

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN
(PUBLIC PARTICIPATION)**

September 7, 1999

7:00 PM

Mayor Wieczorek called the meeting to order.

Mayor Wieczorek called upon Boy Scout Troop 135 for posting of the colors.

Mayor Wieczorek calls for the Pledge of Allegiance, this function being led by Devon Martin, Boy Scout Leader.

Mayor Wieczorek stated the other four Boy Scouts are Stephen Martin, Travis Boyd, J.P. Wickham, and Matt Suermann.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Klock, Reiniger, Sysyn (late), Clancy, Pinard (late), Shea (late), Girard, O'Neil (late), Rivard, Pariseau, Cashin, Thibault and Hirschmann

Absent: Aldermen Wihby

Mayor Wieczorek advised that the purpose of the special meeting is to give residents of Manchester the opportunity to address the Board on items of concern affecting the community; that each person will be given only one opportunity to speak; that comments shall be limited to two minutes to allow all participants the opportunity to speak and any comments must be directed to the Chair.

Mayor Wieczorek requested that any resident wishing to speak come forward to the nearest microphone, clearly state their name and address when recognized, and give their comments.

Jeff Kassel, Appleton Street, Manchester, NH stated:

I was wondering if I could ask the Aldermen what is going to be the total cost of this civic arena project. Not just the \$50 million that is being borrowed and the additional \$10 million. What are the debt service costs at current interest rates for this project? What is going to be the total bill in dollars?

Mayor Wieczorek replied Mr. Kassel we are not here to enter into a dialogue with you and the Board. The purpose of the public hearing is to allow you the opportunity to make any comments that you would like to the Board.

Mr. Kassel responded well then I will do that. I talked with Mr. Ashooh a few minutes ago and he told me that the debt service on the old interest rates was approximately \$63 million. Since that time, he told me that interest rates have actually climbed about 60 basis points so it is going to be higher so the debt service cost on \$50 million plus when the \$50 million is paid back is going to be a total of at least \$113 million and probably closer to \$125 million. In addition to that, there is additional money being borrowed which is another \$10 million from what we understood at the last sub-Committee meeting and there is going to be additional debt service on that as well. I am complaining about it. This is a lot of money. This is probably one of the biggest construction projects every undertaken in Manchester and I don't think anybody can really guarantee its success and we all have to live in this town and live with the debt. It is a little strange that there is not a dialogue between the person that is speaking and the people that are making the decisions with respect to this money. It is our money. I would like to have a dialogue with the people. This is not a very satisfactory forum for me. It is almost like not having a discussion at all, Mr. Wiczorek. I am requesting a discussion.

Mayor Wiczorek replied we are not going to do that. I already explained to you what the round rules are. You could take a full half-hour if we have a dialogue going back and forth with you. We have had a public hearing and people had an opportunity to speak at that public hearing. These are forums that allow people a half-hour to speak to the Aldermanic Board.

Mr. Kassel stated in addition to those comments I am going to make one other complaint and that complaint is this. We are very close to an election now and what I personally and what a lot of people I talked to would like to see is a referendum on this huge expenditure, at least \$113 million, probably closer to \$130 million and maybe more. I would like to see this election be a referendum on this cost since this is such a huge project in Manchester. I think that is reasonable and when the *Union Leader* ran their articles a few days ago they kind of indicated this is going to be the most important issue in the campaign or one of the most important issues. I would really hate to see a vote on this bond issue before the people can really speak in a meaningful election that is not just a non-binding referendum. That is my suggestion. That is what I have to say.

Jeff Michelsen, 45 Falls Avenue, Manchester, NH stated:

I am a candidate for Aldermen. I was thinking today that one of my favorite subjects, as you probably all know, is the civic center and I was thinking today how I might address the members here to illustrate my concern about this project. The perfect example today was I went to the Library to return a book and the person at the desk pointed out that my library card had expired. They said would you like to renew this and I said sure. So they verified my address, my telephone number, my references and the woman said oh is that Ward 5 and I chuckled and said yes it is. The woman then said you would be surprised how many people don't know what ward they live in. I said well I happen to know because I am running for Aldermen and it is an interest of mine. As I said that, another person turned and said well Sir if you are elected can you get us some pens. I am wondering, I guess, where this fits in in terms of priorities. In my opinion, this plan as evidenced tonight...I watched the earlier meeting, is breathtakingly inept

and you all owe it to the residents of this City to do the right thing and the track we are on is not the right thing. Thank you.

