BOARD OF MAYOR AND ALDERMEN

March 16, 1999 **7:30 PM**

Mayor Wieczorek called the meeting to order.

Mayor Wieczorek called for the Pledge of Allegiance, this function being led by Alderman Hirschmann.

A moment of silent prayer was observed.

The Clerk called the roll. There were thirteen Aldermen present.

Present: Aldermen Wihby, Reiniger, Sysyn, Clancy, Pinard, O'Neil, Girard, Shea, Rivard, Pariseau, Cashin, Thibault, Hirschmann

Absent: Aldermen Klock

Presentation to the March recipient(s) of the “Spirit of Manchester” Award.

Mayor Wieczorek stated you might not know it by the winter weather we’re having lately, but spring really is right around the corner and when it comes to Manchester it will be a little more lovely thanks to people like Dr. Eugene Rheault whom we are pleased to honor tonight. Dr. Rheault is this month’s recipient of the “Spirit of Manchester” Award sponsored by For Manchester. March is a good time to honor Gene Rheault because already he is planning to think of his flower arrangements which will great visitors to our City as well as making life a bit prettier for all of us who live here. In the fall of 1997 as part of the For Manchester Beautification Action Team Dr. Rheault took on the chore of planting a flower garden at Front Street and 293 south; that first year he planted 750 bulbs to bloom the next spring. He also transplanted perennials from his own garden and in connection with Jacques Flowers added still more flowers. As a result, visitors to Manchester and our own residents see flowers from April right through October. Gene volunteers his time up to 10 hours a week for nine months of the year on this project and has also spent more than $1,500 from his own pocket on this project, he also helps plant and maintain the 70 flower barrels that Jane Beaulieu and others have put up throughout the City and he says he could use some more help. So, feel free to contact him or Jane of For Manchester. For actions above and beyond the normal and in the true “Spirit of Manchester” we are happy to present Dr. Eugene Rheault with this month’s “Spirit of Manchester” Award and will be presented by Alderman Keith Hirschmann, the Alderman in Ward 12 who is the Alderman where Gene Rheault lives.

Alderman Hirschmann stated as Alderman of Ward 12, I want to say that it is hazardous duty pay because of the location at Front Street and 293 noting he has done a wonderful job.

Mayor Wieczorek stated, Doctor, congratulations and I know that we've issued a little plea here to get you a little help and I have found that whenever people in Manchester are called they usually answer, so I expect that you're going to have some help and I guess we're going to have more flowers this year than we had last year and I want to express our thanks to you for a job well-done.

Mayor Wieczorek stated, unfortunately, we had an early press conference this morning at nine-thirty and we wanted to have the Aldermen here, but it was arranged very quickly and had to do with the sale of the Hackett Hill property…the Governor was able to be here this morning, so it was arranged very quickly on fairly short notice. We had EPA here, John Devillers was here the District Director from Boston, the Department of Environmental Services this morning, the Nature Conservancy and the University of New Hampshire had their representatives here. A very important day for the City of Manchester to have several big things occur. One, of course, was that we completed the transaction that we started talking about 20 years ago, but really moved intensely here over the last two years and finally was culminated in the City taking over the last large tract of land that there is in the City, so that we will have now a new corporate park that will be developed over there once the Master Plan is completed and there will be about 400 acres that is going to be preserved for the environment and it will be used to education and trails that they might have and it will be under the auspices of the Nature Conservancy, a very important thing. We're pleased also that the University System of New Hampshire will now have their presence in the Millyard so it is going to be an urban campus and hopefully we will do what we should be doing on Hackett Hill and they'll be doing what they should be doing here to revitalize the Millyard and the Downtown area. So, it's a very, very big day for the City of Manchester and I'm sorry that we were not able to notify everybody because I'm sure that some of you could have been here. It was well-attended and as I say it's just the beginning of a lot of good news that we're getting here for the City of Manchester. And, in line with good news we still have more and I'm going to ask Alderman O'Neil to give us a brief rundown as to what else happened.

Alderman O'Neil stated normally this might be taken up under new business, but in order that we don't keep the folks here through this…over the weekend the Central High Girls Track Team won the National 4 x 800 Relay and set a national record in doing that and Coach Joe O'Neil is here as well as member Jill Laurendeau, other members of the team are Lizzie Gati, Jenny Stevens and Trisha Hewitt and again they set the national record for the 4 x 800. Also, Jill Laurendeau and Jill won the Individual 800 meter race and is the National Champion and I think it would be nice, your Honor, if we could give them a round of applause and ask Coach O'Neil and Jill Laurendeau to stand up. Mayor Wieczorek extended congratulations and the Board so recognized the Central High Girls Track Team.

CONSENT AGENDA

Mayor Wieczorek advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Minutes Accepted

A. Copies of minutes of meetings held September 29 & 30, 1998.
(Note: available for viewing at the City Clerk's Office and forwarded under separate cover to Mayor and Aldermen.)

Ratify and Confirm Polls

B. Conducted March 5, 1999 authorizing the Mayor to prepare, submit, negotiate, and enter into a Compliance Order with the US EPA, Region I, New England (in consultation with the NH DES) for remediation of Combined Sewer Overflows.
(Aldermen Wihby, Sysyn, Clancy, Pinard, Shea, Rivard, Pariseau, Cashin and Thibault voted yea; Alderman Hirschmann abstained due to lack of information; Aldermen Klock, Girard and O'Neil unavailable.)

C. Conducted March 9, 1999 approving change in date of public hearing for the adoption of provisions of RSA 162-G from Monday, March 29, 1999 at 7:00 PM to Monday, April 5, 1999 at 5:15 PM.
(Aldermen Wihby, Sysyn, Clancy, Pinard, Shea, Rivard, Pariseau, Cashin, Thibault, Hirschmann, Girard and O'Neil voted yea; Aldermen Klock and Reiniger unavailable.)

Informational to be Received and Filed

D. Communication from the City Clerk expressing his thanks to the Board for making the recent Grant Reopening of City Hall a tremendous success and recognizing the efforts of all those who participated.

E. Communication from the City Clerk advising of the assistance provided to the State Archives of Massachusetts and Maine in their development of a brochure encouraging the preservation of local government records in New England's towns and cities.

F. Communication from the Manchester Housing and Redevelopment Authority submitting their annual FFY 1999 Comprehensive Grant Program.

G. Communication from the US Department of HUD submitting a copy of the Manchester Housing and Redevelopment Authority's final total weighted Public Housing Management Assessment Program score.

REFERRALS TO COMMITTEES

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

H. Establishment of policies and procedures for the use of the public areas and facilities maintenance of City Hall complex submitted by the City Clerk.

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

J. Communication from H. Jordan, CEO/President of the Greater Manchester Family

YMCA seeking permission to raise the parking gates at the Center of New Hampshire Parking Garage on April 15, 1999 from 5:00 to 10:00 PM at a reduced rate of $600.00 for its annual Reach Out For Youth Campaign fundraising dinner.

K. Communication from C. Meyer, Conference Coordinator of the Center of NH on behalf of the NH State Republican Committee, requesting the closure of Pleasant Street from Canal to Franklin Streets on Sunday, May 2, 1999 from 6:00 AM to 10:00 PM in order that a tent be erected on the site.

REPORTS OF COMMITTEES

COMMITTEE ON BILLS ON SECOND READING

L. Recommending that Ordinance Amendments:

"Amending Chapter 33, Section 33.049 Special Merit Pay Increases of the Code of Ordinances of the City of Manchester."

"Amending the Code of Ordinances of the City of Manchester by amending 70-40(B), Traffic Code, and 38.06, Code Enforcement Procedures, providing for changes in towing regulations and penalties."

"Amending the Code of Ordinances of the City of Manchester by amending Sections 111.45(C)(1), Amusement Device License and Fees, providing for an increase in license fees."

ought to pass.

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

N. Recommending that a request from Atlas Pyro Vision Productions for closure and utilization of the Amoskeag Bridge on April 8, 1999 for a private fireworks display be granted and approved under the supervision of the Police, Fire, Highway, and Traffic Departments.

O. Recommending that a request from WGIR AM/FM for closure of streets and the use of Arms Park and the Bridge Street Bridge for their 8th Annual Memorial Day Weekend fireworks display scheduled for Sunday, May 30, 1999, with a rain date of Monday, May 31, 1999 be granted and approved under the supervision of the Police, Fire, Highway, and Traffic Departments.

P. Recommending that a request to :

(a) designate the area generally bordered by Elm Street to the east, Brook Street to the north, Granite Street to the south, and the Merrimack River to the west as the "Riverfest Area";
(b) allow those possessing valid Arms Park lease stickers to park "free-of-charge" in either the Canal Street or Wall Street garages from September 7-13, 1999;
(c) close the Arms Park Parking Lot from September 7-13, 1999; and
(d) closure of the Bedford Street Parking Lot for additional tent set up and other activities

be granted and approved under the direct supervision of the Police, Traffic, and Highway Departments.

Q. Recommending that a request for a traffic signal to be installed at the intersection of Hackett Hill Road and Front Street be granted and approved, and that same be referred to the CIP Committee for funding.

R. Recommending that certain regulations governing standing, stopping and parking, be adopted and put into effect when duly advertised.

LADIES AND GENTLEMEN, YOU HAVE READ THE CONSENT AGENDA, A MOTION WOULD BE IN ORDER THAT THE CONSENT AGENDA BE APPROVED.

I. Communication from C. Emond, Executive Director of Big Brothers/Big Sisters of GM, Inc., seeking permission of various requests as outlined below for a "Yard Sale" to be held on Saturday, June 19, 1999 from 8:00 AM to 4:00 PM:

(a) closure of Concord Street between Chestnut and Pine Streets from 6:00 AM to 6:00 PM;
(b) a "No Parking" ban beginning at 6:00 AM; and
(c) permission to install banners on lighting hardware.

(Note: concurrent referral to the Committee on Administration/ Information Systems.)

Alderman Pariseau stated I pulled Item I because I don't know if they are subject to the permit fees and moved to suspend fees of the Yard Sale fees. Alderman Cashin duly seconded the motion. There being none opposed, the motion carried.

Alderman Pariseau moved to refer to the Committee on Traffic/Public Safety and the Committee on Administration. Alderman Wihby duly seconded the motion. There being none opposed, the motion carried.

