69,000 per year for 20 years to be earmarked for Depot improvements. Now, the town has to come up with improvements to spend this money on.

Planning Director Ross Moldoff suggested one option Monday night, but selectmen failed to take the bait. To perform any improvements to the Depot, the road must be widened, he said. A property owner in the Depot has offered to sell some land to the town. The owner of the Back Track restaurant offered to sell some land to the town and provide parking for the neighboring plaza, which houses P.J.'s store. In return, the town would receive the land in front of P.J.'s and the Back Track to widen the road. Although selectmen batted the idea around, they made no decisions and gave the town staff no direction.

Moldoff said a planning board subcommittee will be formed at the conclusion of zoning amendment season to study the Depot.

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1/24/90

# Former Salem Official Guilty Of Extortion

## Charles McMahon Faces Up to 100 Years in Prison

CONCORD — A former Salem Planning Board member was found guilty yesterday of trying to extort money from automobile dealers in exchange for his favor on the board.

A U.S. District Court jury deliberated about four hours before finding Charles McMahon guilty on 14 of 15 counts of extortion and perjury.

Prosecutors yesterday called the conviction "a major victory" over political corruption in the Granite State.

McMahon, who is also a former school board chairman, chairman of the Salem Board of Adjustment, state representative and a legislative aide to former U.S. Sen. Thomas McIntyre, was convicted of trying to extort \$10,000 from James Proko, the owner of Honda Motor Cars of Salem, by threatening to delay Proko's planning proposal in 1985.

He also was found guilty of conspiring with former Salem car dealer William Hicks to extort Proko.

McMahon is to be sentenced by Judge Shane Devine on April 2. He faces up to 100 years in prison and \$4.3 million in fines.

McMAHON

Page 8

This conviction is the third in the continuing probe into Salem politics conducted by the Federal Bureau of Investigation.

Last year, Thomas Noucher, owner of the 400 Club of Methuen, Mass., was sentenced to four years in prison for obstruction of justice and lying to FBI agents. Hicks, a former business associate of McMahon, was sentenced to four years in prison in 1987 for his role in the Honda extortion.

Other indictments alleging McMahon attempted to extort money from Avanti Auto Sales and Chandler's Service Inc., known as The Toy Store, were dismissed prior to trial.

The 12-member jury agreed that McMahon used his political position to extort money from Honda during the car dealerships' application for approvals from the planning board.

He was found guilty of attempting to extort money, conspiracy to extort money, nine counts of illegal use of a telephone to further the extortion attempt, and three counts of perjury before a federal grand jury in an attempt to cover up the scheme.

Pending sentencing, McMahon remains free on bail. He is an engineer at MIT's Lincoln Laboratories in Lexington, Mass.

Defense Attorney Steven Shadallah said his client is considering an appeal and will probably make a decision before April 2.

Assistant U.S. Attorney David Vicinanza, who spent six weeks focused on the McMahon case, said the "prosecution and conviction represent the U.S. attorneys continuing commitment to ensure that our political leaders are governed by justice."

Vicinanza presented about 65 government exhibits and called 15 prosecution witnesses during the nearly two-week trial.

Shadallah called three defense witnesses to the stand. McMahon did not testify.

McMahon, a former used car salesman at Fitzgerald-Hicks car dealership, has consistently denied the charges, claiming he was framed by Hicks.

McMahon was implicated in the crime when telephone conversations were taped by the FBI in connection with Hicks' extortion case.

Hicks is expected to be paroled this month after serving part of a four-

McMahon denied knowledge of Hicks' extortion scheme and called his former business associate a contentious cheat who often used ploys to sell his cars.

But prosecutors said McMahon had masterminded the extortion scheme.

Reaction from town officials and residents ranged from surprise to a renewed faith in the justice system.

"Justice was served," was all that Salem selectmen's chairman Howard Glynn would say, but he echoed the thoughts of many in town, including residents in attendance at last night's selectmen's meeting.

"I'm certainly surprised and disappointed," said Salem Town Planner Ross Moldoff when told of the verdict. "I hope the community can recover."

Moldoff termed McMahon's actions an "unfortunate episode" of a pretty well-regarded planning board that was once chaired by White House Chief of Staff John Sununu.

"Apparently the system works, and that's what I wanted to see," said James Proko of Honda Motorcars.

However, not everyone in Salem is comfortable with the verdict. Edelgard McMahon, Charles McMahon's ex-wife, termed the outcome a "miscarriage of justice."



## 2 jobs won't be filled

SALEM, N.H. — A new assistant town planner and personnel director will not be hired in the next few months.

Selectmen last night voted to leave the jobs open until they get through this year's budget process. They held a secret meeting about the question before announcing their decision.

Board member David Tilton strongly urged the jobs not be filled immediately to save taxpayers' money in tough economic times. He has not advocated eliminating the positions.

Earlier this summer, Mr. Tilton also wanted to leave the deputy fire chief position vacant, but selectmen decided that job should be filled.

Assistant Town Planner Charnan Bray left Salem earlier this month, and Personnel Director Nicholas Manolis resigned about 1½ years ago.

The specific amount of money that will be saved by leaving the jobs open was unavailable. Exactly when the jobs will be filled was unknown.

— Jim Van Anglen

## Tomorrow: W

By Pat Demarais, ERA Pat Demarais Assoc.

# Salem, Route 28 continues popularity among commercial businesses

The Granite Foundation, a newly formed organization from the New England business community, has a mission—"to encourage the development of a healthy economic and social environment for our state." An active campaign is being developed by The Foundation.

## Salem, Route 28



ation to promote New Hampshire for its special quality of life and exceptional business climate. A climate which persists as a result of local and state government to maintain the state's competitive edge by controlling spending and keeping taxes at a minimum. New Hampshire has a long standing history for thrift, productivity and a relatively stable

political arena. The foundation's slogan "New Hampshire - We Have It All", makes a clear and dramatic statement.

Southern N.H. has experienced a slow down in residential growth since the '86 frenzy. The current pace,

however, is more realistic, and we look forward optimistically to a fairly strong real estate market in the spring. There has been an upsurge since the first of the year and indications are that it will continue. The average sale price is down to \$153,000, as compared to \$169,000 in 1986. General opinion seems to be that home prices have bottomed out and reached a realistic level. Undoubtedly, this will increase sales activity and eliminate some long-standing inventory.

There is still a glut of residential condominiums available at "give away" prices, allowing the investor an opportunity to take advantage of some great buys.

Commercial/industrial development is fairly strong. Prudent developers have paced themselves to keep up with demand without over-saturat-

ing the area with surplus inventory.

The expansion of Grenier Field Airport in Londonderry/Manchester will enhance growth in Southern New Hampshire. The plan was welcomed by the business community. This small airport, easily accessible from all major highways, and with excellent parking facilities, will allow the business person to travel conveniently, and cargo to be delivered efficiently in a short period of time, avoiding the hassle and congestion of larger airports.

In Salem, Route 28, The Golden Strip, continues to be the most sought location for commercial businesses desiring to move into Southern New Hampshire. There is very limited commercial space available, and little land left for development. Currently, a

40,000 s/f strip mall is under construction on a 5 acre site, with approximately 70% of the space leased prior to construction. Tenants include Pier 1 Imports and Nevada Bob's.

Another six acre site has approval for a 54,000 s/f strip mall. The Salem Plaza, a DeMoulas development, expanded its facilities, adding a free standing building to their site. The major tenant is Annie's Hallmark, a new Hallmark concept in the greeting card store. The newer strip malls, Salem Marketplace and Breckenridge, have limited space available. Breckenridge tenants include Sterling's, an upscale restaurant, and Salem's first billiard parlor. Salem Marketplace has attracted Colors, Etc. and the Muffin Mart. George Butler of Demarais Associates is the exclusive leasing agent at this site.

The Salem Professional Park, a professional office community with approximately 260,000 s/f has about 12% vacancy. The newly completed Park Place I, a "high tech" look brick and glass building of 30,000 s/f is 50% occupied. At the southerly entrance to the Park, a small strip mall is under construction. This mall will have a convenience store, gas pumps, and a restaurant.

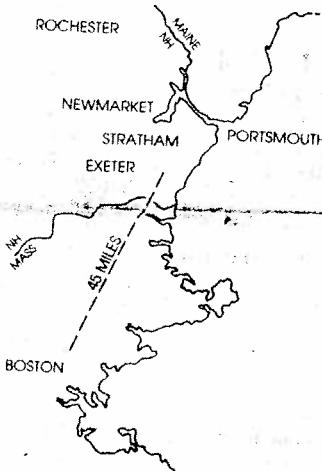
Several companies have moved into the Salem Industrial Park. Butler leased 20,000 s/f for New England Brickmaster, their tenants are Salem Screen Printing Inc. and ATTIV, Inc. Other recent tenants moving into the industrial park are NACOR, Inc., Audio Research Inc. and Continental Cablevision. Butler represented Publisher's Supply in the leasing of 6000 s/f to L-CAD Inc.

The most exciting project in Southern N.H. for 1990 is the development of a regional mall by N.E. Development. The million s/f mall will be located at the 250 acre Rockingham Park facility. This site directly off I-93 is well suited for a regional mall because of its easy accessibility. According to an intense impact assessment prepared by RKG Associates, the estimated 350,000 shoppers presently doing business in the Salem area would double. This new space, along with the 1.4 million s/f of existing retail space, would make Salem the primary retail area in N.H. and the Merrimack Valley. According to the RKG study, Salem business is primarily discount stores "and have successfully competed with regional shopping centers in comparable situations." The Rockingham Mall, the largest in Salem, almost doubled its size in 1988, and still has space available.

Continued interest in Southern N.H. indicates that the real estate market will continue to move forward, perhaps at a more modest pace.

Pat Demarais is president of ERA Pat Demarais Associates, Inc.

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## By Kate Ellis, Rubino Development Company

# Salem N.H. enjoys commercial/retail growth crediting Mass.

The exploding commercial corridor of Rt. 28 in Salem, N.H. seems to have no end to its remarkable commercial and retail growth.

The changes that have taken place during the last six years on this strip that extends from Methuen, Mass., state border to the local planning boards.

### Commercial/Retail

Ross Moldoff, starting his seventh year as Salem's Town Planner says, "In the last six years the planning board has approved 130 new commercial/industrial projects. The total

miles into one of the hottest retail areas in N.E.

The success of this trade area is apparent by the significant amount of retail absorbed in the past few years and promises to remain so by the amount of future developments in the process of approval at the local planning boards.

construction value of building permits since 1983 is \$244 million."

Rubino Development Company of North Andover, Mass., is presently developing Park Plaza, a 40,000 s.f. two story retail/office complex at the intersection of Route 28 and Rockingham Park Blvd. Richard Rubino, owner, says, "With the easy access of the interstate highway, this intersection will be the 50 yard line of this corridor in the future. Most, if not all, of the growth in this area will be to the North

of this intersection, leaving the Southern half to be redeveloped over time." Park Plaza is currently 90% leased, almost three months prior to date of occupancy, with quality retailers including Pier 1 Imports, Nevada Bob's, and Supercuts. "The success of our pre-leasing efforts reflect the desirability of this location," says Jeff Ellis, director of leasing at Rubino Dev. Co. What is the secret of the Salem success? While some areas suffer from vacant retail space and high turnover, Sa-

lem continues to enjoy explosive growth! The main element that has sustained Salem as a thriving retail community is clearly the bordering state of Mass. Operating a retail business in this state has the perceived negative of sales tax. This tax, already at 6% and threatening to escalate, has the effect of promoting sales for nearby areas that do not collect sales taxes. The advantageous location of Salem with quick access to Rtes. 93 & 495, tax free shopping, and the development of over one million s.f. of new shopping space, has given Salem a new look and a new appeal to meet the needs of shoppers from across a broad spectrum of demographic profiles.

**Kate Ellis is marketing coordinator of Rubino Development Co., North Andover, Ma.**

# Editorials

## More on the Gagnon role

The strong majority of Salem voters who put Selectman Joseph Gagnon back on the board for another three years by voting for his re-election a week ago Tuesday got more hard evidence here Saturday of what they have done.

Selectman Gagnon was back in town for the second (and final) deliberative session of the 1990 March meeting.

He sat, occasionally, but never for very long, at the head table beside his colleagues, and he took part in the debate on two key issues.

It was eminently clear, as it should have been on the basis of his first three years in office, that he is at war with the other Town Fathers.

Gagnon opposed the long term capital improvement plan for funding the maintenance and repair of local streets and highways. It is a plan the board has been preparing and refining for many months, and it is the outgrowth of a defeat at the hands of voters on a somewhat different proposal for the same purpose two years ago.

The board was successful on that one.

He appeared to be a ringleader in a later debate on two petition articles, supported from the floor, the effect of which would have been to strip the board from its traditional role as *ex officio* heads of the water and sewer programs. The double-barrelled attack would have set up new seven-member commissions to head those municipal utilities.

The insurrection fizzled out.

Now it is important to make clear that we are not being critical of Selectman Gagnon, any more than we were critical of him a week ago. We are, instead, trying to make clear what the majority of Salem voters may, or may not have accomplished a week ago Tuesday by returning him to the board. Gagnon is what he is. There is no changing him, and there is no curbing him, either, because he is well within his rights to do what he keeps doing.

We were not quite exact in our interpretation

of him here last week. We said he has offered himself, and is apparently accepted by a majority if the voters, as "the champion of the little guy: a leader who would get in and fight for the underdog against the establishment."

That is right as far as it goes, but what Gagnon made eminently clear in Saturday's debate is that his way of fighting against the establishment is from the outside.

As an elected member of the board, he "has the ear" of his four colleagues. He has the ongoing opportunity to persuade them. He sits on the inner circle.

Gagnon chooses instead, however, to go public with it. He carries his opposition to the floor, and thereby dramatizes his role.

Let us now support that opinion with a little case in point.

One of the few things Selectman Gagnon said during the debate last Saturday was that the capital improvements plan for highway maintenance was ill considered. The details have not been explained, he said.

Characteristically, he raised the question not from his microphone at the selectmen's table, but from one of the two voters' microphones on the floor.

Now it just so happens this writer covered the Board of Selectmen's work session in the Town Manager's office last August when Town Engineer Edward Blaine brought in the details of the plan he had been working on for months.

He explained it to them carefully.

Selectman Gagnon, who was present, may not have heard him, however, because that champion of the little guy chose, instead of sitting with his colleagues and listening, to take a nap.

He got up from his place at the table, sat down in the Manager's comfortable desk chair, and slept . . . not briefly, but for an hour or so. He slept all through Blaine's explanation.

This writer thought at the time it was strange behavior for a Town Father.

# Salem May Get Less Costly Houses

By COLLEEN COWETTE  
Union Leader Correspondent

SALEM — After two years of work, lower-cost housing in town is becoming a reality.

In March of last year, an "affordable" housing ordinance was passed at the annual town meeting. Its purpose was to make it more desirable for developers to build lower-cost housing by increasing lot density and waiving certain zoning regulations.

In exchange for less restrictive requirements, developers contribute money to an affordable housing trust overseen by the Salem Housing Authority. The money will be used to defray closing costs for applicants, offset the cost of lower interest rates and eventually contribute to the building of lower-cost housing.

Since that time, four developments have been presented to the Salem Housing Authority, one of which is expected to receive final approval April 10. Connell and Belair, developers, have proposed a 42-lot subdivision off Shepard Road for the construction of moderately priced, single-family homes.

Salem Housing Authority Commissioner Michael Carney said the ordinance is the creation of the Affordable Housing Task Force. Carney said that in 1988, selectmen developed the task force after several studies indicated Salem needed affordable housing.

"We got together and looked into various solutions," Carney said. "One thing was the creation of this ordinance. Other areas are still being addressed."

Salem Housing Authority Executive Director Joseph Rivet said 55 people have already applied to the program, which receives no federal, state or local money. Eligible applicants must make between \$25,000 and \$50,000 a year, depending on the number of people in the family. The figures are based on HUD guidelines, said assistant town planner Charnan Bray.

The program is open to Salem residents, town employees and families of Salem residents, in that order.

Bray said the ordinance is

ing. Homes in the Belair subdivision will range in price from \$108,000 to \$120,000.

Bray said, "I think a lot of people have a fear that something like this will change their neighborhood. We're trying to assuage those fears."

In fact, Belair said his development will closely mirror abutting homes. He plans to build capes, ranches and garrisons, which is what was built 25 years ago in the same neighborhood. "We did that rather than try to introduce something incompatible with the area," Belair said.

Belair, who was involved early on with the creation of the ordinance, said he's trying to reach the people who grew up in those same neighborhoods. "We'd like them to have the opportunity to stay in town," he said.

Belair said his original impetus for getting involved is to give something back to the town that has given so much to him.

"I've been in town 20 years and I've made a good living," he said. "While I could keep building middle- to upper-income houses, there's a whole group of my children's friends who are being kept out of the market. Salem made it possible for me to get started, it's my way of giving back."

## Lincoln Oil Spill Is Cleaned Up

LINCOLN (AP) — About 1,200 gallons of oil that police said was spilled by vandals at the Heilco Co. oil and gasoline dealership has been cleaned up.

The break-in and spill happened between 2 a.m. and 6 a.m. Wednesday, but workers didn't discover the spill until that afternoon, Police Chief Wallace Peltier said.

Peltier said yesterday the vandals cut a chain and lock, tied a chain to a valve on a home heating fuel storage tank and apparently pulled it off with a four-wheel drive vehicle.

The company is about 200 yards away from the Pemi-gewasset River, but Peltier doesn't believe any of the oil

am patrols outside the Concord Police after a gunman or gunmen fired two y area about 175 feet away into the station's entryway.

(Staff Photo by Bob LaPree)

ey have no suspects and no specific (Staff Photo by Dick Morin)

## Fuel Assistance

Rudman also chatted with Douglas about his feat of knocking out Tyson, and the senator commended the 24-year-old Columbus, Ohio, native for his "great" left-hand jab. "You don't find heavyweights with that kind of speed," Rudman told Douglas' entourage, which included his manager, John Johnson, who once worked for the senator.

sentence on Warren Preston, 51, despite written pleas from Preston's family and friends that Preston be spared any jail time.

Preston, who owns Heights Market in Concord, could have been sentenced to 10 years in prison and fined \$350,000. Defense attorney Warren Nighswander argued for a suspended jail term and probation. He said Preston has no previous criminal record, was sorry for what he had done and recognized his mistake.

Preston pleaded guilty in February to two counts of income tax evasion. Authorities alleged Preston earned more than \$230,000 as a commodities broker in 1982 and 1983, but reported only \$30,000 on his tax returns.

## Former Salem Planner Sentenced

CONCORD — Former Salem Planning Board member Charles McMahon was handed a six year federal prison term to serve and ordered to pay a penalty assessment of \$700 by U.S. District Court Judge Shane Devine yesterday.

McMahon was convicted by a federal jury last January of attempted extortion in connection with charges that he tried to use his political position as part of an influence peddling scheme involving local car dealers.

Federal prosecutors charged successfully that McMahon attempted to extort \$5-\$10,000 from James Proko, owner of Honda Motor Cars of Salem by threatening to use his influence to deny or delay planning project proposals pending before the board in 1985 if Proko didn't pay.

McMahon faced maximum penalties of up to 100 years imprisonment and \$4.3 million in fines.

Yesterday Judge Devine imposed concurrent three and five year terms (all terms totaling six years) on various counts covering numerous charges alleging perjury, using telephones to further a conspiracy and interference with commerce by using threats.

