

**SPECIAL MEETING
BOARD OF MAYOR AND ALDERMEN**

November 1, 2010

7:30 PM

Mayor Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen Craig, Ludwig, Long, Roy, Osborne, Corriveau, O'Neil,
Lopez, Shea, Shaw, Greazzo, Ouellette, Arnold

Absent: Alderman DeVries

CONSENT AGENDA

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

Accept BMA Minutes

- A.** Minutes of meetings held on May 18, 2010 (two meetings), June 1, 2010 (two meetings), June 22, 2010 (three meetings) and June 29, 2010 (one meeting).

Information to be Received and Filed

- B.** Monthly Bulletin from the City of Manchester Health Department for October 2010.

- C. Communication from the Baines Family acknowledging appreciation for the Board's expression of sympathy.

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE ADMINISTRATION

- D. Advising that the travel summary reports from various City departments have been received and filed.

(Unanimous vote)

- E. Advising that it has accepted the following Finance Department reports:

- a) Department Legend
- b) Accounts Receivable summary
- c) Open Invoice report over 90 days

and is forwarding same to the Board for informational purposes.

(Unanimous vote)

- F. Advising that the 1st quarter fiscal year 2011 write off list for the Accounts Receivable module be approved.

(Unanimous vote)

- G. Advising that it has accepted an audit by the Independent City Auditor of the Manchester Transit Authority.

(Unanimous vote)

- H. Advising that it has accepted the City's Monthly Financial Reports (unaudited) for the three months that ended September 30, 2010, and is forwarding same to the Board for informational purposes.

(Unanimous vote)

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

- I.** Advising that the update on the Innoprise Software migration project, submitted by the Director of Information Services, has been received and filed.
(Unanimous vote)
- J.** Recommending that the license to operate as a peddler be granted, as discussed in a non-public session of the October 19, 2010, Committee meeting.
(Unanimous vote)
- K.** Advising that the Water Line & Sewer Line Extension agreement with the U.S. Department of Labor has been received and filed as amended by the City Solicitor.
(Unanimous vote)
- L.** Recommending that the request from the School District to establish an expendable trust for technology and the request to establish an expendable trust for athletics be denied, as recommended by the Finance Officer.
(Unanimous vote)
- M.** Recommending that the proposed Municipal Banner Policy be approved amending the application fees to \$500.00 for Elm Street and \$125.00 for Hanover and Kelley Streets.
(Unanimous vote)

COMMITTEE ON JOINT SCHOOL BUILDINGS

- N.** Recommending that window repairs and modifications to the electrical room ceilings at the Manchester School of Technology be approved.
(Unanimous vote)
- O.** Advising that the update on the Design/Build Project has been accepted.
(Unanimous vote)

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O'NEIL, DULY SECONDED BY ALDERMAN ROY, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

COMMITTEE ON LANDS AND BUILDINGS

- P.** Recommending that the City pursue the sale of City-owned property on Wellington Hill.

The Clerk further notes that the Board deemed this property surplus to City needs on March 6, 2007. However, the ordinance authorizing conveyance of the property expired on March 20, 2009. Therefore, if the Board wishes to pursue the sale of this property, the attached ordinance must be ordained under separate action.

(Aldermen Lopez, Roy and Greazzo voted yea; Aldermen Osborne and Shea voted nay.)

Alderman Ludwig stated I need clarification from the City Solicitor to explain to us exactly what a vote to confirm the Committee's 3-2 vote means. The reason I ask that is I am a little confused as to whether we are just approving the continuation of the marketing agreement, and I don't think we are, or does this go further than that and authorize Your Honor to sign the purchase and sale agreement?

Mr. Thomas Clark, City Solicitor, replied the marketing agreement has expired. An offer came in after the marketing agreement and it was presented to this Board as a purchase and sale agreement. This vote would be authorizing the Mayor to execute the purchase and sale agreement to sell the property.

Alderman Ludwig stated I guess you know where I stood on this. Just to give a little background or history, this goes back to July 6th at which time the City was in front of this Board to authorize the Mayor to sign a purchase and sale agreement and this Board was gracious enough to allow myself and Alderman Corriveau to

look into the matter a little bit more. It was referred to Lands & Buildings and they had an initial discussion about it. Subsequent to that it was also voted that Alderman Corriveau and I would hold a public gathering which we did on September 28th. Approximately 30 people in that area attended the meeting at Hillside Middle School and I would say the overwhelming majority, in fact everyone there, was in favor of the City retaining this property. In returning to the Lands & Buildings Committee, we did get a report from City staff that talked about a Master Plan that the City did that was five or six years old about scattered lots and we all know these lots are owned by various people and they are scattered throughout the 39 acre parcel. Let me just back up a little bit more. I can't speak for every member of this Board, but I can tell you that I believe this was the right approach to use. The marketing of these pieces back when it was done in 2007 was probably the right thing to do so everybody involved in this process – the City of Manchester, the Catholic Diocese, the various property owners and whatever realtor we asked to pull this all together - did everything that we asked them to do. It just so happened that this Board had never authorized a re-up, so to speak, of the existing marketing agreement. I didn't really view that as a technicality that I was really that concerned about but after taking a look at the property and after physically walking the property a few times with a couple of neighbors who live on that portion of Smyth Road, I determined at least for myself that this was a decent piece of property that had potential. It was 39 acres, not the 22 acres that were represented in the purchase and sale agreement. Again, that is not a false representation; it is my understanding that that is the way parcels are represented because there were paper streets included in the actual property so the buyer can only represent the parcels that are owned and that is why it was represented as 22 acres and not 39. It is actually a 39 acre parcel with 39% owned by the City; about 38% owned by the Diocese and the remainder owned by private individuals. We asked the School Department to weigh in. Initially they had little to say or offer in terms of any plans or information that they had as it relates to enrollment

