

SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN

June 10, 2003

7:00 PM

Mayor Baines called the meeting to order.

Mayor Baines called for the Pledge of Allegiance, that function being led by Alderman Garrity.

A moment of silent prayer was observed.

The Clerk called the roll.

Present: Aldermen Wihby, Gatsas (late), Guinta, Sysyn, Osborne, Pinard,
O'Neil, Lopez, Shea, DeVries, Garrity, Smith, Thibault, Forest

Mayor Baines stated I will have a presentation in a minute but there has been what I consider a very exciting development in this project that I became aware of this morning and I would like to ask Mr. Steven Singer to please come forward to address this development.

Mr. Steven Singer stated good evening everyone and thank you for allowing us to share our thoughts about the forthcoming developments here in the City of Manchester. On behalf of my mother, my siblings and the entire Singer family we appreciate the opportunity to share our thoughts relative to the forthcoming project. First there has been

lots of discussion relative to the development and how it impacts Singer Family Park. Let me make it perfectly clear that based on discussions that the family has had with Mayor Baines, who has promised to help relocate Singer Family Park to a mutually satisfactory location we feel very comfortable with the Mayor's promise to us. Based on many years of interaction with the Mayor, we trust him, we believe in what he says and we feel that Singer Family Park will be relocated into an area that will be satisfactory both for the Singer family and for the City of Manchester. Secondly, relative to our thoughts on the forthcoming development in downtown Manchester and the building of a stadium and location of a Double A baseball team in Manchester, the Singer family enthusiastically endorses the concept. We think that it would help create jobs. We think that it would help continue to make Manchester a destination City and we think that it would help improve the economic landscape in the City of Manchester. We are so excited about the possibility of this occurring in Manchester that we have had conversations with both Drew Weber and Mr. Sanborn relative to opportunities that may exist for the Singer family as these concepts become a reality. We think they would be a wonderful addition to our portfolio and we enthusiastically endorse the concept and hope that you do the same. Thank you very much for your time.

Alderman Garrity stated I have a question for Mr. Singer. Do you have an opinion on the proposal to put the power plant down next to your facility on Brown Avenue?

Mr. Singer replied the power plant would not enhance the property that we own on Brown Avenue, but we are not excluding the fact that in the overall context of what it might do for the Singer portfolio in terms of the entire development it is possible that we would gladly have open and frank dialogue to see if it could potentially fit there. It wouldn't be our first choice but we are not ruling it out.

Mayor Baines stated again that

Alderman DeVries asked I wonder if you could give us briefly your thoughts on what the new facility might encompass. Are there any parameters that you have considered?

Mr. Singer answered we are bound by confidentiality constraints during our discussions so I am not really at liberty to address that.

Alderman DeVries responded I was not thinking your joint venture I was thinking the field relocation.

Mr. Singer asked where we would relocate Singer Family Park.

Alderman DeVries asked have you set parameters on what you are looking for just as we consider additional places with you.

Mr. Singer answered we haven't. I have received assurances from the Mayor and that satisfies the family that it will become a reality when the time is right.

Mayor Baines stated we have had a longstanding friendship that goes back a long time so we have some trust that has been built up through the years. The format we are going to use this evening with your indulgence is we are going to go through full presentation this evening about the project talking about all of the guarantees that have been established and the assessed value and all of the other components of the program also dealing with some financial due diligence that has been done. We are also going to talk about a letter we received from the Chief Executive Officer of Urban Retail as well this evening. We will also have a presentation by Kurt Sanborn on behalf of the developers and the Assessors will also make a presentation after which time we will have questions and answers. I would like to go through the entire presentation so we get the entirety of the project out before the Board and then open it up for presentation. We are doing it this way because obviously we have an audience at home and we want to make sure that

people are thoroughly informed about the entire scope of this project this evening. The developer's actions to date...one of the things when we engaged in this conversation way back, I think well over a year ago now...is we set-up certain parameters in dealing with this project. The developers have met every single condition that the Mayor and the Board of Aldermen have put forth to be met. What have they actually done to date? They have paid the City \$748,000 for the Riverfront Foundation. They have paid that debt. They paid all the Foundation debt on the stage both to the Bank of New Hampshire and the contractor. As you know, that whole situation down there was resulting in some litigation with the stage and the construction of the stage. That is totally off the table. The developers have paid all debt associated with that situation. They have also paid for all the environmental work on the site. The City has not expended one dollar related to the environmentals on the site. The developers have done that. They have also paid for all engineering and design work. What else have they brought to the table? We are saying that if we are going to have credibility in dealing with people...as you know the contentious nature of the purchase of the team and the whole Red Sox decision and everything that led up to the situation tonight...obviously the team owner made a very substantial investment to purchase a Double A baseball team. He did that based on a good faith relationship that he had developed here in the City working with the Board of Mayor and Aldermen and all of the City officials. He has delivered on that promise and spent millions of dollars to advance that cause. I am not privy to the purchase price of the team but all of us have heard discussions about what it does cost to purchase a team. Mr. & Mrs. Weber have made that commitment to the City of Manchester and have a team ready to bring to the Queen City next April. They have reached a financial agreement with the Boston Red Sox, which was well publicized. Larry Lucchino came to Manchester and made some very favorable comments as to what this is going to mean not only for the Boston Red Sox and this new team but also baseball in general and for economic development in the City and that was a long and arduous process. We worked very diligently to achieve that agreement with the Boston Red Sox to receive that approval and then the team reached agreement. They have also reached agreement with

the New Haven team to terminate the present lease. They paid for engineering and design work at Gill Stadium. You know a key component of what we are talking about tonight as was outlined is that Gill Stadium is going to go through a total redesign and rehabilitation ultimately to the benefit of all of the youth teams here in the City of Manchester. That stadium is an embarrassment to the City. We all recognize it and we all know the responsibility we have. By getting involved in this project this gave us the financial capability that we may not have had to address that stadium issue with all the other priorities that are facing the City. We toured that facility yesterday with the President of the Eastern League and he came away very excited about the possibilities that that would present to relocate that team for one year beginning next April. We also anticipate a groundbreaking at Gill Stadium within a week or so. What else? What protections have been provided? A legitimate question that has been asked throughout the process. What are the protections that we provided for the City of Manchester for the financial responsibilities we have being elected officials for the City of Manchester? We believe with all confidence that we have struck an appropriate arrangement that protects the financial interest of the City and also builds for a better future of our City with all these protections in place. The developer is responsible for and has personally guaranteed any stadium costs in excess of the \$27.5 million. The City will pay no more than that price so if there are cost overruns those costs will be absorbed by the developers. That is a personal guarantee. We have a letter of credit equal to three years of the guaranteed minimum payment for the term of the agreement – an estimated \$2 million. The stadium rent payment – guaranteed minimum payments are personally guaranteed by the principal for the length of the bond. We are estimating that to be approximately 25 years. Also there are performance bonds required for all of the contractors. This is all part of the guarantees. What are the key protections on the stadium for the City? A lot of people are saying well you know make sure you have certain things in place before you strike this business deal. We have done those things. We have key man insurance on the principals equal to \$1.5 million each. Each of the principals in the development, including Mr. Weber and Mr. Sanborn...there will be

personal insurance that will be payable to the City in the event that something were to happen to either gentleman. Those are the kind of steps that have been put in place. There is a non-completion penalty of \$10,000 per week up to \$250,000. We are going to keep their feet to the fire to insure that this project is completed on time. There is a letter of credit equal to three year's of property taxes on \$40 million of assessed valuation with an estimated cost of \$5.4 million. What is the City's protection on the site development as we go into hopefully finalizing this deal this evening? The letter of credit equal to three year's of property taxes on \$40 million of assessed valuation. We have reverter rights or property rights to the City if the \$40 million does not materialize. If that does not materialize, the City takes back that land and we assume all of the benefits of the leases that are in place at that time. Other commitments to the City. There is a revenue sharing provision. The City receives 25% of net revenues over \$975,000. The City receives that money. The amount is reduced 5% for every \$10 million in assessed valuation over \$80 million. That is an incentive for this development to reach its full potential. The information that you are going to receive this evening, both related to the condominiums and related to retail...we are talking about why retail has taken on such a dominant part of this project and we will deal with that later but there is an incentive for that parcel to be fully developed. You will see a letter from Urban Retailers, one of the largest third party retail developers in the country that has enthusiasm behind the project. These are the people who developed Copley Place in Boston, the Ronald Reagan Center in Washington, DC, facilities in Chicago and San Francisco and over 150 malls in the country. They are the top dog in retail development and they are bullish on Manchester as most of us are as well. Twenty percent of net revenues from all sub-leases to the City. A \$250,000 deposit to the capital reserve fund to insure that money is set aside for improvements that will need to be made as time goes along. A \$1 million commitment to Gill Stadium. These people have stepped forward to help the City rehab Gill Stadium to put it in the situation it needs to be to house that team for one year and also put it in a position that it is going to be a source of pride for all of our student athletes in the City. They have come forward with \$1 million to help us address that issue. They are also