M. Report of the Committee on Bills on Second Reading recommending that:

a petition to rezone a certain parcel of land located near the corner of Sheffield Road and Mammoth Road from Residential Suburban Multi-Family (R-SM) to Industrial Park (I-2) submitted by Attorney Head on behalf of Norman and Lillian Lee; and

a petition to rezone property located at 866 South Beech Street consisting of approximately 6.68 acres submitted by Attorney Fradette on behalf of Nancy Evans and Barbara Laventure

be referred to public hearing on Monday, April 5, 1999 at 6:00 PM in the Aldermanic Chamber of City Hall.

Alderman Girard stated the one I am particularly concerned with is the petition to rezone property on South Beech Street and I know it's only being sent to public hearing, so I'll be brief. My concern with this is that the City over the years has consistently rezoned land to multi-use. I've been through that neighborhood, I've spoken to some folks down there and for some other very serious reasons I have trouble rezoning any more land in this City for multi-family use. At a time when we're trying to revitalize existing multi-unit neighborhoods in the inner-city and on the west side, it seems kind of silly to keep up the trend of rezoning property on the outskirts of the City or near the outskirts that's going to create competition and it also going to add to the burden of services in any particular area of town. I've spoken with the Attorney for the petitioner and understand what they're trying to do, but I've also spoken to the Planning Director and I have real serious concerns about this and while I know it's going to public hearing, I don't believe it should be considered by the Board and that is why I wanted to have it pulled.

Alderman Wihby moved to accept, receive and adopt the report of the Committee. Alderman Rivard duly seconded the motion. The motion carried with Alderman Girard duly opposed to the petition to rezone property located at 866 South Beech Street.

Alderman Pariseau stated I don't know if this is the appropriate time, your Honor, but if the Alderman has a problem with something in a person's ward that he'd have at least the courtesy to call and discuss it with that Alderman. I don't think it's fair to get wrapped on the side of the head by the Alderman-at-Large. It was going to public hearing and grandstanding is not appropriate here.

Mayor Wieczorek stated all we wanted to have was a race, not a fight here tonight, we want to be careful about what we do here tonight.

Alderman Shea stated I concur with Alderman Pariseau. I think that in courtesy any Alderman-at-Large who has a concern about anything in any ward should have the decency to call that Alderman and to discuss that problem with him and I'm assuming that if they don't they'll be heck to pay, at least in my particular ward. I don't know about the others, but I'm sure you feel the same way, Alderman Pariseau.

6. Presentation by the Manchester Downtown Clean-Up Committee submitting a proposed 7-Day Downtown Containerized Trash Program and requesting authorization to proceed.

Mr. Thomas stated the Mayor's Office formed a Downtown Clean-Up Committee to look at litter/trash problems in the Downtown area especially the alleys abutting Elm Street. The problem that was brought to our attention that we already knew about obviously was the amount of trash that was generated on a daily basis, the lack of proper space, the lack of proper packaging, the placing out of this material for collection. The Committee met on numerous occasions to develop a plan and the plan that we are bringing forward tonight is a pilot program that we would like your authorization to institute. The area of the pilot program is defined by Elm Eastback from Myrtle Street to Lake Avenue including east/west alleys to Chestnut and Elm Westback, down to West auburn. Basically, what the Committee recommends is that we go to a 7-day collection in this Downtown area. Presently, we provide collection five days-a-week, Monday thru Friday and what we're proposing is to add Saturday and Sunday (half-days), enough time to go through the alleys, pick up the trash and any surplus time would be spent emptying the barrels along Elm Street. As part of this pilot program we've developed written guidelines that we would be enforcing in this area as far as the packaging and the placing of this trash out in the alleys. In addition, we're recommending that we go to a standardized 65 gallon container which has wheels and a top on it. With the packaging guidelines that's noted basically what would be required of the merchants would be to box bottles in the boxes they came out of, cardboard would be crushed and bundled up, food products would be put into a plastic bag and placed into one of these carts. So, there's really no lose type of trash out there such as styrofoam would be required to be placed back in the box, back into a sealed container again avoiding litter being blown around. In Town Manchester would be playing a key role in this in

working with the merchants in the Downtown area to conform to the packaging requirements, to work out any specific details that an establishment may have, coordinate new development in the Downtown area to provide adequate space inside the facility to store some of this trash and material and basically be in a conduit to address problems that may come up so that either the Highway Department, the Health Department, or any other department in the City could help resolve. The Highway Department would be proposing to provide the seed money to get this up and running. We would propose to buy 300 of the 65 gallon containers and equip a couple of our existing scavenger trucks with a lift arrangement which would lift up these containers because they would be far too heavy for one person to lift. The cost of the containers would be $15,000 which would come out of our operating budget providing we get not too much more snow. There would be 50 extra barrels or carts purchased which we would sell to any new establishment moving in or to replace any of these carts that are damaged or destroyed and utilize and sell them at cost and buy replacements to continue the program. We anticipate, if everything goes well that we could get this program up and running in June and the cost for the additional overtime would again come out of our operating budget this year and we have made a request to carry this funding into next year as a budget addition to our operating budget. After a year's time, we would sit back and evaluate the program to see if it's working, if it is working there is a potential that we could expand it further in the Downtown area. If it doesn't work then we'll try to address ways of dealing with it. We look at this as a cooperative effort between the City and the merchants in the Downtown area. We have struggled with the issue of litter in the alleys for years and there's really no easy solution. We feel that by the City stepping up to the plate, going to the 7-day-a-week collection, providing the carts to standardize the type of barrels that would be used we would like to think that we would be able to get the additional cooperation from the people in the Downtown area to conform to our package requirement and I think we'd all benefit in the end.

Alderman Wihby stated, Frank, we've talked about this not too long ago and you know that I'm opposed to this. I came down here Sunday and went Downtown and the streets were horrible, so no one is going to deny that the litter is not there, it was disgusting…Elm Street and everything else, but I don't think this is the proper way of doing it. I read a sentence here that says: "it's due to the improper and thoughtless disposal practices by some of our Downtown merchants." Now, why aren't they responsible for picking up their own trash. Why do I have to tell the taxpayers I want them to absorb $22,000 more so I can buy a barrel to give it to somebody who doesn't want to do it right now, why can't a Downtown Association pick this up in their fees, why can't we charge for the barrels and make them or fine them if they're not going to do this thing and throw something in there so if they're not going to pay attention to the letter then we are going to do something about it. Just by it being a cooperative effort and we want to step up to the plate I don't think it's going to work. In order for it to be a cooperative effort we've got to make them pay for the barrels, we've got to make them have some sort of duty to put it in the garbage because if we don't do that they're still not going to do it and I just think it's not a waste because it's cleaning Downtown and it definitely needs it, but I just think that there should be more of the business people absorbing this cost rather than the regular taxpayers/homeowners…

some of them who don't shop Downtown, who don't make the litter, these businesses garbage is full because they did business over the weekend and their business is probably going so good that they need the extra pickup and I don't doubt that and don't mind doing the extra pickup, but I think the costs should be absorbed by them and not by the homeowner, it's a cost of doing business as I look at this.

Mr. Thomas stated I understand what you're saying but I think the Board has also taken the position of trying to revitalize the Downtown area and do anything that is reasonably possible to promote growth in the Downtown. I look at this problem as escalating as a sign that we're achieving that goal and I wouldn't want to throw a wet blanket on that. Obviously, it's not a big issue but it is an issue and I think that as we see more establishments going in in the Downtown area I think we want to work with them in a partnership fashion. Manchester is kind of unique…alleys in the Downtown area don't have any room. Other municipalities have areas where the City can bring in dumpsters or private dumpsters can come in to provide enough storage for trash that is generated, we don't have those luxuries. So, again, I look at it as a cooperative effort.

Alderman Wihby stated one of these places and we've talked about it, I don't have to mention it does a very good business has that little sidewalk and it had one garbage can and it had litter that was 10 feet high, it was nice and neat there and that's probably what's blowing around. Why can't they buy four trash cans, they could do that, they have the place to do it, they decided not to do that, let's just do it a different way. Why can't the Downtown Association pick up the $22,000.

Mr. Thomas replied you could require that they have private collection in the Downtown area…

Alderman Wihby asked why can't the fee that they charge the businesses, why can't that fee compensate for some of that $22,000 even if we make them pay for the trash containers and we do the extra pickup ourselves.

Mr. Thomas replied again the way I look at it there is going to be an additional expense through these establishments if they conform to these packaging requirements, it's going to take them longer…let's face it, it's easier to take a bottle and throw it into a trash barrel than to stack it back into a box and stack the boxes up or break down the cardboard packaging and tie it up. By getting this cooperative effort it potentially could lead into a recycling programs in the Downtown area which again would ultimately benefit the City. So, I think that the merchants or the people that are living in the Downtown area if they are forced to buy into the packaging requirement will be stepping up to the plate as far as investing in this program.

Alderman Wihby asked what's the force, how are we forcing them…we're going to give them everything to do it with and then they're not going to do it, so what are you going to do then, are there any fines that go along with this.

Mr. Thomas replied not at this time, but again, we have a pilot program to evaluate what's right and what's wrong. I may be back here in a year saying that we should be establishing some kind of fining program or maybe we should be taken away public collection in the Downtown area and make them supply their own collection services.

Alderman Wihby stated I am not against having the collection, I'm against the homeowner having to subsidize us having another collection, I think it should be done by the businesses Downtown, it's part of their business, it's part of their profits and it's because they're not doing it right we're having to do something. If we had just instituted a fine right now and said that all of these people are going to get fined for littering, maybe they would straighten it out and we wouldn't have to have another collection, but we haven't done anything like that and all of a sudden we're going to start a new program without having any force into it…if we're going to do a program we should institute a whole program…the fining and everything else and recycling and the collection, but I think we're just jumping into this and we're throwing in $22,000 and I don't think it's going to get any better and people are just going to say thank you, I needed a new trash can.

Alderman Reiniger stated I don't think there's any question that there's a trash problem for Downtown and that's one of the most frequent comments I hear of the trash blowing all over the place. We've worked very hard at Downtown revitalization and trash collection is a key component of that and we're not the only City that's dealt with this…I know having gone to the International Downtown Association meeting in Seattle a few years ago this is one of the hottest topics and many of the cities who have successfully dealt with it have adopted such a program as this. We're not reinventing the wheel here this has been tried and true in other cities and I think we should proceed with this. We can come back and revisit this in a year and see if we need to add…make any changes t it, so I think it's a great start. If you'll notice there is a map where the extra pick ups will be, it's a limited area of streets…and moved to proceed with the pilot program.