but I can tell you as I walked Ward 2 last July, August, September and October I quickly learned that Smyth Road and Weston Schools, which a lot of children in Ward 2 do attend, was going to be an issue at some point. I immediately looked at it and in my opinion this could be a place that the City may want to retain for a time uncertain. It doesn't necessarily have to be for a school but it is a 39 acre parcel and there aren't many 39 acre parcels of property in the City of Manchester anymore. I think it is paramount that the City take a close look at the retention of a piece of property this size because they just don't exist readily throughout the City in any locations that I am aware of. If you put all of those factors together and then we move on to October 16th when we saw an article in the *Union Leader*. There is a feeling out there that maybe redistricting would help some overcrowding in certain schools. That could possibly be true. However, after talking with the principals of Smyth Road and Weston, there doesn't appear to be much space in either of those schools where a redistricting situation would really help them. I know you probably know more than I, Your Honor, where there is space in schools and where redistricting can help but I just can't find them. I further looked into other issues where maybe the property or the parcel has some issues that don't make it the kind of property that the City would want to retain. I understand there are some environmental issues there in terms of what they call vernal pools that make certain portions of the property questionable as it relates to the Department of Environmental Services that would have to be worked with. However, I also understand other issues aside from this, like we are in difficult times and those times are going to be even more difficult in the next few months, as we all understand. Are we ready to build a school right now? I guess we wouldn't be. Can we afford to build a school given that there is no longer state aid at the present time? I guess we can't. I don't think that even in these bad economic times we can stick our head in the sand and not have a vision for the future. At least I can't personally do that. This is not about the protection of land necessarily in just Ward 2. This is about who in the City really oversees land

management and options that the City may or may not have as it relates to retaining certain parcels. I can tell you that in my previous position I looked high and low in south Manchester for large parcels where we could put in a regional park because we have kids playing in places that are very difficult like behind Wendy's on South Willow Street and over at Steven's Park. When you really look around the City for parcels of this size you just can't find them. Has the developer done anything wrong? The developer hasn't done anything wrong. He has made a representation clearly of what we asked him to do and I cannot fault him for that. The Catholic Diocese would like to sell their property and not continue to have to pay taxes on the pieces that they own and I don't blame them for that. However, I look at this parcel as one that the City doesn't really know whether it should or shouldn't retain and everyone has their own opinion on that. On October 25th the School Board actually took a vote 13-2 that said we should retain the property. They did that with a caveat saying that they were just about, I don't want to say ordering, but asking the Superintendent to go out and do some kind of study that would allow them to project enrollments. I think this would be an independent study and not something that they would do in-house in terms of whether the City could or would have a need for this property to build a school. The long and the short of it is, Your Honor, that the City could be passing up on an opportunity for the amount of money that we would receive and I am not treating the amount of money that we would be receiving as insignificant because it is not. It is a significant amount of money that could help us at a time when we really need help, but to pass up the opportunity to potentially land bank this piece of property would not be the right thing to do. Once it is gone it is gone and we will never get it back. It is not my intention to have the School District have to buy out the remaining property owners out of the money that the School District has. That was never my intention. I listened to the School Board meeting the other night and I heard that brought up. It was never my intention to have the money that would be required to buy this property built into their future budgets either. I

think we are a City as one as you have indicated we are, Your Honor, and we lent the School District money for books and everybody was in favor of that and it was a great idea. It was your idea and I think with this particular idea we would be acting as one because I don't really see a particular department, the School District, Planning Department or whoever else it is, that oversees whether the City should or shouldn't be looking at pieces of property like this to keep. As I said at Lands and Buildings, thank the Lord for somebody like Clem Lemire who 20 years ago had a vision and was able to retain properties, sometimes not in the ways that he should have when he filled in wetlands, but did those kinds of things so we have athletic fields today. So we can thank somebody like that today for having a vision back then but I don't know who it is in the City who looks out for us in terms of selling property that should probably be retained for other uses. We have so few pieces left that I in good conscience just can't speak to disposal of this property until I am absolutely certain that there is a reason that we either shouldn't retain it or we have absolutely no use for it. I know that the City shouldn't be in the real estate business. We would probably be very poor at that business, but quite frankly this is something that is near and dear to my heart and I am not going to vote if a yes vote on Item P means that we are going to sell this property and it allows you to authorize a purchase and sale with the buyer. I will be voting in opposition of that.

Mayor Gatsas stated if I heard you correctly your suggestion is that we land bank this. Is it your suggestion then that we buy out the Diocese and the other four owners so that we have total control and we can sit there and make decisions independently of any other people that we may be in a partnership with? I certainly don't think it is fair for one half of the segment to want to sell and we say we are not doing anything; we are just going to sit here. I know that if I had legal counsel...and I am not speaking for the Diocese; I am sure they have their counsel here...but you all received the letter that I received and I think that we must take

one of two positions. To do nothing is not a resolution. We either buy the Diocese and the other owners out or they buy us out and sell the property.

Alderman Ludwig stated you know the method that I prefer.

Mayor Gatsas asked that is sit and do nothing?

Alderman Ludwig stated that is not what I said.

Mayor Gatsas asked do you want to buy them?

Alderman Ludwig answered I would prefer to buy them out; however, I don't know if I have the support to do that. However, if we don't then I think the City should...unfortunately...and I would feel bad for the Diocese and for their realtor who put significant efforts into marketing this property, but after spending nine months on this Board I am learning that feelings don't always mean everything so there is a different approach there too. Quite frankly that is the method I would like to see. I don't know if there is support from the Board in terms of taking money from wherever we get it from and you would know that better than I whether it would be the one time account or something else, but that is ultimately what I would like to see. However, if it is a matter of us sitting on it and doing nothing then I guess that would be better than disposal of it at this point.

Alderman Lopez stated I sit on the Lands and Buildings Committee and I voted to sell this piece of property. Going back in my memory as an Alderman and without using any names I can tell you if I was a School Board member I would also vote to keep the property because that is what School Board members do although the Vice Chair of the School Board voted not to. I want to also point out that in my 11 years as an Alderman any land that was sold went through a process.