committed to the relocation of Singer Park. I am also personally committed to this and I think the Board has said it and I think Steve has indicated it on behalf of the community. We are going to relocate Singer Park and we are going to provide a facility that meets the original vision of that facility to serve the needs of youth in our community. We are going to do that. We have the resources to do that. We have the commitments to do it and we have the personal bond that has been established between the family and this Board and government to make that happen. That will happen. The valuations have been talked about quite a bit and this is where the project changed course. As you know, we had the issue of the power facility. That is going to be a discussion that is going to continue but no longer has any association with this project at all. That will be a separate discussion with the individuals involved and we are going to determine if that is in the best interest of the City to continue with that project and what that will mean for the City in terms of expansion of our tax base and also dealing with the Aggregation issue that has created a lot of aggravation at the Board level. I think there is some potential to address that. We are going to have that independently evaluated and we will talk about that at another time. It is not part of the discussion this evening. What happened with retail? About a month or so ago this project was taken to Las Vegas, the largest convention in the United States of America is the Retail Convention in which communities from all over the country bring programs and properties for redevelopment. I was told by the Executive Vice President here at City Hall yesterday that this is "one of the best pieces of property available in the country for retail development." They have had over 100 inquiries on retail development on this site. The issue before the developers will be how to deal with the demand. The demand is unlimited to create a lifestyle center, which will be a substantial attraction to the citizens of our City and to people coming to Manchester as a destination. That is why that has taken on a very significant portion of this. That number has the potential to increase well beyond that number. The hotel that the Assessors have estimated approximately \$9 million coming to the City...one residential tower at approximately \$20 million. The Assessors will tell you that they feel this number is very conservative. They took a very conservative approach to come up with

these numbers. We think the potential is there for that to increase and also for this to grow as well. Again, the opportunities...they have met the threshold and we have exceeded the threshold and the commitments are moving forward to proceed. The financing. \$27.5 million in financing will include the new stadium construction, Gill Stadium renovation, soft costs, financing costs and City construction representation. The City will issue a general obligation bond. The financing. The total development will generate over \$2.6 million in new revenue at today's tax rate. Hotel, residential and retail developments are all privately financed. Other discussions that I would like to enter into the record this evening. This is the letter from the Chief Executive Officer, Ross Glickman, from Urban Retail Properties:

I am writing in an attempt to confirm Urban Retail Properties' view and opinion of the viability of the downtown Manchester site.

We have engaged in the planning process for several months and based upon our experience and expertise find the site to be extremely attractive and viable. It has also been very well received by prospective national, regional and local tenancies.

We have also been hard at work on both design and layout features that maximize the retail configuration. By developing a merchandising plan to compliment the Manchester market's demographics, we feel this site will be a regional destination, capturing and sustaining consumers on a 24/7 basis. And we firmly believe leasing of 200,000 rentable square feet or more, is a very achievable objective.

As you know, our firm and all our resources are working very hard to make this project a reality. We recognize the goal of bringing to fruition a development that is both a financial success as well as an economic catalyst for Downtown Manchester.

We certainly commend you and your staff that has worked so tirelessly, to move this undertaking in a positive direction through a complicated process.

Urban's history of exceptional performance is well documented, and will be brought forward to achieve the retail success that this development deserves.

As this project progresses, we expect our role to grow in a development, leasing and management capacity. Urban Retail Properties is the largest third party full

service development, management and leasing firm in the country, representing close to 40 third party owners made up of pension funds, opportunity funds, institutional advisors, and private individuals. We have amassed to date well over 40 million square feet across 25 states, and the District of Columbia. We have previously developed, owned, leased and managed some of this countries premier urban mixed projects including Copley Place in Boston, Water Tower Place and 900 N. Michigan in Chicago, to name a few.

And we believe our vast experience and expertise are unparalleled in our industry.

We are thankful and appreciative of your leadership and partnership in this project. And we are committed to its success and completion.

If we can be of further assistance, please call our Project Manager and Executive Vice President, Mr. Paul Grant at 617-262-0600, or myself at 312-915-3326.

Sincerely,

s/Ross B. Glickman
Chief Executive Officer

Mayor Baines stated I will read one additional letter into the record. This is a letter from Beacon Sports – Richard Billings the Manager Director and COO of Beacon Sports Capital Partners relating to the financial strength of the people involved in this project and Mr. Billings is here this evening as well:

Your Honor:

You and the Board of Aldermen have requested an evaluation from Beacon Sports Capital Partners, LLC on the financial strength of 6 to 4 to 3 LLC and its principals. This evaluation is intended to provide you with further support as to whether or not the \$750,000 per annum proposed rent for the new stadium in Manchester can be met on an ongoing basis and whether the principals have sufficient personal resources to support their guarantee of this rent.

Beacon Sports Capital Partners LLC is an investment bank and financial advisory firm specializing in sports related transactions. It was retained in January 2002 by Drew Weber to assist him in developing a feasibility study and financial plan for operating a minor league baseball team in Manchester, New Hampshire.

In addition, Beacon Sports was to assist him in acquiring a Double A minor league baseball team and obtaining bank financing to appropriately leverage his equity investment in the team and in working with baseball officials to obtain all of the required levels of league approval on the financial structure of the transaction.

In performing its required duties, Beacon Sports has extensively analyzed the financial structure, capital requirements and liquidity needs of the team operating in Manchester and the financial capacity of its principals. In all of its analysis, Beacon Sports has assumed at \$750,000 per annum rent, continued payments to the Red Sox and a mediocre operating performance in the new stadium. This analysis was performed as part of Mr. Weber's decision-making process to move forward on the project in Manchester. This analysis was also required as part of his application for approval to the league and to the bank.

Based upon its knowledge today, Beacon Sports believes that 6 to 4 to 3 and its principal owners have more than adequate earnings potential, capital resources, liquidity and borrowing capacity to meet all of their anticipated financial obligations, including rent to the City of Manchester and personal guarantees supporting that rent.

I trust that the content of this letter addresses adequately your concerns.

Best personal regard,

s/Richard W. Billings
Managing Director and COO
Beacon Sports Capital Partners LLC

Mayor Baines stated I would now like to ask Mr. Kurt Sanborn to come forward to address the Board along with Mr. Drew Weber.

Mr. Kurt Sanborn stated I want to start on behalf of Drew Weber and myself to thank Mayor Baines and this Board for your ongoing interest in this project. It has been a long uphill battle for Drew and I over the last 18 months. We have attempted in good faith to deliver to the City not only the capital needed to advance this project and at this point I might add we have expended over \$12 million in personal capital to bring this project to fruition between purchase of the team, relocation costs, soft costs on the site for

architectural and engineering work and environmental work on the site and also of course the debt service paid for the Riverfront Foundation. Also, I might add that to date we have been able to put \$800,000 back into the City coffers for debt that needed to be repaid to the City. We are absolutely committed to this project. We have over \$12 million reasons why we are committed. I might add that we have individually guaranteed the lease at the request of the Board. That again, I think, shows our ongoing commitment and guarantees to the City of Manchester. You will have to excuse me because I have a cold. Also, from a development standpoint there has been, I believe, a number of changes to it over time. The development business has as I am sure the Mayor and this Board knows changed and evolved. Based on the success of the retail we have been able to customize the site to generate a better tax base for the City, which not only benefits the project obviously but the City. To insure that there is no question of the master developer's commitment to the project we will be placing \$5.4 million in a line of credit for the City guaranteeing \$1.8 million in debt payment for three years. I can tell you we are in the business to make money, not to give the City \$5.4 million. Our intention, of course, by giving that commitment is to show the City that we will be developing that property. What we show you tonight we think is just the first step in what will prove to be an extremely tax positive project for this City. On that, Drew, do you have any further comments?

Mr. Drew Weber stated so much has been said in the last week or two. I just want to say that I have been through this process once before. It is an extremely difficult process certainly from our side but also from your side too. I appreciate that and I respect that but I know what it has done for the City of Lowell and I know what it will do for the City of Manchester. I have had an opportunity to speak to many people in this City and have gotten to know a lot of people in this City and I am very, very excited about this City today and this City tomorrow.

Mr. Sanborn stated I have just one further note. Early on in the process we talked about how I was moving to the City. I have now moved to the City. I am now a constituent so I can sit here now as a constituent and say that I appreciate all of the efforts made to make sure that Drew and I have set the precautions in place so that the City doesn't get on the hook for this project. Our commitment is there. We have adhered to every commitment that has been given to us throughout this project. In fact, we feel we have exceeded a lot of those commitments and I hope that everybody here on this Board and the Mayor realize that this is just the beginning of what we consider a great relationship. Thank you.

Mayor Baines called the Assessors forward and also we understand that you are paying the highest lease in the league. That is what I heard anyway.

Mr. Steve Tellier stated good evening Mayor and ladies and gentlemen of the Board of Aldermen. In your packet tonight you have a two-page letter that was authored by our Board, which includes newly appointed Assessor Stephan W. Hamilton. In it we address the three components as submitted by the developer. The 120-room Class B hotel, the 210,000 square feet of retail space and the 100 luxury condos that are presently under consideration. The hotel being a Class B facility I won't re-read the entire document. The assessing methodology that we applied here was similar to what we did with all the other Class B facilities in the City. At \$55,000 a room using the present income and expense information that we received as a result of the revaluation what we did was we equalized that. It rounded to approximately \$8.6 million and rounding up to \$9 million is reasonable. With the proximity to the baseball site and the excitement that is going on downtown with the civic center and this baseball project and the retail as a lifestyle center we feel that this is a reasonable number on the hotel. With respect to the condos, we did a lot of research on the luxury condos that we do have in the City, predominantly 300 River Road, which had several sales in the last year and several more in 2002. They don't come on the market very often and when they do they sell for a considerable sum of

money. We also considered 55 River Road, which is a 30-year old facility that has just been rehabbed and converted to condominiums. The average units in that condo building went for \$179,000 and the houses I understand are going for \$279,000. We also considered Sky Meadow as the only other luxury garden style condo tower that we are aware of in this vicinity and it is located in Nashua to further corroborate those values. Our understanding is the starting point is \$250,000. There is a waiting list for purchase which is not unreasonable from what we are seeing in the market on those types of units and should those values reach \$250,000 or exceed that then that \$20 million would increase accordingly. Last is the proposed retail space. What is submitted before you...we have two categories. One was what the developer submitted and it is what appears to be a very high value with stabilized rates and very low expense ratio, which would naturally call to mind an awful lot of pass throughs to the individual retail agents. What we did to conservatively address this was to apply a 5% vacancy rate, 35% expenses and at \$34/square foot they were saying they were going to get \$25-\$38/square foot and we brought that down to \$28/square foot for a value of \$27.5 million. That concludes the short version of our paper and I would be willing to answer any questions you may have.