Alderman Pariseau stated my concern is the same as that of Alderman Wihby. I would rather see us take the start-up fee of that $29,050 and consider it as a loan to the Central Business District so that they can assess themselves that amount of money in addition to that they already have for the next fiscal year. I don't see why people in Ward 9, Ward 1 or Ward 8 have to subsidize downtown garbage pick up because the merchants don't clean up after themselves, so I would consider that as a loan for start up and have the Central Business District assess their people and give us back the money.

Alderman Rivard stated this sounds like a plan that the Highway Commission implemented about ten years ago, Mr. Thomas. We had great intentions, we had great enthusiasm and we required the merchants to even build bins in the alleys because of the narrow traveling areas and it didn't work. It didn't work because we didn't have enforcement and if we don't have enforcement it's not going to work again. So, I would strongly urge this Board to come up with some kind of an enforcement policy that would require these people to do what is right…asking

them to do it is one thing, making them do it is another…we went through this ten years ago, we had the cardboard separated, we had the bins built and we created an uproar and it seemed to work and then it just fell apart because we didn't have the resources. So, I'm suggesting before we implement this we make sure we have the resources, we make sure we have the funding that Alderman Wihby and Alderman Pariseau was speaking about, but we also have enforcement and if it requires a part-time Police officer or some special ordinance or whatever we need to implement that because it's very important because it's never going to work if we don't do that. We tried it and it failed.

Alderman Girard asked, Mr. Thomas, what enforcement if any currently exists for trash pick up not only in the Downtown but generally because as you and I have discussed trash is a problem City-wide whether it's an alleyway in a residential neighborhood or an alleyway in the business district. So, what enforcement provisions exist for the proper storage of trash, if any.

Mr. Thomas replied there are health ordinances and housing code ordinances that require certain amount of containers per different types of facilities. Again, the health ordinance and housing code ordinances require certain number trash containers per establishment/household. You cannot place trash out on the street right away prior to the night before and yes, there are some enforcement provisions, however, the Downtown is somewhat unique in that it's pretty difficult to store trash inside some of these facilities because of the volume of businesses. If you stop and think of what they generate for trash between a Friday through Monday morning…we go through and pick up trash first thing Friday morning and we don't go through those alleys again until Monday morning and some of those establishments generate much more than they could safely hold inside and as a result it gets placed outside.

Alderman Girard asked does the Highway Department itself have any regulations for the proper storage of trash within the containers or how trash may be set out.

Mr. Thomas replied yes. We have regulations regarding the size of the container, what type of materials can be put out, the packaging of the materials, yes.

Alderman Girard stated enforcement being the issue and I have to agree with the comments regarding enforcement would it be sufficient, Mr. Thomas, to have the Building Department, the Health Department and your department advise the Downtown merchants of what the requirements particularly when it comes to containers and packaging are and let them know that it will be enforced and use the enforcement mechanisms that the City already has and frankly fails to use in a number of instances and let them know that they will be enforced and try to police it that way and whether we do it with the new containers that you're proposing which I happen to think the merchants should also probably be caused to purchase, not be given, would aggressive enforcement of what we have on the books solve the problem in addition to the additional containers.

Mr. Thomas replied not with the requirements that are on the books right now. I don't think the problem will be solved; that problem goes back as Alderman Rivard mentioned a good 20 years that we've been dealing with it. This proposal comes from a Committee that was formed…on this Committee is Intown Manchester, the Health Department, the Mayor's Office…so it wasn't developed by just one department there are other people, other agencies that formulated this plan.

Alderman Girard stated I guess the thing I'm trying to get at, Mr. Thomas, is whether or not the enforcement provisions that are currently on the books are inadequate or ineffective because they're not being exercised. In other words, we can have all the rules on the books we want but if we don't enforce them then they are not worth the paper they're written on. If we enforced what is now on the books, would the system or the situation improve.

Mr. Thomas replied not appreciably in the Downtown area. Not with what we have on the books right now.

Alderman Cashin stated I want to support Downtown as much as anyone, but what do I tell the merchants on the west side who are paying private developers to pick up their trash. Isn't it about time…if we're going to start doing these things, let's spread the wealth out a little bit. I've got merchants on the west side who could use some help too if we're going to start and talking about trash it isn't just Downtown. It's all over town and you know and I know it, it's in residential areas…people put it out in front of their houses and it stays out there for seven days and nobody does anything that's the problem, we don't enforce it.

Alderman Shea stated if in fact there were pick ups on Saturday and Sunday what kind of an impact would that make in terms of the cleanliness of the Downtown, would that substantially help or would that help just a little bit.

Mr. Thomas stated I think it will substantially help because not only will we be picking up those large volumes of trash in the alleyways we will also be spending time picking up some of those litter containers along Elm Street too. As I mentioned, I think all you have to do is drive through any of those alleys on Monday mornings to see the type of material that's out there and you have a windy day like today…what's placed up in an alley on the northern section of Elm Street winds up down south.

Alderman Shea stated I'm talking about no cart containers at all, I'm just saying the sheer pick up of the area.

Mr. Thomas stated I think picking up seven days-a-week will go a long way to improve the situation, however, part of the problem is that there is not enough receptacles. A lot of the trash is placed in plastic bags, a lot of the materials that is placed out in these plastics bags is either food wastes or bottles and cans. Animals get into the plastic bags after the food wastes, scavengers get into the bags after, so the bags get ripped open and again the litter is blown

around. So, containers I think have to be a part of the solution down there. The reason why we propose the 65 gallon container…what's now in our regulations is a 33 gallon container. So, if you have a large facility down there you would need one heck of a lot of containers to store the material.

Alderman Shea asked what impact would that have on the disposal of this, does that have an impact when they drive out to Auburn.

Mr. Thomas replied no because whether we pick up the trash seven days-a-week in specialized containers or five days-a-week the total amount of trash is still there.
Once it gets onto the street, the only way it's going to come off is if you pick it up by hand or sweep it.

Alderman Wihby stated getting back to what Alderman Cashin said the west side's not picked up but you don't even have most of Downtown picked up. You've got these pink marks which doesn't even represent a lot of Downtown, it's probably those marks because there's restaurants there or something that's open on the weekend that generates the trash and it's because…and I'm not going to put words in your mouth, but I can tell you the reason why you don't want the business people to pay is because you figure they are not going to want to pay and I think they should pay for it. If you let them pay for it, we'll give them the service Downtown for the extra day. If not, we should have a policy that we are going to fine them for littering or whatever else is there. But, I think the whole purpose of they're getting going to get upset and not want to pay because they don't want to d it now…they would just as soon pile up that one garbage can where they have room for six, pile up the one garbage can, let it blow away and I don't have to worry about it again. Because if it blows away tomorrow I can use it again and that's what's happening Downtown. I think if you said to them…buy these things and we're going to give you the extra, I think that's a fair proposal. You buy it, we're going to be there seven days-a-week and if you don't use them we are going to have to do something about the littering.

Mr. Thomas stated well obviously we'll conform to the wish of the Board. This Committee that was set up looked at how can we do, get this problem resolved without taking out the big guns and what we were saying was let's put together a cooperative effort, again, the only way I can relate this is we really didn't ask the merchants to pay for the reconstruction of Elm Street. Again, I think it's just another step at trying to promote revitalization Downtown.

Alderman Wihby stated Alderman Rivard is saying we tried it ten years ago and it didn't work.

Mr. Thomas stated we have tried a lot of things over the years and I can't disagree with the Alderman…

Alderman Wihby asked how can you expect me to vote for $22,000 when I know it's not going to work because we've tried it for ten years.

Mr. Thomas replied we haven't tried this exact plan and I think that the Alderman is correct. I think that if this plan doesn't work then the next step should be some enforcement procedures.

Alderman Clancy stated first of all I'm for charging the tenants Downtown for the barrels. Second of all, years ago you had a second truck that went out from say four o'clock till about eleven-thirty, didn't you have a truck years ago.

Mr. Thomas replied correct. We used to provide six day-a-week collection.

Alderman Clancy asked do you still have that.

Mr. Thomas replied no, we don't.

Alderman Clancy stated maybe you should put a truck back in service and that way the people Downtown would know what time the truck comes through and they'd put their garbage out at a certain time and it would help.

Mr. Thomas stated we have told every merchant in the Downtown area within an hours time what time to expect us to drive by their facility, so they know what time we come buy.

Alderman Clancy stated I think if a truck comes by at four o'clock in the afternoon and there's nobody in the backstreets making deliveries it would be a hindrance as far as trucks moving along, maybe it could be something to think about.

Mr. Thomas stated we can look at that.

Alderman O'Neil stated of the $22,000…$15,000 is for the barrels and $7,000 is for overtime.

Mr. Thomas stated for a year it's $22,500 for the overtime. The barrels to buy them the first time around is $15,000. So, I don't know if you have the estimate that is on the back page, but for a year for overtime…52 weeks/4 hours on Saturday and Sunday comes out to $22,500…the containers would be purchased this year…300 at $15,050.

Alderman Wihby stated we've got to add those two up…$29,000 and $22,000.

Mr. Thomas stated the total project is $29,050…that's for the first year…for implementing it in June. Once it's up and running at $29,050 then it's $22,000 a year in overtime.

Alderman Wihby stated you're asking for $51,000 then. I thought the $22,000 was part of the $29,000. You're asking for $51,000 the first year to do this program.

Mr. Thomas stated the $29,050 would be coming out of this year's operating budget. In next year's operating budget, I would need an allocation of $22,500 added to my overtime account.

Alderman O'Neil stated generally, your Honor, I stay out of ward business…at one time there were other sections of this City that we used to pick up garbage twice-a-week, I can think when I represented Ward 4 they used to pick up as far as Hall Street…that's been reduced. I think we're opening a door here that we don't want to and there are other sections of the City that could use garbage pick up at least twice…quite a bit of our multi-tenement sections. Has the Central Business District come to the table with any money at all.

Mr. Thomas stated for this particular proposal, no.