## Rudman Considers '92 Retirement

CONCORD (AP) — Sen. Warren Rudman, R-N.H., says his political career might end when his term expires in 1992. The Republican said he isn't sure if he'll run for re-election, though he didn't rule it out.

He told the Concord Monitor he has to decide if he wants to continue in public life or return to the private sector.

The second-term senator also said he might "take my Labrador and go duck hunting for the rest of my life." Meanwhile, Rudman said he planned to meet with President Bush and Treasury Secretary Nicholas Brady to tell them New England's banking picture isn't as bleak as federal regulators say it is.

An overly gloomy outlook on the part of regulators, he said, could cause banks unnecessary problems.

## Kancamagus Study Gets Grant

CONCORD — A federal \$10,000 grant will be used to study the economic impact of scenic byways within the Kancamangus

including vacant houses, residents who moved without a forwarding address, poor addresses, name changes in houses and multi-dwelling houses that have only one resident's name listed.

Anne Hirshberg, manager of the Portsmouth District Office, said her staff is still correcting and adding to the mailing list to correct deficiencies in her five counties. "It's very important for people in Rockingham and Strafford counties to return those forms by mail," Hirshberg emphasized.

Residents in only four of the state's 10 counties — Rockingham, Strafford, Hillsborough and Merrimack — along with the pocket-cities of Laconia and Berlin, were asked to return their completed census forms by mail.

## Crimeline: \$1,000 Reward for It

### Investigation Focuses on Report 2 Juveniles Seen Runni

By GLENN WALLACE  
Union Leader Staff

The Manchester Crimeline yesterday posted a \$1,000 cash reward for information in the Malvern Street fire, last week's fire at two apartment buildings at Maple and Auburn streets and any other of the recent suspicious fires on the East Side.

Manchester arson investigators looking into Saturday's four-alarm Malvern Street blaze yesterday focused their efforts on reports that two juveniles were seen running from the site shortly before the fire was discovered.

The afternoon fire gutted two three-story apartment buildings from the scene will be sent to 18 and 20 Malver

the statewide response is actually closer to 60 or 70 percent. Lynn blamed the discrepancy on a two-day lag between returning New Hampshire and the national computer.

Lynn and Hirshberg both urged residents who did not receive a census form to phone the toll-free number at 1-800-999-1990.

Meanwhile, census enumerators will continue canvassing homes during the follow-up process to ensure that every resident is counted, Lynn promised to those homes. "Lynn said of his 650-person staff that handles Sullivan, Grafton, Cheshire, Hillsborough and Merrimack counties.

"Eventually somebody will get to those homes," Lynn said of his 650-person staff that handles Sullivan, Grafton, Cheshire, Hillsborough and Merrimack counties. "We're playing it by ear, but we may hire about 250 more for the southern two counties later," Hirshberg said.

**ADMIRING HI**  
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**a new pet.**

Fire prevention officials will be examining the remains of the fire to determine the cause of the blaze.

Edward Couture said he has no idea who started the fire, but he said it could have been a child.

They said samples of wood from 20 Malvern St. and other materials from the scene will be sent to

18 and 20 Malver

**In the Lancashire**

4/17/96  
Glenn Wallace

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Page 19

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# Eagle-Tribune®

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# McMahon sent to jail for corruption

By Jim Van Anglen  
Eagle-Tribune Writer

CONCORD, N.H. — Charles T. McMahon will spend up to six years in prison for trying to shake down a Salem, N.H., car dealer in 1985 and then lying about it to a federal grand jury.

A federal judge yesterday sentenced the former Salem Planning Board member to a total of 54 years in prison on 14 criminal counts. The sentences will be served concurrently, meaning the most time he will serve is six years.

Mr. McMahon, 58, was convicted in January of attempting to shake down car dealer James Proko for \$5,000 to \$10,000.

He threatened to kill or delay plans Mr. Proko had before the planning board in 1985. He told middleman William Hicks he was in a financial jam and needed money.

The case is part of an ongoing, five-year political corruption investigation in Salem.

Assistant U.S. Attorney David Vicinanzo has said more indictments could result from the probe, but refused to give any other details.

"It's still going on. The investi-



Charles McMahon  
...wrongdoing

## The sentence

Here is the sentence handed down by federal judge Shane Devine against Charles T. McMahon:

**SIX YEARS** on one count of attempted extortion.

**SIX YEARS** on one count of conspiracy to commit extortion.

**FIVE YEARS** on each of three counts for lying to a federal grand jury.

**THREE YEARS** on each of nine counts for using a telephone to commit an interstate crime.

gation is still open," he said yesterday.

Mr. McMahon could be eligible for parole after two years, but he will probably serve at least four years, Mr. Vicinanzo said.

Defense lawyer Jeffrey Denner, of Chestnut Hill, said he hopes Mr. McMahon will be eligible for parole after 18 to 24 months.

Mr. Vicinanzo asked U.S. District Court Judge Shane Devine that Mr. McMahon spend a maximum of 10 years in prison. The defense requested probation and 2,000 hours community service.

Mr. Vicinanzo said six years in prison is a substantial sentence for white-collar crime and should send a strong message to other public officials.

Mr. Denner called the ruling "fair" and a "good compromise."

Mr. McMahon, who is free on bail, must turn himself over to authorities on May 14. He has said he will appeal his conviction.

Mr. Vicinanzo said Mr. McMahon will appeal from a jail cell but was not sure which prison will house him. He said it could be Allenwood in Pennsylvania.

Doctors

# McMahon gets 6 years

SALEM — On Monday, U.S. District Court Judge Shane Devine sentenced former Salem planning board member Charles T. McMahon, 57, of Benning Avenue, to six years in federal prison. Additionally, Devine ordered him to pay \$700 as a penalty assessment.

The terms imposed by Devine were concurrent three and five year terms on several counts of illegal activity.

He had faced maximum penalties of up to 100 years in jail and fines totalling \$4.3 million.

The former planning board member, who sat on the board from 1983 to 1986, was charged by the U.S. government with trying to shake down a local car dealer in

exchange for site plan approval. McMahon, who was indicted in the summer of 1989, pleaded innocent to all the charges.

A jury found McMahon guilty of attempting to extort \$10,000 from Salem automobile dealer James Proko, proprietor of Honda Motorcars of Salem in 1985. Additionally, the jury found McMahon guilty of conspiring with former Salem car dealer William D. Hicks to extort Proko, nine counts of illegal use of a telephone and three counts of perjury before a grand jury.

Hicks had been sentenced to four years imprisonment for his role in the extortion, served 16 months of his sentence and was released in January 1990.

4/18/90  
O'Brien

BURNER SERVICE

9/18/90  
Observer

# First affordable housing plan approved

by Monique Duhamel

SALEM — The planning board approved the first affordable housing plan since the 1989 adoption of the Affordable Housing Ordinance at their meeting last Tuesday night.

The plan, proposed by developers Connell & Belair, calls for 39 homes on 20 acres off Shepard Avenue.

The first step the planning board took was to grant a conditional use permit to allow a proposed cul-de-sac to be less than 40 feet from a wetland. The vote to allow this move was unanimous.

The board then discussed the agreement between the developers and the Salem Housing Authority (SHA), as required by ordinance.

"One hundred percent of the (monetary) gain from the ordinance will be put back into the housing," said Laurence Belair, of Connell and Belair.

The actual amount of the developers' contribution to the SHA would not be defined until the planning board approval was set.

According to SHA Executive Director Joseph Rivet, the actual dollar figure could not be set until

after planning board approval, in case the planning board required something that would increase the cost of the housing.

Rivet says this project will help start up the Affordable Housing Trust Fund, through the developers' contribution to affordability and the sale of the homes. The trust fund could then be used to help young families with down payments or closing costs, in the form of a loan.

Due to a special financing agreement between the SHA and the developer, the property value of homes in the Shepard Avenue, Cole Street, Hickory Lane area, will not be adversely affected, Rivet said.

The homes will sell for approximately \$112,000 to \$128,000, he said. The difference between that price and the actual appraised price would be placed in a "silent" mortgage held by the SHA, Rivet explained. Under this practice, the second mortgage would be included in the cost of the house. However, the homeowner would not have to pay that second mortgage for as long as he lives in the house. Only when the house is sold does the silent mortgage have to be repaid.

Rivet said.

Additionally, if a homeowner wishes to sell a home purchased through the SHA's affordable housing plan, the SHA holds the right of first refusal, that is, the homeowner must first offer to sell the home back to the SHA. Rivet says this will help to keep the homes in the affordable price range.

According to Belair, each homeowner will be required to sign a contract containing several covenants, and a neighborhood association will govern the area and ensure adherence to the contract. The covenants include such requirements as no on-street parking, landscape maintenance and no stockpiling of brush or lumber.

The planning board ultimately approved the plan, and construction is scheduled to begin, with 20 homes slated for 1990 construction and the remaining to be completed in 1991.

The first homes will be ready for occupancy by mid-July, according to Rivet.

The proposed development will offer several types of homes, including ranches, garrisons, capes and split-level. All will have three bedrooms, vinyl siding, town water and sewer, complete landscaping, paved driveways, and room for an addition or garage at a future date.

The affordable housing ordinance is geared toward Salem residents, or former Salem residents. The proposed homes are for families with incomes in the \$25,000 to \$50,000 range. They are not low income housing.

Applications for affordable housing may be obtained at the SHA office, 44 Millville St.

## Residents gather to support town park project

by Monique Duhamel

SALEM — The first planning meeting for the Town Common project was held last Wednesday at the Municipal Office Building. Members of the Recreation Advisory Commission (RAC) presented the park proposal to residents. The

project idea includes a playground, gazebo and walking area and walking trails. The proposed location is next to Salem High School, across the street from the Salem District Court, on a 12 to 13 acre parcel.

There are three ponds there, and the park would be developed around them.

Town Meeting voted to establish a Town Common Trust Fund, and the RAC hopes to fully fund the pro-

ject through donations and fund raisers. Any donation to the trust fund is tax deductible.

"If each group in town runs one fundraiser, we will have enough money to build the park," said RAC member Debra Swift.

According to RAC chairman William Lambert, the idea for a town common project first arose four years ago, and has evolved to the stage where the group is now seeking funding.

The present Town Common, located in Salem Center, is small, said Lambert, and has very little room for parking. The proposed site would give the town room to develop several activities. It is also close to town buildings and would

be visible from the street for police patrols.

The RAC will serve as coordinators of the project, but they want the final ideas to come from members of the community, Lambert said.

The proposed site is also near present sports facilities used by the high school, as well as sites which the school district may sometime expand to include additional tennis and basketball courts.

The walking trails will be developed with benches, lighting and possibly exercise equipment, and be specifically designed for the handicapped and elderly, according to Lambert. The park project will be designed for all ages and ability levels.

els within the community, he added.

The High School Vocational Center has already agreed to construct the gazebo. One student will design the project, and others will build it, and receive credit in their classes for doing so.

According to Swift, who is coordinating the playground portion of the park, the RAC already has a deposit with well-known playground developer Robert Leathers.

Swift estimates the playground will cost approximately \$50,000 to construct.

She is hoping the town can have a

Design Day in the spring of 1991.

During Design Day, Leathers comes

to town and listens to the wants and

needs of the children and parents of

the community. He then returns to his home and designs the final plans.

The target date for construction would be sometime in 1991.

The playground will be safely designed for pre-school and elementary aged children, according to Swift.

Mary Henry of Salem wanted to find a place to walk and come upon a "lifeline" in Methuen. This is a paved area with benches, a drinking fountain, exercise equipment and landscaping. She has already sent in a request to receive an application for matching funds from the San Francisco firm that constructed the Methuen facility.

"We can do this as a community," said Swift.

Upkeep of the park would be paid for through a yearly fundraiser, and would not go on the tax rate. The Recreation Department would be in charge of monitoring the upkeep funds.

Lambert says the entire project, including the playground, should cost somewhere in the vicinity of \$200,000. "It is entirely feasible that we can do this in Salem," he said.

"We are open to design suggestions on the playground or any other area of the park," Swift said. Interested residents and/or potential park project volunteers are invited to the next park planning meeting on Tuesday, May 8 at 7:15 p.m. at the Salem Recreation Department.

# Business Extra

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Commercial  
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THE BOSTON GLOBE • TUESDAY, MAY 22, 1990

## TROUBLE IN PARADISE

Like the Bay State, New Hampshire's employment has fallen, tax revenues are down, the welfare case load has increased, bankruptcies have soared and real estate is devastated

By Charles Stein  
GLOBE STAFF

ONCORD, N.H. — This state has always defined itself by its relationship to its neighbor to the south. If Massachusetts had high taxes, then New Hampshire had low ones. If Massachusetts had a bloated state government, then New Hampshire had one that was lean and efficient. If Massachusetts choked its businesses with stifling regulation, then New Hampshire required as little regulation as possible.

Live free or die.

Given all that, the last year has to have been depressing for the Granite State. Like the guy who discovers the loser down the road is really his long-lost twin brother, New Hampshire has come to the realization that, economically at least, it has an awful lot in common with its reviled neighbor.

For 12 months the New Hampshire miracle has crumbled even faster than Massachusetts'. New Hampshire lost more jobs in percentage terms than Massachusetts — 3.8 percent vs. 1.7 percent — in the year ended March 31. Bankruptcies climbed faster in New Hampshire — up 55 percent between the first quarter of 1989 and the first quarter of 1990. The welfare caseload rose faster, too, albeit from a much smaller base.

The explanation for the bad numbers is pretty much the same in the two states. The sagging defense and computer companies of Route 128 are sagging just as badly in southern New Hampshire. Digital Equipment Corp. is the largest private employer in both states. Thousands of workers at troubled Wang Laboratories lived in New Hampshire. And the construction and real estate recession that has devastated Massachusetts did not stop at the state line.

In another sign of common misfortune, New Hampshire Gov. Judd Gregg was in Washington yesterday along with Gov. Dukakis, urging Federal Reserve Board Chairman Alan Greenspan to head off the credit crunch that is hurting businesses across the region.

The old folk wisdom — what was bad for Massachusetts was good for New Hampshire — no longer holds, according to businesspeople. "When I hear bad news in Massachusetts, I don't rub my hands together any more," says Peter Smith, who leases office space for Codman Associates in southern New Hampshire. "Now I know that it is coming our way."

Still there remains one important difference between the two states: the public mood. Cross the border into New Hampshire and the black clouds of despair lift. People in New Hampshire, regardless of their political persuasion, are confident their government can deal with whatever budget deficit arises. In

NEW HAMPSHIRE, Page 51

# Recession troubles catch up with New Hampshire

## ■ NEW HAMPSHIRE

Continued from Page 43

February the General Court, with relative speed, passed a \$160 million package of spending cuts and selected tax hikes. More cutting and taxing may yet be needed to keep the budget in the black. And with a kind of frontier spirit, the business community views the recession as a temporary setback, rather than the end of the golden age. "There is a general feeling that we are going to bounce back," says Larry Goss, a planner for Provan & Lorber, an engineering firm just outside of Concord.

The crash of the past year follows almost a decade of remarkable success. New Hampshire boomed in the 1980s, driven by most of the forces that fed Massachusetts' revival, plus two extra ones: strong population growth and a laissez-faire attitude toward development. "It is easier to develop up there, so they did more development," says Peter Kozel, chief economist at Shawmut Bank in Boston.

From 1981 to 1986 housing permits in New Hampshire climbed to 18,000 annually, from 4,000 a year. Construction employment over a comparable period rose more than 80 percent. Everyone now concedes that too much of that building amounted to a speculative bubble. When the defense and high-tech sectors slowed down, say economists, the bubble burst.

"New Hampshire went up faster, so it has farther to drop," says Dennis Delay, an economist at Public Service Co. of New Hampshire in Manchester.

Signs of the excess are not hard to find. In Concord, the end of the boom caught McKenna's Purchase, a townhouse condominium project, right in the middle of construction. More than 60 townhouses were completed, but another 82 foundations sit in holes in the ground waiting for walls. The only inhabitants in the unfinished homes last week were pine needles and rain-soaked sticks. According to the Concord Monitor, the city's daily

newspaper, neighbors have complained that the open foundations constitute a safety hazard for local children. Defending themselves, city officials noted that the problem of unfinished condo projects was brand new for them.

Farther north, unsold homes and condominiums are now an accepted part of the landscape in the vacation country of Lake Winnipesaukee and the White Mountains. Many were built with the idea they would be sold to second-home buyers from Massachusetts. "That's just not happening now," concedes a glum broker.

In Bedford, an affluent suburb of Manchester, a large number of new, low-slung office buildings wait patiently for tenants. The vacancy rate in southern New Hampshire hovers between 15 and 20 percent, according to Codman Associates, the real estate brokers.

The real estate slump has triggered a banking slump that makes Massachusetts look mild. "New Hampshire's banks have been hit harder than any other banks in the region," says Gerard Cassidy, an analyst with Tucker Anthony in Maine.

Before the stock market crash in 1987 the stocks of four of the five major publicly traded banks in the state were selling for more than \$20 a share; the fifth, BankEast, traded as high as the low teens, according to brokers. Last week only one of the group, Amokseag, had a stock price above \$2. The other four - BankEast, New Hampshire Savings, Dartmouth and Numerica - hovered between \$1 and \$2 a share.

"If the banks participated in the boom, then they are participating in the readjustment," says Bank Commissioner Roland Roberge, in a classic bit of understatement.

New Hampshire has its budget problems, as well. Through April tax collections were running 1 percent below last year's level, about the same as in Massachusetts. But the state budget is not a crisis in New Hampshire. The February budget package included hikes in user fees, the rooms and meals tax, and a new tax on telephone bills. Falling revenues have opened up another small hole since then, but as Gregg told the press re-

cently: "I don't like it, but I'm perfectly confident we can manage the situation."

The comparison with Massachusetts is all too obvious. "In Massachusetts people have a poor view of their political leadership," says Mark Bodin, head of the Granite Foundation, an economic development group. "That may make for interesting talk show conversation, but it is not conducive for restoring economic vitality."

According to Bodin, surveys by the Becker Institute, a Massachusetts polling firm, found that people in New Hampshire have a much more positive image of their state than do their counterparts in Massachusetts. The same is true for businesspeople. If good vibes translate into good jobs, then New Hampshire clearly has the edge.

Economists are somewhat less bullish. They expect New Hampshire to recover more quickly than Massachusetts, but suggest neither state will set any records. DRI/McGraw-Hill, a forecasting firm in Lexington, Mass., predicts employment in New Hampshire will grow by 0.6 percent in 1991 and 1.1 percent in 1992. DRI looks for employment in Massachusetts to stay flat in 1991 and grow by 0.8 percent in 1992.

In New Hampshire, businesspeople still talk about what they consider the state's many advantages over Massachusetts: a more pleasant life-style, lower costs and, of course, lower taxes. With a major tax package all but certain to pass in Massachusetts, the tax gap should get wider still.

Stephen Plumeri wouldn't mind that a bit. The president of New England Development in Newington, Mass., Plumeri is building yet another big mall along the Massachusetts-New Hampshire border, this time in Salem. Like his mall in Nashua, Pheasant Lane, the Mall at Rockingham Park will be in spitting distance of the border.

Scheduled for completion next summer, the new mall will have a Filene's, a Sears, a J.C. Penney's and hundreds of thousands of square feet of other stores. "And the stores won't have any sales tax, will they?" asks a reporter. "You noticed," replies Plumeri.