Mayor Baines stated at the end Steve. We will continue with the presentation and then open it up to questions. The next part of it is...you know we have always talked throughout this about future development opportunities. I have told the Board on a number of occasions that we continue to have discussions with other potential parties that wish to get involved with future development from the catalyst that has been provided by this project. Those discussions are ongoing and will continue related to some of the adjacent property and related to other opportunities that may be available in the Elm Street corridor. We have had people, as I have said before, fly in from across the coast on two different occasions to talk to us about extensive additional redevelopment in the City associated with retail. That is real and those conversations are continuing. This as you know is a work in progress and as you know this land here is all owned and

controlled, most of it, by Gilford Rail. This project has gone through many different designs. The present design that we are looking at is extending the roadway right in here back from the Riverwalk and under here. It actually goes underground to create the access that is needed for the property. Again, we have been working on various designs and to be honest with you as we go through the planning process there are likely to be other changes. This is a work in progress and those who have been around government longer than I know that when you go through planning there are changes that will be made. When you look at what is happening with retail or the configurations related to housing, these are all subject to change as this project evolves and develops and expands. I think for the most part we are going to be talking about expansion of this project clearly. The issue that came up the other night about the park and ride...park and ride is something that the developer is willing to continue to talk to us about but that certainly does not need to be included in this project. We are going to continue to have discussions with the developer throughout this process and with the Department of Transportation to look at how that project will develop over a period of time. Again, this was the hotel as you come into that site. What do we have before us tonight? The authorizing resolution authorizing the bond and authorizing the Mayor to execute the development agreement and authorizing the Mayor to execute the management and operations agreement. Those are the issues that are before you. I will close by talking a little bit about the projects in the City. As you know, Manchester has been my home as it has been many of your homes for your entire life and I have seen many different projects go through scrutiny. Some have been successful and some have not. I remember discussions initially about Hampshire Plaza and I remember Mondev and all of those other projects that a lot of people lived through. I remember the issues with the Center of New Hampshire and obviously more recently with the Verizon Wireless Arena. It is in that spirit I guess somebody sent me this e-mail today with an author unknown and I would like to share it with you before we open it up for questions. "The man who misses all the fun is he who says it can't be done. In solemn pride he stands aloof and greets each venture with reproof. Had he the power to efface the history of the human race, we would have no

radio or motor cars or street lit by electric stars, no telegraph, no telephone, we would linger in an age of stone. The world would sleep if things were run by men who say it can't be done." Author Unknown. We are talking about a vision for the City. We are talking about a City right now with unlimited potential because of all the work that was done by people who proceeded us who had visions. We are now in a position to capitalize on that vision, to capitalize on a very robust economy in a City that is attracting development that many cities if not all cities across the United States would envy. We just welcomed a new company into our City with a potential of over 1,000 jobs during an economic downturn. We are talking about developers with over \$100 million coming to the table with a project that will help us revitalize the City and continue to make it a destination place and expand the tax base so we can support the kind of services our citizens require. Having said that, I would like to open it up to the Board of Mayor and Aldermen for any questions.

Alderman Wihby stated in reference to what you just said about development and what has gone on most of those projects that you just talked about I was probably here for. Some I voted for and they turned out good and some I didn't vote for and they still turned out good. The Center of New Hampshire was one of them. I voted against the Center of New Hampshire and that turned out fine. I was around when the civic center came around and we had a lot of discussion on that and a lot of people felt uneasy about that but I have to say that this proposal, your Honor, seems to be a lot better than that proposal was and if we can come anywhere near what the Verizon Arena has done for us with this proposal I think we are on our way to making Manchester something that we have always wanted to make it in the last 30 years. I am going to vote in favor of this project, your Honor. I think they have made a commitment to the City. We have the guarantees that we were looking for. Even if just half the retail shows up they still have the \$40 million we are looking for. I also think, your Honor, with looking for local participation and moving here and doing all of the stuff that we have asked for they have shown that they do want

Manchester to survive and that they are here to stay. I think this is a good proposal your Honor.

Alderman Garrity stated I have a couple of questions for Mr. Sherman. Randy, can you give me the total cost of the loan? That is fair to call it a loan is it not?

Mr. Sherman answered the City will be bonding \$27.5 million.

Alderman Garrity stated including debt service. I want to know the total cost.

Mr. Sherman responded oh cost counting the interest. To be honest with you, Alderman, I have not run any numbers on that recently. That is certainly something that we can go back to our financial on and have them give us some estimates with the latest interest rates but I have not run that recently.

Alderman Garrity stated so you want us to vote on this project tonight and we don't know how much it is going to cost us.

Mr. Sherman responded the issue you have in front of you is the maximum amount of the debt service that the City will be bonding.

Alderman Garrity asked so the \$27.5 million plus the interest...you don't have a clue what that is going to be.

Mr. Sherman answered off hand I don't know.

Alderman Garrity asked could we possibly get it before the vote.

Mayor Baines asked can you do an approximate calculation.

Mr. Sherman answered we probably could ballpark some numbers.

Alderman Garrity stated well ballpark it as close as you can. I guess my next question has to do with bankruptcy. I am talking about just the protections to the City for the stadium. If a bankruptcy occurs, what happens?

Mr. Sherman asked which party.

Alderman Garrity answered both. Can you break it out for me? The developer and the team owner. Aren't they one in the same? Isn't Mr. Sanborn part owner of...

Mr. Sherman interjected no. You have LLC's in place. You have individuals. You have urban retail. There are a number of parties involved in the project, whether it be the hotel developer or the residential developer.

Alderman Garrity asked what happens if the team goes bankrupt.

Mr. Sherman answered your recourse there is one you would still be collecting the property taxes from the property to make that portion of the payment. The second item and I really couldn't tell you how the league deals with the bankruptcy and maybe actually Mr. Billings or Kurt or Drew would be better off doing that but if there are no individuals coming to the game and the team is not making any money your recourse is, assuming that they are not now making that payment is you go after and collect that rent from Mr. Weber and Mr. Sanborn personally.

Mr. Richard Billings stated perhaps I can try to address your issues regarding the bankruptcy of the team. I represent Beacon Sports Capital and we specialize just in sports-related transactions. I am not aware of a minor league baseball team ever going

bankrupt. They operate within a franchise system operating under a league structure. Typically if a baseball team runs into financial duress the individual league takes control of the team and operates the team to make sure that all baseball related debts are paid. You always have, in terms of the structure, the entity that is signing the lease and making the obligation is the team itself. Teams are restricted by league rules. They have a certain debt to equity ratio and certain coverage ratios. The ratio for debt to equity is 45-55. So teams are not allowed to lever themselves and they are not allowed to move or be bought or sold until all baseball related debts, including lease payments, are honored. I just went through this process in New Haven representing Drew in acquiring the team. Baseball would not approve the transaction until all baseball related debts for the old loan were paid and that we settled fully our obligations for the lease on the stadium. It was only after that was accomplished that baseball approved our acquisition of the team.

Alderman Garrity asked so if the team goes bankrupt is the league obligated to pay the lease. Obviously not probably.

Mr. Billings answered no legally obligated. I am not aware of a single case where a team has actually gone bankrupt. This is affiliated baseball. This is not hockey even though the hockey teams that have run into financial difficulties have honored their lease. Just like any franchise, the leagues are there to protect all of the owners and if a team were to go under and did not honor its lease it would impact all 159 other teams that operate under leases. To date I am not aware of a single affiliated baseball team that has ever not honored their lease obligation.

Alderman Shea stated I can't help but inject something here. Randy, would you tell me how much the total cost of the civic center is?

Mr. Sherman asked including interest.

Alderman Shea answered yes please.

Mr. Sherman stated I obviously brought the wrong pile of stuff with me tonight. Again, we can go and grab those numbers if you want.

Alderman Shea asked would you say about \$130 million roughly over the course of 30 years.

Mr. Sherman answered it is probably close to that number but again I would want to go and check.

Alderman Shea asked how much tax money are we getting back from that.

Mr. Sherman answered you are not getting any money.

Alderman Shea asked say it again. How much tax money are we getting back from the civic center?

Mr. Sherman answered you are not getting any tax dollars from the civic center.

Alderman Shea stated we are getting fun and entertainment, correct, and the people are going and enjoying it and the people who are running it are the people benefiting from it. Is that correct?

Mr. Sherman responded you are right. The team obviously earns the dollars the team earns. SMG gets a fee to operate it and if there is any money left at the end of the day it comes back to the City.

Alderman Shea stated that is correct. Now we do have an insurance policy in the event that the payments cannot be made. Is that correct?

Mr. Sherman answered there is a small letter of credit on that from the team.

Alderman Shea stated no I am saying the City is insured if the operations...

Mr. Sherman interjected oh I am sorry, yes, on the rooms and meals tax you are right. If the rooms and meals tax revenue doesn't come to the City, the insurance would kick in on that.

Alderman Shea asked are we covered at all in terms of insuring anything in terms of the stadium that would kind of help out the taxpayers here in the event that there were...