Mayor Wieczorek asked could Rich Davis come up to the microphone, Alderman Wihby would like to ask you a question and I think it's in line with what you're asking.

Alderman Wihby asked, Rich, the money that you collect, could you at least come up with paying for the containers out of all that money for the retailers down there and the second question is you've been around, you've seen downtown…what other approach can be taken rather than just giving this out and not having any enforcement.

Mr. Davis replied let me approach the second part of the question first. We have looked at quite a number of what other cities have been doing and we find that Manchester's really unique in having put up with or tolerated the uncontainerized packaging and pick up of waste for so long. It is pretty rare. Most cities our size and larger have gone to some kind of a containerized system. So, we're looking at other cities our size throughout the region, we've taken a look at Burlington, Vermont…I intend to go to Portland shortly, we've certainly looked at Philadelphia and other larger cities and we find that most of them go to a containerized system eventually. In serving on this Committee, I think I was rather impressed by the fact that the City wanted to continue to work in this area. In other words, it would be very easy for the City to say okay, merchants you're responsible for containerizing your trash, the costs are yours, you figure it out. But, in fact, what we're likely to get if we purely privatize this is a hodgepodge of different kinds of containers, different sorts of pick up, different times of pick up, different companies doing the pick up and it impressed me, I guess in working on this Committee that the City did want to try to standardize and containerize and continue to do the job. Now, back to the first part of your question which is costs. This year our total assessment budget was about $215,000…that is money that was generated by the intown properties. Of this amount, about $18,000 was directly related and directly plugged into cleanup, litter control and other intown maintenance activities. So, $29,000 is a pretty big hit. It's more than half again our current litter and maintenance budget.

Alderman Wihby stated I'm just asking about the containers, the $15,000.

Mr. Davis stated the containers run, I think, $50 each.

Alderman Wihby stated I'm just talking about picking that up, the container price.

Mr. Davis stated if we couldn't tackle it all in the budget, I would certainly have to go to my Board because I don't make these decisions unilaterally. I have an opportunity to talk to my Executive Committee next week and with the Board a couple of weeks later. But, I think it may be possible to at least add that cost to an assessment or directly assess the property owners because not all of the property owners in the district will be affected by this program. So, we might be able to figure out a way to assess those who are going to benefit directly from this pick up.

Alderman Wihby asked do you know how much that assessment would be, what are we talking about…an average building Downtown…are we talking a dollar, two dollars, a hundred dollars.

Mr. Davis replied I think we'd have to find some basis that reflects square footage because that generally would reflect the volume of trash that is being generated. So, those that are larger and are not currently hauling their own trash privately would have a larger burden. There's probably some equitable way to assess it, Alderman, based on the square footage, the size of the building.

Alderman Wihby asked, Mayor, is a property approach to send this to the Committee on Administration and let them look at it and see if they can work with Rich and the Intown group.

Alderman Wihby moved that the program submitted be referred to the Committee on Administration/Information Systems. Alderman Rivard duly seconded the motion.

Alderman Thibault stated as Frank just alluded to a few minutes ago, we do have ordinances on the books. I could take you over to the west side, your Honor, on a continuing basis I'm on with the Health Department as well as with the Housing Code in trying to cite people that put their garbage in front of their house for the whole week and then when you have a day like what you had today, Frank, this stuff blows all over the neighborhood. It's not just in the Downtown area, I understand the Downtown has a problem, but so do we on the west side and the whole City I'm sure have the same kind of problem. You have some of these houses on the west side, some of these big tenements where they're built on 50 x 100 lots which leaves them hardly any place to leave the garbage out other than in front, but what happens is when they do it blows all over the neighborhood, so I think that this is a major problem for the whole City, not just the Downtown and I would think that if we, in fact, enforce the ordinances that are there and cite these people when they are caught doing this repeatedly and believe me I'm on the phone with Housing Code and the Board of Health on a weekly basis about these problems and they're never cited. They're sent a letter but it's not followed through and eventually they should cite a few. Once they cite a few, I'm sure that the people will start realizing that we don't want that garbage in front of the house for the week.

Mayor Wieczorek called for a vote on the motion. There being none opposed, the motion carried.

7. A report of the Committee on Community Improvement was presented recommending that:

(1) The City Solicitor and MEDO Director be authorized to negotiate a final development agreement with DASS Development Corporation for the rehabilitation, operation and purchase of the 1037-1045 Elm Street property; and further that the Mayor be authorized to execute such agreement for an on behalf of the City of Manchester subject to the review and approval of the City Solicitor.

(2) That in accordance with RSA 80:80 the Mayor be authorized to dispose of certain property situated at 1037-1045 Elm Street and known as Map 9, Lot 11, by executing deeds releasing all rights, title, interest, or claims in said property. Said property formerly owned by Richard S. Bankowski was acquired by the City of Manchester by virtue of Tax Collector's deed dated April 8, 1992 and recorded in the Hillsborough County Registry of Deeds on April 10, 1992, in Volume 5330 page 0460.

(3) That the Board of Mayor and Aldermen find the 1037-1045 Elm Street property surplus to City needs; and further find that it is in the best interest of the public to sell such property to DASS Development Corporation subject to execution of a Development Agreement for such property establishing a 15 year lease term, and other conditions as set forth herein. The Committee recommends that such sale be executed within six months of expiration of the development agreement at a price of $100,000.00, a price determined to be fair market value by the Board of Assessors. The Committee notes that such finding is based on the property having been a blight to the downtown area for over seven years, no other interested parties having come forward to develop such property, federal funds are now available to assist in creating jobs for area residents, the building is of historical significance and DASS Development has agreed to maintain the façade of the building; and the property once developed will return to the tax rolls of the City.

(4) That the Finance Officer be authorized to credit tax deed accounts as deemed necessary; and that the Mayor, Finance Officer, Planning Director, City Solicitor and Tax Collector be authorized to proceed with disposition and preparation of such documents as may be required to consummate the terms of the disposition.

(5) That the Committee advise the Board that it has approved the enclosed ordinance and recommends same be referred to the committee on Bills on Second Reading for technical review.

Alderman Reiniger moved to accept, receive and adopt the report of the Committee. Alderman Wihby duly seconded the motion. There being none opposed, the motion carried.

Mayor Wieczorek made the following nominations:

Board of Adjustment:
Judith J. Gibson to succeed John E. Tucker, term to expire March 1, 2002.
Robert E. Bennett to succeed Armand Lemire as an alternate member, term to expire March 1, 2001.

Heritage Commission:
Bernard H. Cowette to succeed Linda Seabury as an alternate, term to expire January 1, 2001.

Manchester Development Corporation Board of Directors:
Elias Ashooh to succeed himself, term to expire March 11, 2002.
Richard Charpentier to succeed himself, term to expire March 11, 2002.
Charles Hungler to succeed himself, term to expire March 11, 2002.

Trustees of Trust Funds:
Sylvio L. Dupuis to succeed James Shanahan, term to expire January 2002.
Kevin J. Howe to succeed Theodore Wadleigh, term to expire January 2002.

Mayor Wieczorek stated as per rules of the Board, these nominations will layover until the next meeting of the Board.

9. Confirmation of the nomination of Alice Monchamp to succeed herself as a member of the Airport Authority, term to expire March 1, 2002.

On motion of Alderman Rivard, duly seconded by Alderman Shea, it was voted to confirm the nomination of Alice Monchamp to succeed herself as a member of the Airport Authority, term to expire March 1, 2002.

10. Confirmation of nomination of Eugene Boisvert to succeed himself as a member of the Manchester Transit Authority, term to expire May 2004.

On motion of Alderman Hirschmann, duly seconded by Alderman Thibault, it was voted to confirm the nomination of Eugene Boisvert to succeed himself as a member of the Manchester Transit Authority, term to expire May 2004.

11. Presentation by Manchester Development Corporation relative to proposed development of vacant parcel at Bridge and Elm Streets.

12. Letter of Intent relative to proposed development of vacant parcel at Bridge and Elm Streets.

Mr. Pinard stated I have Attorney Karen McGinley from Devine Millimet who has been very involved in working with the MDC on our behalf in negotiating the Letter of Intent that has been presented to you. As you are all aware about 18 months ago we were here and at that time we requested the Board's approval to engage The Norwood Group in helping the MDC market the property at Bridge and Elm Streets. During that period of time we have spoken with numerous interested parties and The Norwood Group, I am pleased to say has been successful in finding a buyer/developer for this site. Since about December we have been in discussion The Grossman Companies of Quincy, Massachusetts. Some of you may be aware that The Grossman Companies are the owners of the Opera Block on Hanover Street. Through the efforts of The Norwood Group, Attorney McGinley, the MDC and Jay Taylor along with working with the Grossman's counsel we have been able to negotiate a Letter of Intent for the purchase of the property at a price of $1,350,000. The Letter of Intent has been provided to you for your review along with the cover letter summary from Attorney McGinley which she will review in a minute. Last Friday, the Board of the MDC approved the Letter of Intent and has instructed me to bring the proposal to you for approval to move forward in executing the document and to move forward on negotiating a Purchase and Sale Agreement with The Grossman Companies. Once the Purchase and Sale Agreement has been negotiated I will bring the agreement back to the MDC Board for their approval and then to this Board for final approval. At this time, with your permission your Honor, I'll turn this over to Karen McGinley so that she can take us through the high points of the agreement.