It went through a process whether it was the Highway Department or we closed roads or the Planning Department. They all reported to the Board. The Planning Department has communicated to Lands and Buildings that this is surplus property. I just want to clear that up. There is a process. No land is sold unless it goes through all of the departments to see if they can use. Even when I was a Commissioner at Parks and Recreation we used to get those requests to see if we wanted to use the land for parks. I think as we move forward and look at decisions we might need to make in the future, I don't believe even if you hold onto this property...five years ago there was a committee of the School Department that was looking for property. They looked at Beech Street School and McDonough and Hackett Hill. I have never seen a report coming from that and they ended up with the Administration building on McGregor Street. I think there was an idea in Ward 4 that we were going to close off the street in front of McDonough, which I think is Lowell Street and we were going to close it off and use the parking lot and the Fire Department had a piece of land up there and they were going to do that and redistrict in that area. So that was talked about. That was four and a half years ago and I think Alderman Shea remembers that. I don't think this is reality. If all things were equal, I would say we should hold onto it for five, ten or fifteen years and then somebody else can make the decision. I have seen land held onto and then we tried to sell it and nobody wanted to buy it. We have lots on the books today that nobody will buy. I agree with you that we are not in the real estate business. I don't think it is realistic that we build a school like when we built McLaughlin and the year after it was completed the School District came back and they needed operational funds and teachers for that school. That was a reality and we had to fund it. I think we should sell the property at this time.

Alderman Long stated on the vote to sell the property I don't feel we have the luxury of a vision. Vision comes with an expense and I don't believe at this time we have the wherewithal financially to encumber this initiative. I would like to

address the letter from Devine Millimet with respect to some of the statements that are said here just to get clarification. Once the joint marketing agreement expired on April 30, 2008, is there anyone on staff or from the Mayor's Office who signed an agreement for them to move forward with this marketing plan?

Mayor Gatsas asked do you mean after 2008?

Alderman Long answered yes.

Mayor Gatsas replied I don't believe so. I am seeing a nod of the head saying no.

Alderman Long stated the letter references that the parties continued to solicit offers so can I assume that 'parties' does not include the City?

Mayor Gatsas responded the City never looked to solicit parties in the sale. It was the broker that was looking for solicitation of the sale. Obviously he was doing it without an exclusive on the property.

Alderman Long asked so when they are referring to parties in their letter they are not referring to the City as being part of that?

Mayor Gatsas answered no. I think what they are saying is that they are moving forward to find a buyer and if they procure a buyer they will bring it forward to the City.

Alderman Long stated and in one paragraph it says "the buyer also incurred expenses for legal and engineering work in an effort to finalize this agreement," but there is no agreement.

Mayor Gatsas responded there is no agreement with the City. I agree with you on that.

Alderman Long replied I spoke with Deputy Solicitor Arnold and when I read this it kind of flagged me as a legal maneuver for Devine Millimet to set a precedence saying we quasi agreed to continue this effort and I am not hearing that anybody in the City agreed to continue this effort. Also, they are referencing that they incurred expenses, so whichever way this vote goes, if it doesn't go favorably to them I just want to be sure that we address this letter. There are some things I don't agree with in here. For example, the last line of the paragraph that says "finalizing this agreement." I don't think there is an agreement with the City so there is no agreement. When it says "the reference of all parties" I want to be sure that "parties" does not include the City. Would the Solicitor agree that that is the case, that the parties referenced in this October 28th letter doesn't include the City?

Mr. Clark responded I don't have the letter here in front of me but as I understand it the marketing agreement did expire, the broker continued to market the property to bring a buyer forward, but the City was not a party to any further agreement at that point. We now have an offer in front of us that you can act on or not act on.

Alderman Long asked so the City didn't even have a verbal request to continue the process and see if we could come up with a developer as far as you know?

Mr. Clark answered not as far as I know.

Alderman Ouellette stated I applaud the Alderman from Ward 2 for his due diligence and his hard work and passion on this issue. It is a very difficult issue. I was talking to Alderman Shaw about this during the meeting. We both agreed that it is a very difficult issue but this issue really wouldn't even be before us in terms

of the School District's interest in this piece of land if the parties hadn't come forward to the City to buy it. There is no plan before us and no plan going back since 2006 that the School District was interested in acquiring land. As Alderman Long said, in terms of what we have for luxuries, time is not one of them. I remember a piece of property around 1999 that the City acquired. It was called French Hall. Back then we said we wanted to take a look at French Hall and see if there was any use that the School District had. There were a couple of ideas back then that floated around about what the use of French Hall would be. Fast forward almost 20 years later and that land, if I am not mistaken, is still vacant.

Mayor Gatsas replied no French Hall is occupied.

Alderman Ouellette responded that is right but there are still issues up in the Hackett Hill area. French Hall is occupied but that issue is still on the table and the School District does not occupy that. I would have like to have seen better planning on the part of the School District because since I was a Board member I know we talked about a piece of property on Karatzas Avenue but this property was never mentioned. In terms of studies of school population and whatnot, those should be right at their fingertips. I remember that we went out several times for school population studies and trends, especially around the time we were talking about the design-build project. With them coming in at the last meeting and saying they would like to take a look at the property, that vote would never have happened if these people hadn't come forward and maybe it is the fault of the School District or the City and I don't know but I do know one thing. I think that we probably need three more elementary schools in this City and that is not going to go away soon. The last thing I am going to say is that it was also said before that we were never going to be able to get an expanded police station because we have no land and we would never be able to do anything with the Highway Department because we have no land but before us we have a proposal to do just

that. I think with a little bit of vision and effort from all parties we can rectify those issues at a later date. Obviously you sat down and looked at some numbers over the past week and it is not going to happen anytime soon. That is basically the reason why I am going to be voting in favor of selling the parcel. Maybe I would want to keep it but I don't think it is the right thing to do at this time. I just don't think we are going to use the land for quite some time.