Mr. Sherman interjected yes and I think that is what the Mayor laid out as far as the protections that you have both from the developers on the stadium, the managers on the stadium, which in this case is the same individual but they are protecting two different things, and from the land developer.

Alderman Shea asked so you would say that on the one hand the civic center was a potential for economic development but in this case it really is a reality for economic development because there are certain components in place. Is that correct?

Mr. Sherman answered certainly.

Alderman Shea stated I have a few other questions. I think the gentleman here mentioned something about a commitment to the City in terms of the baseball team. I lived through two baseball programs – the Giants and the Yankees that came and left. What kind of a commitment do we have in terms of the baseball team here?

Mr. Sherman answered you will have two levels of commitment. You will have the lease that they will enter into that will equal the term of the debt...

Alderman Shea interjected which is how long.

Mr. Sherman responded Alderman Garrity asked that question last week. I think we are probably leaning more towards 25 years. I really think that is...that makes the team feel more comfortable and I think it really works better for the City as well. You will also have the personal guarantees.

Alderman Shea stated I have a question that was raised by a constituent who asked we do have a commitment on the part of the baseball team that it will be here for a 20-year period. Is that correct?

Mr. Sherman answered at a minimum. Again, it will be the term of the debt service.

Alderman Shea stated the second question is is the Riverfront property in a flood plain area.

Mr. Sherman replied that is out of my league.

Alderman Shea stated it is close to the water, the Merrimack River.

Mr. Sherman stated Mr. Jabjiniak is shaking his head. No, it is not.

Alderman Shea asked it is not considered part of a flood plain area.

Mr. Bob Duval stated I am from TF Moran. I am the civil engineer working with this project. The hundred-year flood plain basically runs along the top of the bank so as long as we stay in board of the Riverwalk we are out of the hundred-year flood plain except for a small gully right next to the railroad trestle. Just a few truckloads of fill would be placed in the hundred-year flood plain.

Alderman Shea asked so if an underground garage were planned that would not be impacted by this particular flood plain.

Mr. Duval answered all of the construction that is being proposed is out of the hundred year flood plain.

Alderman Shea stated I don't want to monopolize the discussion but I do have a couple of other questions. In terms of what we discussed this morning in terms of the environment, could somebody help me in terms of how the developers plan to deal with the environmental issues here? Have they dealt with them already? Are they dealing with them? Maybe you could come to the microphone, Bill.

Mr. William Jabjiniak stated the environmental testing is approximately 75% complete on the entire site. You do need approvals yet from the State. They have indicated that there is no deal breaker here. There is a tremendous amount of ash fill covering the entire site. That is probably the biggest issue. All of the issues are being dealt with and we expect that response probably within the next 60 days or so.

Alderman Shea stated we are all reminded that timing is everything in life. Could you Bill or Randy provide a clear explanation regarding the timing of executing the leases, the construction schedule and why the stadium, hotel, retail and residential projects will or will not start at the same time? Could you help us out on that? Who wants to attack that question?

Mr. Jabjiniak replied the stadium has by far the longest lead time and that is why we are here pushing because in order for them to be open in April 2005 they need to start this fall and they still have the Planning Board process to go through next. Once we have a clear delineation of the site they can then go to the Planning Board and get subdivisions for hotel, the baseball stadium and the retail components. After that, they are then able to enter into a sub-lease...the master developer enters into an agreement with the hotel developer to go forward with their project. They only need 10-12 months to build the hotel. The retail component, along with the residential, will also be going forward to be completed right around the same time as the stadium opens. I know the hotel is targeting March 2005. The retail and the residential will be about that same time. I do not have a specific start date for you on the retail and residential portion yet, however.

Alderman Shea stated my final question related to your answer is what assurances do taxpayers have that once we begin the construction of the stadium the other projects will then follow. Do we have any written assurances or any other kind of assurances that would alleviate some of the concerns on the taxpayers or the people who are opposed to this project?

Mr. Sherman responded I think again as the Mayor laid out and Mr. Sanborn spoke to the assurances that you have is one that they are putting up that letter of credit equal to three year's worth of the debt service on the bond, which at this point we are estimating is about \$5.4 million. That is your first assurance. The second thing that you have is if they do not develop the \$40 million you have the right to go back in and take that property back. Then as part of taking that property back to the City you actually assume all of the leases if there are any in place at that time.

Alderman Lopez stated in the MOU on 15.4 of the document and the question was asked last time in reference to any agreements that are different from the MOU's and we

received tonight the first amendment to the master lease. Is this the only thing that has changed as far as terminology in any of the MOU's that have been signed?

Solicitor Clark stated Walter McCabe from Ropes & Gray has been handling the documents and will address that for you.

Mr. Walter McCabe stated there were a few terminology changes so described and a couple of structural changes that were reflected in the master lease agreement that had been approved by the Board. For example, the MOU anticipated that we would have a lease of the stadium parcel and then a sub-lease back to the City arrangement. That didn't happen. That became carved out of the land development portion of the project. That is not ultimately substantive. That was a structural decision in terms of the way the documentation should work. Otherwise, the major changes that would reflect changes from some of the MOU commitments by the developer I think are reflected in the first amendment to the master lease and there is a relaxation of a couple of start dates on the commencement of construction given that we are moving almost literally upon those dates at the moment and the process has not moved forward far enough that construction could start.

Alderman Lopez stated I guess the document that we received tonight is the first amendment to the master lease. In reference to what you said about the start date changing and some of the terminology changing in there is no other document whatsoever changing any other portion of the MOU's that were previously approved?

Mr. McCabe responded to the extent that a final definitive agreement, for example the master lease on the land development, was approved that supplement supercedes the MOU to the extent that it fills out the details of the final definitive term. The MOU was contemplated as an agreement of understanding subject to a final definitive document on the various items. One of them was the master lease with regard to land development.

Another one was the Gill lease agreement with regard to Gill Stadium. So those have some further details and further protections for the City. Perhaps there are some minor changes in some of the details of how the process would work.

Alderman Lopez stated the article 15.04 of the MOU that we received stated that the agreement may not be wavered or changed unless approved by this body.

Mr. McCabe responded that is correct and in connection with changes to that when a formal agreement of the Board was passed to approve the master lease that is the agreement which was approved, which may have changed some of the terms of the MOU.

Alderman Lopez stated I don't know who can answer this question in reference to the management and operation agreement between the City of Manchester...Page 34, Section 16.4. I was wondering if you could elaborate just a little bit about this, especially the last paragraph that states "use reasonable good faith efforts to contract with employed firms, individual businesses and residents located in the City of Manchester." Can anybody tell me what the job market percentage of construction work...you don't have to pinpoint it but we had the same thing on the civic center and we tried to hire as many people as possible within the City of Manchester. What does the outlook look like?

Mr. Sherman stated that may be a question for Mr. Sanborn where he has dealt with the contractors. We did not put a target percentage in, which I believe we had on the civic center.

Alderman Lopez responded I would like to have Mr. Sanborn comment on it.

Mr. Sanborn stated I guess I will answer that in two phases for you. From the construction phase standpoint if we do and I will add that to Alderman Shea's question

earlier to Mr. Jabjiniak, it is likely that the construction on the site will be simultaneous simply because of the site restraints we have and because of the environmental issues it requires a lot of pile driving. It is cost effective for us to do simultaneous pile driving and, therefore, simultaneous construction. There are a lot of efficiencies in concrete and steel doing it that way. To answer your question, Alderman Lopez, if that is indeed the case where we do everything simultaneously there will be upwards to about 300 construction jobs on site. After the site is developed, we are anticipating...the ball team will have approximately 25 full-time employees and 150 part-time employees or 200 part-time employees during the course of the season. The retail is anticipating about 130 full-time employees and in excess of 250 part-time employees in the retail component. Manchester Visions will employ 10 full-timers and then seasonal part-timers based on security and lot work and things like that – snowplowing in the winter. The residential component will have a management company, which will employ about five full-timers and a number of part-time maintenance type folks. We are talking a little over 200 full-time jobs in what we have proposed to this point.

Alderman Lopez asked in the development aspect in the agreement here it talks about police and security. Is that going to be at the development complex's cost or is it going to be an additional cost to the City?

Mr. Sanborn answered it is two-fold. The way we looked at it on the site is that the master developer will be in charge of securing areas outside the ballpark, meaning the Riverwalk, any potential parking areas...specifically we are looking at parking adjacent to the site in an arrangement with the Langer family. Also, the details relative to the retail would obviously be part of the retail component and then the ballpark will have a separate agreement for details for day of game and directing traffic and things like that.

Alderman Lopez stated my last questions are for the Assessors. Could you go over the hotel a little bit better? In here you have 76.6. Do you mean .766?

Mr. Tellier answered yes that is correct. That is the equalization ratio that was assigned to us by the Department of Revenue Administration.

Alderman Lopez stated since we are talking about assessed values, could you enlighten me on the difference between the \$6.6 million assessed value and the \$9 million you came up with. Is that market value?

Mr. Tellier responded the \$6.6 million was using current benchmarks that were derived in 2001 when we did the last revaluation. We had a considerable amount of income and expense data that was received from many of the hotels in the Greater Manchester area. With that, we corroborated with the hotel representatives and some of the attorneys and members of the Board of Assessors to come up with what was the most appropriate assessment for Class B and A hotels. Therefore, we came up with about \$55,000 as a reasonable benchmark, which we thought was reasonably conservative as well. The \$55,000 was agreed upon. We applied 120 rooms and at that point we applied the equalization ratio to come up with just under \$9 million.

Alderman Lopez asked and the condominiums are valued at \$20 million. Is there one or are there going to be two?