Attorney McGinley stated I believe all of you have received a memo that I prepared which is a summary of the Letter of Intent. You should know that the Letter of Intent is a summary document of the transaction and a full agreement, it will be a Lease/Purchase as a structure of the transaction will be negotiated which will have more complete terms than what you see in either my memo or in the Letter of Intent. Again, it's structured as a Lease/Purchase. The Lease and/or Purchase Agreement (there may be two documents), but the lease will go into effect when it is approved by the MDC Board and by this Board and signed by the parties. It is anticipated that that lease will stay in place as a lease until the developer is in a position to put permanent financing on the property. The permanent financing would be available when the property is substantially completed in at least the first phase and leased. The intent is to have a lease term of 30 years which is short if you were looking at this as a permanent lease…it is not intended to be a permanent lease, but will be converted to a purchase. The lease terms themselves will go into play when they sign the lease, after it's negotiated, however, the rent will not be paid until a later period of time. That period of time will end when they draw a building permit for the building or six months after they have all of their approvals and have their construction and financing and place with the conditions satisfied. The use of the property is something that has been negotiated, it's going to be first-class office space with some other possible uses. The general use will be an issue for agreement in the Purchase and Sale Agreement and it is anticipated that those will be put into the deed as a deed restriction and will not be able to be modified without the approval of the MDC Board and this Board. So, you will retain the control that you desire over the property in terms of its actual use. The design itself will be worked on over a number of months and is not something that we will actually see at the time the agreement is presented to this Board. I doubt you'll see a rendering of the building. There are two contingencies to the buyer's obligations: there is a due diligence period in which they will conduct preliminary research on the site including title work, structural studies, environmental studies and the like and within those sixty (60) days they can back out and get their deposit back. If they go forward their obligation is to continue the lease and to also purchase the property are subject on receiving approvals for their buildings. So, if they do not receive their approvals they will be able to exit from the transaction. The last issue that came up in this negotiation was an issue of parking. There will be parking on-site, but probably not enough to service the tenants in the building. So, the MDC has agreed that additional parking space will be made available at the Pearl Street Parking Lot at City rates we lease to this developer.

Alderman Wihby stated I've got a few questions. I guess I was one of the main people that brought this parcel to the Board and asked them to buy this parcel way back when it first came and I recognized it was a very important part of the City that had to be developed and we should do it and the Board did it. I'm also looking to put something on that property and I've been pushing to do that with talking to Jay and trying to work it over the years. I guess I envision a different project. I guess I envision a project where somebody would come to us and say I want to buy this and I'm going to build a building on it and I'm going to take care of it. Not, one that came back to us and made us lease the property…I've got a couple of questions. One is, the person signs this lease and doesn't do anything for a year-and-a-half, gives us the $50,000 and

twelve (12) months later gives us the $25,000 and doesn't do anything…doesn't bother to get any permits or anything, do they get their money back.

Attorney McGinley replied one of the issues that will be further developed in the agreement is that the buyer will have an obligation to proceed with due diligence for their proposal, it will be in the full agreement.

Alderman Wihby stated I guess what I'm asking is where are we then, I thought we were okaying this today, we're not okaying this. We're going to be getting back something else that we're going to look at later to see if we agree with it.

Mr. Taylor replied we're simply asking at this point for the ability to proceed to negotiate a full Purchase and Sale Agreement which will then come back to the MDC Board and this Board for final approval.

Alderman Wihby stated so my question is if they didn't do anything would they have to buy the property or would they get their money back after a year-and-a-half. Right now, the way this is written…

Attorney McGinley stated the agreement that will be negotiated would provide that the buyer will proceed with due diligence. If the buyer does not do that then the owner of the property (MDC) can terminate the agreement.

Alderman Wihby asked why, that's not an appropriate place to be putting this in.

Attorney McGinley stated the Letter of Intent is a summary mostly of business points that will be in the transaction and the actual agreement itself will be very lengthy.

Alderman Wihby stated if we okay the Letter of Intent does that mean…by doing the Letter of Intent you have a sentence in here that says we are creating a binding obligation to negotiate in good faith between the City and the buyer. Now, is that paragraph going to bind us for the next phase. Are we signing off on that now that says we're going to have to get stuck with negotiating and we're going to have to change our mind with them if we sign this.

Attorney McGinley replied even if this letter of intent did not say it contained a phrase that you would negotiate in good faith that is an implied obligation under the Letter of Intent that you will negotiate in good faith. You may not be able to come to an agreement. In the agreement that is reached may not be approved by this Board. The Letter of Intent specifically says that the obligations of the Manchester Development Corporation are subject to this Board's approval.

Alderman Wihby stated I showed this to an attorney and he laughed at it. He said that there's not a lot of things in here that guarantees the City doing anything. For instance, in place of a foreclosure we've already given the mortgage to the bank and in case of a foreclosure the City's

out of some money, maybe, and we don't even own the property anymore, is that true according to this or is that going to be taken care of later.

Attorney McGinley replied no, what is anticipated is that for this developer to obtain the amount of money that is needed to develop this site while it is under lease the mortgagee would want both the leasehold interest and the fee interest. The fee interest is the interest that the Manchester Development Corporation holds. What we agreed to do, what we've negotiated in this, subject to the agreement of this Board is that the only condition of which we would do that is if there is a foreclosure then the Manchester Development Corporation would share in the foreclosure proceeds with the bank on a pro rata basis based on the amount of the sale. I can't tell you today whether you get more than your $1.350 million or less, it would depend on the sale price.

Alderman Wihby asked why would we want to do that, why would we want to get into a development where we're not sure we're even going to come out of it clean. Why would we want to give the mortgage to the bank. If we're leasing the property, lease the property but what stops them for leasing for 20 years and then buying it at the $1.3 million, why isn't there an escalation clause for the price of the property. Why does it stay the same now.

Attorney McGinley replied we are getting the rent, but that's a business question issue that might be better addressed by one of the members from the MDC.

Alderman Wihby stated I guess when I envisioned this project, I envisioned something going there, first of all, somebody new coming into the City and building something and we were going to get additional employees or additional people coming into the City working and buying houses. I understand that the whole concept of this is just moving somebody from one building to another and that I don't agree with, but I guess we can live with that because the other building's empty and hopefully somebody will move into the other building. But, it sounds to me that we're trying to do something to correlate with the tenant's moving, so we don't want to move too fast on this, there's not a lot of guarantees for the City on this, and that we end up with something that we really didn't want in the first place. We want it developed, we wanted someone to own it, I don't see anything on taxes…what's the thing on taxes.

Attorney McGinley replied I can answer that. This property is exempt from taxation because it's owned by a non-profit. When a non-profit leases to a for-profit entity it becomes taxable. One of the changes that is going to be in the Letter of Intent that it will be signed, it is just a page that hasn't been received yet. There's a revision that was requested after the MDC Board meeting last week which has been agreed to. One, just a clarification that I suggested that the lease is triple net and that was the understanding and that it's going to be in there, but also that the taxes would be paid as soon as the property becomes taxable, the taxes would be paid by the tenant.

Alderman Wihby stated the first $75,000 basically goes to the rent, or goes to the purchase right.

Mr. Pinard interjected it goes to the first year's rent.

Mr. Taylor stated there's no offset against the purchase price.

Alderman Wihby stated the down payment goes to the rent, so there's really no down payment. We just passed something earlier on 1037 that said we're going to give them three months or six months to start moving on this or we're going to throw you out and we're going to go look for somebody else and here it looks like we're giving someone 18 months to do nothing and then tell them okay, walk away with your money, we're not going to charge you anything and we'll just go on looking for somebody else. I hate to see this property tied up for 18 months without anybody doing anything on it. I don't know if it's going to happen or not but the potential the way this is written up that it could happen. I've asked some questions…that we're going to do and we're going to get, we've looked into something and I've told them to change something…we're waiting for another page. When are we going to see that and if we do anything with this what does that mean if the information doesn't come or doesn't change.

Mr. Taylor replied the Letter of Intent suggests that both parties are going to try to negotiate a Purchase and Sale agreement within fourteen (14) days from the approval of this letter which would be two weeks from tonight, assuming it gets approved tonight.

Alderman Wihby stated just with these terms in it.

Mr. Taylor indicated it will be substantially more detailed, it will probably have 30 or 35 pages of details on how this deals falls together; that will come back to this Board and if there are concerns, problems or things you don't want to see in there then it doesn't get approved.

Alderman Wihby stated once the City negotiates…this is probably a question for the Attorney…are we bound that if they gave us a deal, are we bound to do something the next time around when they bring us the Purchase and Sales if we do something on this.

Attorney McGinley replied the Manchester Development Corporation who is a party to this Letter of Intent is bound to negotiate in good faith. Their obligation to sign that agreement subject to this Board's approval.

Alderman Wihby asked approval of "what", this Letter of Intent or the Purchase and Sales.

Attorney McGinley replied this is a two-step presentation to this Board for approval. This Letter of Intent is a preliminary agreement of business terms between two parties before they spent the amount of time it takes to negotiate a full agreement. So, the parties want to know that they are in agreement on the basic business terms before the expense and time is spent on negotiating a full agreement and 35 pages is probably a fair estimate, but it actually may be two documents. We may have a 30-page lease and a 30-page Purchase and Sale.

Alderman Wihby stated I can speak for this Board, they want something on Bridge and Elm and I want something on Bridge and Elm, but I don't want to sign something today that I'm not happy with when you come back to me with the final documents. Am I going to say "yes" go ahead and negotiate with these people and then you are going to come back next week and I don't like what you have or this Board doesn't like what you have, a majority of the Board and we're stuck with what they have or could this Board say no at that time.

Attorney McGinley replied you could say no at that time, but I would suggest that there are business terms in this Letter of Intent that are not acceptable to this Board that is why it is being presented to you today because there is no…if there are business terms that are in this Letter of Intent which we would naturally carryover to a full agreement that are not acceptable to this Board it would be fruitful to know that now so that those terms can change and an agreement with the business terms acceptable to the Board as negotiated.

Alderman Wihby stated so the fact that I don't like the idea that there is this mortgage out there that the bank can take, I don't want that part in there, I should let you know that now.

Attorney McGinley replied yes.

Alderman Wihby stated if you come back with it…let's say this Board said…okay, let's say that wasn't one of the ideals that you went back with and you came back with that and the Board said we don't want to do that after they thought about it a week from now, are they stuck with having to do it because we didn't tell you today.

Attorney McGinley replied the way this is drafted it is subject to your approval, the only two parties that are bound by this Letter of Intent are the parties that sign. The party that signs is the Manchester Development Corporation.

Alderman Wihby stated I guess what I'm getting at is there are things missing…you've admitted there are things missing out of here, you're still waiting for pages, there's still doing, and we're still talking to them. How do I know what you're talking about, how to you expect to vote today if we don't know what's missing, what's not there. If you showed me a package and said here's the deal, I could tell you "yes or no". But, I don't know that now.

Mr. Taylor stated that is where we are going with this next step, with the full Purchase and Sale Agreement. If we can't get beyond this step then it didn't make a lot of sense to spend two or three weeks and a lot of legal expense to try a negotiate a full agreement if we couldn't get by the terms of the outline which is why we did it this way.