# NED submits mall site plan changes to town

By Monique Dahmen

SALEM — New England Development (NED) has submitted a revised site plan to the town for the construction of a 150-store, two-story mall at Rockingham Park.

The original plan was approved on December 5, 1989, by the Salem Planning Board, with 37 separate conditions attached to the proposed plan. The board will hear the proposed revisions at a hearing in June, but a specific meeting date was not set by press time.

According to Planning Director Ross Moldoff, the site plan revisions were submitted to the town last week. The greatest proposed change is the location and size of a parking deck. Originally, the parking deck was smaller and located behind the age.

Moldoff said the amended plan will undergo the same review process as the original mall plan. The staff will first review the plan, then it will go to an outside consultant who will review the plan for the town, although NED will pay for the consultant's review. After that, the plan will appear before the planning

building, by South Policy and Pleasant Streets. The proposed change increases the size of the parking deck, and extends it along nearly the entire front length of the mall, along what is known as Mall Road.

Additionally, the amended plan shows a new three-level parking deck behind one of the anchor stores, as well as additional changes in the parking lot configuration, said Moldoff. In total, the parking changes add 54 more parking spaces to the site. Moldoff said the changes were not designed to increase parking but to address the grading of the entire land parcel.

The plan also shows that some of the anchor stores have been resized, and that both the drainage and flood storage plans have proposed changes. The proposed changes show a redirection of the drainage and additional flood storage.

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board in a televised, public meeting, with all abutters receiving advance notice.

Presently, construction is continuing on the mall, with the steel framework in place for the walkway of the building. NED has also been issued a permit to construct the smaller stores within the building. Each of the four anchor stores will have to construct their own facilities, although none have yet received permits from the town to do so.

As part of the planning board approval, NED has agreed to perform \$20 million in road improvements. These include widening Route 93, and building a ramp from the highway to the mall, as well as connector road between Routes 38 and 93. NED is still awaiting final state approval on these improvements. Other off site road improvements are scheduled to begin this summer at various intersections throughout the town. No changes to the traffic improvements have been submitted with the amended site plans.

William McCabe, a partner in NED, was out of town this week and unavailable for comment on the site plan changes.

## Sports:

- Habibowski shuts out Astros; Salem now at 15-0. Page 14
- Salem Boys and Girls Club/McDonald's golf classic results. Page 14
- Python baseballers win ninth game in a row. Page 13

## Pelham:

- Highway Department revamping In town's future. Page 9
- County delegation approves budget increase. Page 9
- Oasis restaurant owner found innocent of gaming. Page 9

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# Habib named Contractor of Year

SALEM — By the vote of his peers, Dennis Habib has been named the Salem Contractor of the Year.

annual meeting on May 17, at the Pelham Inn. Now

through the engineering department. These are significant changes in the mall and we are concerned about their impact on our Salem properties."

Kettenbach said he is also concerned with the idea of a selectman working on the mall project when a number of issues regarding the mall still have to be resolved before various town boards.

Town Manager Barry M. Brenner says he will look into the charges raised by Gartrell. At press time, Brenner had not yet had a chance to meet with Town Engineer Edward Blaine, but had scheduled a meeting. He will also meet Planning Director Ross Moldoff to discuss the issue.

"Our intent is to review all the allegations and then issue a formal response," said Brenner.

Brenner said he did not know how long such a review would take. "I can, however, certainly assure the public that in this project, from the day of inception, everything has been done according to all state statutes and ordinances," he said.

The letter, obtained by *The Salem Observer*, is dated May 17, and reads, in part, as follows: "As you are probably aware, site plan approval subject to numerous specific conditions was granted for the project by the Salem Planning Board on December 5, 1989, and construction has been going on space ever since. As you are also probably aware, considerable activity before state agencies has been devoted to the high impact issues presented by the Mall project and its relation to Rockingham Park's existing traffic impacts. We have actively participated in the latter process because of the direct consequences of additional traffic in the vicinity upon the accessibility of existing retail properties owned by our clients on Route 28."

"In the course of the proceedings concerning traffic impact issues, proposed changes to the Mall project and to Rockingham Park were revealed, including such things as

SALE May 30, The p and all u Georg Post #63, tions are officials, marching The pa

Drive to travel to wreaths w Common. The pa will be a sh speaker wi Conflict. F back to Sa Following Home on N

SHS

SALEM — 6 p.m., in th below. Dollars to auditorium. Academic / Pick up car Sports Awa awards, 7:30 p Rehearsals upper gym. Re sal — June 7, Awards Ass Class Banqu Baccalaurea Church. Graduation l Graduation - Graduation n inside. Woodbury Sc Olympics on M spring concert c June 7, a Grade Awards Day for Graduation prac On June 6, th Grade 6 parents Salem Observ

5/23/90

HOLD IT STRAIGHT WILL YO... DUMMY

MALL AT ROCKEFELLER PARK

SALEM

SELECT

L W Swanson  
SALEM OBSERVER

# Salem Manager Finds No Substance to Mall Allegations

By COLLEEN COVETTE  
Union Leader Correspondent

**SALFIM** — Town Manager Harry Brenner said allegations that changes in construction have been made on the site that contendents leveled against the town concerning the Mall at Rockingham Park are without substance or foundation.

Brenner responded last night a conflict of interest, creating a letter sent to the town's attorney received from town planner Donald E. Garrell, a lawyer representing the Flemulas Supermarkets. The supermarket chain has raised questions from the outset about the 150-store mall because of what it says will be traffic jams in front of its Route 28 store.

In the letter, Garrell alleges that changes in construction

have been made on the site that

are not in compliance with the

site plan approved Dec. 5, 1989,

and that members of the board

of selectmen are professionally

involved in the project, creating

a conflict of interest.

Brenner outlined reports he

received from town planner

Ross Moldoff and town engineer

Edward Blane, which address

the concerns raised by Garrell.

Moldoff said in March, New

England Development submitted

a revised site plan for staff

review prior to submission to the

planning board. The plan was

withdrawn in April and resub-

mitted early this month. The

changes, Moldoff said in his re-

port, include a new parking

deck, revised grading and drain-

age and a revised parking lot

layout.

A public hearing will be

held June 14 to discuss the

revised plan.

However, selectman David

Blane said he has problems with

Blane approving any changes

without planning board approval.

According to the report submit-

ted by Blane, if the revisions

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# Town responds to mall charges

by Monique Duhamel

SALLM — At Monday night's Board of Selectmen meeting, both board members and Town Manager Barry Bremer responded to charges regarding the town's conduct in the New England Development (NED) mall construction project.

In a letter sent to the town last week by Alan Donald Gartrell of Concord, representing Developers Company, Gartrell raised several concerns. He expressed concern that the town engineer was allowing major changes to the approved site plan and that "one or more" selected men were working on the mall project.

Bremer said the mall project has been more scrutinized than any other project in the town's history. He said the project has been reviewed and permitted in accordance with all state statutes and town ordinances.

In a letter to Gartrell, Bremer said, "I wish to advise you that I find your allegations and contentions without substance or foundation." At Monday night's meeting, Bremer further said that the mall site plan revisions would be heard at the June 14 planning board meeting, at 7:30 p.m.

The town engineer's office has not approved or implied approval for any of these proposed changes, he said.

The proposed changes include alteration of the drainage and floodplain storage, as well as relocation and expansion of a parking deck, building size changes and parking lot reconfiguration.

Monique

reported the town was also accused of conflict of interest because its son-in-law's brother got the fit-field. His son-in-law, George Wickson, has two other companies in Haverhill, N.H., and is not part of Wickson Trucking, whose president is Richard Wickson, which got the fit-field on the mall.

For being my son-in-law's name stuck, because his brother got the fit-field and he is an union saturation," Gagnon said.

Selectman David Lutton and he was concerned with the location of Gartrell's letter that said the town engineer was allowing changes to the site plan.

"I think any changes on a project that size should go before the planning board," he said.

Bremer said the town engineer has the authority to approve minor changes to the site plan. "The change in the change plan has not been reviewed by the town engineer and must receive planning board approval," Town Planner Edward Blane, however, has advised NED that they could proceed with the proposed drainage changes if they

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## Boom days at Rockingham



### Some fun facts and figures

# A complete look at Rockir

SALEM, N.H. — Here are some facts about Rockingham Park:

**TRACK SURFACE:** There are two tracks. One is made of a sandy loam (all sand in the winter), and the other is a turf (grass) track.

**TRACK LENGTH:** The sandy loam track is a one mile oval and grass track 7/8 of a mile (with a chute to accommodate longer races). Races are often measured in furlongs — each of which equals 1/8 of a mile.

Compiled by Eagle-Tribune writers Jim Van Anglen, Tony Palmisano and Russ Conway

**LENGTH OF RACES:** The shortest race at Rockingham Park is four and one-half furlongs (9/16 of a mile), the longest is two miles.

**RACETRACK CAPACITY:** 14,000 people including standing room.

**GRANDSTAND:** This is the lower level of the main building, with indoor and outdoor seating. A variety of food and drinks (including alcohol) is sold. A number of television monitors line the ceiling, replaying races, as well as showing other sporting events such as the Boston Red Sox, Bruins and Celtics. There are dozens of betting windows, inside and outside. There is a function room. Reserved seating (\$1) is available.

**CLUBHOUSE:** This is the second floor of the main building, with heating in the winter, air conditioning in the summer. There is reserved and unreserved seating. A plush dining room offers a variety of food and drinks. Reserved tables, with individual television monitors, are available.

**COST OF ADMISSION:** Entering the grandstand costs \$2.50 and the clubhouse \$3.50. There is a senior citizen discount, with grandstand admission \$1.50 and clubhouse, \$2.50. Seniors also get a free program (which usually costs 80 cents).

**TOTAL WORKERS:** The race-track employs 500 people. Also, there are 180 who work for the food service subcontractor.

**NUMBER OF HORSEMEN:** 5,000 licensed horsemen including trainers, jockeys, owners, blacksmiths, and equine dentists.

**NUMBER OF HORSES:** There are 1,650 horses housed at the racetrack. Other horses are kept at farms in surrounding communities and race at Rockingham.

**BETTING WINDOWS:** There are 160. A few have \$50 minimums. There is no maximum on the amount someone can bet in a day or on one race.

**SIZE OF RACES:** The number of horses in a race can range from five to 12. The average field is nine.



Eagle-Tribune Photo

**Into the stretch:** A tightly-packed group of horses thunder into the muddy home stretch at Rockingham last week.

**NUMBER OF RACES:** Eleven races are held each day Rockingham is open. There are usually 10 races on a Friday night.

**AGE OF HORSES:** The age of race horses runs from two-year-olds to a rare 13-year-old. Most race as three to six-year-olds. After their race careers, horses are either put out to stud, sold, or retired.

**PARKING LOTS:** 80 percent of parking is free at Rockingham Park. A shuttle bus service will bring patrons to the grandstand entrance. Those who want to park closer can pay \$1.50 for preferred spots. Valet parking is also available for \$3.

**MONEY PAID OUT:** Winners can get their money in cash or by check. Most big winners ask for checks. Racetrack security, if asked, will escort winners from the building to their cars.

**ENCLOSED PATIO:** Work has started on an enclosed patio which should be completed by Labor Day. It will accommodate 1,400 fans. There will be about 400 track-side seats, sports bars, and 10-foot television screens.

**PICNIC PAVILION:** A new picnic area is open from Memorial Day to Columbus Day each year. It is 7,000 square feet, covered, and includes rest rooms, television monitors, betting windows, and a sound system.

#### Most popular bets at Rockingham Park

SALEM, N.H. — Here is a look at how most people bet on horse races at Rockingham Park:

**WIN:** Horse picked must place

#### Rock's weekly summer schedule

This is when the horses are racing at Rockingham Park:

**MONDAY:** first races starts at 1 p.m.

**TUESDAY:** Closed.

**WEDNESDAY:** 1 p.m.

**THURSDAY** (only during July): 1 p.m.

**FRIDAY:** 7:30 p.m.

**SATURDAY:** 1 p.m.

**SUNDAY:** 1 p.m.

No maximum bet.

**TWIN-TRIFECTA:** Pick trifectas in two races designated by the racetrack (usually the fifth and seventh races). Pick the first trifecta when placing bet.

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**SHOW:** Horse selected must come in first, second, or third place. Less money paid back because chances of being right are greater than betting a horse to win or place. Minimum bet \$2. No maximum bet.

**DAILY DOUBLE:** Pick first place winners of two consecutive races chosen by the racetrack (normally two daily doubles at Rockingham — first and second races and 10th and 11th races). Minimum bet \$2. No maximum bet.

**PERFECTA:** Pick exact order of first and second place horses in a race. Minimum bet \$2. No maximum bet.

**TRIFECTA:** Pick exact order of first, second, and third place horses in a race. Minimum bet \$2.

day monitoring of v and fills out forms racetrack.

But it is not on who deal with the small number of gamblers write off other expenses.

They list "professor" under occupations, he said.

"If you're a professor, you're going to cords and show the have lost that anno during the year," he said.

He added the go "multiple" rules at governing those professional gamblers that the IRS looks to verify those who list occupation.

Paul Neilson of Portsmouth said any so-called professional can deduct a certain portion of their losses.

The government deducting gambling break even.

For example, if \$1,000 at the track during the year, the allowed to deduct \$100 of their losses.

Like anyone else, gamblers must back their claims — with stubs and details and where they gam

Rockingham has had \$756 million bet since 1984.

SALEM, N.H. opened in 1984 after Rockingham Park has been worth of \$1 billion. General Manager Ed Callahan said day-to-

# Spot Rockingham



*Some fun facts and figures*

# Complete look at Rockingham



**Into the stretch:** A tightly-packed group of horses thunder into the muddy home stretch at Rockingham last week. Eagle-Tribune Photo by Ken Yuszkus

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**TWIN-TRIFECTA:** Pick trifectas in two races designated by the racetrack (usually the fifth and seventh races). Pick the first trifecta when placing bet. If you get the right combination in that race, you win money, and can pick the second half of twin-trifecta. If also get the second combination right, you win more money. Minimum bet \$3. No maximum bet.

**SUPERFECTA:** Must select the top four horses to finish in correct order. Minimum bet is \$2. No maximum bet.

## U.S. government gets tax money at Rockingham

**SALEM, N.H.** — Uncle Sam gets his money at Rockingham Park.

The Internal Revenue Service takes a chunk out of some winning pockets right on the spot at the racetrack.

Here is how it works. If someone wins:

**\$602 TO \$1000** on one bet, they must fill out an IRS form telling the government about the money. They are also responsible for paying the IRS at tax time.

**\$1,000 OR MORE** on one bet, 20 percent of the money is immediately taken off the top. It is sent to the IRS by Rockingham in the winner's name. For example, someone who wins \$2,000 on a trifecta bet will get a check, or cash, for \$1,600. Winners in this category must also fill out the form telling the IRS about the money.

Rockingham Park General Manager Ed Callahan said day-to-

day monitoring of who pays taxes and fills out forms is done by the racetrack.

But it is not only big winners who deal with the IRS, he said. A small number of professional gamblers write off losing bets and other expenses.

They list "professional gambler" under occupation on tax forms, he said.

"If you're a professional gambler, you're going to keep your records and show the IRS you might have lost that amount sometime during the year," Callahan noted.

He added the government has "multiple" rules and regulations governing those claiming to be professional gamblers. He said that the IRS looks very carefully to verify those who list this as their occupation.

Paul Neilson of the IRS office in Portsmouth said anybody, not just so-called professional gamblers, can deduct a certain amount of their losses.

The government allows people deducting gambling expenses to break even.

For example, if someone wins \$1,000 at the track and lost \$3,000 during the year, they are only allowed to deduct \$1,000 worth of their losses.

Like anyone listing deductions, gamblers must be able to back up their claims — with items like ticket stubs and detailed logs of when and where they gambled.

**Rockingham has had \$756 million bet since 1984**

**SALEM, N.H.** — Since it reopened in 1984 after a fire, Rockingham Park has handled \$756 million worth of bets, according to General Manager Ed Callahan

said.

Like a pie, he said, that money has been sliced and re-distributed. Between 1984 and May 31 of this year, the latest financial update available, these have been the big numbers at Rockingham and how money has been distributed according to Callahan:

**MONEY HANDLED:** \$756,883,000.  
**PURSES:** \$62,800,000.

**ATTENDANCE:** 5,783,000.

**PROPERTY TAXES:** \$3,528,000 (1984 through Dec. 31, 1989).

**RACING FEES PAID:** \$670,000 to Salem.

**PAID TO STATE:** \$11.4 million from betting handle.

**WINNINGS PAID OUT:** \$600 million.

**EXPENSES:** \$76,485,000. Amount covers expenses including wages, track maintenance, repairs, electricity, heating.

## Rock attendance up 25 percent; betting up 30 percent

**SALEM, N.H.** — More people than ever are betting on the horses at Rockingham Park. Here is a look at the numbers:

**AVERAGE DAILY HANDLE:** The racetrack is handling (amount of money wagered) an average of \$787,683 a day so far in 1990. Compared with \$550,952 in 1989, that is a 30 percent increase.

**ATTENDANCE:** In 1990, the average attendance is 4,950 people, up about 25 percent over an average of 4,073 last year.

**TOTAL YEARLY HANDLE:** The racetrack has handled \$92,946,647 after 118 days of racing in 1990. Projected handle over an expected 255-day racing schedule is \$200 million. Total handle in 1989 was \$141,594,735.

**PURSES A DAY:** In 1990, Rockingham is awarding an average \$74,000 each day in purses, compared with \$52,000 a day last year.

**MILLION DOLLAR DAYS:** The track has handled more than \$1 million 24 times this year. Last year it had four days when \$1 million was bet.

**TAXES:** 1990 pari-mutuel taxes paid to the state are projected to be \$4.2 million.

**PAYOUT:** \$7.5 million yearly for 500 employees.

**BIGGEST DAY:** (To date) Saturday, May 5, Kentucky Derby Day. Handle was \$1,857,380 with an average \$174.52 bet per person.

**BIGGEST CROWD:** 12,843 since reopening. It was Opening Day, 1984, the first day the track reopened after the 1980 fire.

# The Rock is really rolling

7/1/90

## Rockingham is on track for record attendance and handle this year

### Rockingham's big numbers

By Jim Van Anglen  
Eagle-Tribune Writer

Since New Year's Day at Rockingham Park:

**ATTENDANCE** — \$61,119, as of Tuesday, an increase of 114,367 increase compared to the 1989 January-June period, a 25 percent increase.

**DAILY ATTENDANCE** — 4,922 per race card compared to 3,818 in 1989, up 29 percent.

**TOTAL BET** — More than \$30 million this year, compared to \$2,616,411 in the first half of 1989. Rockingham's six-month handle has increased by \$26,859,448 in 1990, 15 percent ahead of 1989.

**\$1 MILLION DAYS** — In 1989 Rockingham recorded only four

days where \$1 million or more was wagered. In 1990, with six months to go, Rockingham has had 24 race programs where at least \$1 million has been bet.

**AVERAGE BET** — The 1990 average handle is \$794.882 per card compared to \$35.199 during the same time period last season.