Mr. Tellier answered my understanding right now is there are going to be two towers but that could change. As you have seen tonight, this plan is somewhat fluid. The major components stay in place but the ability to create one or several high towers is there or several lower towers depending on demand. Whether retail appears to the highest demand or the residential component appears to be the highest demand so the ability is there to somewhat change that as the need arises is my understanding. One hundred units is what has been submitted. Whether it is one tower or two lower towers has yet to be seen.

Alderman Lopez asked what happens if we have a downturn in the market like we did in the 80's when the high condominiums went from \$200,000 to \$100,000. If that happened, how would this change?

Mr. Tellier responded if that were to happen then the entire economy would be affected – the entire City as a whole. We would see condos, we would see retail, we would see most likely industrial properties and there would be an effect to the entire tax base. It wouldn't be just to that site. That would be endemic to the entire City and most likely the region were that to occur and cycles do occur. What was presented before you is based on current market data and viable sales data with the three approaches to value. My crystal ball is cracked. I can't tell you what is going to occur several or many years from now but the residential market has been quite strong for quite some time. Interest rates remain low. There is quite a demand, as we found at 55 River Road. We were very surprised at the amount of activity in our office as far as appraisals, interest and dialogue with the developer, the people who converted the condos and the customers who are coming in to find out what potential taxes are and proximity to retail and to downtown infrastructure and other amenities. We can only go with what we have. This is what we have. The \$200,000 value is quite conservative and as I indicated earlier should they exceed \$250,00 and upwards of \$300,000 then values would be adjusted accordingly.

Alderman Thibault stated first of all I would like to say a couple of words about something that was brought up a few minutes ago about the civic center. Randy while you are sitting there I am sure that you have some knowledge as to what has happened there. Can anybody calculate, Randy, the increase in rooms and meals tax that has occurred from the spin of the civic center?

Mr. Sherman answered no one in this room.

Alderman Thibault asked would you have a guess.

Mr. Sherman answered just from me personally what I have spent on dinners before hockey games. No, that would have to be something...

Alderman Thibault interjected I just wanted to bring that up because something was said about the civic center, which doesn't have much to do with what we are talking about tonight but I am glad he brought it up. I have several other things that I would like to bring up. Through the years having been on this Board and with some of the new people that have come in to some of these departments that we have in the City I have gotten to build up a lot of confidence in our Assessor's Office and the way that they address our problems, each individual Alderman's problems when we are looking for answers. I would really like to commend the Assessor's Office for doing that and for being up front constantly and letting us know where we are at. Then the Finance Department that has always been there also in my opinion let us know exactly where we are at with some of these things and if they are feasible or not. There is no doubt that any of us or many of us on this Board would not be able to figure those things out to the exact effort that these people do. Then I look at the effort of Bill Jabjiniak who has been on this thing for God knows how long and Alderman Sysyn and I sitting with the GMDC that is supporting this project 1,000%. I just don't understand any member of this Board having had all of the resources that they had to get all the answers they want still being somewhat reluctant to go along with this project. I appreciate Alderman Wihby's comments a few minutes ago. I was here when Alderman Wihby was just a kid. I appreciate that because he was here when some of the first things happened to revitalize our City. Any of you on this Board or in this City that go to the City today and look at it as compared to 15 or 20 years ago has to be amazed with what has happened. I say look I think that you have had all of your answers. Let's make a decision on this thing and let's get it done.

Mayor Baines stated before we proceed we have run the numbers that Alderman Garrity requested.

Mr. Sherman responded fortunately our financial advisor was in the office late tonight. Joanne called and actually had debt service schedules run. I have both 20 year and 25 year if the City Clerk wants to pass these numbers out. Under a 20 year scenario we are looking at a true interest cost of a little over 3.6% and total debt service payments would be \$38.7 million. Under a 25 year scenario we are looking at a true interest cost just over 3.9% and total debt service payments would be about \$43.2 million.

Alderman DeVries stated I have a question for Steve Tellier to start off. Following the line of questioning regarding the assurances for the taxpayers, when a project is partially completed, how do you determine the type of valuation that will be placed on that? Are there trigger points or does it have to be totally completed before it will have tax value?

Mr. Tellier answered members of my Board and I looked at each other when the developer stated that they were looking at March 1 as having a substantial amount of construction completed and we had a smile for each other. The tax year in the State of New Hampshire is April 1 so we would look at what is completed as of April 1. Let's use the retail component, for example. Were it to be 2/3 complete or 90% complete we would be that portion towards applying an assessment because it is what is in place as of April 1. A CO does not drive an assessment. It is what is in place as of April 1.

Alderman DeVries asked, Randy, the mechanism in place should they not be pulling that full \$40 million assessed value is the \$5.6 million line of credit correct.

Mr. Sherman answered actually on these numbers it would be a little bit lower based on today's borrowing but it is three years worth of the debt service. Again, assume it is \$1.8 million a year. That would be a \$5.4 million letter of credit. If the \$40 million isn't there

when it comes time to start making the debt service payments and we don't have the property tax revenue we would call on that letter of credit.

Alderman DeVries asked so if it is not at the 100% threshold of completion though it should be because you are saying that the baseball stadium is on a timeline for...did you say November.

Mr. Sherman answered it is December 31 but they really have until April 1 of 2005.

Alderman DeVries asked and it was March and May of the prior season for the hotel.

Mr. Tellier stated I might add something. It is usually in the best interest for any developer to time their sale items at the highest peak times. Clearly, the opening of the stadium will be a high point for that area and it is likely that it will drive the interest at its highest points. It is also likely...I can't speak for the developer but in our experience it is likely that completion of those components would coincide with that. So that would mitigate or force a reasonably aggressive construction schedule.

Alderman DeVries asked so Randy the draw down of the debt on the stadium is after portions have been completed. It is not an upfront 100% payment? It is after a certain level of work is completed...you have a schedule set-up to draw down the debt?

Mr. Sherman answered right. They would come in like...

Alderman DeVries interjected it is like an escrow set-up.

Mr. Sherman answered right. The City would hold all of the money and they would come in as they are spending it and make those draw down requests.

Alderman DeVries asked the replenishment of the letter of credit or the three year's debt service, what is the mechanism set-up to replenish that so if it does happen to be drawn down during this initial phase, which it doesn't sound like it will be but if it should the mechanism to reimburse that up to the full \$5.4 million is what.

Mr. Sherman stated I can look for it but Mr. McCabe do you have an answer.

Mr. McCabe stated the three-year letter of credit obligation is not set up to be replenished continually. It is set-up to cover a three-year time period. There is a continual guarantee of the \$750,000 per year from the two principals.

Alderman DeVries asked are you saying that you will, at any given point in time because that is held for the entire period of the indebtedness or the outstanding on the bond so you will figure what three year's debt service is and that amount has to be at least equal to that.

Mr. McCabe stated at the outset when the development and management agreement and the bond financing, if approved, goes into effect they are required to post a letter of credit. The letter of credit actually burns off against development of in place construction of the hotel and other elements of the project because it is meant to cover a failure to have the tax revenues in place.

Mr. Sherman stated right so if the taxes are there then the letter of credit goes away.

Alderman Osborne stated I would like to speak to Mr. Jabjiniak. Getting to the parking what are we ending up with at the stadium? How much parking do they have in that area?

Mr. Jabjiniak responded they have talked about an underground garage with two levels of parking.

Alderman Osborne replied that is for the retail though isn't it. 1,400 spaces you are talking?

Mr. Jabjiniak responded no it will be shared with retail. It will be used for the stadium. There is also the Langer parking lot that will be renovated.

Alderman Osborne asked will the condominiums be using the same parking spaces also.

Mr. Jabjiniak answered no they will have a separate parking area. If you want to refer to the plan that you have there in front of you, you can see some of the parking areas that are delineated there. They anticipate that there will be plenty of parking on-site as well as, as we have experienced with the arena, there is parking at the Center of New Hampshire and people will be mobile. We want them out in the community spending money before the event and after.

Alderman Osborne stated you have 6,500 seats in the stadium and only 1,400 parking spaces for retail, etc. What do you mean there are plenty of parking spaces?

Mr. Jabjiniak responded studies have shown that people will park off-site and park in a lot of different places as we have seen with the arena.

Alderman Osborne stated it is kind of a tight area down there though. You have to come down the hill from Elm Street or the parking garage and it is quite a...well that is okay you answered my question.

Mr. Jabjiniak stated Mr. Duval is here if you would like him to speak to it.

Mayor Baines asked Mr. Duval would you like to add to that.

Mr. Duval answered yes. Our plans currently show parking for the retail at their request...this is Urban's Retail design guidelines at 4 spaces per 1,000 square feet. That equates to approximately 1,000 spaces, which would be dedicated for the retail component. Now it is expected that those spaces to some extent will also be available for spectators of games just because of the hours and the less likelihood that the retail spaces will be full in the weekday evenings when the games will be going on. However, there is an additional 200 spaces allotted for the residential units. One hundred units are shown on the proformers that are before you. So 200 spaces in that underground and let me make a correction. It is not underground parking. It is structured parking. It is all above ground but there are decks above. There is a retail street at the top level. There is parking under that and then there is parking at the ground level. There is no underground parking.

Alderman Osborne asked so when it is all said and done we are talking about 400 to 600 spaces for the stadium.

Mr. Duval answered on-site there are 200 spaces more or less dedicated exclusively for the stadium and those are intended for suite patrons, umpires, team members and that sort of thing.

Alderman Osborne asked so where do the other say 2,000 cars go.

Mr. Duval answered those will be parking on street front and private lots just like they do at the Verizon now.

Mayor Baines stated there were over 11,000 people at the Verizon arena Saturday night and no one had a parking problem.