Alderman Osborne stated being Chairman of Lands and Buildings I brought this up. It is something that I passed on to the rest of my colleagues on Lands and Buildings. The whole thing basically is whether we want it for a school or otherwise or we don't want it. I think this is all we have left and we do have some rezoning to do if we do sell it. There is still rezoning involved. There is a lot more involved after we do sell it for anybody to put 85 homes up there. There is a lot more work to do. It is really a gamble on both sides. What I am trying to say here is like what I said in Committee, that I have knowledge of the old Wellington Road area where my grandparents once owned 9.6 acres of property. I hope this is the last time I have to repeat this but their property recently sold for \$1.1 million. Now we are faced with a land decision in the Wellington Road area of 39 acres, which is approximately four times the size of my grandparents' land in the same area with a selling price of \$1.7 million. Both properties have the same problems as far as land usage on these acres. With today's market, now is not a good time to sell property. My suggestion would be to land bank it. In the future I see the value increasing. It would be an excellent investment over time. In the City if we put up 85 homes that will produce an average of \$4,000 to \$5,000 in taxes per home. However, in the long run it will cost the taxpayers more in services such as education at about \$9,000 or \$10,000 per child plus Police, Fire, and Highway services. This could run as high as three times the cost. There is no big advantage by selling this to get tax money. You can't decrease taxes by increasing population unless jobs and businesses stabilize along with it and even that is not

guaranteed. If the City were to go bankrupt, the cause would not be from not accepting \$650,000 from our portion. The City needs some back up land for the future for a school or something else. We should maintain what we have now. Rome wasn't built in a day. My opinion is to save what we have left and purchase this tract of land from the Diocese and the other property owners for about \$1.1 million, which is what was attained on Old Wellington Road a few years ago. I think it would be an equitable purchase based on the sale of the 9.6 acres. This can be done through the one time account, which we have \$4 million in at present. I know we could use this for taxes if we need it in the near future but I still think that by investing at least \$1 million for this land it would be more equitable to do. What we need is a working City and not a sleeping City. We are putting the cart before the horse. Manchester is growing too quickly and this could have unintended negative consequences in the future. That is what I said at the Committee meeting and to this day I still feel that way. I think we should purchase this property from the Diocese and the remaining four or five property owners and the City should retain this land.

Mayor Gatsas stated just for the record, in 2006 we rezoned this property. We rezoned it from lots of 7,500 square feet to lots of 12,500 square feet so that the density would be reduced. The Board in 2006 did that and they voted unanimously to do that. So the zoning has already been done. The Board in 2006, which I will remind you was in good times and probably some of the best real estate times we have seen in a lifetime, put the property on the market at \$2.2 million. We didn't get an offer. We had no offers in the best of real estate times. If we are waiting for better times to sell the property at a higher value, I don't think we can ever think they will exceed the levels we could have gotten in 2006. All I am saying is it was on the market in the best of times. The Board then reduced the density on that property because before the reduction in density you could have put 144 or 146 units on the property with 7,500 square feet per lot.

The Board thought that was too dense and changed the zoning to bring it to 12,500 square feet.

Alderman Osborne asked which property was this?

Mayor Gatsas answered right here. The 39 acres that are before us.

Alderman Osborne asked so we rezoned all of the property?

Mayor Gatsas answered yes that property was rezoned to go from 7,500 square foot lots to 12,500 square feet. The then Alderman in Ward 2 did that.

Alderman Osborne asked can you put 85 homes there now?

Mayor Gatsas responded yes. It went down from over 100 to 85.

Alderman Osborne stated well I still say that taking the \$1.1 million or whatever it is out of the one time account...I would rather put an investment like that into property than to leave it where it is now at little over 1%.

Alderman Ludwig stated my information tells me that the property was marketed for \$2.825 million not \$2.2 million.

Mayor Gatsas responded you are right. It was \$2.8 million in the highest real estate times on 85 lots. If we do the math and divide 85 into \$2.8 million, what does that give you for a lot cost?

Alderman Ludwig replied I don't know. You are a lot better at math than I am.

Mayor Gatsas asked roughly \$20,000 I believe. I understand what is buildable and what isn't buildable but this Board...and I think Alderman O'Neil agreed with the then Alderman that the density of 140 homes was much too great and we had to reduce the density on that lot. I understand where we are going but that has already been changed.

Alderman Osborne stated it has changed but it wasn't all ready to go at that time. It was one piece of the plan.

Mayor Gatsas responded we marketed it as if we were going to sell it as one piece. We weren't just selling our piece.

Alderman Osborne asked and everybody was ready to sell their portion at that time?

Mayor Gatsas answered we didn't have a buyer come forward on it.

Alderman Osborne stated but you didn't have everyone to sell it either.

Mayor Gatsas stated I agree with you but there is no zoning change needed. There is nothing that says we need to change the zoning.

Alderman Osborne replied well, forget the zoning. I still think it is a good investment.

Alderman Corriveau stated first before I begin my remarks I have two questions for the Solicitor, just to get this on the record as I believe Alderman Long was attempting to do. There is no current marketing agreement involving these parcels of land, correct?

Mr. Clark replied the marketing agreement has expired.

Alderman Corriveau asked so without an existing marketing agreement how could any liability be attached to an expired marketing agreement?

Mr. Clark answered I don't see a liability at this point.

Alderman Corriveau asked and the purchase and sale agreement has never been executed by the City?

Mr. Clark replied there has been no purchase and sale agreement executed. That is correct.