Alderman Wihby stated I'd like to see a time frame that they have to act within, otherwise, everyone walks away from the table and we start looking again for somebody else; that should be part of any agreement I don't see why somebody can give up a property for 18 months, not do anything and then say okay I want my money back and we start selling it again. I think that

happens with this document, at least that is what the attorneys are telling me. The price being set for now until whatever, we ought to give them some sort of…it's $1.350 million now and in three years it's $1.5 million and in five years it's $2 million and give them something to go for so that they are going to buy this property and not go for 30 years with leasing it.

Mr. Taylor stated if you look at the lease payments it's $75,000 initially but that escalates by a 10 percent factor every fifth year, so presumably they are not going to want us…they are going to pay a lot more leasing it than they are buying it.

Alderman Wihby stated I think a seven percent cost on $1.3 million is $95,000, so until they reach $95,000 a year it's not costing them anything. They're paying $70,000 to start, so the first seven years probably is offset with the cost of the way money is at seven percent. If we can get more for our money, it's higher than that. So, I see a lot of things wrong with this, again, I think everyone wants something on that property, but I don't think doing something this fast and being bought like this and looking for an answer today…I think it should go to some sort of committee and let the committee look at it and answer the questions and then bring it back to the full Board.

Mayor Wieczorek stated I assume that is what the Development Corporation is doing, isn't it.

Alderman Wihby interjected they're looking for an answer today.

Mr. Taylor stated the next step would be as we said to get down to these nitty gritty points and try to resolve all of these issues, so that when we come back with a final document it will be in a form that you will know exactly what is proposed and then it would be a question of loading it up or down based on the merits of what we come back with.

Alderman Wihby stated we're giving them up to 100 parking spaces, is that how I understand this at the Pearl Street Lot.

Mr. Taylor replied we have agreed to try to come up with some additional parking and that would be at the current City rental rate whatever that happens to be at the time.

Alderman Wihby indicated up to 100, I thought maybe if we had 300 spaces there we would give 300, but it is just max of 100.

Mr. Taylor stated it's up to 100, if available. We haven't even said that the 100 are available at this point because we can't guarantee that.

Mr. Pinard interjected, your Honor, I'd just like to refocus what our objective was here. We've had a piece of land there that has been vacant for seven years now, I believe, and our objective was to find a qualified buyer/developer who is willing to spend time and money to investigate the project and put up a signature first-class building on that lot. And, the focus is to get something there in the vicinity of $30 million plus eventually back on the tax rolls and that in

today's dollars is about $900,000 in potential property taxes. We have every intent as working as diligently and as quickly as possible and so does the developer in reaching an agreement that this Board will find acceptable, so that they can get start. They are going to expend significant amounts of money during their due diligence period and if they do back out we receive the benefit of all of that work…all their engineering studies, all their structural studies, all their environmental studies, all their design studies, if they do market studies concerning tenancies, will it support a hotel and so on, we will have the benefit of all of that. So, yes they may get some money back in the end but we will get the benefit of having all of that work and then we will be able to use that in furthering the marketing. I hope it doesn't come to that because we have come very far with this buyer. We have talked to other people and because of what we want to do on that property doesn't leave us a lot of options on how many people we can deal with. It's a very narrow pool of candidates who want to play ball by our rules. If we want to put a Rite Aid there we can sell it tomorrow and there are a lot of people who would buy it for other purposes, but I don't think that our objectives are any different than this Board's and if there are specific issues about the Letter of Intent which Attorney McGinley pointed out strictly spells out the business terms, the structure of an agreement. We then have to go back and work out all the nitty gritty.

Alderman Wihby stated I'm not questioning what's going there, I think it's a good project. I'm questioning that if it doesn't go there that the City has put a lot of time and effort and wasted 18 months, that's fine we get all that stuff if they do something, if they don't do anything we don't get anything. They can sit on it for 18 months, get back their money, not do a thing, wait to see what the economy looks like and wait to see if a civic center is built, sell it to a Marriott Hotel or whoever in 18 months and not have spent a penny in this project. I think there should be a permit process, they have to have so many months or whatever to get a permit or they lose some money or at that phase there's a next extension, there's a deposit that's not refundable or that type of approach to make them want to do something. It seems like the way this is written up they're doing a favor…they're going to take their time to do whatever they want, we can't make them move any faster…I would like to see something here that makes them move faster, makes them want to do it or they're going to lose something in the process. I'm not complaining about the company, the project, I'm just complaining about the way this is written up, it doesn't seem like we have any benefit of anything that's going on with this if it doesn't work.

Mr. Pinard stated you're major concern is the timeline is too lengthy.

Alderman Wihby replied yes, it is too lengthy and there's nothing to lose. We just gave these people six months and said if you don't do it you're out of here and we're going to look for somebody else and we're doing a bigger project and we haven't told them that. We told them we'll give you 18 months and if you don't do a thing you don't have to pay a penny, that is what we've told these people.

Mr. Pinard stated I understand that, Alderman Wihby, but the terms of that transaction is significantly different than the terms of this transaction.

Alderman Wihby stated there is nothing wrong with telling these people they have to go for a permit, they have to produce plans at a certain point, they have to get the permits, they have to look like they're doing something of, if not, pay a price in the meantime. There's nothing wrong with doing that, that's everyday business. If we tell them that we're going to take your word and proceed at your pace we're going to have a problem with this development.

Mr. Pinard stated it was my understanding in talking with and Jay can probably address this also is that the timeline as proposed in this arrangement is not outside of the norm given the type of building and structure and what's involved in this kind of a project and, Jay, I don't know if you can add to that.

Mr. Taylor stated what I think we need to do in order to address this issue is in the P & S which we will subsequently come back with is to within that timeline that you've talked about put some guidelines in there, some steps that have to be gone through during the process that have to be met in order for the project to continue to go on. I think it's a matter of putting a schedule and addressing certain things that have to be done by a certain time in order to keep this momentum going.

Alderman Wihby stated my concern, Jay, is if we okay this does that mean that you can negotiate now and come back to us with a Purchase and Sale and not have it and that we're liable that we have to go with it; that is what I'm getting at. I don't understand where this compares to the Purchase and Sales. Are you telling me that this doesn't matter anymore…that the Purchase and Sales is the main thing and when I get that if you don't like what I have you can vote it down.

Mr. Taylor replied if we come back with an agreement that doesn't embody the concerns that you have then this Board, as far as I'm concerned, has the right to vote it down. We're not about to try and push something through that doesn't make sense to the Board of Mayor and Aldermen.

Alderman Wihby stated that's not what I'm hearing from the Attorney. I'm hearing that you should know all things up front and don't throw anything at us later.

Attorney McGinley stated a Letter of Intent is a summary of the transaction. It does not contain every single provision. This is a fairly complex transaction that will have both a Lease and a Purchase and Sale Agreement. There are a lot of terms and you've mentioned one, but there are a lot of terms that you do not see in this Letter of Intent that you will see in the lengthier documents. I anticipated that the timeline that you're suggesting would appear in the Purchase and Sale Agreement. And, again, what I said before is that while Manchester Development Corporation is the owner of the property in signing this Letter of Intent…has an obligation to negotiate in good faith, its obligations to sign the Agreement are subject to this Board's approval and I can't imagine the items that you're suggesting would not be in there. I would anticipate they'd be in there before you mentioned them, but having been raised by this Board they would

be in there or we would not get approval. In addition, the comments that you've given are not in contradiction to what's in the Letter of Intent, it's just in addition to and as I said there are a lot of terms that you'll see in the full agreement that you don't see in this Letter of Intent.

Alderman Reiniger stated this is not a new procedure for the Board, we have dealt with Letters of Intent many times before, this is not the final vote as Attorney McGinley has indicated, this is our attempt to either approve or disapprove of what the MDC has done up to this point, the type of development they have landed is this the type of development direction the Board wants to go in. The specifics will come back to us again with a lengthy document. So, tonight we're either sending a good message or a negative message to the developer by this vote and it's a very important vote. I also want to add that the MDC has spent countless hours and has done a great job. Ray Pinard, in consultation with experts such as Karl Norwood and Barry Brensinger so a lot of careful thought has gone into this…I support moving forward and moved to authorize the Manchester Development Corporation (MDC) to execute a Letter of Intent for development of the Bridge and Elm Streets property in order to provide the developer the ability to conduct due diligence activities and to allow both parties the opportunity to negotiate a purchase and sale agreement, such agreement to be subject to the final approval of the MDC Board of Directors and the Board of Mayor and Aldermen.

Alderman Thibault duly seconded the motion.

Alderman Hirschmann stated our primary focus or the politician's in this room's primary focus, I think, differs from the Development Corporation's primary focus and all along the people on this Board have talked about putting that parcel back on the tax rolls. This Lease/Purchase is it going to take 20 years for that property to be taxed, 30 years, one year, what can we expect on that.

Attorney McGinley replied this was a question that was raised at the MDC Board meeting on Friday and I made inquiries on Friday during the day to determine the answer. Once this property is leased, once this lease is signed in the next month or so with this developer it becomes taxable. If the lease happens to be signed in the next ten days before April 1st, it would be taxable in the tax year of 1999, that's unlikely. So, what the Tax Assessor's Office explained to me was that it would be the status of the property on April 1st of every year, so he would anticipate that the property would become taxable April 1, 2000.

Alderman Hirschmann stated you did make a comment at one point about a profit entity and a non-profit entity with the taxation, say that again.

Attorney McGinley stated this property is exempt from taxation, not because the City owns it because the City doesn't own it, it's own by Manchester Development Corporation a non-profit corporation. The City is the sole member of the corporation, but it's still a separate entity, it's a non-profit and that falls under statute that says so long as the property is being used by the non-profit it's not taxable. Once it's leased to a for-profit entity it would become taxable.

Alderman Hirschmann stated I guess, Ray, you're asking for direction of this Board and I want to stress that in my opinion that we want this parcel on the tax rolls, that's priority number one. Priority number two is we'd like it developed. So, as long as you aren't veering from those priorities I think we're going in the right direction. The lease payments that are payable to the non-profit those don't come back to the taxpayers or the general fund, what if that's for 30 years.

Attorney McGinley stated the money comes into the non-profit, the non-profit is controlled by the City. I don't know if there are funds that have come into Manchester Development and how those funds have been handled, but it would be handled in the same fashion. What makes this unlikely for this to stay as a 30-year lease is that the construction financing is more expensive financing that permanent financing and once the permanent financing is in place or ready to be put in place they have to buy the building. So, it would be unlikely that the developer would want to maintain this piece of property on construction financing. For one thing, construction financing is shorter term.