**PER PERSON BET** — Average amount bet per customer has increased from \$4.40 in 1989 to \$159 in 1990.

**RACE PROGRAMS** — 117 had been held at this time last year compared to 111 in 1989.

**By Tony Palmisano**

A special report



### Boom times at the Rock

That money would:

**Equal five times** the cost of running the Town of Salem, N.H. and its schools for one year.

**Build 1,000 homes** worth \$200,000 apiece

**Buy 10,000 cars** at \$20,000 apiece

**or ...** Construct a new Boston Garden sports facility and an adjacent parking garage.

Money — crisp new bills and crinkled old ones — is pouring into New England's only thoroughbred racetrack.

And since Rockingham reopened in 1984 after a fire that closed the racetrack for nearly four years, people have bet \$756 million in Salem.

Why is Rockingham big business — especially now?

**Suffolk Downs closed**  
When Suffolk Downs in East Boston closed last December,

**Please see ROCKINGHAM,**

**Page D4**



Come on, baby: Rockingham bettors approach the rail as the horses come down the stretch.

# Suffolk's closing has given Rockingham

## Rockingham

From page D1

Rockingham gained, said Rockingham General Manager Ed Callahan. Massachusetts bettors who used to head north once or twice a month before Suffolk closed now come once or twice a week, he said.

"We're about 30 percent ahead of last year in handle (money bet) at this time," he said. "The average daily handle so far this year is \$787,883, compared with to \$550,952 in 1989. The average daily attendance in 1990 is 4,950 — up about 1,000 from last year."

Right now money bet, divided by attendance, equals \$159 gambled per person per day opposed to \$135 in 1989.

### Still not making money

Despite the recent boom, Callahan said the racetrack remains in debt. He refused to give an exact number.

"We're still showing a loss for the first five or six years (since re-opening)," Callahan said. "The racetrack did make a \$20,000 profit in 1988, he noted.

"It's an expensive place to run that's for sure," Callahan said.

### Local residents attend

Salem residents, not just former Suffolk customers, bolster handle and the attendance according to Callahan said. With a sagging regional economy and a rising jobless rate, why is

"Rockingham booming?"

### Concessions mean money

"It seems that local people are staying home. They're not going on vacation," said Callahan. "Therefore, some decide to spend a day at the racetrack — which is in town and inexpensive."

### Few are high rollers

Most bettors at Rockingham are not high rollers. "They don't walk in here at the beginning of the day with a half a million and walk away with nothing," Callahan said.

The average person, he said, has \$30 to \$40 and leaves with \$15 to \$25. That will include winning and losing bets; refreshments; race track admission price; and other expenses including programs or papers containing race information.

Small bets are more popular than large ones. Many people wager only a few dollars on a single race. But some do put down serious money on a horse.

"I've seen \$50,000. I think it was a show bet two years ago," Callahan recalled. "He won."

The largest win Callahan has seen?

It was \$260,000 on a \$3 bet. Recently, he added, two bettors each won \$115,000 — also on \$3 wagers.

Bettors use various techniques to pick horses. Some like names, others go by color or the horse's race history. Any method can work, Callahan said.

"You can use all the handicapping in the world, and not be better off than somebody who likes gray horses," he said.

soon realize Salem "is not way up in New Hampshire."

### Local taxes paid

In 1990, Rockingham Park was the largest taxpayer in Salem. Since 1984, Rockingham management has paid about \$3.5 million to the town in race concessions and the town in real estate taxes.

Town Assessor Normand Pelleter said Rockingham Park is assessed at \$14.6 million. Like other Salem taxpayers, that number is about 35 to 40 percent of the total estimated market value.

Callahan said the racetrack pays its own way for town services — including two to five-man police details needed on race days. Police rates go up \$3 an hour beginning today to \$27 an hour beginning.

Salem police do get called to the racetrack for a variety of problems, such as drugs, fights, and assaults. But Salem Police Chief James E. Ross said: "Historically, Rockingham has not been a major problem for us."

**Improving for the future**

Callahan said Rockingham knows the hike in customers and money could end at any time. Suffolk Downs could be re-opened, he added, or another racetrack built in the area.

### Rockingham will make improvements

especially in the sta-

ble area, he said. But it remains to be seen.

### "There are multiple millions

that are going to be spent," he ex-

plained. "Whether multiple mil-

lions will be spent beyond that de-

pends on the industry."

## A few big numbers

Year	(Dates)	Total Attendance	Avg. Attend.	Total Handle	Avg. Handle	Per Cap. Handle
1990	(118)	584,049	4,950	\$ 92,946,647	\$787,683	\$159.13
1989	(257)	1,046,783	4,073	141,594,735	550,952	135.27
1988	(252)	1,023,241	4,060	143,213,579	568,308	139.96
1987	(242)	964,033	3,984	129,575,446	535,436	134.41
1986	(183)	779,082	4,257	90,727,004	501,254	116.45
1985	(165)	789,413	4,784	90,910,743	550,984	115.16
1984	(140)	727,881	5,200	73,442,221	524,444	100.90
1983				No Racing		
1982				No Racing		
1981				No Racing		
1980*	(21)	188,254	8,984	18,198,576	868,596	98.67
1979	(64)	527,350	8,240	51,329,955	802,030	97.34

\*denotes late-shortened meeting. Date was on July 29, 1980.

# EPA Probing Salem Cemetery Expansion

## Work at Pine Grove Ordered Halted as Possible Filling of Wetlands Checked

By COLLEEN COVETTE

Union Leader Correspondent

SALEM — The Environmental Protection Agency is investigating construction at the Pine Grove Cemetery on North Main Street for what may be a violation of the federal Clean Water Act.

According to a June 18 letter from the EPA to Salem superintendent of public works George Sealey, EPA staff had inspected the expansion at the cemetery and discovered some fill material was placed in wetlands.

"Therefore, we believe that a violation of the federal Clean Water Act may have occurred," the letter said.

The certified letter further stated that a federal permit is required for the discharge of dredged or fill material into U.S. waters, including most wetlands. Expansion work was ordered halted because no federal permit was issued.

According to Salem assistant town planner Charnan Bray, the EPA letter requested nine items of information, including the date on which expansion activities began, owners of the property, the volume and area extent of fill material deposited, and a

plan of the site as it existed prior to any filling, with wetlands clearly and distinctly delineated.

Bray said she's been compiling the information, which must be mailed to the EPA within 30 days.

According to Matt Schweisberg of the EPA, the agency received a citizen's complaint about the construction. "This is a routine on-going investigation," Schweisberg said.

The construction in question is at the back of the cemetery, Sealey said it is part of an expansion project because the town is "simply running out of room to bury people."

Beyond a tarred road in the back of the site is a leveled area, with dump-truck piles of sand on it. On the other side of the sand is a line of boulders. Sealey said he put in place so no one would go into the wetlands behind it.

Sealey said the back area of the cemetery, bordered by Willow Harris Brook, has been used for disposal of grass clippings, leaves and dirt since 1957.

In 1987, Sealey said then-town planner Kate Welch told him not to fill any more towards the ditch where the brook is. Sealey said in the fall of 1989,

test holes were dug in the leveled-off area to see where the water table was. The table was 3 feet below the surface, he said, but 4½ feet is needed for gravesites. The piles of sand were to be used to increase the depth between the surface and the water table.

Sealey said had a soils scientist delineate the location of the wetlands. "I'm not in the wetlands as far as I know," Sealey said.

Beyond the brook, Sealey said, the cemetery continues for another five acres, that is bone-dry.

Bray said she believes any expansion into the wetlands that may have occurred was done prior to 1972 and the Clean Water Act.

On Jan. 23, Bray said, the state

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## Bill Filed To Help Mobile-Home Residents

CONCORD — A Sunbornton legislator has filed a bill to protect mobile-home residents against losing their homes be-

# Spicket River study urges prompt action to restore it

Eileen Pendleton  
Eagle-Tribune Writer

Spicket River should have canoes, walking trails and ice skating, not the discarded furniture, fallen fences and flooding that characterize it now.

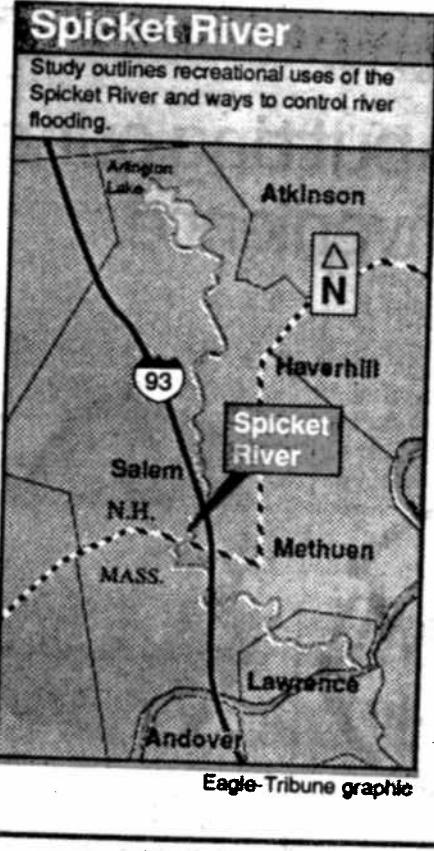
A 140-page report released by the U.S. Army Corp. of Engineers finds that it can be done.

Important to city planners in Lawrence, Methuen and Salem, N.H., it also details how to deter flooding that caused \$11 million in property damage three years ago.

"I hope this will be the foundation for a program that will restore the recreational uses of the Spicket River," said Congressman Chester Atkins (D-Concord), who sponsored the bill for the \$200,000 study. "It is a beautiful river that has been neglected for a long time."

Standing near the river's falls off Route 28 in Methuen yesterday, Mr. Atkins talked enthusiastically about a fish restoration program to bring salmon and shad back to the Spicket.

Please see RIVER, Page 14



ert Ercolini voted in favor of it. They set no tie. However, Mr. Bakeman, who made the motion, probably would not come before voters sooner than in May.

Chairman Francis Dugan and Selectman Steven voted against going for an override. In May, they turned down the projects by nearly a 2-to-1 margin.

That overwhelming defeat showed the voters had been right to turn down the projects, and trying to have another override election would be wrong, they said.

But Mr. Ercolini said voters might have gone for the projects if they had been given the choice to vote on them separately.

Even though selectmen are putting the projects on the ballot, any decisions should be taken to the voters at the special Town Meeting, Mr. Ercolini said. Then, if voters approve of the projects, a tax increase in the form of Proposition 2½ override would go on the ballot for the fall vote, he said.

Mr. Ercolini said the town might be able to cover the cost of the projects with the money to cover one of the projects without an override.

Selectmen in favor of an override said the library renovations and the new elementary school are the two most important projects of the six.

The library renovations are needed because the building is deteriorating and the elementary school is too small to deal with overcrowding, they said.

The other projects in the May override election are \$3.5 million for a new 300-student school on the site of the old Thomson School; \$1.6 million to build walls in the wing of the high school; \$481,883 for high school renovations; and \$35,000 to design a third fire station.

## Survey: Many lawyers work drunk

LOS ANGELES (AP) — The State Bar of California says there are thousands of lawyers who come to court each day drunk or high.

And the bar — which normally keeps its members' personal problems private — is going public with a high-profile campaign to battle substance abuse among attorneys.

Surveys conducted by the state bars in Washington and Oregon indicate 15 percent to 18 percent of lawyers are alcoholics. The State Bar of Texas estimates the inci-

dence of substance abuse among lawyers may be 20 percent — twice as high as that of the general population.

The American Bar Association says 88 percent of state bar associations have some sort of program for impaired attorneys; there are about 100 active programs across the United States.

The ABA launched a Commission on Impaired Attorneys in 1988 to serve as a clearinghouse and network for programs like Texas' Lawyers Assistance Program, which has offered confidential

counseling since 1982.

The California bar is the nation's largest.

Law schools will be urged to include a substance abuse course in their curriculums. The bar's mandatory Continuing Legal Education also will require attorneys to take a course on the subject in order to keep their licenses to practice. Law firms will be encouraged to address the problem with programs in their own offices. The bar also has a 24-hour hotline for attorneys needing referrals to drug and alcohol programs.

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## Tomorrow: Is low-fat yogurt also low-calorie?

Lawrence Eagle Tribune 7/31/90

# Spicket can revive, study says

River From page 1

With him was Dr. Mark S. Tisa, assistant director of fisheries for Massachusetts Division of Fisheries and Wildlife.

"I want to make this a major center for urban anglers," Mr. Atkins said.

The necessary research will take three to five years, Dr. Tisa said. But, since the population of salmon and other salt water fish who spawn in fresh water, has risen in the Merrimack River, there is hope for its tributary — the Spicket.

To control the flooding that decimated businesses and sunk the area's economy in 1987, the study emphasizes monitoring wetlands and water flows in New Hampshire.

Recent abuse includes the construction of a new mall in Salem, N.H., behind Rockingham Park, Mr. Atkins said. Six acres of wetlands were filled in.

Federal money has already been set aside to form a valley storage basin and build an automated flood warning system, Mr. Atkins said.

"The federal government has expressed a willingness to be a partner in this process," he said. "But the program can only work with strong community support. We have to show them we have a strong local program."

Plans to revive the recreational use of the river should spawn that commitment, he said.

The study identifies the grounds of the historic Organ Hall in downtown Methuen as an ideal location for a unique, riverfront park.

"It is exciting," said Town Planner Joseph Cosgrove. "It could be something to attract people downtown."

The land is owned by Memorial Music Hall trustees.

The study, which details costs and environmental feasibility, would give town officials a head start on getting state and federal money available for parks and recreation.

Coincidentally, revitalization of Methuen's entire downtown area will be outlined in a report due out this week by the Historic District Study Committee.

"If we can get (the Spicket River park) along with Tenny Park, it

The program can only work with strong community support.

Chester Atkins

**NEW GRANITE POST AND WOOD-RAIL FENCING** along the river.

**REDEFINING THE PARKING AREA** to include a low wall to separate it from entrances to walkways.

**MARKERS** that detail the history of Methuen's organ factory and the area's wildlife and wetland ecology.

**RESTORATION OF LIGHTING** poles along the bridge and the walls that flank it.

**TREES** and plants to define the outdoor recital area.

The report identifies three spots

## Spicket runs through three cities

Beginning upstream, the Spicket River flows through three cities like this:

- Salem, N.H. — 9.4 miles
- Methuen — 3.1 miles
- Lawrence — 2.4 miles

along the river in Salem, N.H. that should be further defined to allow easy canoe access.

They are Town Farm Road, the old fire station on Bridge Street and Garabedian Road. Sections of the river are now blocked with fallen trees and debris. The study suggests organizing clean-up trips, developing a Spicket River brochure and signs for access sites.

A two-mile stretch running through Lawrence was investigated for recreational use, but found to have too many bridge crossings (10) for a path or linear park. However, a small, scenic park could be developed between Wells and Park streets, the study suggests.

The Spicket's water quality has a Class B rating, meaning it is acceptable for bathing and fishing.

More Adopt-A-Stream programs, such as one organized by a Methuen Brownie troop and town officials last October, should be launched to promote river awareness and commitment, the study says.

A major clean-up will be launched in the fall, Mr. Atkins said. Hazardous materials such as car batteries continue to be dumped in the river's unfenced areas.

"We all have to be a little more vigilant," Dr. Tisa said.

One hundred of events, be out. From the Pulitzer Prize coverage ha

On Septemb which will t assembled b

We are pleas important sp Why".

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...aughan, noting that the town's 25-square miles lacks a center or common area.

Suggestions for the waterfront park include:

**RESTORATION OF TURRETS** and walls below the dam and replacement of safety railings along the top wall.

**A RIVER TRAIL** looping behind the music hall with a seating area at the edge of the dam.

### Suggestions to save Spicket River

- EDUCATE** the public, especially schoolchildren.
- FORM** a task force to protect the river and its floodplains from development.
- INSTALL** an automated flood warning system.
- CLEAN UP** river and surrounding areas.
- BUILD** a large, riverfront park in downtown Methuen.
- BUILD** a smaller park in North Lawrence.
- PROVIDE** canoe access in Salem, N.H.
- FISH** restoration.
- WHO** will benefit: Residents and visitors to Lawrence, Methuen and Salem, N.H., and surrounding areas.

**ESTIMATED** cost:  
\$575,000.

### Hollow Earth monument restored

HAMILTON, Ohio (AP) — OK, so John Cleves Symmes' theory that the world is hollow was a little weird. But his hometown's still proud of him.

A 150-year-old stone monument to the philosopher has been removed from Symmes Park for restoration. The monument — a pedestal topped by a 20-inch globe with openings at the poles — is chipped and worn.

"We are dedicating the finished product as a bicentennial gift to the city," said Sonia August of a conservation group. The town was founded in 1791.

Mr. Symmes' 1826 "Theory of Concentric Spheres" won popular backing in the 19th century and led to the formation of the Hollow Earth Society.

AN 25¢  
\*ALREADY  
CLEARANCE  
Sportswear Dre

Lowell • Methuen Mall • Tow

## Bon voyage

Summer 1990

ed from Page 1

ng things forward. Timeline for completion of legal work was 1990, Holtman said. In the context of everything that happened at the landfill, he said, "It has lost its fixed

ying to deal with the landfill, to get GSNP in the landfill site Holtman.

son's attorney, Boston, were not

ed Atty. Victor Lester to file the papers and Atty. partner at Wiggin & Nierenberg the counter

son. The date had been J.S. Bankruptcy trustee had been

in Page 1

in Methuen on all Avenue, is the 100 Year

has been the Methuen firm source of s of negotiations as a result

vote.

en the Town developer

es on Salem River line will though the

Town of

Observer Michael turned.



Town hall staff held an impromptu bon voyage party for Town Planner Ross Moldoff last week. Moldoff and his wife, Amy, are presently on a three-week vacation in Australia.

## Local residents graduated from Keene State

KEENE—Four Salem residents are among 301 New Hampshire 1990 graduates of Keene State College.

Dr. Clarence Davis, vice president for academic affairs at Keene State, gave the commencement address. F. Marion Wood, a former KSC faculty member and consultant to IBM Corporation, received an honorary doctor of humane letters degree. Nearly 800 diplomas were handed out dur-

ing commencement at Keene State.

Kurt E. Barnard and Karen A. Campbell graduated with bachelor of arts degrees. David Scott Clark received a bachelor of science degree. Michael Joseph Girard received an associate in science degree.

Keene State College, located in southwestern New Hampshire, has an enrollment of some 4,200 full- and part-time students. A four-year, liberal arts and sciences institution,

the College offers more than 40 major programs, as well as the opportunity for independent study. More than 500 course offerings lead to associate's, bachelor's, and master's degrees in such areas as teacher preparation, management, physical and social sciences, English, safety studies, industrial education and technology, and the fine and performing arts.

# rent a directory

TOOL

SUBSCRIPTION

## New Hampshire

### Across The Valley

A news digest

### Registration sessions set

By Eileen Pendleton  
Sagle-Tribune Writer

METHUEN — Two special dates have been set for town residents who want to register to vote in the Sept. 11 primary.

Supervisors of the Checklist will be in session Aug. 21 and Sept. 4 from 7 to 9 p.m. at the Municipal Office Building, Second St., in the day people can register. The date has been passed for those who want to change their party affiliation. People can also register to vote at the Municipal Office, 111 Main St., until the Sept. 4 deadline.

**Senate candidates square off**

SALEM, N.H. — Candidates for U.S. Senate will square off in two debates here later this month.

The Salem Teachers Association will hold

# Methuen shuts off Salem in wetlands border war

By Eileen Pendleton  
Sagle-Tribune Writer

METHUEN — The town of Methuen will no longer do business with Salem, N.H.