Alderman Corriveau stated I guess to begin I certainly understand that these are tough economic times and I understand the budgetary restraints we are going to be facing as a Board in the near future but I don't think that necessarily should rob this Board of a potential vision because, speaking for myself, I don't want a future Board five or ten years from now to be looking at school data realizing we very well may need a new school or some sort of open space for the City in northeast Manchester and then look back to this day in 2010 and say, 'If only that Board had a little bit of vision we wouldn't have to go in to a good real estate market in northeast Manchester and try to buy ten to 39 acres for considerably more than \$1.7 million'. I don't want a future Board to run into that scenario. I think there is such a thing as pragmatic vision. In terms of the reality of today's situation, the reality is we live in a depressed residential real estate market. There are foreclosures throughout the City, including in the Wellington area. If we couldn't sell the property in the best of times in the real estate market it seems to me that should tell us that we shouldn't be selling it in the worst of times. There is a

scarcity of land in northeast Manchester. That was the overwhelming consensus of the community meeting that Alderman Ludwig and I held. The overwhelming consensus of that meeting was concern by the residents of the Wellington Road area about the burden that 80 to 85 homes would put on City resources, schools, highways and all City resources in return for one time money of \$600,000 to \$650,000. They asked Alderman Ludwig and me to ask our colleagues to do our homework. Now, part of that reason is because there are overcrowded schools in northeast Manchester. Alderman Ludwig spoke to that. We also know that we have a request from the Board of School Committee not to sell this land at this moment so that they can conduct an audit of their needs. That says to me there is still work to be done if we want to do it. Finally that tells me now is not the time to sell this land. Now does that mean we should buy this land? I think that is for every member of this Board to decide for him or herself. Alderman Ludwig and I think that it could be a great opportunity but I understand these are tough times and I would respect every member's decision if they didn't want to buy that land. That is fine but I am asking my colleagues at this time not to sell this land. We are in a depressed residential real estate market. There is a scarcity of City land in northeast Manchester and we are dealing with overcrowded schools and the Board of School Committee is asking us for a chance so that they can do their homework. As one City I think we should do that.

Mayor Gatsas stated I have heard twice comments about us being one City. I am glad to see that we are all focused on those discussions because we are one City. There is no question that we are but I guess the question that first needs to arise is the School District asked us to hold the land so they can take a look. The School District understands one thing and this Board should understand the same thing. The School Building aid is no longer in existence. That paid for 40% of a project. So if we were to build a \$10 million school, building aid would have paid 40%. That is now gone. The next thing is it costs you about \$4 million a year to operate

that school. We are in trying times. I am not sure where that money is going to come from. We talked about capacity in schools and how this was going to put a burden on schools. There was not one bit of discussion that went out about the land in South Manchester next to Gold Street where there are 144 apartments going in. We rezoned that piece of land but there was never any discussion. I don't know. Is there no impact with 144 apartments? As a matter of fact, the Diocese owned it and they came to this Board and we were going to receive no monetary value for it but we rezoned it and now they have 144 units going in there. I don't know. Do we think that for one second Beech Street School has the capacity to absorb that or maybe we should turn around and tell an entrepreneur that is coming forward that even though we are in the worst economic times in building, he is looking to take an opportunity. He is looking to go out and build 85 houses, yet we are telling him he shouldn't do that because times are bad. Who are we to tell business when they should be taking opportunities and whether they should be building or not? We are government. We shouldn't be telling private industry that. Let's talk about some history because I have only been around for a short ten years but there are a few transactions that I can remember that Boards that I sat on made when they made decisions on real estate transactions. Let's talk about the first one at Hackett Hill. We invested \$10 million in Hackett Hill. We now hopefully can get it under agreement in the next two weeks with some concessions so that we can build a new fire station on that property and sell it and recoup some of our money. I would say that was a bad business decision. The second one is we bought Jac Pac. We paid \$3.6 million for it. The person that was bidding against us was willing to pay \$3 million. As a matter of fact, five years later no real estate taxes have been paid on that property because we owned it as a City. We turned around and sold it back to the original individual who wanted to pay \$3 million. What did we sell it for? \$3 million. I would say that was probably a bad business decision. Let's talk about the baseball stadium. We divided that and allowed personal guarantees that we had on all of the property to

be relinquished so that there were individual guarantees on three separate pieces. Right now, thankfully, somebody has bought the additional development and hopefully we are going to get something built. When I look at people saying we should land bank something and we should wait for better economic times, we have a business owner who is coming forward and saying he wants to take a chance; he wants to build 85 homes and we are telling him times are tough and he shouldn't even think about doing that. We shouldn't think about having kids in that district because in south Manchester next to Gold Street we just put in 144 apartments and I am not sure about the capacity there. I don't know if Highland Goffes Falls has the capacity to take those children, let alone the traffic that we have had discussions about on Gold Street. I look at this piece of land and ask why the City is prepared to get into a discussion about buying something and holding it. At least we should tell the people who own the property that we will buy them out. If we are prepared to land bank something for the next 15 years that is fine but I can't tell you that I will recommend it because it makes no sense in these economic times that we would be land banking something for a school that we aren't going to have the funding to build. I agree with Alderman Ouellette. We probably need three schools. That is \$30 million. Where are we going to get that money? As I conclude my remarks, I have not yet seen and if somebody can show me in the last ten years where we have made one decision that was right when we talk about land banking and holding property. Does anybody have one that I missed or maybe I missed another one that we did that was bad?

Alderman Roy stated Wall Street Towers.

Mayor Gatsas responded not Wall Street Towers but Bridge and Elm. That was another one. I think there are a few more that I can go through on decisions that we made when we think we should be in the real estate business. That is not what the City is cut out to be. I am sure that we can go through and in the past there

have probably been Chairmen of Lands and Buildings who looked at all of the property we owned and tried to sell them. For the School Board to come back and say we should hold onto it and they are just scot free as far as where the funding is going to come from to do it is not a right analysis. We looked at Beech Street school. We put in this year's budget to go to Concord \$10 million for an appropriation to look at Beech Street School and rebuild something there. \$10 million was in the money we set aside for building aid. We didn't do it because we couldn't fund it even though that money was available for a 40% match.