Mr. Duval stated I should point out that unlike the Verizon this is an outdoor summertime event. They don't even play baseball in the rain so if it is inclement weather there won't be a game. If the weather is good people are a little more amenable to walking a fair distance to park.

Alderman Osborne stated I hope so for your sake.

Alderman Gatsas stated Randy I guess if you would have told me that you were going to come up with those numbers on the bonding I wouldn't have had to read from the minutes of the meeting in November to tell you that it was \$1.9 million that you told us back then and I didn't think it would change but the three years wouldn't be \$5.4 million it would be \$5.8 that they would be guaranteeing because \$1.935 million times three is somewhere around \$5.8 million but can you give me a detailed explanation of the \$27.5 million and the allocation of those funds.

Mr. Sherman asked on how it is going to spent.

Alderman Gatsas responded I will ask for it again. \$27.5 million and the allocation and detail of those funds and how they are going to be appropriated.

Mr. Sherman answered out of the \$27.5 million, \$3.150 million is being made available for Gill Stadium. Now when we signed the Gill Stadium lease the budget for that was the \$4.150 million. The City's amount of that was capped at the \$3.150 million. The balance of those funds will be used to pay for cost of issuance, the City's legal fees to date, the City's representation that will be here and serve as the go between and oversee the project and the balance of that will be available for the construction of the stadium.

Alderman Gatsas stated well maybe you can give us the same detail that you gave us in November. If you can talk about the \$2.5 million that the developer retained. Can you explain to me what that means?

Mr. Sherman replied the initial amount that was approved was \$25 million that we said the City would assist in backing with the property tax revenues. If the developer asked for the additional \$2.5 million to go from the \$25 million to the \$27.5 million, they would be responsible for 100% of the debt service on that \$2.5 million. That debt service will actually get added on top of the \$750,000 annual rent that they are paying for the stadium.

Alderman Gatsas asked is there a reason that we as a City would be borrowing at our capacity to allow a developer to use our interest rate.

Mr. Sherman answered there are a couple of reasons. One is it is a City-owned facility. The City is going to retain ownership of the facility for the entire...forever. The other issue is as we have talked about in the past in essence what we are doing here is creating a tax increment finance zone without creating a tax increment finance zone, which allows the project to be done at cheaper rates then would have been done if it had been privately financed. The incentive by doing what you are doing is actually reducing the overall cost of the project.

Alderman Gatsas stated let me try to make it a little clearer because I don't think you want to address the question I am asking. The question that I am asking is if the project that we do at Gill Stadium and the building of the facility comes out to a total of \$25 million that means that we would be lending the developer \$2.5 million at the City rate and they would only have to be responsible for the payment over that \$2.5 million over the course of time.

Mr. Sherman responded now I think I understand what you are saying. No. Again, the \$27.5 million will be retained by the City and as Alderman DeVries brought in it will be issued to the developer through a draw down procedure. If the total cost for Gill Stadium and the new stadium only amounts to \$25 million that \$2.5 million will never be released by the City. In essence what we would have as we would with any capital project the City does is you would have bond balance that could then be applied to another project. Those dollars are not being provided to the developer for anything other than the stadium and if those dollars aren't required for the stadium they don't get released by the City.

Alderman Gatsas stated that is not what you told us in November.

Mr. Sherman asked what did I tell you in November.

Alderman Gatsas asked do you want me to read it from the minutes. "If the stadium developer chooses to tap into some of that \$2.5 million extra, the stadium developer will pay the actual cost of whatever that extra is and again the City will provide the financing for an additional \$2.5 million and if it goes over the combined number there of \$27.5 million the stadium developer will actually have to come up with the capital dollars on their own." If it is under the \$27.5 million you are saying they can tap into it.

Mr. Sherman answered if it goes up to \$26 million they can take that extra \$1 million and then they would pay the debt service on that \$1 million. If it comes in at \$30 million, they can tap into the \$2.5 million to get them up to \$27.5 million but then the additional \$2.5 million they would actually have to provide to the City up front and then draw that money back down for the project.

Alderman Gatsas responded right but the total cost is \$25 million and I don't understand why we are bonding \$2.5 million more than that.

Mr. Sherman replied the way it was laid out was...we had laid out a budget for \$25 million for both projects. They said if we decide that we want to add extra amenities or extra luxury suites and we actually get the project higher than that is there an opportunity for us to get higher than the \$25 million. We offered them up to \$27.5 million but we said that is not coming from the City's property taxes. If you want that extra \$2.5 million in this case or any portion of the \$2.5 million that would have to come 100% from the developers as part of their rent payment.

Alderman Gatsas asked so the \$750,000 is only for the first \$25 million.

Mr. Sherman answered yes.

Alderman Gatsas stated so the real true figure on \$2.5 million would be how much.

Mr. Sherman responded I guess we can take the numbers that we just received. It would be a little less than 10%. It would probably be about \$160,000 a year based on the numbers we were just provided. So the \$750,000 would go up \$160,000 to \$910,000.

Alderman Gatsas asked so the guarantee would go to about \$900,000 on \$1.9 million in debt service.

Mr. Sherman stated you lost me on that one.

Alderman Gatsas stated the \$1.9 million is the debt service per year.

Mr. Sherman responded I am looking at the new number, which is around \$1.7 million. That is why I lost track. Are you looking for the 20-year or the 25?

Alderman Gatsas replied I am looking at the 20 year. Should I be looking at 25?

Mr. Sherman stated at this point I think we are leaning more towards the \$25 million.

Alderman Gatsas asked is there a reason last night when I asked you about bonding the City's capacity that you suggested we stay at the 20 and not 25.

Mr. Sherman answered typically we don't go over 20. Again, there are very few projects in the City that we have gone over 20 years. One of the things the rating agencies look at is how quickly you pay your debt back and that is why we typically stay at no more than 20. We have gone over 20 for the civic center, the Airport and we probably will on the Water Works but in reviewing this situation and in talking to the team they would prefer the longer term and by providing five extra years to the term that means the \$750,000 is applied to more debt service so it actually benefits the City by going for the longer term.

Alderman Gatsas asked is Mr. Billings still here. The Mayor articulated your position very well but it is my understanding that you were hired and represented Mr. Weber. Is that true?

Mr. Billings replied I believe I indicated that in the letter.

Alderman Gatsas asked so Mr. Weber hired you and you represent Mr. Weber and that is supposed to give me a comfort level on the funding guarantee of the project.

Mr. Billings replied I am not sure what you mean.

Alderman Gatsas stated I am looking for a letter of comfort. I believe Mr. Clougherty understands what I am looking for and I guess maybe my question shouldn't be directed to you but to Mr. Clougherty as an officer of the City. Mr. Clougherty would you feel

comfortable receiving a letter of comfort from Mr. Billings when he has been engaged by Mr. Weber? Would that give you a comfort feeling?

Mr. Kevin Clougherty replied yes it would because you have to understand the role that as a private contractor he is fulfilling. He wasn't hired to do marketing for this project. He has a certain fiduciary responsibility in providing a feasibility study that is going to be used for financing so I think he is independent. He isn't an employee of Mr. Weber's. He is a private contract who was contracted for a service just as we would hire someone to do a feasibility study for the City to be independent. It is similar. Again, if I am wrong I will let Mr. Billings respond to that but I think he is independent.

Alderman Gatsas asked so Mr. Billings you have error and omissions insurance that if for some reason the capacity of Mr. Sanborn and Mr. Weber aren't there and the City is looking for your position on the letter that you have presented to us...do you have that insurance to protect this project.

Mr. Billings stated that is not the intent of this letter. I am not giving a fairness opinion. I am not certifying anything. I am just expressing an opinion on behalf of Beacon Sports. All I was asked to do...it is the same representation I made in presenting Mr. Weber's application to a group of banks and the same representation I made in discussing the capital transaction and the acquisition and the financial structure with both the Eastern League, minor league baseball and major league baseball, all of whom were required to approve this before we came and presented this project to you.

Alderman Gatsas stated I assume that the banks you presented this information to did their own due diligence for a comfort level.

Mr. Billings answered absolutely.

Alderman Gatsas stated so my question again, Mr. Clougherty, is with the recourse of a comfort letter as you would understand it as we received on the civic center would be the recourse to Mr. Billings. Do you believe that we as a City in protecting the taxpayers of this City have the recourse ability to Mr. Billings?

Mr. Clougherty replied with all due respect, Alderman, I don't think you are ever going to get the recourse ability that you are talking about, especially in today's market and in the post Enron and post WorldCom environment. I don't think that any accounting firm or whatever is going to provide the type of coverage that you have explained tonight. Certainly not for a limited dollar amount as I explained at the last meeting. If the Board wants to advance in the neighborhood of \$20,000 or \$30,000 to an accounting firm for an RFP to get back a comfort letter as you have described with all of the different caveats attached to it, I am not sure you are going to get the comfort level you are seeking. I think what Mr. Billings is saying and is prudent is that certainly there have been reviews of the credibility and financial capacity of these principals by banks. They have passed that test. They have been reviewed by the league. They passed that test. They have provided financial assurances to Mr. Billings to be able to commit in the form of documents and information to both of those parties that they are credible. That is where we are. As we explained to you the other night if you want to do something more detailed than that, if that is the Board's wish, then it would require an RFP and it would take a considerable amount of time and in my opinion it would cost you upwards of \$25,000 or \$30,000.

Alderman Gatsas asked your Honor didn't you tell us that was Part B of the proposed situation that we had two weeks ago.

Mayor Baines answered Mr. Clougherty assured me in his capacity as the Finance Officer of the City that this met that test in terms of the assurances that were provided for the financials associated with the project.