Alderman Hirschmann asked when you come back those assurances will be firmer to us.

Attorney McGinley replied I don't know if the timeline of when it converts from a construction loan to a permanent loan, I'm not sure we'll be any more firm than you see here; that will be governed by construction of the building and lease out.

Mr. Taylor stated just to go back to your question about where does the money go, where do the rent payments go…if you recall MDC and it's predecessor the Greater Manchester Development Corporation set up to do projects or become involved in projects that the City itself could not do so directly and the assets of the corporation were set aside to be specifically used for further economic development activities. It's my view that that money would go back to the MDC and could then be available to be used for other economic development projects going forward. So, that's the intent here.

Mayor Wieczorek stated I have an invalid motion on the floor, Alderman Reiniger is a member of the Manchester Development Corporation Board and, therefore, he cannot make a motion, so I know Thibault seconded the motion. Is there anybody else who wants to make the motion.

Alderman Wihby replied I'll make the motion to send it to committee and let a committee look into it.

Mayor Wieczorek asked which committee.

Alderman Wihby replied whichever committee this would go to…CIP, Lands & Buildings.

Mayor Wieczorek asked you want to refer what the Letter of Intent.

Alderman Wihby replied the whole thing.

Alderman Clancy duly seconded the motion to refer to committee.

Alderman Cashin asked don't we have a deadline here, Jay.

Mr. Taylor replied if it goes…the longer it goes the longer it will take to get this thing negotiated; that's as simple as I can put it. If we keep putting it through the process, we'll never get to the point where we can get the agreement negotiated because it's all subject to approval of the Board.

Attorney McGinley stated I think technically the Letter of Intent which has been signed by the offeree, the buyer has a deadline of March 19th.

Alderman Cashin stated, Jay, you're asking this Board tonight to agree with the concept in a Letter of Intent allowing you to continue the process to come back at a later date to this Board, hopefully, answering some of the questions that have been raised here tonight, is that…

Mr. Taylor stated that is essentially what we are asking, that's my view of what we're asking.

Alderman Cashin stated that is your job, Jay, as I see it; that is what you do for the City of Manchester. Now, we're either going to have faith in you or I guess we're not and every time I've been involved with just about every project that's been in town for the last 30 years and every time we get to this point there's always some questions and some concerns and there should be, on both sides, that's negotiations and we understand that. But, I think at some point you have to accept the fact that we're all working in the same direction, we're all working for the same good and Manchester Development Corporation technically works for the City of Manchester, they're only an agency and in order for us to do things like this that we can't do ourselves. I would ask this Board tonight to go along with this even with the questions that Alderman Wihby has asked and they are legitimate questions, there's no question about that, with the understanding that these questions will be answered at a later date before we come to a final agreement and I'd ask this of the Board and if there's a motion I'll second it, and if not I'll move.

Mayor Wieczorek stated I've just been advised now that there is no conflict with Alderman Reiniger serving on the Development Corporation Board, therefore, I am going to revert back to the prior motion which was made by Alderman Reiniger to authorize the Letter of Intent and seconded by Alderman Thibault.

Alderman Thibault stated I just want to be sure that when it comes back, we do have the right to either knock it down or bring it up, we do have that right.

Mr. Pinard replied that is correct.

Alderman Girard stated I just have a couple of questions, if I could and they are along different topics, so we won't be treading over ground that's already been walked on, if that's alright, thank you. The questions that I have actually concern the proposed use and I don't know who would be best to answer those questions. But, as I understand it you're looking at about 100,000 square feet of Class A office space with the potential of building a hotel at a later date, is that correct.

Mr. Pinard replied that is not entirely correct. Right now, the first phase is envisioned as being 120,000 square feet of first-class office space and if it's a two-phase project the second phase would either be approximately 80,000 square feet of first-class office space or a combination of office space and hospitality or a combination of office space, hospitality, luxury housing, whatever that mix might be. Obviously, the developer is going to seek to put up whatever is going to return the highest rate of return to the developers, so those things come in a certain order and they will seek to exhaust the highest and best use for the property which is also of benefit to the City because normally highest and best use also results in a higher value of the building that will be taxed. If the developer's due diligence gives indication that it is warranted at this time to put up one 200,000 square foot building they have that right also, they would have that option. So, it could be two-phased, it could be single-phased.

Alderman Girard stated my concern is basically with office space, ironically. When the Bell Atlantic/NYNEX tower was originally built, it created a whole lot of brand new Class A office space in the Downtown and if I remember correctly what happened was a lot of existing Downtown businesses vacated their space to move into that office and a lot of that space remains vacant. Ironically, some around the Pearl Street Parking Lot, the Barry Dunn McMillan Parker building comes to mind. But, I guess the other concern that I have is first of all I don't want to create an incentive to create less desirable office space in the Downtown because buildings will vacate or will be vacated by tenants…the other thing I was hoping to see with this development though was something more of a 24-hour use. One of the criticisms that has been lodged against the Downtown is that the sidewalks are rolled up at five o'clock and they come unrolled at eight in the morning and there's not a lot to do Downtown in between that. The City did a real nice job turning the Downtown into a Business District in the 80's and I think that's part of the problem we have with the mix of activities and uses in the area. I wonder whether or not a 24-hour type of use…a hotel or something like that, particularly we've got the Civic Center proposed for the other end of Elm Street might not bring a different use, a different sort of vitality than an office tower which though would be certainly great on the tax base, I don't think the hotel would be any worse and I think you would have more constant and consistent activity which, I think, frankly would be better for the Downtown.

Mr. Pinard stated if I could answer your two points. The first point is on vacancies occurring in other buildings. It is not the City's obligation to ensure 95% vacancy in every office building that there is Downtown. We are not driving the free-market system, it's the owners of these buildings and having buildings that are attractive enough to attract the proper tenants. So, even

when those buildings are vacant, I know there are exceptions, but for the most part the City is still collecting taxes. So, shame on the owner for not maintaining property that attracts tenants.

Alderman Girard stated, Mr. Pinard, I agree with you on that but the problem is you need to have a demand for the space that allows the property owner to collect a rent that will allow him to invest in the building and it's just like with the housing market and we've seen this throughout the inner-city with the way we've developed the outskirts of the City. If you continue to build space that increases the supply and drives down the demand and doesn't allow the existing buildings to generate the rent that will allow them to improve the space and we all know how tricky financing, renovations and things like that are particularly in this area of the world; that, I think, is a legitimate concern. So, while I'm all for the free market, but if we have a decision here it ought to be one that creates a higher demand for the space that exists so it will generate the revenue for the space to be renovated. You're going to get a lot of taxable value that way too.

Mr. Pinard stated on the second point is to requiring what type of development goes up there. It's one of those things…we ask ten people or twelve people what they think is the best use of the property and we're going to get ten different opinions, all variations, probably all off of one major theme. If this Board wants to mandate that somebody builds a hotel on that tell us now because we'll make sure that goes into any agreement that we negotiate with somebody, but again it's going to limit the available pool of prospects. We have to leave it to…our objective is to sell that lot and get a usage that will provide the City with the highest tax return possible and also provides the developer an appropriate project so that they get an adequate return on their investment. I understand what you're saying in a Phase II the developer may say that the best thing to do here is put up a luxury hotel for the second phase. We don't know how that is going to shape up there's so much happening on Elm Street from month-to-month.

Alderman Girard stated that's if there is a Phase II as Alderman Wihby alluded to it appears that this building may be constructed by an existing business within the City which would leave that vacant space if they decided to move; that is a concern because really one of the issues facing the Downtown is how do you renovate 19th Century space that is attractive to 21st Century clients when you can't generate the revenue you need to invest in the buildings and I understand your focus on that parcel, I almost think there needs to be a broader look at the Downtown in general to see what kind of use is going to allow us to generate revenue and activity in existing space. The NYNEX tower or the Bell Atlantic tower are nice, the Hampshire Plaza tower (it's ugly, but) it's class space. But, if you have a shiny new tower up here at the corner of Bridge and Elm, but it still is not going to address the problem that we have with the vacant older space in the area, that's my concern and I would rather…I don't want to mandate use, but I'd rather see one that is going to create activity rather than one that is going to take tenants.

Mr. Taylor stated you mentioned or somebody mentioned that we're going to be playing musical chairs here to some degree with the potential occupants of this new building and I'd just like to point out the fact that nobody has any of the tenants currently occupying any of these buildings

nailed to the floor and if we don't have an option for them and they do decide to move out of wherever they are and they can't stay Downtown we have a definite possibility of losing them to outside of the City which I think would be unfortunate. So, while there may be some musical chairs being played here presumably the buildings that tenants leave will fill in with other lower cost options. This building by the way is not going to be an insignificant rental charge. I think when you start looking at what the rents are going to be here, it's going to raise the standard of rents in the Downtown area substantially and the fact that there are potentially tenants out there who are will to pay that kind of rent to be located in a first-class building in Downtown Manchester, I believe, is good news.

Alderman Girard stated so you think it will cause all of the other building owners or enable them to raise their rent so they can generate the income they need.

Mr. Taylor stated I think it's going to help in that direction.

Alderman Cashin stated I think Jay answered, but I'll just use one example. Optima Health when they were on Maple Street and they were looking for Class A space and they couldn't find it in town they moved to Bedford and they're right, Jay, if we don't build it they're going to go to the outskirts and we lose altogether.

Alderman Shea stated what we're doing is we're selling land to a developer that's going to build a structure that's going to be worth (tax wise) ten, twenty or thirty million dollars, is that correct.

Mr. Pinard replied closer to the $30 million most likely.

Alderman O'Neil stated one quick comment…I don't know if you're the developer, Sir, I appreciate your being here. I think the Mayor and the Board of Aldermen appreciate it, I think our concern and I don't want to speak for the rest is it's almost like Alderman Reiniger said that we've done these Letters of Intent before, we have, but to me this is incomplete. We seem to have…in Letters of Intent before addressed a lot of the major concerns and really the Purchase and Sale was a formality. And, I think I heard some discussion that "we'll take care of that later" I think that is what the problem is here. It's not a willingness to go ahead with this project and I just think that it's not fair to the City nor is it fair to the developer. Thank you, your Honor.