Alderman Roy asked before I give you my ideas, are we going to vote on this tonight? I know there is one Alderman missing and I know we said if it was a big issue we weren't going to vote. I don't know if this discussion should go on if we are not going to vote on it tonight. That is my first question.

Mayor Gatsas replied I can only tell you that Alderman DeVries sent my office an e-mail that said she has no problem with anything moving forward. If the Board so wishes and wants to wait, I don't have a problem with that.

Alderman Roy stated in response to Alderman Ouellette when he was asking about trends and stuff when Planning came in front of Lands and Buildings I know that I asked a couple of questions and one was whether Parks or Schools asked us to keep this property and the answer was nobody has approached them about it. I asked about enrollment trends and they told me that the enrollment trends were heading down slightly so that helps us there. My big problem is that there is no immediate use for this land. Essentially you are asking me to spend the taxpayers' money on land speculation. I am not going to do that with my own money at home. I am not going to buy land because it is cheap right now because I don't know when it is coming back up. I am certainly not going to do it with taxpayer money. I have heard vision a couple of times tonight and I have a vision for

Manchester as well. It just doesn't include this project. My vision is that this is a destination where people can come and enjoy themselves like a few weekends ago when we had the Chili Cook-off. That is my vision. It certainly isn't land speculation and that is why I am going to vote to sell this.

Alderman Craig stated this is a very difficult decision but I do agree with Alderman Corriveau and Alderman Osborne when they talk about weighing the short-term benefit against the future burden of what this sale would do. I think we do have to think about the schools and we have to think about the City services. Eighty homes that are the size where there would be two to three children per home are certainly going to add volume to the schools. Are we prepared to have that? Your Honor you brought up our history with properties and I appreciate you providing that but I think that the big difference here is that we are talking about a large volume of land that we don't typically see and that is why I feel there is a difference between the purchases that we made prior to and what we are looking at now. Green space is very important, at least to me and to others who I have spoken to. I think we need to consider that in this decision. Thank you.

Mayor Gatsas asked so is your opinion that we just leave it as green space and do nothing with it. Don't build a school because we need green space? Is it your intent that we just leave it there as green space?

Alderman Craig answered I don't know what we are going to do with it but looking at the map and looking at the land, a lot of it is not buildable.

Mayor Gatsas replied correct. There are about 11 acres not buildable.

Alderman Craig stated so there will be a lot of green space there.

Mayor Gatsas responded right and the builder said that he will turn those 11 acres over to the City to do whatever they wanted to do with that green space.

Alderman Craig replied I understand.

Alderman Ludwig stated I just have a couple of points because I already said enough but as it relates to building an additional school, that wasn't my thought, Your Honor. I looked at Weston School, as Alderman Corriveau has, and I believe in front of the CIP Committee tonight we had Southern NH Planning obtain some grant money to go out and help them out in terms of traffic patterns around the school, which are very difficult. We have many schools that are like that, not just Weston. So the building is still a good building but the corridor of Hanover Street that it exists on is becoming more and more commercially developed. The footprint in the back of the building, I call it a little alley and I forget the name of it...we tried two years ago when I was at Parks to cut in a bus drop there and I think it has helped. Since that time it has become problematic again. So the building is a decent building but it is just on too small a footprint and it is very difficult off of Hanover Street...kindergarteners are being dropped off on Hanover Street and it is not a good thing. My idea wouldn't be to build an additional school. My thought was on a parcel of this size possibly down the road we would get rid of Weston School and sell it. The property in South Manchester...I was on the Planning Board for many years and a lot of projects came in front of them. That is a private development. The Planning Board I think does the best it can within its purview to deal with private land owners in terms of building. The difference is, Your Honor, that we own 39% of this property. I don't believe we owned any portion of the South Manchester project. Maybe the Diocese did and maybe I am mistaken and we did own some of that property. I don't believe we did. The other thing is that I am sure there are some schools, and maybe Alderman Shea can tell me that this didn't happen, but when I look around

the City most of the places we choose to build new schools are in park land so we don't have to have any land. We can knock down JFK and add on to Beech Street School and take more park land. Then we can go into Rock Rimmon and dig into the side of a hill and we build another school. Then we go over to Hillside and dig into another hill in park land and build another school. I remember riding around with a consultant one time who said he had never seen a City that dug into so many hills like bunkers to build schools. That is because we don't know where we are going and the School District doesn't have a plan and the City doesn't have a plan. We are City without a plan I guess. The fact of the matter is that I get tired of hearing that we have places to build and we made bad real estate deals. I wasn't a realtor and I am still not a realtor. I am not becoming a realtor and I don't think we should either. This is a piece of raw land just like across the street that Alderman Osborne alluded to. I think it was called a pig farm at the time. That was a beautiful piece of property that we probably could have built something else on at one time and we put work force housing there. I don't want to debate you but if you are going to make statements about West and South Manchester that is just how I feel. I appreciate everything you said.

Mayor Gatsas replied let me just clarify a couple of points, Alderman. Not this Board but a Board rezoned the land off of Beech Street and Gold Street. We rezoned that to multi-family. This Board did that.

Alderman Ludwig responded I wasn't here.

Mayor Gatsas stated I didn't say this Board. There was a Board that did that. We increased the density on that piece of land. That is one point. The next point is that when we talk about realtors you are right that we are not realtors but when we talk about schools...and if you want to say we can sell Weston School as surplus we would then have to...there are 625 students at Weston School. If we

were to build a new school on this site we would have to build it at 800 to take care of the capacity. Right now what they are telling you nationally is that when you build an elementary school you should build it as a neighborhood school. So we shouldn't be looking to increase the size of the schools. If we are going to do it we should be looking to build neighborhood schools. Eight hundred students in an elementary school is not a neighborhood school.