Don Welch, 147 Boutwell Street, Manchester, NH stated:

Mayor Wieczorek you just mentioned that there was a public hearing held on this civic center and indeed there was. There were three of them to my knowledge. I reviewed some of the tapes a few weeks ago and if I were to believe that those public hearings that took place back in August of last year were public hearings based on what we have on the table today, I think every single Aldermen on this Board should reject this particular proposal. It is not what the people voted for. This particular project is skyrocketing in cost and there is going to be a price tag that the taxpayers will have to pay. I want to inform everybody on this Board that I had a conversation earlier this week with the city manager of Mancato, Minnesota. Mancato, Minnesota is a community of about 70,000 to 80,000 people and they have a civic center out there, which is called the Mancato Wireless Civic Center. Two years ago, they released Ogden Entertainment from their duties as managers of that facility. They were in operation for approximately three years. They made promises. They had contractual agreements that they would stay within a \$30,000 or \$29,800 operating deficit. They handed a bill to the City of Mancato for \$300,000 and after two years of this, the city manager and the city councilors through an escape clause in the contractual agreement released Ogden of their duties. He also informed me that this happened in four other venues. Now I don't want to put Ogden down. Apparently, they are pretty good at start-up but when it comes to actually managing one of these facilities, they kind of forget their whole scheme that they put together in the beginning. They are not catering to the secondary tier of entertainment. They are going after the larger markets. Meanwhile they enter into these contractual agreements with these cities and towns making big promises. I will give you an example. They promised Mancato, Minnesota 12 major events, big events. These were going to bring in the money to Mancato to make sure that the operating deficits were going to be at that \$30,000. The first year they ran the place, they brought in one. The second year they had another agreement for 12-15 major events. They brought in two. The documentation that is being bantered about in this city with 124 or 134 events in this city is not going to happen. I also spoke to the AHL president today about the teams that are being considered for this city. There are three teams out there. One from Ottawa, one from North Carolina and one from Hartford, CT. These are dormant teams. That is the only thing that is on the table. Now one has to ask the question why are they dormant. Why are they not in operation? Why are they not up and playing? I just wish this Aldermanic Board would really look at this whole thing and don't strap the taxpayers with this bill. It is not going to be us; it is going to be our kids or whatever. This is quite an expenditure. Portland, ME just rejected last week, last Thursday, a proposal for a new civic center out there that was going to cost \$46 million. They had the property donated by the Libra Foundation in addition to \$25 million, here is the check they said and the city councilors rejected it because they didn't want to strap their taxpayers with the bill because they know they cannot operate these facilities in a positive. Thank you very much.

Murray Onigman, 324 Walnut Street, Manchester, NH stated:

Your Honor I just want to first read off to you last Tuesday's statewide paper. It says the Mall of New Hampshire, which NED recently doubled in size has 112 tenants, is 930,000 square feet in size with a property tax bill of \$2.2 million annually. It is the city's largest taxpayer with an assessed value of \$68.5 million. We are talking about figures in here for the past three or four months that is not including a garage, taking land for a garage or overrun. So we are talking up the street on Elm Street, the street with nowhere to go. Dead-end at one end. Dead-end at the other end that we will handle the traffic no problem. It is like going into Kenmore Square and out. No problem to take care of the traffic. No garage yet but there is always the overrun and nobody has given us a figure on the overrun. Every building has had an overrun so we are playing with \$58 million and we are up to \$60 million. We are going to be up to \$70 million to \$80 million to put this thing up. That should not be the Mall of New Hampshire that is the number one taxpayer, but it should be the civic center. However, in your good judgment, the 12 Aldermen and Board of Directors of the civic center, you have decided that it should be a public building. That no private investor be involved and, therefore, there is no property tax. There is no money from a property tax. I don't understand it. I never will. Tom Yawkey put up Fenway Park for under \$10 million. The City of Boston collects a property tax. Walter Brown put up, with his group, the Boston Garden for less than \$10 million. The City of Boston is still collecting a property tax but we are so rich up here we are not even getting a major league anything. We are going to sink that kind of money, us property taxes, people paying for the gamble of a center and I have yet to hear from hockey lovers how much they need it. I haven't heard from them. When you play baseball, you hear from baseball players. When you play hockey, you hear from major hockey players but I haven't heard any outcry of please give me, I need a civic center to skate on. Really. Think of what we are undertaking. Think of the next 30 years. Talking about the Mall of New Hampshire, I was there in 1977 when they built it and today it is the biggest property tax payer in the City but we have one going up that will be bigger than the Mall of New Hampshire and no property tax Really. And you are going to take away all of our Rooms & Meals tax for the next 30 years to do it. Really. What are you thinking people? What are you thinking of? Have you looked into the ramifications of the entire project versus the projection, the nuts and bolts and everything that goes into it or are we being bamboozled out of New York? I don't know.