Councilors voted unanimously last night to end all negotiations after learning a subdivision permit was issued that will affect wetlands in Methuen backyards.

A plan to locate 74 Salem, N.H., homes to tie into Methuen sewer lines is put on hold as a result.

Residents of Kimball Circle, who back up to the property owned by Granite State Baptist Church, "will not be in

for turns of meetings. "Now people are asking all kinds of questions after the fact."

"I think it's time the town of Salem, N.H., did a little negotiating," said Al Turner, a Kimball Circle, who spoke for the group.

He told councilors the plan was pushed through while they tried to schedule meetings with Salem, N.H., officials. Salem town planner has said they should have taken advantage of the 30-day appeals process. The subdivision was approved June 26.

"In other words, it was pushed through," said the Rev. Jack Hackworth, pastor of Granite State Baptist Church. "We went

to raise the water level by one foot."

"We are not anti-development," said Chuck Sabo, 36 Kimball Circle. "We just don't want to get buried under water."

Councilor Robert J. LeBlanc said the ban on contacts is "a nice political move. But, I don't think it will do anything. I know those folks, they are not going to listen to you unless you're in court."

Mr. LeBlanc is past president of Salem Chamber of Commerce, and owns a motel on Route 28 in Salem, N.H.

8/8/90

# Methuen shuts door on talks with Salem

by Monique Duhamel

SALEM — By unanimous vote, the Methuen Town Council voted Monday evening to suspend all contract negotiations with Salem until a problem is resolved.

The problem deals with the June 26, 1990 Salem planning board approval of a subdivision which abuts Methuen property. At that time, the board approved an 11-lot subdivision with two open space lots. The subdivision is planned for land owned by the Granite State Baptist Church.

The Town of Methuen charges that they did not receive proper notification of the project, but Salem's Assistant Planner Charnan Bray disagrees.

"This is really frustrating. They had so many opportunities to discuss this," said Bray. "The Town of Methuen was notified of the planning board hearings on this project, and we have the signed receipts that show they received the letters."

Additionally, Bray said the Town of Methuen had 30 days after the

planning board vote to appeal the decision, which they did not do.

Bray said the site in question was reviewed by two engineers, the New Hampshire Wetlands Board, the Army Corps of Engineers, the Salem Conservation Commission and the Salem Planning Board. The applicant even redesigned the site at the request of the town, she said.

"All the information regarding this site is on file for public review," said Bray. "Methuen says the town is withholding information but that is not true."

Bray admitted that Methuen representatives did invite her and Planning Board chairman Clifford Sullivan to attend a meeting in Methuen after the board approved the project. She said they declined the meeting because they felt there was little that could be done after the project was approved.

In a letter to Sullivan, Mr. Charles Saba, chairman of the Methuen Zoning Board of Appeals wrote to seek information about the project. The letter, dated July 11, 1990 was on Methuen Municipal Building let-

terhead, but the letter was for personal reasons, since Saba is a direct abutter to the Granite State Baptist Church subdivision.

The letter reads, in part, as follows:

"During all of the hearings/meetings on the above project in Salem, at the Methuen boundary, I was not notified by legal notice of these proceedings. My property directly abuts this project, at 26 Kimball Circle, Methuen. On several occasions, I spoke to people on the Salem Planning Board, leading me to interpret and understand that the project probably would not be approved and not to worry about it. At this point in time, I just found out that the project has indeed been approved and passed.

"... the approval of this project increases the amount of water which will be diverted to an area directly affecting my home and the whole of

■ See TALKS, Page 8

## Former Sale to be sentenced

SALEM — Former Salem resident Thanh "Charlie" Pham will be sentenced tomorrow by Judge Joseph Ceniceros in the Multnomah County Circuit Court in Oregon.

Pham, 27, waived indictment and pleaded guilty to charges of first degree arson and perjury last month, according to Elizabeth O'Berg, a legal assistant for the Gang Prose-

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#### Windham:

- Phosphorous found in Cobbets Pond inlets, Page 7

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# GSNP

"The promise to invest money was never honored," said Barron.

The lawsuit filed by Johnson against GSNP claims that the company owes back rent in the sum of \$90,000, but GSNP disputes that any back rent is due, and that the rent is paid through August 1990. The suit also complains that the liability insurance coverage is not the same as described in the lease agreement, and that GSNP added material to the landfill site.

GSNP, however, argues that as manager of the site, Johnson obtained the present insurance policy.

"If any material was added to the landfill, it occurred during the time of our joint venture (with Johnson)," said Hekimian.

"One of the things that bothered us about all this was the specter of bankruptcy," said Hekimian. "We are not insolvent. We want to resolve these disputes as quickly as possible and go back into business."

"If there have been any violations of law on the site, we also want to get resolved very quickly who was responsible and have them fix it," said Barron.

Abutter Marilyn Campbell has kept an eye on the operations at GSNP. Last November, she found a pile of wood chips on her property, about half an acre large and approximately 30 feet deep. The chips were located in the same site where Johnson had previously, when the landfill was in operation, damaged her property and trees.

"GSNP has tried to be cooperative with us," said Campbell. "I think they did try. I give them credit."

Campbell said she did see a tremendous difference at the site, although she was not sure at what point Johnson began to manage the operations. She said there was trash blowing onto her property, and

truckloads of deposited material at the landfill site that was not recyclable.

The Attorney General's office had ordered GSNP to cease bringing in additional materials until some material was removed, according to Assistant Attorney General Charles Holtman.

The Attorney General's office had also filed a contempt motion against Johnson in May 1990, for failure to meet the terms of the 1987 consent agreement. Holtman said the agreement called for Johnson to hire engineers to perform hydrogeological work at the site and then propose a closure plan.

Although Johnson has not yet submitted a closure plan, Holtman says he is no longer in contempt because he complied with the parts of the agreement of which he was in violation. Now, the state and Johnson are discussing the various

avenues of moving things for. Although the deadline for coring the hydrogeological work set at July 22, 1990, Holtman said that within the context of something else that has happened at the site, that deadline has lost its nature.

"Now, we're trying to deal with the site as a whole, to get GSNP compliance and the landfill closed out," said Holtman.

Calls to Johnson's attorney Fletcher Wiley of Boston, were returned.

GSNP has hired Atty. V. Dahan of Manchester to file bankruptcy court papers and Dort Bigg, a senior partner at Dain and Nourie, to file the claims against Johnson.

At press time, no date had been set for a hearing in U.S. Bankruptcy Court and no trustee had been assigned to the case.

## Talks

Kimball Circle, in Methuen.

Saba signed the letter as the chairman of the Methuen Zoning Board of Appeals, Methuen Municipal Building, 90 Hampshire Street, Methuen, Ma.

A July 20 letter from Methuen Conservation Inspector Carol A. Coughlin to the Salem Conservation Commission said there were discrepancies in the flood plain maps of Methuen and Salem regarding the Budron Avenue area in Salem and the Kimball Circle area in Methuen, near where the subdivision will be built.

"The maps issued by FEMA (Federal Emergency Management Agency) do not designate that area of Salem as a flood zone area. How-

ever, the area located in Methuen near Route 213, Kimball Avenue, is classified as Zone A, the 100 Y Flood Plain," she wrote.

The Town of Salem has been seeking to connect to the Methuen water plant as a long-term source of water. It is these types of negotiations which will be cut off as a result of the Town Council's vote.

An agreement between the Town of Methuen and a private developer to tie 74 proposed homes on Salem Street into a Methuen sewer line will also be stayed, even though the agreement is with a private developer and not with the Town of Salem.

Calls made by The Salem Observer to Methuen Town Manager Michael McLaughlin were not returned.

**We've moved to a new location!  
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• Dolls • Annalee • Lee Middleton

Continued from Page 1

**Par**

**BACK  
TO SCHOO**

## Hampshire

## the Valley



Anthony Petronio is a member of Public Works employed by the Commonwealth Building Performance. Mr. Petronio, in Andover, is a 20-year DPW veteran. He is the supervisor for the Central Project, the \$340 million Interstate 93-Route 1 project.

## Employees raise

Twenty-nine public works employees signed a contract last night. They signed the contract, retroactive to Aug. 1. The department's employees are working without a contract.

### Aug. 25

Derry Rotarians will host a dinner on Saturday, Aug. 25, at the Hood Commons. The dinner will feature a meal and gift certificates, including \$5,000 in cash, to be donated to local charities.

### Books aside

Participants in the Derry summer reading program will have a party with games, face painting from 1 p.m. until 2:30 p.m. in the children's room or outside (weather permitting). Discovery toys and a grand prize drawing will be available to attend the party.

Two nursing grads will enter a new agreement, and the community College will be admitted into the Salem State. The agreement eliminates entrance exams.

# Natural Products goes to bankruptcy court

By Jim Van Anglen  
Eagle-Tribune Writer

SALEM, N.H. — Granite State Natural Products has filed for reorganization under Chapter 11 of the federal bankruptcy code.

The Salem-based wood recycling company has filed its bills, company officials said. But the Chapter 11 proceeding would add it in dealing with lawsuits filed by the company's landlord, Peter Johnson and his company, T.M.C. Inc.

Mr. Johnson owns the Lowell Road

property where GSNP is located and leases it to the company. GSNP filed Chapter 11 last Thursday.

Frank Hakimian, lawyer for GSNP, said Mr. Johnson has filed lawsuits in Rockingham Superior Court and Salem District Court. He said they claim that GSNP is behind on rental payments and taxes; in violation of its lease; not adequately insured; and not properly maintained or managed.

Mr. Hakimian said GSNP denies all of the allegations. He said GSNP wants all the lawsuits handled in the same place,

at the same time — federal bankruptcy court.

He said all court actions are on hold with the Chapter 11 filing. GSNP plans to file its own multi-million dollar lawsuit against Mr. Johnson for allegedly "breaching his obligations and duties to GSNP," according to a press release.

Mr. Johnson did not have any obligations or duties to GSNP other than as a landlord, said his lawyer, Dean Richland of Boston.

Mr. Richland said the lawsuits seek to terminate the lease and evict GSNP.

Mr. Hakimian said all the lawsuits would now be dealt with by federal bankruptcy court, where judges deal with business disputes daily.

Company officials will file a plan the next few weeks to reorganize the business, which now employs about 100 people, Mr. Hakimian said.

GSNP President Bruce Rogers expects the company to stay on during proceedings in bankruptcy court.

## Planner: Methuen had its chance

# Salem stands by decision

By Jim Van Anglen  
Eagle-Tribune Writer

SALEM, N.H. — Selectmen Edward Glynn has the "greatest faith" that Salem town officials would not allow a developer to hurt any of the neighbors including those in Methuen.

"I would assume that our engineers wouldn't approve something that would be somebody else's property whether it's in this town, another town or another state," Mr. Glynn said.

Neighbors who live on Kirkland Court in Methuen are fearing that 11 lots Salem approved for development will cause flooding of their homes. Salem town councilors back the residents by cutting off negotiations with Salem for new link-ups to another Salem development, 74 homes on Budon Avenue.

Mr. Glynn said there is a way Salem staff would allow water to run into Methuen an damage property. He adds planners are always careful to examine drainage when reviewing plans.

He hopes Methuen officials will meet with Salem staff to "their fears could be put to rest."

Besides, Methuen has ample time to protest the development before it was approved by the town, said Assistant Salem Town Planner Charman Bray.

"We want to cooperate with Methuen. We want to keep communications open with Methuen," said Assistant Salem Town Planner Charman Bray. "But, we've also given them plenty of opportunities to discuss this — and they have not taken those opportunities."

Ms. Bray said that Salem notified Methuen by certified letter each time a town board was meeting on the project. The planning board reviewed the project four times.

She said several other boards and people approved the plan, including town and outside engineers, Salem Conservation Commission, New Hampshire Wetlands Board and Army Corps of Engineers.

There are 11 lots on the site with two reserved for floor storage and drainage, Ms. Bray said. The planning board approved the plan June 25.



**Pie-eyed:** Beth Edelstein and her students in Andover's Dessert Fantasies course enjoy the fruits of their labor, in this case blueberry pie. Dessert Fantasies was one of the courses offered in the Kaleidoscope summer program.

# Methuen High fights drug problem

By Eileen Pendleton  
Eagle-Tribune Writer

METHUEN — Methuen High has no more of a drug problem than any other high school, said Principal Arthur Nicholson.

In fact, the school has one of the most progressive programs in the area to identify abusers and get them help, he said.

School officials were stung by published comments made by Methuen High

student Kerry McCarthy, 15, who testified against her father last week. Mr. McCarthy was convicted of shooting his daughter's friend, Kenny Lorraine, after becoming distraught over her drug use.

Miss McCarthy said she began using drugs and alcohol at St. Monica's School and continued at Methuen High. "It is a place to go to get high," she said.

Mr. Nicholson said: "Kids have access to drugs no matter where they go. I feel we are doing a credible job trying to deal with

it." The school is one of the few with a program like Methuen's Student Assistance Team, which has a team of teachers and counselors meet weekly during the school year to discuss students in trouble. They have contacted 225 parents and urged them to intervene since the program began three years ago. And a support group of students also helps.

"We are one of the few schools in Eastern Massachusetts with an assessment team," Mr. Nicholson said.



# Glynn

Continued from Page 1

driving conditions would result.

Selectman Joseph Gagnon then gave a presentation on the site's history, and argued that the site has been illegally zoned since 1953.

Attorney Frank Hekimian, representing Glynn, then gave his presentation.

He said town records show that the gas station is a pre-existing non-conforming use and is legal.

His argument centered on the issue of retail sales. He said the site has been used for retail sales since 1963 and when Glynn purchased the property, at least 10 percent of the floor space was already being used to sell foodstuffs.

"Retail sales is the use of this land,

not the specific items sold," he said. "We are not asking for a permit for Mr. Glynn to change the use of that structure. ... If sales are allowed there, then we are permitted to make a natural expansion of sales."

Hekimian also argued that there would not be a physical expansion to the building, since the coolers would be added to the outside.

BOA chairman Francis Champoux, however, disagreed with that point. He said adding coolers to the outside of the building (with access to the coolers available inside the building) would expand the physical size of the structure.

"This is the expansion of the physical size of the building. If there

is a non-conforming use and you want to expand, you have to get a variance," he said.

Joel Farber argued that the site has not been a convenience store for the seven years he has lived in the area. He also said he found it shameful that Glynn had not yet responded to charges raised by Gagnon of illegal permitting activity regarding the site at 321 North Main Street.

Hekimian said it was outrageous that people like Farber and Gagnon could say Glynn had done anything illegal. He added that the town has not come up with anything of substance in response to Gagnon's charges, even after paying an attorney to research the issue.

Bernard Raynowska then argued against the permit. The basis of his opposition was insufficient parking, lack of toilet facilities, and that this site was not previously a convenience store.

Glynn himself then stepped up to the microphone. He said he was willing to hold off until September, if the board wanted to obtain additional information or legal advice.

"I get very upset when people get up here and characterize me as someone who has done something deceitful," he said.

Glynn said that he followed established procedures in requesting the permit, and met with staff in the building department. He said he was not told that an expansion of a non-conforming use required a variance, or he would have applied for one.

"I'm appalled that people would stand up here and malign my character," he said. "I think my credibility was attacked tonight and I think that's wrong."

After hearing the presentations made by both sides, the board voted unanimously to uphold the appeal.

## Appeal of Glynn permit upheld

by Monique Duhamel

SALEM — Last Tuesday night, the Board of Adjustment granted three appeals to the issuance of a building permit issued to Selectman Howard Glynn to add a cooler and freezer to his building at 321 North Main Street.

The board decided that since this was an expansion of a non-conforming use, Glynn should apply for a variance. The building presently houses a gas station, marina, retail sales area and oil company.

The three appeals were filed by John and Marianne Doyle, 303 North Main Street; Joel Farber, 5 Nowell Court; and Bernard Raynowska, 315 North Main Street.

John Doyle presented an 11-page report to the board, arguing against the issuance of the permit.

His presentation covered four separate areas: Is the existing site a convenience store? If not, is a convenience store a natural outgrowth

of the site? Is the proposed change a physical expansion of the site? Will there be an impact on the neighborhood by this expansion?

Doyle argued that the existing site is not a convenience store, because it has never been licensed by the Health Officer and it does not sell standard convenience store items, such as milk and bread.

He also said the store is not a natural outgrowth of the site, since packages of chips, crackers, bagged ice and soda are the only products sold there.

Doyle continued his presentation by discussing physical expansion of space. Adding the coolers would add about 602 s.f. of additional space, he said.

Lastly, Doyle centered on neighborhood impact. Traffic would be increased and parking would create hazards, he argued. There is not enough off-street parking at the site for the additional traffic which a convenience store would generate, he said, and unsafe parking and

Political Ad

■ See GLYNN, Page 2

# Salem officials will test Methuen contract ban

8/15/90

## LeBlanc: latest feud move aimed at getting at him

By Eileen Pendleton  
Eagle-Tribune Writer

SALEM, N.H. — The town will soon test Methuen's vow not to do business with it.

"There is another subdivision coming up that will require sewer lines through Methuen," said Assistant Town Planner Charman Bray. "We'll see if Methuen will keep their word."

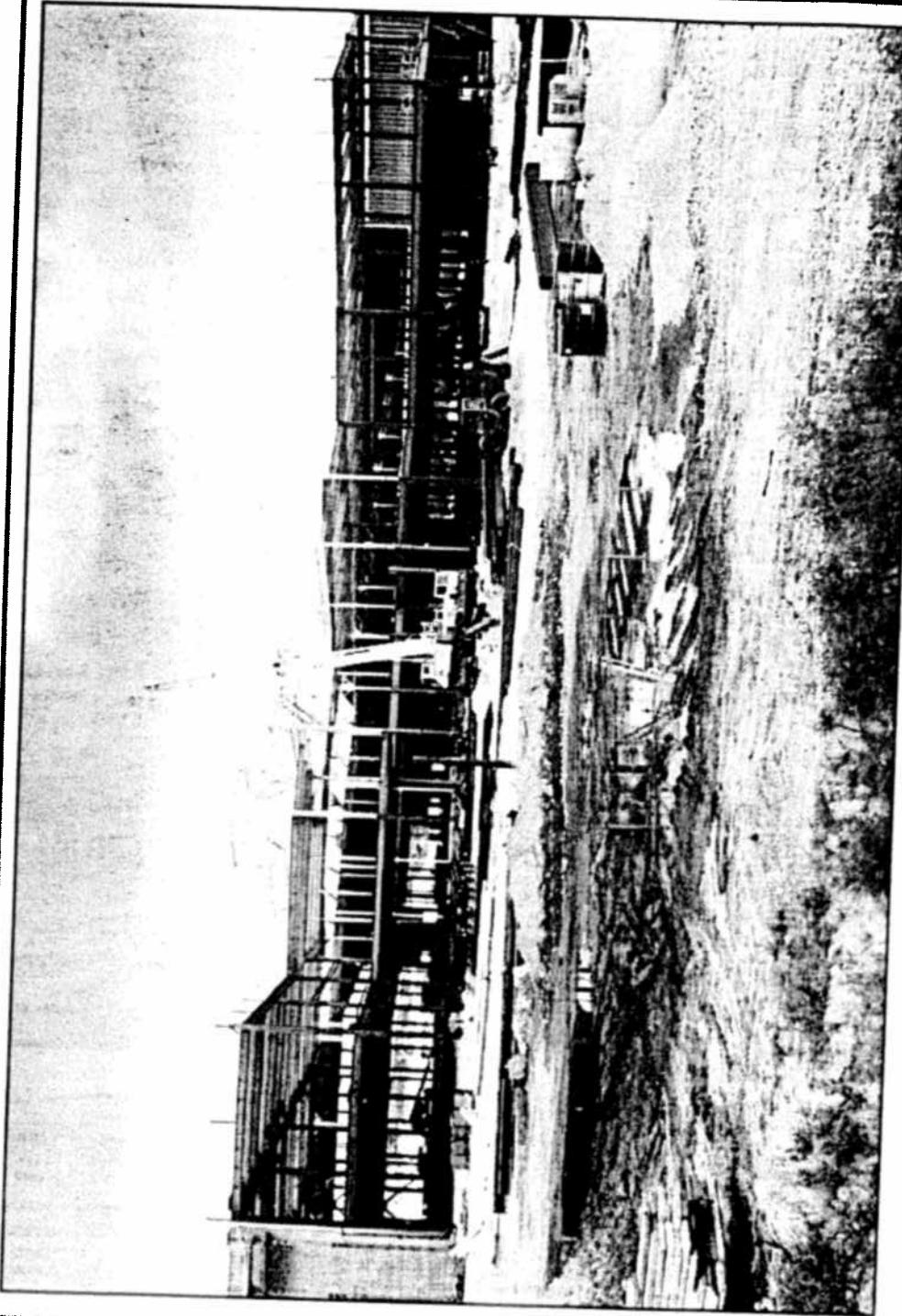
Methuen officials said they would not entertain any offers from Salem, N.H., until a permit to build 10 homes next to Methuen wetlands is rescinded.