Alderman Gatsas asked did we receive a letter of comfort on the civic center.

Mr. Sherman responded what you did on the civic center is you actually hired Coopers & Librand to actually redo and test the feasibility study that had already been done. You actually got a second feasibility study.

Mayor Baines stated a feasibility study on the project.

Alderman Gatsas asked but didn't they also look at SMG and give us a letter of comfort.

Mr. Sherman answered no they didn't and if you recall it was actually Ogden at the point that the process was going through. No, what we had done on that was a very similar situation where we looked at Mr. Baldwin who was the team owner initially at that point. Again, we did some financial review but again it was mainly in-house as we did here. We did have the financial advisor run some credit reports and those types of things for us but it was mainly done by staff.

Mayor Baines asked Mr. Billings do you have anything to add to this discussion.

Alderman Gatsas stated so Kevin what you are saying is you have a comfort level and I should feel comfortable that Mr. Billings' association with Mr. Weber.

Mr. Clougherty responded I have my comfort in my staff that have reviewed the documents first and foremost, Alderman. We have done our own review just as a bank does their own review. We have our staff who have looked at that and I feel comfortable at that level. Beyond that, I have comfort that the principals have been reviewed by major league baseball and by the league. I have comfort that they have been reviewed by a bank and secured a major amount of financing already for this project and I am further

comforted by Mr. Billings who as an independent consultant has prepared those reports.
Yes.

Alderman Gatsas stated but in all honesty the banks are secured with the baseball team.
We are secured by an LLC and the LLC doesn't own the baseball team.

Mr. Billings responded the team itself, I believe, is executing the lease. The LLC owns the team. You have the team obligated under the lease for not only the \$750,000 in rent but the additional \$180,000 per year in debt service that is required on the additional \$2.5 million. On top of that you have personal guarantees from the two principals and I understand also letters of credit, which will be coming from banks making the same decision.

Alderman Gatsas replied so what you are saying to me right here or maybe I should let Mr. Weber answer...

Mayor Baines interjected while Mr. Weber is coming up I had a conversation with the President of the Eastern League yesterday who also assured me that as part of their due diligence in dealing with the situation they went through this same process. The league does it. Major league baseball does it and the bottom line is that they would not be dealing with these individuals if they had not done that to assure them that they were dealing with credible financial...

Mr. Weber interjected I must say with all due respect that there is more time being spent on this question from you, Sir, than Webster Bank had after looking at multitudes of documents. There have been...first of all Randy looked at my personals. Rick Billings from Beacon Sports has been involved in my financials. I have been in business for 25 years with a perfect, perfect record. Major league baseball, which is the most difficult, has approved it and they had my financials. Minor league baseball has had my financials.

My mother-in-law says I am a very responsible person so if there is anybody else...I mean I have been a good...

Mayor Baines interjected also the Finance Officer of the City has answered the question posed by Alderman Gatsas and said yes he is satisfied. He has said that on public record at least two or three times tonight.

Alderman Gatsas responded I understand that, your Honor, but I think that four weeks ago...actually in November I think this all started when I asked Mr. Sanborn the straight up question about personally guaranteeing it. I don't think that anybody was under the misunderstanding that if I was looking for a personal guarantee from someone I was looking for assurances from someone other than the Finance Officer because I didn't know we had recourse against our own Finance Officer. Do we? I don't think we do.

Mayor Baines stated I think we do in a very clear way.

Alderman Pinard asked, Mr. Duval, as I look at the diagram you have three exits in a row. You are going to have over 10,000 people at the games and that looks like it is all closed in. Have you looked into the safety factors? That is an awful lot of cars that are going to be coming in and out on Elm Street to Granite or whatever. To me this should be looked at because there is a big safety factor here.

Mr. Duval answered yes we have looked at that. In fact we are working with the City's consultant that is doing the Granite Street improvements to make sure there is coordination of the traffic demand for this project with those improvements. A preliminary look has been done with that consultant and we are going to continue to share numbers with them. I am comfortable that the engineering will support that there is more than enough access in and out of that site to support the peak traffic that we will be seeing. Now let me remind you going back to Mr. Osborne's question that even though

there are 6,500 seats there we are not looking at all of those vehicles being parked on this site. So, many of these spectators will be pedestrians and they will be walking out of the site to pick up cars parked on Commercial Street or Elm Street or on private lots here and there. All of that traffic will not be exiting at once in vehicles from the site.

Alderman Pinard asked how long do you think it will be before we can find out what kind of plan you have in place. I think personally that this should have been addressed with this whole thing that is going on tonight. I still say that there are an awful lot of unanswered questions to the whole process.

Mr. Duval replied just one final comment to answer that question. The plan that we are showing before you shows right now for example three lanes on one bridge and two lanes on another bridge and two lanes at Commercial Street. The traffic engineering that will be done as part of the detailed design, if it turns out that that preliminary number of lanes is not enough, we will just simply add lanes to make sure that it is enough. Not only to get out of this park but also to coordinate with the City's other improvements at Granite Street. All of that will be factored in to our final design as necessary to make sure there is a safe egress.

Alderman O'Neil stated I just want to review the current situation we have. We have a site that currently pays not taxes and has some hazardous conditions. With this development the site gets cleaned up and we generate new property taxes at a minimum of \$6.5 million in new assessed value over and above the value needed for the debt service. We recognize that there is a need for additional hotel space in downtown Manchester. There will be 120 rooms constructed on the site. We hear continuously about retail needs in downtown Manchester. There is 200,000+ square feet of retail space developed. We hear that we need to create living space in downtown Manchester. There is a minimum of 100 condo units created and I believe there will be more. We need to continue the momentum in bringing people to downtown Manchester following the

momentum of the Verizon Wireless Arena, Palace Theatre, etc. Minor league baseball in my opinion is going to bring in minimum 300,000 people to downtown Manchester. The icing on the cake is we know that Gill Stadium needs major repairs and improvements and I agree with you, your Honor, that in today's condition it is an embarrassment to the City. We get over \$4 million in improvements at Gill Stadium. As of today the developers have committed at minimum \$12 million to advance this project to this point. The City is protected with regards to the stadium development and it is protected with regards to the site development. This is a win for the taxpayers of this City. A win for the young people of our City and the families of our City. It is a win for all of the residents of our City and it is a win for those who visit our City. I encourage my colleagues to vote for this project this evening. Thank you.

Alderman Garrity stated Randy you gave us numbers for a 20-year loan and a 25-year loan. A 25-year loan versus a 20-year loan is a \$4.4 million increase. Now you said the Verizon was 30 years correct and some Airport projects. You said something else also...

Mr. Sherman interjected we might do the water one.

Alderman Garrity asked and the school improvement plan was 30 years too.

Mr. Sherman answered yes.

Alderman Garrity stated I guess this is a policy question. If we vote tonight for a 25-year loan and it turns into a 30-year loan can it do it without Board approval. Can you put the City into a 30-year loan versus a 25-year loan because there is a \$4.4 million increase if we go to 25 years?

Mr. Sherman responded I am just going to look at the Resolution. The Resolution that is in front of you has a useful life of the project in excess of 30 years. We could go up to 30

years if we chose to but certainly if the Board wants to say please don't go more than 25 years that is okay.

Alderman Garrity stated the cost for a 25-year loan is \$43.152 million. What is a 30-year loan going to cost us? It doesn't have to be exact.

Mr. Sherman responded you probably again would add \$3 or \$4 million more.

Alderman Gatsas stated I didn't know that there was a conflict or that we were even considering 30 years.

Mr. Sherman responded we aren't. What Bond Council does when they write up these Resolutions is they have to state what the useful life is for tax purposes. We are not allowed to issue debt longer than the useful life of the asset as we have talked about with police cruisers and those types of things. What they have said here is that this asset has a life in excess of 30 years. So we could. Are we talking about that? At this point we haven't.

Alderman Gatsas asked Randy can you explain to me the parking garage or maybe it should be Bill. Can Mr. Jabjiniak explain the parking situation? Can you explain to me the park and ride that I have some extreme curiosity about?

Mr. Jabjiniak answered sure. The park and ride was originally earmarked for that site. We asked the developer to try to include it in his design. He did that. He has since basically said well let's separate the issue. We can certainly try to incorporate it. The consultant has had conversations with Southern NH Regional Planning. We have had our Highway Department people in contact with the State to address that the money is still earmarked and we are trying to figure out how we can include it if the Board desires that or do we find an alternative location.

Mr. Duval stated the mission of the park and ride facility as far as we were instructed as civil engineers was to make sure that whatever we do, whatever our designs include still allow for the City and the State to construct a park and ride facility that would have access to train service and access to highway bus service. So all of the designs that we have done including trying to incorporate it into the development or just making sure that our road network will allow for a park and ride facility to be constructed nearby, have always taken that into account.

Alderman Gatsas asked when federal funds are used for a park and ride can you tell me what accessibility somebody has to those spots before the park and ride people.

Mr. Duval answered well a freestanding park and ride structure addresses that very easily. If there is a freestanding park and ride structure that is not part of the development then clearly the users who go to that facility presumably will be going there for primarily park and ride purposes. Now that is not to say that they can't be used by people who in the evening want to go to the ballpark. They could park there just as well as they could park in a City garage or on the street but in a separate free standing facility, and there are a number of locations where it could be all the way from Canal Street down to the MTA lot that have been looked at...as long as access is provided to it that facility stands on its own merit.

Alderman Gatsas asked so what you are saying is the suggestion is could the City charge people to park there for those ballgames.