Alderman Ludwig asked where would we find property to build a neighborhood school in Manchester without recycling property?

Mayor Gatsas responded that is a good point but where are we going to find the money to build a school, period?

Alderman O'Neil stated despite the encouragement by my colleagues to get involved in this discussion I wasn't originally going to get into it but you helped me along because you have some selective memory and you don't always share the whole story. When you talk about the rezoning in South Manchester of the 144 units on the Diocese property I was on the Board and will speak for myself. I feel that I wasn't fully informed and in my opinion I was misled by some other elected officials and I think the residents of South Manchester were misled. You can't say that project is similar to this. That is not a great comparison. You are trying to put these all together and they are not. That is a completely different situation. This Board was not fully informed. We trusted the judgment of one of our colleagues. He did not provide all of the information. We later found out, not too much later, that not only did he not provide us the information but he didn't provide the people that he represented that information. You can't throw that in the middle of this. You brought up the Riverfront development and Hackett Hill and Jac Pac and what lousy deals they were. I will tell you that I think the Hilton Garden Inn is doing pretty well and I think Merchants Stadium and the Fisher Cats

are doing pretty well. Even the condos that Mr. Chinburg owned, some are doing pretty well. We see Hackett Hill finally moving and we certainly know there is activity at Jac Pac so I don't know that you can taint those as bad decisions by the elected bodies in getting involved in the business deals. Certainly it created a whole lot of construction jobs and more importantly a lot of permanent jobs. I just want to go to Attorney Callaghan's letter because I think he is missing a third option, as I think Alderman Long mentioned. That is, we can do nothing. We can just leave the land. The developer can move forward and buy the other pieces of property from the Diocese and the other property owners and do what he can with it. I learned tonight that the Diocese land might not have great opportunities and has some environmental issues. So we are getting close to a split on it and it may be that our land is worth more than the Diocesan land is worth. I do feel bad about the last paragraph because it references St. Joseph's Cathedral and I saw Father Joe Cooper, the Pastor, here. I hope the Cathedral didn't move forward on these improvement projects with somebody behind the scenes, and we have heard these promises before, telling them the deal was going to get done. I wouldn't expect that. I hope Father Cooper and the parishioners of St. Joe's were not promised that this deal was going to get done and that is why they moved forward on their improvement projects at the Cathedral.

Mayor Gatsas responded just for clarification...

Alderman O'Neil interjected with all honesty, Your Honor, if you are going to debate you should really step down.

Mayor Gatsas replied I don't have a problem with that, Alderman, but you took your opportunity to tell me that I wasn't clear on my recollection so let me help you with your recollection. We rezoned that when the Home Depot deal was before us, not the Wal-Mart deal. It was the Home Depot deal. We all voted for

that Home Depot deal. There was supposed to be a circumvention road that came in and that is why we rezoned it. The Home Depot deal didn't happen. So this Board knew all of the parameters of that deal. It had nothing to do with the Wal-Mart deal. So that is just for clarification.

Alderman O'Neil responded you are correct, Your Honor.

Mayor Gatsas stated thank you.

Alderman Osborne stated I just want to ask one more question and then I guess we can take a vote. Basically if I ask you a question right now would you give me an honest answer?

Mayor Gatsas replied Alderman Osborne, I really take exception to that because I don't think I have ever given you anything but an honest answer on anything.

Alderman Osborne responded that is fine. Here is the question. If you owned this 39 acres right now would you sell it for \$1.7 million?

Mayor Gatsas answered absolutely.

Alderman Shea stated I appreciate the discussion of my colleagues. It is very interesting. However, my wife is not too pleased because she is saying something else, as we discussed. Anyway when we met at Lands & Buildings I said that I had a dilemma because on the one hand we have the City, which, as you indicated, is not in the real estate business. On the other hand we have land that has been set aside. At the time I said we are focusing on schools but I think that is a plot of land that if we were really creative in our thinking we could do certain things with that would benefit the City. I am not saying we could do it without a study or

without minds that work creatively. I think that the focus has been on schools but there are other uses for land within the City that obviously as a community we could use to our advantage. Now I don't know whether or not it makes much sense to sell the land tonight and I certainly wouldn't approve of selling it tonight but I would say that we need to think about what is the best use of that land as a Manchester community. I would say that there are people in our departments who are very talented, as there are members of this Board who are very talented, and I would say that we could come up with ideas that would generate a certain amount of usage for that land whether the best process within that context would be at a future time like within a month or two months or a reasonable time to approach different types of individuals within our community and ask them, like entrepreneurs and people interested in health. We have the clinic up that way, which would prove to be a partner if they so wished to have some sort of development there, which is close to where they have their main offices. We could look in terms of other community facilities. I say why don't we have a committee put together to look at the positives and negatives and come back to the Board within a reasonable time and say if it is in the best interest of our community to retain the property or if it is available to buy out the people who now own other pieces of that property or if it makes no sense to keep it and therefore we could sell it. I would say there certainly should be a study or a commission...maybe you could assign people to that commission Your Honor and maybe it could be comprised of other people in our community. That would be my thought at this time.

Alderman Shaw stated I first would like to clarify the apartments. There are 190 units and 11 single family homes but they are high end apartments and we discussed the impact to the schools and it will be minimal. They are not expecting a lot of those apartments to have children. It would be mostly high end young married couples or career people. Secondly, I have always said the City is crazy

to sell land and we should hang onto it because we don't have any and what we have we should keep for possible future use. I am concerned that the \$650,000 or whatever we make from this is not going to wash the costs that are going to be incurred next year when the budgets are already being constrained. Are we actually going to make money by selling this when we are going to have the added impact to our Police, Fire, and other City workers? I also was going to say what Alderman Shea said. I would like to see a brief hold for two or three months, just to have a chance to determine if we are going to use it or not. Is it something we really want to keep or not? I don't think anybody has done that yet and I think the School Department just came out with this...I just don't know. It seems like it is premature but we need to have something definite stated. Can we use it or can't we? Is our vision going to be good by keeping it or not? I personally haven't had enough time to decide that.