The action has halted development of Old Silver Farm, a 74-lot subdivision in Salem, N.H., that was awaiting council approval to tie into Methuen sewer lines. Methuen has returned a check for \$74,000, the initial hook-up fee, to developer Berge Nalbandian.

Methuen Town Councilor Robert J. LeBlanc said yesterday the ban on negotiations "is to get my goat."

He said he advised Mr. Nalbandian, who served with him on the Bon Secour Men's Guild, on how to get councilors' approval for the tie-in.

"The idea of seweraging is environmental," he said. "To protect groundwater and the drinking water."



**Outline of things to come:** The skeletal outline of what will soon be the focal point of Mall at Rockingham Park in Salem, N.H., appears in the skyline. The \$100 million mall is scheduled to open in August 1991.

Eagle-Tribune photo by Carl Russo

Park in Salem, N.H., appears in the skyline. The \$100 million mall is scheduled to open in August 1991.

## From the Sahara to Salem

**But it was  
Salem that  
posed the  
greatest  
challenge**

A New Hampshire water-exploration company has found that in some ways it's easier to look for water in the Sahara Desert than in Salem, NH.

Laconia-based BCI Geometrics is a groundwater development company that's banking on the world's need for water. The firm's president, Peter Hofman, says most of the world's easy-to-tap ground- and surface-water supplies have already

### *BCI Geometrics has looked for water up and down the East and West Coasts, in Africa and Central America*

been found. BCI uses advanced techniques to develop more difficult groundwater resources around the world. The 30-person firm has offices in Laconia and Santa Barbara, Calif.

BCI's geophysicists, hydrologists, hydrogeologists, geochemists, geologists and businessmen have looked for water all up and down the East and West Coasts, in Central America and Africa. In the '70s, they did a major federal groundwater project involving half a million square miles of land in 42 states. If looking for water sounds dull, consider that BCI has attended water conferences in Nairobi, Bangkok, Cairo, Trieste and Barcelona.

Last year, the firm found groundwater in Northwestern Somalia, near Ethiopia. Hofman says another company got 10-20 times their budget and found less water. Apparently, the secret is in looking for the right geological formations.

But it was Salem that posed the

BCI's existence.

In November 1983 a fire broke out on property next to one of the wells. Hofman characterizes the property as a "supposedly" clean demolition landfill. The fire smoldered for three to four months. In 1984 tests were conducted and some contaminated water was found around the well. In 1985, the state tested the well and gave it a clean bill of health.

But Salem refused to pay for the water.

So BCI entered into a series of suits; in 1989, the town manager said Salem would work out a deal in which the city would pay \$1.5 million, covering the two wells and the legal fees. In 1989 BCI received a check for one wellfield.

But in 1990, another conflict broke out. Water from the second well contained some radon. Hofman said BCI had admitted as such, and that the radon amounts were within EPA standards.

But the town engineer said EPA might have new radon standards some day down the road.

"Then the *Lawrence Eagle Tribune* ran a story about the contaminated well," says Hofman. "It forced the selectmen to take a stand against the well."

The town withheld payments from BCI.

Finally, a judge in Rockingham Superior Court ruled against Salem. "He said the town had acted in bad faith," said Hofman. "He just blasted the town. One attorney told me no one had ever seen a judge come out against a town like that."

Now BCI is getting its money and looking to the future. "We're among a group that are trying to persuade the powers that be that groundwater is the way to go. It's not a panacea. But it makes a lot of sense."

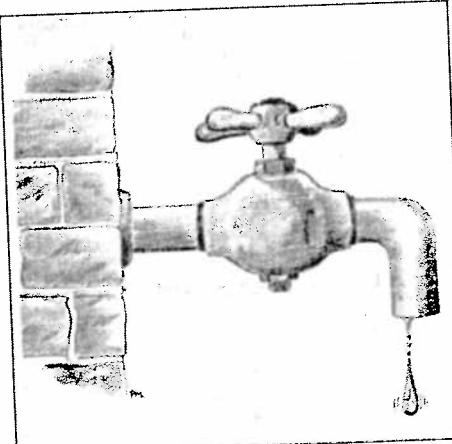
Water, says Hofman, flows through the earth the way blood circulates through human bodies. Capillaries carry blood everywhere, so pricking the skin always draws blood. It's finding the earth's veins and arteries that's the key to BCI's business.

"It takes tools and analysis," says Hofman. "We see opportunities where others don't see them. There's 20 times more fresh groundwater than surface water. It's less costly to develop than surface water, safer from an epidemiology standpoint, drought resistant, contaminant resistant, cheaper than surface water and more

easily tapped.

"A lot of other engineering companies are working on hazardous waste, water treatment, piping, building dams."

BCI's stock, which is traded over the counter, was worth between \$5.75-\$7.75 in 1987, when the company went public. Then came the crash, and BCI went down to \$75. Now it's up to \$2.00. This year, says Hofman, is a key year. But it got off to a good start with the victory over Salem.



greater challenge. In 1981, BCI entered into an agreement to sell the city a water supply system. BCI formed a limited partnership in the early '80s with a drilling company and developed 1,500 acre feet per year in two Salem wells.

"We signed a contract with a town that was in dire straits and we spent our own money to develop water," explains Hofman. In 1983, the town manager and the public works director were fired, beginning a procession of town managers that turned out to be the bane of

# essman enters fight at Salem development



By Eileen Pendleton  
Eagle-Tribune Writer

METHUEN — Massachusetts Congressman Chester D. Atkins will join Methuen's fight to stifle development on wetlands in Salem, N.H., tomorrow.

He will accompany a group of Kimball Court neighbors and town officials to the border to inspect the development of 10 lots neighbors say will divert water into their yards.

The confrontation comes on the heels of a U.S. Army Corps. of Engineers report on the Spicket River that said wetlands in Salem, N.H., must be preserved to avoid the disastrous flooding which occurred in 1987.

Mr. Atkins, D-Concord, sponsored the \$200,000 study and says the Spicket will be revived with recreational facilities, fish restoration and flood control.

He has blasted Salem, N.H., for irresponsible development, including the filling in of six acres of wetlands at the new mega-mall at Rockingham Park.

Methuen officials shut off all negotiations with Salem this week, after neighbors complained of development near wetlands behind Kimball Court.

Mr. Atkins has invited Town Manager Michael McLaughlin, councilors, conservation officials, and Rep. Larry Giordano, D-Methuen, to meet with him and the neighbors tomorrow.

"This is a case where the towns are not cooperating," said his aide Tom O'Reilly. "We're trying to get them back on track."

## Culvert will erode drainage problem

PELHAM, N.H. — Motorists should have one less hazard to worry about by



Chester Atkins  
... joins fight

# Tilton: Save taxpayers money

By Jim Van Anglen  
Eagle-Tribune Writer

SALEM, N.H. — Taxpayers are fed up and the town should save money by not filling two vacant jobs, Selectman David Tilton said last night.

Mr. Tilton argued against replacing Assistant Town Planner Charnan Bray, who is leaving this week for a similar job in Newton, Mass., and former Personnel Director Nicholas Manolis, who left

Salem more than a year ago.

Selectmen voted to meet next month in a secret session with Town Manager Barry Brenner to discuss the open jobs. They told Mr. Brenner not to hire any full-time, permanent employees until that meeting is held.

Mr. Tilton voted against holding the secret session. He told board member Joseph Gagnon: "You're going to get upstairs and get a sales pitch. I'm not interested in that." No dollar figure

was available on how much his plan would save taxpayers.

Here is what else happened at last night's board meeting.

**POLICE AT TOWN HALL:** Mr. Tilton asked whether Mr. Brenner had assigned a police officer to the town offices for 2½ hours last week. Mr. Brenner said he had one there but not for that length of time. No other details were released. Mr. Brenner recommended selectmen talk about it at their



Mr. Brenner said town employees do not have time to explore issues raised by Mr. Gagnon. He said some of them are very complex — requiring extensive legal and environmental research.

Mr. Gagnon has accused Mr. Glynn of having dozens of violations at his marina and oil company along Arlington Pond, including construction without proper permits.

He has also accused Mr. Glynn of providing state and local boards with false and misleading information over the years. Mr. Glynn denies these charges.

The board never voted on Mr. Brenner's suggestion for resolving the dispute, as the two men continued to trade barbs.

Last month, Mr. Gagnon said he went to the county attorney with his charges. Mr. Glynn said he welcomed an investigation because he has done nothing wrong.

Mr. Brenner said a review by town staff found no health or safety violations.

Mr. Brenner said lawyers with expertise in the field could be brought in. He said another option would be the American Arbitration Association.

Please see DISPUTE, next page

**SALEM, N.H. —** Town Manager Barry Brenner said a neutral third party should help settle a nasty battle between Selectmen Joseph Gagnon and Howard Glynn.

Mr. Brenner said town employees do not have time to explore issues raised by Mr. Gagnon. He said some of them are very complex — requiring extensive legal and environmental research.

Mr. Gagnon has accused Mr. Glynn of having dozens of violations at his marina and oil company along Arlington Pond, including construction without proper permits.

He has also accused Mr. Glynn of providing state and local boards with false and misleading information over the years. Mr. Glynn denies these charges.

The board never voted on Mr. Brenner's suggestion for resolving the dispute, as the two men continued to trade barbs. Last month, Mr. Gagnon said he went to the county attorney with his charges. Mr. Glynn said he welcomed an investigation because he has done nothing wrong.

Mr. Gagnon refused to work with any mediator. He said it is town employees' responsibility to prosecute violations. He also ripped Mr. Brenner for not having employees aggressively look into his charges.

Mr. Gagnon wanted to know which staff members said there nothing wrong.

Mr. Brenner said a review by town staff found no health or safety violations.

Mr. Brenner said lawyers with expertise in the field could be brought in. He said another option would be the American Arbitration Association.

## Dispute From page 9

Selectman David Tilton questioned spending that much money. Hiring a third party could cost "several thousand dollars," Mr. Brenner estimated.

Mr. Gagnon refused to work with any mediator. He said it is town employees' responsibility to prosecute violations. He also ripped Mr. Brenner for not having employees aggressively look into his charges.

Mr. Gagnon wanted to know which staff members said there nothing wrong.

Mr. Glynn and Mr. Brenner said that when Mr. Gagnon gets an answer that he does not like or is contrary to his position, he simply hurl's more accusations.

Mr. Glynn said he has done nothing wrong. He said he has all the proper town permits.

He said he is sick and tired of chasing Mr. Gagnon's unfounded accusations.

If the town wants to take him to court, then they should do it, he said. He called Mr. Gagnon's attacks a "mockery" and a "disgrace."

# Lawyer may not return

8/29/90

SALEM, N.H. — Rob Ciandella said he will not return as the town lawyer, because Selectman Joseph W. Gagnon has warned him he will be a political target, according to the town manager.



Joseph Gagnon  
... targets?

Town Manager Barry Brenner last night charged that a "public spectacle" created by Mr. Gagnon is interfering with his ability to hire the town a lawyer.

## Lawyer From page 9

Mr. Ciandella left the position in 1989 but recently talked with Mr. Brenner about returning to the job.

Salem has been paying \$100 an hour for legal services since he left, Mr. Brenner said. The two men reached a contract that would cost the town \$50 for the same quality legal work. The base salary was about \$56,000.

Mr. Brenner said under state law he is responsible for hiring the town lawyer. At a July 23 regular meeting, he told selectmen of his choice.

"Subsequent to the July 23, 1990, board meeting, (Mr.) Gagnon contacted attorney Ciandella on two occasions and told attorney Ciandella he intended to make a political issue of the hiring for reasons unrelated to attorney Ciandella himself," Mr. Brenner said last night. "Attorney Ciandella has advised me that he finds it professionally and personally untenable to place himself in such a situation."

Mr. Brenner said he is still talking to Mr. Ciandella about the job, but he could not "ethically" and "morally" hold him to the contract after what has happened.

"By his actions, Selectman Gagnon who purports to be concerned about the burden of property taxpayers and the 'little guy' has caused the loss to the town of a qualified professional who would have saved the town over \$50 per hour for legal services," Mr. Brenner said.

Mr. Gagnon said he met Mr. Ciandella once and did not threaten to make the hiring a political issue. He said he objects to the hiring because Mr. Brenner never gave him a detailed list of how much and where town legal money is spent.

Some residents at last night's board meeting also wanted to see that same information to see if there is a duplication of legal services in town.

Mr. Gagnon also said he does not want somebody who will get full-time money and only work a three-day schedule, and, he said, the way that the contract is writ-

ten, the lawyer is working "a will" of the town manager there are no controls."

Mr. Brenner said that Mr. Ciandella would have worked as many hours as necessary to do the job but his hours would have been flexible.

Mr. Gagnon said he never had a problem in the past with the Mr. Ciandella did his job. But, Gagnon said, he would like the town to hire a young, fresh lawyer for \$30,000 a year.

Former Selectman Douglas Micklon said that while he was on the board, members questioned Mr. Ciandella's capability to work and wanted to look for other ways to do the town's legal work. The current board asked Mr. Micklon to return for a second session on Sept. 10 to discuss the issue.

9/5/90

## Planning director wants assistant's job filled

SALEM, N.H. — Planning Director Ross Moldoff wants his assistant replaced.

"We really need to do long-range planning for the next boom — which will come sooner or later," he said yesterday.

Selectmen are considering leaving the assistant planner position empty after Charnan Bray left last week for another job. Selectman David Tilton wants it vacant, saying hard-pressed taxpayers deserve a break.

"All I want to do is cut the cost of government during

these tough economic times," Mr. Tilton said.

Town Manager Barry Brenner said he will save his comments on the issue for a secret meeting Monday night.

"I'm going to fight to keep the position," Mr. Moldoff said. "I think that it's something the community needs."

The assistant planner base salary is \$25,000 plus benefits, Mr. Moldoff said. The job was created four years ago for long-range planning and handling environmental issues.

The number of plans is down about one-third from last year, but the work load is "still pretty hefty," Mr. Moldoff said. There have been 100 agenda items before the planning board since January.



Ross Moldoff  
... 'hefty load'

# Editorials

## Dig just a little deeper

Town Planner Ross Moldoff and Planning Board Chairman Cliff Sullivan did a good thing last week when they invited Randall Arendt here to talk about *Planning Salem's Future*.

Arendt is not only Associate Director of the Center for Rural Massachusetts (based, apparently, at the University of Massachusetts in Amherst). He is also a witty man and a most engaging speaker.

The particular topic he addressed at the Municipal Office Building last Wednesday night is "Conserving our Open Space Through Creative Development."

Arendt was sharply critical of current planning and zoning practice, not only as it is being practiced around New England as a whole, but as it is practiced here.

The only trouble with his talk (aside from the fact he could and should have said as much in half the time) is that he stopped short of getting to the root of the trouble.

Planning Boards get hung up on foolish things, traditional concepts, he said in effect, and as a result are accelerating the continuing loss of our open space.

It will take "creative development," he insisted, to preserve and protect the beauty of our surroundings, and Planning Boards as a whole are not creative.

One particular point he made was the width of streets and highways. Zoning codes require developers to plow wide speedways down through open fields, he said several times, in several ways. The time-honored New England tradition, "which works," is for narrower lanes.

It was a particularly poignant criticism for this writer, who remembers how the Salem Board mandated a road 26 feet wide to serve as access to a small neighborhood development including only four homes. We thought an 18 foot road

would not only serve the area, but serve it ever so much better, it being an access we thought it appropriate to call *Settlers' Lane*.

Salem's august Planning Board made us feel foolish for even suggesting such a thing.

Arendt has the right problem — Planning Boards are not really creative — but his solution was too shallow. He thinks, apparently, that by talking long enough, and showing enough color slides he will be able to turn things around.

The real answer to our worsening problem is to be found by thinking things through more carefully and by examining cause and effect.

Planning Boards are not creative because they are not motivated by the urge to be creative (as believed Arendt really is), but by the ubiquitous human hunger for power.

They want to run things. They want to be in charge. They want to mandate 26 foot roads where 18 foot roads would serve better.

The ultimate answer, to which we will eventually come, is to bring the market structure into the equation. Developers should decide how best to alter the landscape by judging what is most apt to sell. The marketplace — the great American public as a whole — is more creative than any Planning Board, or any Price Control Board, or any Health Services Review Board.

That's what eastern Europe has discovered.

The initial, knee-jerk reaction to this opinion, of course, will be that what the market wants is cheap houses. Affordable prices.

Correct. But the answer to that one lies in the nature of a "free" market. The major, single escalating factor in building prices is site, that is the factor to be resolved.

Planning Boards are doing nothing to bring down the cost of sites. They are driving them up. What's creative about that?

RN

## The rights of usufruct

One badly neglected aspect of planning these days, which will eventually come home to haunt us (or, more specifically, to haunt our successors), was brought into the discussion here last

We all know, and understand, that one Town Meeting cannot bind another. Rights endure, and are not to be trampled.

What business do we enter into the discussi

# Town finds 2 violations at Glynn marina

By Jim Van Anglen  
Eagle-Tribune Writer  
9/11/90

SALEM, N.H. — A study by town officials uncovered two possible town code violations at Selectman Howard Glynn's Arlington Pond marina.

But Selectman Joseph Gagnon, who has leveled dozens of accusations at Mr. Glynn concerning the marina, said the two-inch thick report is way off the mark and does not address most of his concerns.

"I don't know if you want to impress us with weight or quality," Mr. Gagnon

said to Town Manager Barry Brenner, who released the study.

The possible violations noted in the report concern a sign on the property for which Mr. Glynn has been cited by the town. The second involves the conversion of a seasonal unit to year-round use. Mr. Gagnon — a candidate for county commissioner — and Mr. Glynn have been locked in a bitter political battle during the past few months over the Dockside Marina.

going on for several months. It's strictly a political game," Mr. Glynn said. "We have permits in the file. We don't feel we've done anything wrong."