Mr. Duval answered no. That park and ride deal between the City and the State is completely independent of this project. The only interface this project has with that park and ride structure is to make sure that our road network will provide ready access from

Granite Street and from Elm Street to a park and ride facility and that is what we have done.

Alderman Thibault stated I serve on the Southern NH Planning Commission and let me tell you that in the discussions that we have had 200 spots would be reserved for park and ride, especially during the day time. At night like he is saying it could be used for other things. In the program that was there prior to this all starting, there were 200 spaces reserved for park and ride.

Alderman Gatsas responded with all due respect to my colleague, there were 600 spaces there and they were all delegated to park and ride.

Alderman Thibault replied that is not the way I understood it.

Mayor Baines stated again we would have to follow whatever the guidelines were. Period.

Alderman Smith stated we have asked many questions here and some of the questions have been asked 100 times. There has been a lot of repetition. I would just like to say that the two main developers have met every obligation presented, namely the Riverfront Foundation, environmental work, engineering and design work, the purchase of a Double A team, they got the Red Sox approval and they are making their plans known as far as Gill Stadium. Anybody who knows me knows that I am very interested in Gill Stadium. It is a safety hazard. It is a health hazard and technically it should be condemned and I think the only reason it hasn't been condemned is because it is a City facility. The only way we can protect our youngsters is by giving them a first class facility and that is one reason I am on board with this. In regards to the stadium on the riverfront, it is tax positive. I will say it once again. If anybody is questioning whether it is costing the taxpayers one penny, it is not. It is not costing the taxpayers one penny on this year's tax

rate or next year's tax rate. It is tax dollars being used to bring in revenue. When I got on as Alderman there were three things that got me involved. One was stagnant revenue. The other was services. The last one was taxes. If you want to cut schools, fine. If you want to lower the tax rate you lose these services. I believe any citizen who comes into this town looks first at the schools, then the police, fire, health and safety. This is tax positive. There is no question about it and I would just like to read off my list like I do at every meeting I come to. There is no adverse tax effect. It broadens the City's tax base. It brings revenue into the City. It beautifies an area that is contaminated and everybody knows the situation down there. It brings in employment – 25-30 full-time positions and 120-150 individuals who will probably be in high school or college working in the ballpark. It will bring in housing and it will beautify the area. I don't know why we are expounding on this and I would like to move the question. Alderman Thibault duly seconded the motion to move the question. Mayor Baines called for a vote on moving the question. There being none opposed, the motion carried.

Bond Resolution:

“Authorizing the Issuance of \$27,500,000 Bonds, Notes or Lease Purchase Agreements Of the City for the Purpose of Constructing a Minor League Baseball Stadium as part of the Redevelopment of Singer Park, so-called, and Reconstructing Gill Stadium, and in Connection therewith, Authorizing the City to Enter Into a Development Agreement and Management Agreement With 6 to 4 to 3 LLC, or any Successor thereof, to Provide for the Development and Management of the Proposed Minor League Baseball Stadium.”

On motion of Alderman Forest, duly seconded by Alderman Lopez, it was voted to remove the Bond Resolution from the table.

On motion of Alderman Thibault, duly seconded by Alderman Smith it was voted to read the Bond Resolution by title only, and it was so done.

Alderman Guinta stated I have one short statement before we go forward.

Mayor Baines stated well we closed discussion. We need to vote on this at this particular point in time.

Alderman Guinta stated I will make the motion because I believe in the project and I believe in economic development downtown. I have made a commitment to the taxpayers and to constituents in this City that I would look to generate additional revenue and I am proud of the project. I stand behind it and I move that the Bond Resolution ought to pass and be enrolled.

Alderman Sysyn duly seconded the motion that the Bond Resolution pass and be Enrolled.

Mayor Baines called for a vote. Alderman Guinta requested a roll call. Aldermen Guinta, Sysyn, O'Neil, Lopez, Shea, DeVries, Smith, Thibault, Forest, and Wihby voted yea. Aldermen Osborne, Pinard, Garrity, and Gatsas voted nay. The motion carried.

Mayor Baines stated we do have one other item that I would like to consider this evening. It is the amendment to the Master Lease and I would ask the City Solicitor to advise as to how we can address this.

Solicitor Clark stated under the rules for a special meeting it takes unanimous consent of the Board to bring in items that aren't on the agenda. The only other way to handle that...there are two other methods of handling that. One is to suspend the rules as provided for in your rules by a 2/3 vote, which would require 10 votes to suspend that rule to allow it to be brought in...

Alderman Thibault moved to suspend the rules and bring in an item of new business. Alderman DeVries duly seconded the motion. Mayor Baines called for a vote. The motion carried unanimously.

Mr. Sherman stated I am going to have Mr. McCabe give an oral version of his executive summary.

Mr. McCabe stated as a result of where the project is today in terms of timing there were a number of elements that changed from the Master Lease in terms of the scheme of the project and Randy asked me at the end of last week to put together a simple amendment that did that. The effective elements that are in this amendment are a couple. One is originally there was a concept of splitting apart the retail and residential parcels and dedicating them to those specific uses once that allocation between retail and residential were determined. At the present moment that is still developing and there was a concept that there might be some mixed development of retail and residential within the same site so that concept of a combined parcel has been changed to allow that to continue with either residential or retail use. That is one element that is in the Master Lease. In addition, there were or there was on the original Master Lease not yet a description of the stadium parcel, an actual meets and bounds legal description so it could be determined exactly where the boundaries of the land developer's rights led off and where the stadium parcel would exist. We have now gotten that description done and this amends the Master Lease to add that as a carved out parcel with specific legal description. The third element is that there are a number of construction covenant start dates and I believe I have already mentioned to the Board that those dates are fast moving upon us. At the City's direction we had suggested removing those leaving the completion date in place but allowing the start dates to slip from specific dates, some of which started as soon as June 30. Whereas the project has only now tonight been approved to go forward there was no way physically realistically that people could put a shovel in the ground and being the actual construction activity. Then there is one additional provision that the hotel

developer had requested us to consider, which is not to have the hotel parcel be forfeited if on March 2 they were not able to open their doors. What we wanted to make sure of is that come March they were open for business so that we could get the full tax rate so we have discussed with them and put in place a provision that said if you are not open for business on March 1 you can have an extension of that date as long as you make up in a payment that would then renumerate to the City what would otherwise come through as tax revenue. That is the basic essence of what is in this agreement.

Mayor Baines asked so what is the motion that would be required.

Mr. Sherman replied just a motion to accept the amendment.

Alderman Thibault moved to approve the amendment to the Master Lease. Alderman DeVries duly seconded the motion.

Alderman Gatsas asked can you explain the essence of the lease with the hotel because my understanding was that they were supposed to break ground June 30. Are we changing that in the amendment here?

Mr. McCabe answered at the present time there is a draft lease outstanding. It has not been signed by the developer and the potential hotel operator. The original Master Lease, the original MOU, had provided for a June 30 date of breaking ground. Yes, we are relieving them of that obligation because it is presently unrealistic that such an event will happen. We have not relieved them from the end date of being open it is just the start date they have been relieved from.

Alderman Gatsas asked how can we possibly do that when we just agreed to a deal, your Honor, that showed \$9 million worth of hotel in there.

Mayor Baines asked Randy would you like to walk us through how that works financially.

Mr. Sherman responded again what we are looking for with the end date is...all of those end dates that you have that are being left in the document are all early in 2005 when the debt service payment is going to be coming and that is where we need that assessed valuation on board to start paying the debt service. So again the end dates haven't changed. All we are doing is moving the commencement or start dates.

Alderman Gatsas stated my understanding was that we used a valuation for the hotel breaking ground and we don't even have a lease in place. This is no different than the situation we had two weeks ago or a week ago with the power plant.

Mayor Baines responded that is absolutely not true, Alderman Gatsas. What happened is that start date is not achievable because of the series of events leading up to the vote this evening. All they have changed and they have explained it to you is the end dates.

Alderman Gatsas replied but wouldn't it only be fair that someone prepares a checklist for this entire Board with dates and priorities of things happening so we know when they are going to happen and how they are going to happen so that all of the sudden things aren't left off the table or things are changed because my understanding was that we just did a deal with a hotel that was supposed to start on June 30.

Alderman O'Neil stated I have a couple of things. First of all we understand that we have to improve communication especially on projects as complicated as this but put yourself in the shoes of any member of the development team. The City just made its commitment tonight. I am absolutely comfortable with this. The Rodels are here. They are committed to the City of Manchester and they are going to deliver this project by March

of 2005. I am not all worked up about this. We just tonight made a commitment to this project.

Mayor Baines stated and we are going to have a special committee that is going to oversee this project that will be chosen by the Chairman of the Board as well.

Alderman Guinta stated essentially what you are saying is that whether they are finished or not by March 1 we still begin receiving tax payments on that date.

Mr. McCabe replied the provision provides for a payment in lieu of taxes because the assessed value isn't there to tax.

Alderman Guinta asked so the money is still there.

Mr. McCabe answered you will get the difference paid.

Mayor Baines called for a vote on the motion. The motion carried with Alderman Gatsas being duly recorded in opposition.

Mayor Baines stated I have a couple of comments to Mr. Sanborn and to Drew Weber, the major players in this, that we are going to hold your feet to the fire to deliver a first-class, first-rate project deserving of a City that is becoming a destination City and we are going to look forward to working with you. We appreciate your commitment to the City of Manchester. Congratulations to the Board for this decision and we have served the citizens well by moving the City in the direction to protect the future tax base of the City and creating a climate that Manchester is a good place to do business.

There being no further business, on motion of Alderman Smith, duly seconded by Alderman Thibault it was voted to adjourn.

A True Record. Attest.

City Clerk