Kym Hall, 218 Overland Street, Manchester, NH stated:

I am an environmental biology student at Antioch New England Graduate School as well as a biologist for an environmental consulting firm. The reason I am here tonight is to represent the NH Sierra Club and to state its position on the proposed development on the Hackett Hill properties. The property is home to three threatened plant species, as well as a globally rare combination of Atlantic White Cedar Swamps with an understory of giant rhododendrons, the picture plant, a plant of special concern and possibly the endangered hessals hair streak butterfly which is being driven to extinction due to loss of habitat. The black gum trees on the property are some of the oldest in New England and they are approaching old growth status. So why does our Sierra Club campaign, which is known as Save Hackett Hill, opposed to the City's

plans for development? First, the planned development leads us to proliferation of urban sprawl, which includes increased traffic congestion as a by-product of development outside the City limits. This is in itself backwards and unintelligent City planning. Secondly, a preserved development map exists which has never been presented to the public. The public should see this. The City's own Master Plan states that the Atlantic White Cedar Swamps that are located on Hackett Hill are, and I quote, "an area of vital concern that merits attention and should be preserved." You cannot convince us that several of the planned development areas will not severely impact the Atlantic White Cedar Swamps and Black Gum Swamps that are present there. As shown on the plan, there are areas of planned development that are within the watersheds of both the Black Gum and Atlantic White Cedar and they are also in close proximity to the swamps themselves. Thirdly, the preserved development map shows a plan that badly fragments the property. Now if you know anything about the wildlife that is found on Hackett Hill, moose, deer, fox and porcupine just to name a few, then you would know that these species need large, undisturbed tracts of land on which to roam. In addition, vernal pools are scattered throughout the property and many of them are located within the planned development areas. Certain amphibian species depend on these pools for their survival and they need at minimum 500 meters of undisturbed upland habitat surrounding the vernal pools to maintain healthy populations. Insuring survival of species such as are found on Hackett Hill is important in contributing to overall diversity, which enhances and maintains human life. The City of Manchester has now reached a point of growth where Hackett Hill is the only large, undeveloped property remaining in Manchester. The City needs to recognize that since this is all we have left we need to protect it by taking a zero development approach. Furthermore, prior to the Fall elections a series of public meetings should be held so that the public can express their thoughts on this issue. Thank you.

Billy Dodd, 181 Mammoth Road, Manchester, NH stated:

This would be the third time I have talked to you about Chandler School. I am curious as to how the Holy Academy got before this Board to purchase that building for \$1. If it was a current Alderman that brought them before this Board, they are doing public education in this City an extreme disservice. There has to be people turning over in their graves within this City that supported that school with their tax dollars. If they only knew that the City turned around and gave it away for \$1. The purchase and sales agreement that you guys agreed to for the next five to six years, Holy Academy can opt out of that purchase and sales agreement for whatever reason. Financial reasons, construction reasons or whatever and you guys have to reimburse them for the money that they put into the rehabilitation of the building and then you are left holding it and they are going to put a lien on it. If that is the kind of deal that you enter into to sell a school for the size that it is, I would expect that probably for the Brown School you could get \$2 if you tried real hard. My other thing is the civic center. Last Friday there was an article in the paper. Just a quick highlight. The money that Ogden Entertainment and Enron Services was supposed to put up in the project for a loan, in Ogden's case a \$2.5 million loan turned out to be to the City. They weren't putting any money up. They were loaning you guys money at 20% interest. Here is the kicker. Finance Officer Kevin Clougherty and Steve Stearn, the investment banker hired by the City to put together the project's financing, said this had been

the arrangement from the beginning. Now the beginning has got to be before we went to the polls last November. Some people have said that there is a communication gap between the people putting this deal together and you people on this Board. I don't think it is a communication gap. If this is the deal that was from the beginning, it was going to be a loan. There is no communication gap. It is a lie. Somebody lied okay and Mr. Mayor I think I am charging you with the responsibility to ferret this out. If this was the true deal from the beginning, then the ballot question was a lie and somebody had to have a deal in forming that ballot question. If it is a City employee, I think you need to terminate him. If it is somebody doing business with the City, they don't come back again. I think what you have is a lot of, not miscommunication, but somebody lied to you people out there and if you didn't know about it you owe it to yourselves and you owe it to the residents to find out who lied about this money that was supposed to be put for them really being a loan and it going on the ballot question completely different than the way it was worded.

Mayor Wieczorek advised that there being no one else present wishing to speak, on motion of Alderman Clancy, duly seconded by Alderman Pariseau, it was voted to take all comments under advisement and further to receive and file any written documentation presented.

Mayor Wieczorek advised that this being a special meeting of the Board, no further business can be presented, and on motion of Alderman Hirschmann, duly seconded by Alderman Klock, it was voted to adjourn.

A True Record. Attest.

City Clerk