

N.H. RESORT DIVIDED OVER FAST PACE OF ITS GROWTH

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LINCOLN, N.H. - With a roll of plans sticking from his jacket pocket, developer Thomas N.T. Mullen walked around the rust-encrusted machinery of the paper mill that once dominated this town.

"I was in here once when it was operating. You wouldn't believe the noise, the heat and the sweat on the faces of the workers," he said. "You'll hear the voices of their ghosts in this building for a long time to come." Mullen walked into a cavernous room that held three paper-rolling machines. A few rollers, as long as telephone poles but wider, were in a corner. Snow fell through broken skylights and lay upon the floor in small mounds. "This will be the banquet room," he said. "You could have national conventions, 2000 people sitting down for dinner."

This spring, if Mullen and his partners in Lincoln Mill Associates get approval from the state and federal governments, construction will begin on their planned conversion of the mill and its 80 acres of land, abandoned in 1979, into a \$80 million complex of hotels, shops and condominiums over the next 15 years.

Mullen's plan would bring tourism to the center of town, a dramatic symbol of Lincoln's metamorphosis from conservative, dying mill town to booming ski town. As the Lincoln Mill Associates office opened last week, many residents interviewed expressed concern about losing control over Lincoln's future.

In Lincoln, it has always been a case of anything goes. The town has no planning and no zoning, and two of the three selectmen believe that's the way it should be, that such controls infringe on private property rights. But without some planning, the other selectman and some residents fear development could run amok.

Roger Stewart, the lone selectman who supports town planning, said a recent survey of 200 residents found 90 percent want a say in development and 66 percent want controls over growth.

Jay Bartlett, a native who operates a video rental shop and is a candidate for selectman at Tuesday's town meeting, supports a town plan. "Right now, with no planning, outsiders can do anything they want to," Bartlett said Tuesday in an interview.

James I.F. Bujuold, chairman of selectmen who is seeking re-election, opposes formal planning. "I'm concerned that a formal, statutory planning board would be influenced by out-of-towners and that we'd lose control of the process," he said.

Tourists now are drawn north of town, to the Flume. The winter action is at Loon Mountain Ski Area a couple of miles away in the White Mountain National Forest.

This year, the town report revealed that recreation projects and second-home condominiums - most of them built in the last three years - are valued at more than the rest of the town combined: The \$8.2 million ski area, the \$15.9 million in vacation homes at The Village of Loon and the \$2.4 million the Lincoln Station condominium complex is valued at totaled \$26.4 million. The rest was valued at \$19.6 million.

Loon Mountain last year announced plans to build ski runs that, if approved by national forest authorities, would accommodate 12,000 people. Present capacity is about 6900. The Village of Loon and Lincoln Station plan \$20 million in construction over five years, bringing the total to \$100 million.

The mill started in 1897, sawing lumber for the wood-frame houses of Boston. It switched to paper in the early 1900s and in its heyday before World War II, Franconia Paper Corp. had more than 600 employees. Town Hall got electricity and heat from the boilers. Town records were kept in the company store vault.

"It was a mill town, sure, but it was a good mill town," said Eileen Smith, a waitress at the Country Mile restaurant. "The mill built us a school and a bowling alley and a movie theater. I grew up playing in the board piles, the lumber that was stacked outside. We had houses, caves, everything."

In 1971 the US Environmental Protection Agency closed the mill for polluting the Pemigewasset River. "The mill was small, barely profitable, and couldn't make money if it bought pollution controls," the company's lawyer, Charles Leahy of Concord, said recently. Three efforts were made to save the mill with new pollution-control equipment. "All of them were experimental," Leahy said. "None of them worked."

In 1979, manager Peter E. Gould let the last 278 employees go. "Things were pretty bad," said Lilly Marlatt, whose family bought the former company store. "The men were out of work. Some moved away. Their wives went to work as chambermaids. One company, Burndy, makes electrical insulators, hired about 100. A few got work up at the mountain. But the pay was a lot lower."

The mountain was Loon ski area, begun in 1966 by Sherman Adams, 86, a former governor. It grew slowly. Some vacation houses were built at The Village of Loon, but the land boom did not start until after the mill closed. Few wanted to build near a smelly, polluting paper mill.

In 1983, Lincoln Station, headed by former state economic development director Richard W. Barber, opened. About 300 condominium units will be built along the Pemigewasset by 1988. "The corner has been turned," Barber said. "Tourism is the future. The pay is seasonal and it's lower, but the building of vacation homes provides jobs for carpenters, plumbers, electricians. Each owner spends, maybe, \$3000 a year on retail. The economy is a lot more diverse."

Former mill employees are skeptical. One of them is Selectman Edmond Gionet, who opposes town controls. Interest rates could rise next year, he says, or the government could say that investment credit cannot be used for vacation homes. "Something drastic is going to happen if those people building vacation homes disappear," he said.

Bujeaud agreed. "I'd like to see the economy diversify," he said. "I'd like to see a paper mill, for example. I'd like to see black smoke coming out of that chimney again."