He also predicted Mr. Glynn will continue to hurl unfounded accusations despite the findings in the report.

Mr. Glynn said he wants "to get a handle on how much this has cost the town of Salem because this is ridiculous."

"If anybody is getting politically harassed, if anybody is an expert at character assassination — Joe Glynn is the

Please see GLYNN, Next page

## Gagnon says report ducks the issue

And each charged the other last night with being a master of dirty politics.

Mr. Gagnon repeated accusations that Mr. Glynn does not have proper permits for construction at the marina, lied to state and local boards, and used political influence to circumvent the process and avoid violations.

Mr. Glynn countered with charges that Mr. Gagnon is using the marina issue for political ends.

"This is something that has been

ties. You're the guy who has a complete site without one single permit from the town until 1987."

"I'm not doing any character assassination," he added. "I'm showing what you have done."

best in the town of Salem," said Mr. Glynn. "He has done an excellent job at this. No matter what report anybody turns in, he tears it apart. He is never satisfied."

Mr. Gagnon responded: "First of all Howie, let's just make something clear. You always seem to — when somebody asks something about you — you say its politics. Well you, you're the master of poli-

"I think it's a very, very poor job by the town," Mr. Glynn said. "I'm not impressed with this is nothing, absolutely nothing," he said.

Mr. Brenner defended the report and his employees. He said the study covered all questions in the jurisdiction of Salem — not those controlled by the state or federal governments.

# Gagnon to try to fire manager

9/18/

By Jim Van Anglen  
Eagle-Tribune Writer

SALEM, N.H. — Selectman Joseph W. Gagnon has said he will move to have Town Manager Barry Brenner fired in a secret session of the board tonight, because he believes he is too political.

But Mr. Brenner and two other selectmen said it is Mr. Gagnon who has forced the manager into political firefights.

A poll of the five-member board found the other members either think Mr. Brenner is doing a good job or has been distracted by the political battles waged at Selectmen meetings during his nine-month tenure.

Mr. Brenner said political squabbles make it tough to manage and deliver services to residents.

Selectmen will hold a secret session tonight on "legal matters." Chairman Richard Gregory said it is not to discuss Mr. Brenner's performance. But Mr. Gagnon said he has asked that Mr. Brenner be on the agenda.

"There's a sandbag job going on because we talked about it last week," Mr. Gagnon said. "Dick Gregory wanted written information on the man-

ager from all the board members."

Mr. Brenner said he will not attend — although legal issues are handled by the manager. He refused to say why. "In this case, I'm not participating. It was a voluntary decision."

Mr. Gagnon said Mr. Brenner was not invited.

Mr. Gagnon refused to be specific about problems with Mr. Brenner. He did mention Mr. Brenner's role in Salem's buying a well along Route 38, and the failed attempt to re-hire former town attorney Rob Ciandella.

Mr. Brenner has charged the hiring of the town attorney fell through because Mr. Gagnon had turned it into a "public spectacle." Mr. Brenner said Mr. Ciandella withdrew his name from consideration after learning the Mr. Gagnon was going to make his hiring an issue.

Mr. Gagnon said Mr. Brenner should have accepted defeat gracefully.

"He lost the issue on Ciandella and then got up and made a big political speech," he said. "He's not a politician, that's the real key. If he was a politician, then it wouldn't have bothered me."

On the Route 38 well, Mr. Gagnon has questioned exactly when Mr. Brenner knew it was contaminated with radon. Selectmen voted not to buy it after learning about the radon. Salem and the well owner are in court over that decision.

Mr. Gagnon, who once applied for the manager's position himself, said Mr. Brenner is not the only Salem town manager to fall into the political trap.

Please see Brenner, Next page



Eagle-Tribune photo by Carl Russo

## ayaks 14 hours who could not

I just felt it was  
nothing I had to

going to rain so hard. It poured  
for an hour and a half."

Sunday, he paddled from  
Rye Harbor, N.H., to his daughter's house in Ogunquit.

Mr. Ryan's wife, Irene, seven children and nine grandchildren followed him home.

Robert J. Ryan

# Gagnon tries to fire manager tonight

**Brenner** From page 17

"The town managers always get involved in the stupid politics," said Mr. Gagnon. "They don't know how to stay out of it. That's instant suicide."

Mr. Gagnon first called for Mr. Brenner to be fired in March after only three months on the job.

"I'd like to see us get a new (manager)," he said.

Selectman Howard Glynn said it is hard to evaluate Mr. Brenner because he has been swamped by Mr. Gagnon's political agenda.

Mr. Glynn and Mr. Gagnon have been locked in a bitter feud over Mr. Glynn's marina in town. Mr. Brenner and his staff spent two months looking into the dozens of charges lodged against Mr. Glynn by Mr. Gagnon.

"I think he's a very sincere person, a dedicated person," Mr. Glynn said.

Mr. Gregory said Mr. Brenner has done a good job, but how the manager performs during this fall's budget hearings will tell him more. He said Mr. Brenner has done "just average" handling politics and agreed it has sometimes torn him away from day-to-day business.

"I'm not at liberty to say," said Selectman David Tilton when asked his opinion of Mr. Brenner's performance. He referred questions to Mr. Gregory.

Selectman James Lawlor said he has "minor" problems with Mr.

Brenner but would discuss them privately with the manager.

Selectmen must evaluate Mr. Brenner before December. Mr. Gregory said he expects it to be done late this month or early October in secret session.

Mr. Brenner, 37, started in Dec.

1989. He had been assistant city manager in Concord, N.H., for eight years before coming to Salem, N.H. Mr. Brenner now makes \$63,000 a year, plus benefits and has a three-year contract. During the first year, he has been on probation.

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UNDERSTANDING WHAT YOU NEED.

**"Keeping**

1990 property tax rate set

9/26/90

# Tax rate nearly doubles in one decade

by Monique Duhamel

SALEM — Local property taxpayers will see a 15 percent increase in the tax bills they will receive by the end of October.

That figure is 97 percent greater than the property taxes they paid 10 years ago in 1980. The 1980 tax rate was \$23.60.

Figures released on September 19 by the Division of Revenue Administration (DRA) show the new tax rate to be \$46.43 per \$1,000 of assessed valuation, an increase of \$6.22 over the 1989 rate.

The tax rate breaks down into three parts — town, school and county. Voters approve budgets at the annual town and school district meetings in March, but the results of this voting does not appear until the new tax rates are set. The \$46.43 figure includes \$18 for the town; \$26.14 for the school district and \$2.29 for the county.

A press release issued by the Town reads, in part, as follows:

"The Town of Salem recognized that property taxpayers would be faced with a tax rate increase this year as a result of the appropriations approved at the Town Meeting held in March 1990. Realizing the difficult economic times, the Town wanted to provide as much advance notice as possible to property taxpayers as to the exact amount of this increase. In order to obtain our tax rate as early as possible, the Town elected to receive its tax rate by mail, rather than wait for an appointment to attend a tax rate setting session with the DRA. As a result, the Town has received its official tax rate five weeks earlier than it did last year. ..."

"Property tax bills will be prepared as soon as possible in order to allow taxpayers to plan their payments. The bills are due and payable on December 1, 1990."

The largest increase in the tax rate from town spending increases this year. The 1989 town portion of the tax rate was \$13.54, and saw an increase of \$4.46, or 33 percent. The 1989 school tax portion was \$24.54, and increased \$1.60, or six percent. The county tax rate increased by 16 cents, from \$2.13 in 1989 to \$2.29 in 1990.

The change in tax rate means that homes assessed at \$50,000 will pay approximately \$2,321 in taxes. The assessed value is less than the market value of approximately

\$125,000. Homes assessed at \$100,000 will be taxed approximately \$4,343.

Since 1980, property taxes in Salem have increased by 97 percent. Following is a breakdown of the tax rate in the 1980s.

1980	— \$23.60.
1981	— \$27.40, up 16 percent.
1982	— \$29.70, up eight percent.
1983	— \$31.17, up five percent.
1984	— \$31.17.
1985	— \$34.90, up 12 percent.
1986	— \$33.99, down three percent.
1987	— \$36.49, up seven percent.
1988	— \$40.48, up 11 percent.
1989	— \$40.21, down almost one percent.
1990	— \$46.43, up 15 percent.

NESS

TODAY'S  
TIP-OFF

DOW SLIPS AGAIN: The Dow Jones industrial average, which lost 10.64 Tuesday, fell 15.84 yesterday to 2489.36. For full market information, see Pages 57 to 64.

# \$10M ComFed loan scam alleged as feds indict 12

By SHELLEY MURPHY

A \$10 million fraudulent-loan scam involving ailing ComFed Savings Bank was exposed yesterday as federal charges were brought against two former bank officers, a developer, three lawyers and six real-estate brokers.

Five indictments handed down by a federal grand jury in Boston and unsealed yesterday allege unqualified buyers were given 100 percent financing to buy property in Massachusetts and New Hampshire with fraudulently granted mortgage loans from the Lowell-based savings and loan.

In some instances, buyers were given hidden second mortgages and received money back while closing on property

— even though they never paid a down payment on the property, the indictments allege.

FBI Special Agent In Charge Thomas Hughes called the case "massive, willful, intent to defraud the bank. These aren't bad business mistakes or unethical decisions we're talking about."

Misrepresentations on bank records led the bank to issue loans to people who wouldn't have qualified otherwise and were often unable to pay them back, Hughes said.

Frank Bucu, 43, of North Andover, former executive vice president of ComFed Mortgage Co., a subsidiary of the bank, and Patricia Hajjar, 38, of Salem, N.H., a former Comfed

senior vice president, face charges of bank fraud and false statements.

Also charged are: George Abdallah Jr., 40, of Chester, N.H., and his Derry, N.H. company, Abdallah Construction Corp.; Roland Ambiehl, 44, and his wife, Sandra, 45, both of Derry, N.H., and their real-estate brokerage company, Real Estate Stop Inc.

Also: William Gregorio, 45, and his wife, Jean, 41, both of Sandown, N.H.; and Charles Noe, 31, of Londonderry, N.H., who all worked at the Real Estate Stop Inc.

Three lawyers, Samuel Concemi, 48, of Andover; H. Raymond Kellett, 44, of Salem, N.H.; and Daniel Scanlon, 38, of Londonderry, N.H., were charged with collecting closing costs from buyers after helping them cover up second mortgages.

Kellett is also charged with obstruction of justice for allegedly destroying documents and urging his secretary to lie to a federal grand jury investigating bank fraud.

Walter Ribeck, 39, of North Andover, owner of Century 21 Ahearn and Ahearn Realty in North Andover, is charged with conspiracy, bank fraud and making false statements.

U.S. Attorney Wayne A. Budd announced the indictments yesterday following a two-year probe by the FBI.

The ongoing probe is target-

Turn to Page 58

## ComFed loan scam alleged

From Page 53

ing former ComFed Mortgage Co. President James G. Baldini, according to sources.

Baldini told the Herald yesterday that he was not sure whether federal officials would eventually focus on him in their fraud probe.

"I don't know if I'm the ultimate target, but they generally go up [to indict higher-level people] and not down," Baldini said.

"But I've done nothing wrong, and I don't see how these indictments are anything I could have had anything to do with," he said.

Baldini, who built ComFed into the state's top mortgage producer in the mid-1980s, said alleged activities by Bucu and others took place after he left the company.

"When I was there, Frank was a good, competent executive to the best of everyone's knowledge," said Baldini, who now runs Suburban Mortgage Co. in Woburn.

Bucu, Hajjar and Concemi appeared before U.S. Magistrate Robert Collings yesterday and were

each released on a \$100,000 bond.

While leaving the courtroom, Bucu said he was "absolutely shocked" by his indictment, which comes on the heels of a civil racketeering suit filed by ComFed against Bucu, Hajjar and 32 other former bank employees.

"I have nothing to hide," Bucu said.

Both Bucu and Hajjar are currently employed by the Phoenix Mortgage Co. in Methuen. Hajjar and Concemi declined comment while leaving the courthouse.

Others charged in the case voluntarily surrendered and appeared in federal court in New Hampshire, according to officials.

Many of the illegal ComFed loans were granted to unqualified buyers who bought condominiums at the 114-unit Old English development in Derry, N.H., and the Ode Way development in Manchester, N.H., according to one indictment.

The borrowers named in the indictments are viewed as victims who were "somewhat duped" into buying property they couldn't afford, Hughes said.

Some buyers saw "a great opportunity to get a home without putting any money down" and thought the mortgages would allow them to realize their American dream of buying a home, Hughes said.

"Now you have people unable to make good on their loans and they're in default," he added.

ComFed Chairman Jack Zoeller said he was pleased with the indictments, noting the company had made about 85 referrals of suspected fraud to the government.

"The real victim of this fraud has been ComFed Savings Bank, together with its shareholders, employees, and ultimately the tax payers," he said.

Comfed, which today doesn't meet minimum capital requirements, could face action by federal regulators. It is trying to raise new capital and has asked the government for special assistance.

— Steven Syre contributed to this report.

# Editorials

## More bandages or a cure?

A guest editorial which appeared (by invitation) in this space last week, signed by Planning Board Chairman Clifford Sullivan and Planning Director Ross Moldoff, warrants a comment.

It objects, in a decent and civilized manner, to an earlier editorial which had appeared in this space September 5.

While the writers challenged our arguments, they were gentle about it, the strongest phrase they saw fit to use being, "we were disturbed" by one part.

Let us here make a distinction which is at the heart of our original comments, and which our local planners deserve.

This newspaper does not now, and never has (although we might, were circumstances that justified it arise), challenged the integrity or the good will of either the Planning Board or the professional planning staff.

Chairman Sullivan, in particular, is to be commended for having gone to some personal expense to bring here, for a lecture on "creative land development," the spokesman Randall Arendt whose talk gave rise to our September 5 editorial.

Our essential point was then, as it has been in many editorials over the years, that the fundamental concept of a planned society does not work.

Rent control boards do not work. Price control boards simply drive up prices. Health needs review boards may claim to be of noble intent, but they are really just another form of "protection." They serve rather to drive up the cost of health care and in the process deprive Salem of its own hospital.

The problem is not that they are bad people, but that social planning does not work.

School boards may be trying hard, but their success is tragically limited, and for good reason: the whole idea of planning by the few for the well being of the many is an archaic device.

It started being phased out with kings and inquisitors and slaveowners, and it has been dealt many a mortal blow in eastern Europe in recent months, although vestiges of it remain, both there and right at home.

The way to solve our problems is not to put bandages on individual cuts and abrasions, but to keep trying to understand the

healing process better and better, and staying out of its way, until it is free to work.

The way to live together successfully, the way to protect our environment, even the way to guarantee our children the most effective education possible, is to write ground rules — a municipal charter, legislation, or even a constitution — which take fundamental human nature fully into account.

We need to level the playing field.

We need to balance and separate the powers.

We need to bring market forces to bear, and when there are basic impediments to the working of a free market at any level we need to root out those impediments and render human choice as free as possible.

America has come a long way toward that praiseworthy goal in two centuries and more, but we have not worked all the bugs out of our ground rules yet, and that is where our attention ought to be focused.

Chairman Sullivan and Planner Moldoff, in their own words, see their job to be to "fill in where the marketplace fails."

The marketplace, when it is actually free, when supply and demand are able to counter one another without artificial restriction, does not fail.

The problems planners are running around after and patching up are not results of a free market, but of impediments to it.

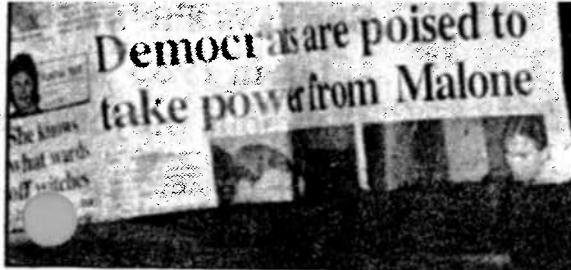
The heart of this newspaper's disagreement with the current planning process lies in this sentence from last week's guest editorial: "The results of a completely unrestricted marketplace for land development, where each individual developer acted in his or her own best interest to maximize profits with no public controls, would be disastrous."

This enlightened country, during the two centuries and more in which we have exploited an empty continent, has yet to know an "unrestricted marketplace" in our common gift from God: our planet.

The problems which have arisen, and which continue to arise, are the result of a fundamental restriction, which unwisely diverts to the few enormous social values which are created by the many.

It's as simple as that.

RN



**Malone responds:** Republican Treasurer candidate Joe Malone posed in Boston yesterday with his son, Joe Jr., and a

copy of Sunday's Eagle-Tribune story.

AP photo



## Malone rips 'Democratic plot'

By John Gill  
Eagle-Tribune  
Statehouse Bureau

**BOSTON** — Republican Joseph Malone accused two members of the state pension board of working behind the scenes to strip away his power if he becomes treasurer.

Outside of a too-close-to-call governor's race, Mr. Malone is considered the Republican's best chance to win statewide office in Massachusetts.

The charges follow a Sunday Eagle-Tribune report that Senate Majority Whip

John A. Brennan Jr. filed a bill designed to weaken the treasurer's power over three state pension funds with nearly \$7 billion in assets.

Mr. Malone holds a narrow lead in the polls the week before the election.

He said the two pension

board members were working with Mr. Brennan to help strip the office of power. He named Arthur J. Gutierrez and John F. Gallahue. Mr. Malone gave no proof, but said some "insiders who can't come out publicly" had named them.

## Salem OK's housing accords

### Ends feud with Methuen

By Jim Van Anglen  
Eagle-Tribune Writer

**S**ALEM, N.H. — The Salem-Methuen feud is now put to rest — at least officially.

Selectmen in Salem, N.H., last night reluctantly OK'd agreements involving two housing projects on the state border held up by Methuen.

Selectmen said the developments, several miles apart in Salem, were unfairly linked together and delayed by Methuen for political reasons. Officials also questioned if the same tactic would be used by Methuen in future disputes.

The housing projects can now go ahead.

Here is a look at the agreements and what happened in the border skirmish.

**GRANITE STATE BAPTIST CHURCH:** The Salem church owns 47 acres at the end of Budron Circle and plans to build 10 homes abutting a Methuen flood plain.

Some Methuen residents said the project would flood their yards but Salem officials contended it would not. Methuen shut off all negotiations with Salem until certain assurances were made.

**Agreement:** In the agreement, the church agreed to provide more drainage culverts and water storage areas. Methuen, Salem and the church have now approved the agreement.

**OLD SILVER FARM:** When negotiations between the two towns were shut off, the devel-

oper of a 74-unit project in Salem was left hanging for three months.

Right before the border battle broke out, developer Berge Nalbandian was set to sign an agreement with Methuen to tie into its sewer lines for \$1,000 per house.

During the three-month wait, reconstruction of Salem Street in Salem was held up. Salem officials originally approved the 74-unit project with a stipulation the developer would pay for part of the road work.

**Agreement:** The price for sewer hook-ups was hiked to \$2,500 per home by Methuen while talks were shut off. Mr. Nalbandian agreed to the higher fee. Salem approved the agreement.

16/30/90

### A Point of Light

Music teacher Cindi Rogers doesn't have enough time in her day to organize a chorus, so she gives up her lunch hour so that 180 children have a chance to sing in a group. The chorus is so popular that outgrew its space. Ms. Rogers broke the group into four and now teaches chorus four different times.