Alderman Wihby stated I have two questions. First, is the parking underground besides Pearl Street.

Mr. Pinard replied yes.

Alderman Wihby asked how many parking spots are underground.

Mr. Pinard replied approximately 400.

Alderman Wihby stated I feel the same as Alderman O'Neil does. There is incomplete stuff here and I don't feel comfortable. In the past, it seems like when we had something I felt comfortable on voting for it. I don't feel comfortable because Karen sort of implied well, let all of your questions out today so that everybody is going to negotiate and everybody knows where it is. I might have more questions in a week, but yet I'm hearing that we can always say no to Purchase and Sales but yet I heard something that I've never heard before in that make your intention known ahead of time so that we can work on that. Do we have every opportunity to say no to something that say comes up tomorrow, this Board.

Attorney McGinley replied this Board has the option to say no to the agreement that is presented to you. The point that I made is that there are deal structure items in the Letter of Intent that are a problem with this Board it would be more useful to know now and we would proceed on a different tract than proceed under these terms if we're going to…and I don't want MDC to incur legal costs that are not necessary.

Alderman Wihby asked, your Honor, why can't we send it to a committee and let the committee come up with the things and get it all done at once so that there's no legal…so that both sides know…I don't think there's anybody sitting here saying they don't want the develop to go, it's just that there's things that should be tied up closely to assure that we're not going to lose something here and that the project goes on further. Why can't we take the extra day or two, meet, give them the proposals and go forward. We're meeting again in three weeks. I thought we had a meeting the 31st or something.

Mayor Wieczorek replied we do, but that's a Special Board meeting on the budget.

Alderman Wihby stated we could bring this up then, couldn't we.

Mayor Wieczorek replied we could.

Alderman Wihby stated I don't know why the rush to having to go ahead and okaying it today and then come back and we'll come back and talk about it later. I'll get a hold of Jay and go over my concerns but there are probably other members that are going to have things that they want to see too.

Mr. Pinard suggested that we execute the Letter of Intent so that we can at least being talking about the issues that have been brought up this evening with the developer and as quickly as possible representatives from MDC and Jay's office and Attorney McGinley meet with the CIP Committee to discuss the specific issues that either are not covered in a Letter of Intent, so that we can bring them forward as quickly as possible in the early stages of negotiating the Purchase and Sale Agreement which will occur over a matter of a few weeks. So, we would want to uncover all of those issues as quickly as possible so that we can go back with to the developer and start negotiating those issues first.

Alderman Wihby stated I asked our own attorney if he's looked over this and he told me "quickly". He hasn't even fully looked at this and you're expecting us to vote on it today. I guess I would expect all of the dots to be…the time that you've had…we've talked about bringing this forward a month ago and a whole month went by and I expected everything, I guess to be crossed and dotted and brought to us and I'm just amazed at the way this came to us today.

Mayor Wieczorek stated Alderman Reiniger I am going to let you make the last comment, it is in your ward and that is it, no more comments.

Alderman Reiniger stated I think this procedure does make sense for the reasons Attorney McGinley mentioned if they had gone ahead and done a 50-page contract they would have spent thousands and thousands of dollars in legal fees, come here, then found out concerns of Alderman Wihby and Alderman O'Neil and would have wasted all kinds of legal time and fees. Now, they've spent very little time in the legal end and come up with a concept for us to approve or disapprove. If we go ahead and send the positive message tonight then they'll go ahead and start spending the money, they will have heard all of the comments, and then they will start spending the money on the legal fees, but that's usually the way it's done, that's the way it makes most sense as a practical matter of business.

Alderman Wihby stated I've heard this Board say that I don't have all of the facts in front of us and we're not going to vote on it today, that is exactly the position we are in now. We don't have all of the facts in front of us.

Mayor Wieczorek stated you are going to have an opportunity though, Alderman, because they're going to be finishing up their due diligence and they're going to be working on the things and bring back a document here that you can go over it as thoroughly as you want to go over. So, I'm now going to ask for a roll call vote, I have a motion on the floor Alderman Reiniger, duly seconded by Alderman Thibault.

Alderman Hirschmann asked could you read the motion again, your Honor.

Mayor Wieczorek replied the motion is "to authorize the Manchester Development Corporation (MDC) to execute a Letter of Intent for development of the Bridge and Elm Streets property in order to provide the developer the ability to conduct due diligence activities and to allow both parties the opportunity to negotiate a Purchase and Sale agreement, such agreement to be subject to the final approval of the MDC Board of Directors and the Board of Mayor and Aldermen".

A roll call vote was taken on the motion. Aldermen Thibault, Hirschmann, Reiniger, Sysyn, Clancy, Pinard, O'Neil, Girard, Shea, Rivard, Pariseau and Cashin voted yea. Alderman Wihby voted nay and Alderman Klock was absent. The motion carried.

Mayor Wieczorek stated thank you very much for your presentation and, Mr. Grossman, I appreciate the fact that you bothered to come here tonight.

Mr. Grossman stated number one thank you, your Honor and Aldermen. I'm really impressed. I'm glad I came. You raised some excellent issues, I hear you loud and clear. All I want to leave you with the impression is that we've looked in Manchester for three years, at least three years. We purchased the Hanover Street property, the Opera Block less than a year ago, we've been very pleased with it. We see a demand for first-class office space. The issues that you raise are very appropriate, I'm happy to address them in terms of the timing and I want you to know that my interest is the same as yours. I want to bring this property on the tax rolls, I want to do it sooner rather than later. My concern is that we miss the market and then neither you nor I want to build a building that is going to be a see through building that neither of us can be proud of. So, I'm very excited about the project, I look forward to working with you and I'm sure we'll come to a successful conclusion.

Alderman Wihby stated the proposals that I brought forward, you understand what I was trying to do obviously, do you have any problems with any of those.

Mr. Gross replied no. The one problem that I do…the potential that I see is I am willing to make time commitments in terms of meeting certain hurdles. The end result is the market is going to determine what gets built and when it gets built and I don't want to spend a lot of time and effort and money for six months or a year, the market turns against us and I've lost the whole deal and I have to redo plans. I don't want to lose something after I've spent a lot of time and money and effort and that's why I think the leeway was there to allow for a market timing, number one. The other important issue that I think is important is that you're in a position when you didn't see all of the negotiations, the discussions that we had with the City revolved around what type of tax benefits there could be, could we do a long-term round lease, 99 years, a subordinated ground lease and all these issues were we were told were impossible and we accommodated that desire…what you heard was that the ground lease is going to be what is called "Perry Pursue" with a mortgage so that the City is protected. In the terms of a lease rather than a purchase is purely because we're not sure in terms of marketing whether it's going to be a one-phased project or a two-phased project. Once the project is completed we intend to put a permanent mortgage on the property as soon as we can…rates are favorable and we want to complete this project and put a permanent mortgage on it and pay the City the money for a purchase, we don't want a long-term lease.

Mayor Wieczorek stated thank you very much, Mr. Grossman, I appreciate your confidence that you've shown in the City and that you can continue to show that confidence. Thank you very much for being here tonight and the entire team in making the presentation.

Alderman Wihby stated based on that comment made by Mr. Grossman I'd like to change my vote and make it unanimous.

13. Communication from Alderman O'Neil as President of the St. Patrick's Day Parade Committee seeking the Board's approval of parking bans and/or street closures for Sunday, March 21, 1999 due to the postponement of the parade which was originally scheduled for Sunday, March 7th.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard, it was voted to approve the previous requests, subject to approval of the Committee on Traffic/Public Safety.

14. Communication from the Public Works Director submitting a retirement request for Mr. George W. Smith.

On motion of Alderman O'Neil, duly seconded by Alderman Rivard, it was voted to approve the retirement request for George W. Smith as submitted.

15. Communication from Thomas Seigle requesting the Mayor be authorized to sign on behalf of the City the enclosed Letter of Intent between the City and AES Corporation for the purchase of effluent to be supplied by the City for an electricity generating facility to be constructed in the Town of Londonderry; and that the Highway Department and the City Solicitor be authorized to negotiate the final agreement for approval by the Board of Mayor and Aldermen.

Alderman Thibault moved that the Mayor be authorized to sign on behalf of the City the enclosed Letter of Intent between the City and AES Corporation for the purchase of effluent to be supplied by the City for an electricity generating facility to be constructed in the Town of Londonderry; and that the Highway Department and the City Solicitor be authorized to negotiate the final agreement for approval by the Board of Mayor and Aldermen. Alderman Pariseau duly seconded the motion.

Alderman Hirschmann asked why are we going to negotiate with somebody…wasn't there just an election in this town and they voted not to let them build this.

Mayor Wieczorek indicated it was a non-binding referendum question.

Alderman Hirschmann stated they're our neighbors, but we're sending a signal that we're willing to deal with these people.

Alderman O'Neil stated I believe it passed the Town Council last night four to one.

Mayor Wieczorek called for a vote on the motion. The motion carried with Aldermen Shea, Cashin and Hirschmann duly recorded in opposition.

NEW BUSINESS

Mayor Wieczorek advised that the Airport Director had three items which needed to be addressed under new business as follows:

> Communication from the Airport Director requesting that all present and upcoming Airport Master Plan implementation projects be consolidated into three projects.
>
> Communication from the Airport Director requesting authorization for funding of $12 million for continuation of the Airport Master Plan implementation.
>
> Communication from the Airport Director requesting an additional four (4) positions be added to the airport complement due to increase in use and operations, and to assure compliance with increasing Federal requirements.

Mr. Testa asked that the Board refer the three items to committee noting he had not been able to get them in on time due to his attempts to tying up loose ends prior to his departure and asked that the first two items be referred to the Committee on Community Improvement with the third item being referred to the committee on Human Resources/Insurance.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau, it was voted to refer the communications to the appropriate committees as requested.

Alderman O'Neil stated that at the last Board meeting a vote was taken requesting department heads forward a one-page correspondence to Board members relative to legislative matters noting he had only seen one reply since that time from the Water Works. Unfortunately, they did not give their positions on the issues on the bills they would be testifying on and asked the Clerk to send out reminders to departments on this matter.

There being no further business to come before the Board, on motion of Alderman Rivard, duly seconded by Alderman Pariseau, it was voted to adjourn.

A True Record. Attest.

City Clerk