Kathleen Sciarappa  
Principal,  
Hampstead Central School

This is number 625 as the Eagle-Tribune searches for 1,000 points of light in the Merrimack Valley. If you have a contribution, call Sound Off (685-1000), or write, Light, Eagle-Tribune, Box 100, Lawrence, Mass., 01842.

## ry mobile homes hit twice with tax





# Editorials

## Key issues left unresolved

The New Hampshire Supreme Court's ruling in the Brickmaster case, handed down last Friday, settles a relatively petty two-year-old local question once and for all, but leaves the essential issues dangling.

New England Brickmaster will have to fork over \$39,377.51 as its share of the cost of improving Pelham Road, a condition the Planning Board placed on its approval of a site plan for the company's construction of a third building in its complex.

It is a somewhat complicated case, and you will find the details of it in a news story to be found elsewhere in this issue.

The essentials, however, are that Brickmaster — only one of many commercial property owners in Keewaydin's northwest quadrant — made the mistake of going before the Planning Board at a time when that agency had found a new way to tax private enterprise.

It is a device called the "impact fee," one that has come into widespread use around the country just within the past few years.

Brickmaster, which already had buildings in the northwest quadrant, was growing and needed another. Once it was built, of course, the new building would mean just that much more traffic off Route 193, out Pelham Road and past the already busy intersection with Stiles Road and Manor Parkway.

The area was already a bottleneck, as you perhaps know, and we Salem voters had talked about the need to fix it, but had never gotten around to doing much more than study the matter and realize it was going to cost big bucks.

Impact fees, which were just catching on at that time, are proving popular because they are seen as an easy way to dig into the "deep pockets" of corporations which have the temerity to spend money in a town and make jobs.

So the Planning Board told Brickmaster, "Okay, go ahead and build, and make more jobs and taxable property for Salem, but only if you will pay for the privilege . . . not later, on tax day, when everyone has to pay their fair share of running the town . . . but now!"

"Up front!"

What it amounts to, actually, is a change in the ground rules while the game is going on. We already have ways to pay for roads and schools and firemen. But impact fees are a new twist by which fresh money can be squeezed out of any new kid on the block.

The General Court has given Planning Boards certain powers, but has yet to reach agreement on a definitive law. There is, after

all, a question of fairness and such things are not easily settled.

So Brickmaster took the matter to court. The Superior Court refused early in 1989 to jump into the thing head first, but sided with the Planning Board until the case could be given more thought.

Then, a year ago last April, it said yes, Brickmaster would have to fork over the money, but not to worry: the town would have only three years in which to spend it and, since very little had been done, there was a chance the company would get its money back.

Brickmaster was not satisfied with that. They appealed the 1989 ruling to the Supreme Court, and it is that appeal which got an answer last Friday.

The high Court said, though, the appeal had been somewhat narrow. It had not properly questioned the constitutionality of the case, nor whether the price tag set was fair. So they chose not to settle those questions. They said only that state law, as it stands now, gives Planning Boards the power to make owners pay for good roads not just on a site in question, but off them as well. So the Superior Court ruling stands.

The Brickmaster situation is no longer a test case, and unless the General Court has more to say on the subject it can be used as a basis for other towns and cities to get by with the same kind of actions.

It is to be hoped, however, the General Court will not shirk its duty and just sweep things under the rug.

The *status quo* does create a new taxing authority never mentioned in the constitution, as we argued in this space April 26, 1990.

It does shift an unfair share of the cost of infrastructure off existing property owners, whether they are using their property wisely or not, and onto newcomers who are, almost inevitably, acting constructively — creating new value, and making jobs.

Impact fees, although there is a certain element of justice in their origin, are essentially opportunistic. They will not strengthen an economy, but will instead prove a drag on enterprise.

The venture capital needed to prime our pumps and get things going again is already hard enough to come by, without the new disincentives of impact fees.

This would be the worst of times for the General Court to take an easy way out, and let this pernicious practice stand.

# Court ruling says impact fees are legal

by Monique Duhamel

SALEM — Standing under a computer-printed sign with "WE WON" emblazoned across it, Salem Planning Director Ross Moldoff eats his celebratory ice cream and discusses the impact on the town of a recent court ruling.

The court case in question, New England Brickmaster vs. the Town of Salem, dates back to November 1988. After the planning board assessed a \$39,000 off-site impact fee against New England Brickmaster as a condition of site plan approval, the company appealed the matter to Superior Court, and ultimately, to the N.H. Supreme Court.

"The town's impact fee system was upheld by the N.H. Supreme Court. I think this is going to be a trendsetting case for all communities," said Moldoff. "This sets a legal precedent for the entire state."

New England Brickmaster appeared before the Planning Board in the summer of 1988, with a site plan to construct two buildings at 45-51 Northwestern Drive, part of an 18-lot subdivision previously approved by the board.

The subdivision had been developed by Keewaydin Realty Trust and New England Brickmaster then purchased a 3.5 acre lot.

As a condition of approval, Keewaydin Realty Trust paid \$100,000 towards off-site improvements, to be used for the widening of Pelham Road.

Planners approved the New England Brickmaster plan on October 26, 1988, with the condition that the petitioner pay \$39,377.51 in impact fees.

Employment at any time, with cause. During the first year, while in probationary status, Brenner could be fired at any time, without cause, and must be compensated with an amount equal to one year of his salary. During the second and third years of his con-

New England Brickmaster, however, argued that since Keewaydin had already paid an impact fee for the property, they should not have to. The company appealed the planning board decision to Rockingham County Superior Court. New England Brickmaster further argued that the planning board does not have

the legal authority to obtain funds for off-site improvements as conditions of approval.

In February, 1989, the first ruling came back from Superior Court. Presiding Justice Bruce E. Mohl ruled that the planning board did have the statutory

■ See IMPACT, Page 3

## News Briefs

### Kruse resigns from seat on Budget Committee

SALEM — Longtime Budget Committee member and former chairman Fred Kruse dropped a bombshell on board members this week.

Just as the board gears up for an intensive budget season, Kruse has to step down.

Kruse announced his resignation at the board's meeting last week.

"I will have my resignation in the hands of the town moderator this week," he said. "I enjoyed working on this board. Thank you for the privilege."

Kruse said business reasons prompted him to resign.

Other BudCom members expressed regret at Kruse's resignation and were quick to offer praise.

"We've had our disagreements but I've got to thank Fred," said School Board representative Bernard Campbell, who also sat on the School Board with Kruse. "I'm disappointed that he is leaving."

"This has been one of the best paying jobs I've ever had — in satisfaction. It is a privilege to serve," said Kruse. "There is a member of the press out there tonight and I want her to tell everyone that all you have to do is volunteer. It is a job for everyone. The benefits you earn are so much richer and fuller than you can imagine. Everyone has something to contribute. Thank you for making it possible."

### Call for Candidates

SALEM — Budget Committee member Fred Kruse's resignation leaves a vacancy on the BudCom which Town Moderator Laurence Belair must fill.

Belair issued a Call for Candidates for interested candidates to fill the position. Under state law, Belair has a very limited time period in which to fill the position, and will accept applications until 5 p.m. on November 16, at his home address, 139 Hooker Farm Road.

Interviews for the position will be held on November 17.

edges

and Youth Services, in foster homes. The sons and two daughters in age from 10 to 14, were removed after an abuse and neglect with the court. They in foster homes until action has been com-

PLETED. Page 3

## nd probation

its in this regard." was hired on December. His contract included probationary period year extension. Set to decide prior to 7, 1990, whether or d the contract.



Ben Ecord was the spokesman, guns were used.

Broome St., Lawrence and Richard L. Ciardi, 30, 65 S. Policy St., Salem, both on a charge of C.O. Theft of Services, Denny's Restaurant reported a blue MV with Florida plates left without paying bill. Two juveniles arrested for theft of services.

November 7

Mailbox damage, 59 Bridge St. Warrant SVC, arrest Mark Vermeulen, 27, 2 Elm St., Windham on a warrant.

Arrest, Joseph Silverio, 25, Windham warrant for fraud use of credit card.

Arrest/warrant, Glenn T. Hogan, 26, 27 Hampshire A-18, Salem, on a warrant for possession w/intent. Arrest Kevin Hogan, 24, 27 Hampshire A-18, Salem on an active warrant for possession w/intent.

Arrest, John Creamer, 35, 4 Lou Al Lane, Salem, on warrant for operating after revocation.

November 8

Criminal Mischief, 39, Joseph Rd., someone shot BB through window. Criminal Mischief, 28 Scotland Ave., damage done to storm door.

Arrest, Michael P. Tarmey, 39, Charles St., Milton, on a charge of receiving stolen property. Bail \$300. Report of seeing a male subject in the Municipal Lot taking a plate from a vehicle and placing it on a truck. Subject described as light brown hair, beard and mustache, wearing bright blue jacket and jeans.

Stolen/Rec MV, resident 26 Pelham Rd. report of son's red Ford F-150 stolen. Arrest Mark A. Tarmey, 39, on a charge of stolen MV and burglary, bail set at \$10,000. Two active warrants one from Dover for unpaid fines, \$165 cash. Second from Rochester, 2 warrants \$410 cash for false information to a P.O. Subject is also a fugitive from Barnstable, MA P.D. Total bail of \$20,000 cash, NH and \$875 cash.

Criminal Mischief, 7 Tiffany Apt. 1, baseball through window.

Shoplifter, Purity Supreme, in custody, no problem.

November 9

MV Accident, 62 Cross St., car hit a pole in front of above address. Arrest James Baker, 25, 75 S. Policy St., Salem on a charge of DWI.

Arrest, Kevin C. O'Doherty, 29, 26 Derlon Lane, Litchfield, on a charge of DWI. Bail \$200.

Court ruling notes that planning boards have the authority to impose conditions upon the approval of a site plan and that the statutes do not limit these conditions to on-site improvements.

"We hold ... that planning boards are empowered by RSA 674:43 and 674:44 to promulgate regulations which allow for the conditional approval of a site plan by requiring an applicant to contribute funds to the construction of off-site improvements bearing a rational nexus to the development," reads the Supreme Court ruling.

Moldoff says he does not expect to see many changes in the planning board's policies because of this latest ruling.

"What needs to happen, and what will happen shortly is that the planning board will review the system we have and update it, if needed," he said. "In the last six months, we haven't charged impact fees because there hasn't been much development."

Moldoff said that while impact fees have not been assessed, developers have been bearing the cost of off-site improvements. Instead of paying a fee to the town, some developers are performing off-site work as a condition of approval, such as the New Eng-

land Development mall at Rockingham Park.

"From my point of view, it's a cost sharing approach to constructing adequate roads. We're not telling developers to pay for new roads entirely, but asking them to join the town and pay their fair share."

Moldoff said town improvements to the Pelham Road corridor will begin in the spring of 1991.

The town has collected \$309,000 in impact fees from developers in that area, excluding the \$39,000 from New England Brickmaster. This will be matched with the \$100,000 allocated by voters at Town Meeting, according to Moldoff.

Presently, the road design for that area is completed and being reviewed by the state. The town is in the process of obtaining easements and will be ready to begin work this spring.

## DESIGNATE A DRIVER...FOR LIFE.

N.H. Highway Safety Agency



Now thru November

You Are  
Cordially Invited To  
Salzburg Square's

Holiday Open House  
Preview - November 9-18

A week full of daily events to open the Holiday Season!  
Enjoy music, refreshments, demonstrations and special  
sales...guaranteed to put you into the spirit of Christmas!

OPEN

THURS 7:15 PM

All



# Tonight's meeting on the town manager could get nasty

Tonight's selectmen's meeting on Town Manager **Barry Brenner's** job evaluation could get nasty.

Selectman **Joseph Gagnon** several times has called for Mr. Brenner to be fired. The first time was in February — three months after he was hired. The board has held a number of secret meetings on Mr. Brenner's status and discussed whether he should be fired. Mr. Brenner has a three-year contract. He is on probation the first year, which ends Dec. 17.

A majority of the board said probation should be extended until the end of January, 1991. Mr. Gagnon has said he should be fired.

Mr. Gagnon has hurled a host of accusations at Mr. Brenner — all of which Mr. Brenner has denied. Mr. Gagnon has promised to let it all hang out

tonight, with a list of specific charges and information to back them up.

Mr. Brenner will obviously defend himself tonight because his job could very well be on the line. To his credit, Mr. Brenner requested tonight's meeting be held in public — instead of behind closed doors.

It will also be interesting to see what the other board members do.

Will they allow it to be a one-on-one fight, Mr. Gagnon vs. Mr. Brenner?

Will they only respond to Mr. Gagnon's charges against Mr. Brenner?

Will they give their substantive critiques of Mr. Brenner's performance?

Will any kind of formal decision be made about Mr. Brenner's status?

Tonight's meeting should be

high

try

Town

p.m.,

years

ool li-

, 7:30

a.m.,

30 Old

wom-

national

## Salem

Jim  
Van Anglen



a real barn-burner.

A large crowd is expected to watch at the Municipal Office Building.

**Nursing board:** Salem District Nursing Association has selected **Sally Milne**, RN, to serve on its board of directors. Mrs. Milne is a registered nurse and board certified in emergency nursing.

She works for Salem physician **Azar A. Korkey**. Before that, she was a nurse manager at Holy Family Hospital in Methuen.

The association said Mrs. Milne is committed to excel-

Mr. Gagnon visited from the set agenda for evaluating the

and not become mired in personal agendas.

try to the job. He said government should serve the public and not become mixed in politics.

years, and one of his chief pro-  
nthes has been to restore stabili-

He noted Salem has had six managers in the past seven

first person to question his integrity.

more than 15 years of government service Mr. Gagmon is the first person to receive the award.

misperceptions and false statements. He said that in

Mr. Bremer has said the allegations are full of inuendo.

a lack of integrity, leadership, coordination, teamwork, and communication in cooperation with the board.

Mr. Bremner, including  
against previous charges

Mr. Garrison last night re-  
sponsible for branding him.

magin's evaluation be done in public and has said the entire board, not just Mr. Gagnon, is

cently to discuss the manager.

Selectmen have met in several meetings recently to discuss the matter.

gested extending the probationary period one month.

Probation period expires Dec 31, 1961, except as otherwise specified.

The secretaries did not take final vote last night. Under Mr. Brenner's contract a first vea

Chinese who consistently gave him low scores.

Mr. Gagnon was the only one to get better scores.

Grades, four selected General

last 12 months. Although Mr. Brenner received some

their report card on the same day as the other students.

In a two-hour meeting, s  
er partly brenher.

Laighton is the only selectm  
who wants to fire Town Mana  
er Party Bremer

First open meeting held on issue, it appeared Joseph

SALM, N.H. — In the

By Jim Van Anglen  
Eagle-Tribune Writer

# Gagnon stands alone in manager evaluation

Salem selectman report card

**Key:** A = Unusual ability  
 B = Generally acceptable performance  
 C = Requires efforts for improvement  
 D = Substantial improvement required

	David Tilton	Howard Glynn	Richard Gregory	James Lawlor	Joseph Geoghan
Policy development	B	B	B	B	D
Planning and scheduling	C	A	B	B	D
Self expression, written	D	D	B	C	D
Self expression, oral	B	A	B	A	D
Cooperation	A	A	B	B	D
Judgment	A	A	B	C	D
Dependability	A	A	A	A	D
Perseverance	B	B	A	B	D
Integrity	C	A	A	?	D
Response to stress	B	A	A	A	D
Pursuit of self improvement	C	C	B	C	D
Enthusiasm	D	C	B	B	D
Initiative	C	B	B	B	D
Leadership	D	B	B	C	D
Innovation	D	D	B	D	D
Follow up	C	B	A	A	D
Personal relations	D	B	A	C	D
Public speaking	C	A	B	B	D
Self-confidence	B	A	B	B	D
Approachability	D	B	A	B	D

Eagle-Tribune graphic

Now: Kathie Neff discovers

### Eagle Tribune graphic

Productivity	David	Howard	Richard	James	Gregory	Lawler	Gagnon
Dependability	3	2	2	3	2	3	4
Community Relations	4	3	2	3	4	3	5
Delegation of Authority	4	3	2	3	4	3	5
Judgment	5	4	2	2	2	2	4
Integrity	1	2	2	2	2	2	5
Adaptability	2	3	3	3	3	3	5
Community Relations	5	4	3	3	4	4	5
Job Knowledge	1	1	1	1	1	1	4
Leadership and Commitment	2	2	2	2	2	2	5

He was gavelled out of order 10 times by the chairman. During the past several months, Mr. Garrison has blast-ed Mr. Bremer in public and said he should be fired. Mr. Garrison has also at-tacked colleagues Howard Glynn and Richard George for giving details with the manager. He repeated a tally of charges against the three last night — detailing each of them.

## Evaluation from page

## Gagno alone

# Chamber dispels rumors of economic slowdown

By Carol Moore

**SALEM**—Edward J. Fallon, President of the Greater Salem Chamber of Commerce, says he wants to dispel rumors that the retail sector of Salem is experiencing a slowdown.

In fact, according to the members of the group's Commerce and on Route 28 as well as from various merchants throughout the community.

Committee chairman Emmett

Horkan of Rockingham Toyota

James Hanson, general man-

will serve as an introduction to shoppers about what is available in Salem and what people know that things are positive in this community.

Horkan noted that Salem has a distinct advantage because one people enter New Hampshire there is an automatic five percent discount before you purchase anything, referring to the five percent sales tax in Massachusetts.

Retail Committee sales are well above last year's figures.

The Commerce and Retail

Committee unveiled a plan for

short and long term goals to keep

Salem the retailers located in the mall are all exceeding last year's sales figures and that by percent of the mall's business comes from Massachusetts residents.

Hanson noted that the mall tenants have sufficient in their own business for all Salem merchants.

Horkan said his organization wants the Massachusetts shopper to keep coming.

Horkan said the Mall at Rockingham Park, now under construction, will enhance the retail

atmosphere in Salem. He called the new mall a draw for other retail businesses and said that the effect of the mall can only be positive.

Salem Planning Director Ross Moldoff said the mall will draw shoppers into Salem, resulting in more business for all Salem merchants.

Horkan said his organization plans to stage several fund raisers to benefit the Rockingham Park area.

He added that Route 28, with the cooperation of town officials and merchants, has improved its image. He said upgraded roads

in Salem have made the town a pleasant place to shop. Moldoff estimated that traffic in the two outlets should be up 40 percent next year, and he expects them to be a full draw in a steep price competition.

Horkan said his organization plans to stage several fund raisers to benefit the Rockingham Park area.

12/26/91

# Many want to build malls in Salem

By Jim Van Anglen  
Eagle-Tribune Writer

SALEM, N.H. — A new megamall in town has spurred retailers from around the country to consider building smaller shopping centers nearby.

Town officials are trying to quickly get a handle on potential growth and development.

"They're coming in from all over the U.S. to build a mall," Chamber of Commerce President Edward Dalton said.

"Absolutely, no doubt about it. That's what the national retail

They're coming from all over the U.S.

**Edward Dalton  
Chamber of Commerce**

chains are looking for," Town Planner Ross Moldoff said.

Mr. Moldoff said he has heard about a half-dozen different shopping center plans, but only one has been filed in his office. That one is near the Methuen town line.

Building more strip malls in the Route 28 area hinges on plans to rezone those neighborhoods surrounding the 155-store mall at Rockingham Park.

Some commercial development is allowed in the area, but lots available for retail use are often too small.

Mr. Moldoff said a town consultant came up with the village district plan, which would create, on a small scale, an area like downtown Portsmouth, N.H., with a mix of office, residential and retail.

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