Alderman Arnold stated with all due respect to all of my colleagues who have spoken about vision and short-term versus long-term benefits and whether or not this particular proposal has been vetted enough, I am certain Your Honor can appreciate, as you have often been an advocate of process, as I have often verbally commented on process, that this proposal went through the process. It went through Lands & Buildings. My understanding is that staff weighed in on it and a majority of the Committee voted to have the City sell it. When we talk about asking for more time so we can get some more information, in this particular instance, Your Honor, I think that the Committee has done its job and has presented the information to this Board. Could Attorney Callaghan have included other alternatives in his letter? No question, but I think he is absolutely 100% correct when he talks about the investments that have gone into this. He talks about the current property owners and the expectation and how long this has been sitting there doing nothing. I can certainly relate to Hackett Hill. I don't want to see another portion of City-owned land being under utilized or completely

unutilized and I feel as though if we do nothing that is exactly what is going to happen. So I am in favor of selling this property and I would ask my colleagues to do the same.

Alderman Lopez stated I have a couple of points and then I think we should move on because I think everybody knows how they are going to vote. It is \$650,000 and as we go into future weeks if we decided to buy this land you are talking about another \$1 million or \$1.1 million, so for \$1.7 million that is 1% that we will be losing and I can't afford to lose 1% as an Alderman knowing some of the numbers going forward. I think the other point that I want to make is four and a half or five years ago there was a committee of the School Department that worked day and night to solve some of the problems with the schools. I believe it was NASDEC and they had no results. I shouldn't say no results because they did put money in schools that the report said we should get rid of but we kept them. I don't want to get into that dialogue. I would like to move forward and vote on the Committee's report and I would ask for a roll call vote.

Alderman Lopez moved to accept this report and adopt its recommendation.

Alderman Arnold duly seconded the motion.

City Clerk Matthew Normand stated just so we are clear, after this motion, depending on how it goes, Your Honor, we would have to deal with the ordinance that is also attached on pages P-6 through P-11.

Mayor Gatsas stated just for clarification, the vote will first be taken to sell the property and then we would deal with the ordinances following that.

Aldermen Lopez, Greazzo, Ouellette, Arnold, Long, and Roy voted yea. Aldermen Shea, Shaw, Craig, Ludwig, Osborne, Corriveau, and O'Neil voted nay. Alderman DeVries was absent. The motion failed.

Alderman Shaw moved to table the report. Alderman Arnold duly seconded the motion.

Alderman Ouellette stated I have a parliamentary question. Are we really tabling a motion that we just defeated?

Alderman O'Neil stated there is nothing to table.

City Clerk Normand stated you can table the report of the Committee.

Alderman Shaw stated that is what I meant. Do we want to add a timeline?

Mayor Gatsas responded the tabling motion is there. You can pull it off the table at any point. I heard where Alderman Shea was going.

Alderman Lopez stated I have a parliamentary statement. I think the maker of the motion could put a timeline on the tabling.

Mayor Gatsas replied she could if she wanted do.

Alderman Arnold asked could the maker of the motion also add to the tabling motion that the City accepts the School District's request?

Mayor Gatsas answered no. The tabling motion is a tabling motion and that is all we can deal with.

Alderman Shea asked can I get a definition of the tabling motion? In other words what are we actually tabling?

Mayor Gatsas answered the motion was defeated to sell the property so what we are tabling is the Committee report brought forward to sell the property. That is what we would be putting on the table and it would sit there for whatever amount of time we allow it to.

Alderman Shea asked where would that report go, to Lands & Buildings or to the full Board?

Mayor Gatsas answered it would stay right on the agenda of the full Board.

Alderman Shaw stated I would like to modify my tabling motion. I would like to table the Committee report until such time as a review of the use...

Mayor Gatsas interjected you can put a time limit but just to say to review it, it could be two years before anybody reviews it. If you would like to say that we will bring it back within 30 days after review by all departments or if you want an independent group...

Alderman Shaw interjected I would like to say three months or sooner when a review by the departments can be done to see if there is value in holding onto this land.

Mayor Gatsas responded I think we already had the departments weigh in at the Committee level. The departments have said that none of them have use for the property. That has already been done as we would have to do with any piece of the property that we liquidate.

Alderman Ludwig asked what about the School District?

Mayor Gatsas answered in case you don't understand, they are not a department they are a district.

Alderman Ludwig replied I understand that.

Mayor Gatsas stated they are not a department. The departments of the City have come back with a report to the Committee on Lands & Buildings.

Alderman Ludwig stated the School District weighed in 13-2.

Mayor Gatsas responded but they are not a department. She asked if the departments are going to come back. If she wants the School District to weigh back in that is fine.

Alderman Ludwig replied they were part of the request of Lands & Buildings to be a part of the team that weighed in as a district.

Alderman Roy stated we asked Planning if they had weighed in. They had no request at that time so they had weighed in by not requesting anything.

Alderman Shaw stated I would like to table this for a maximum of two months for further review.

Alderman Ouellette asked what happens at the end of two months if nothing happens?

Mayor Gatsas answered I can only tell you that once it goes on the table if there are enough people that want to take it off the table then it will come off the table even if it is sooner than 60 days and we can move forward on either killing it, passing it or not passing it.

Mayor Gatsas asked will you accept the friendly amendment to the tabling motion?

Alderman Arnold answered yes.

Mayor Gatsas stated there is no discussion on a tabling motion and we have discussed it on parliamentary inquiry for the clarity of the Board and letting them move forward.

Alderman Long asked can I get a clarification from the Solicitor? We just voted down a Committee report so what are we tabling?

Mr. Clark answered technically the Board didn't vote down the Committee report. The motion was to accept the Committee report and that failed so the Committee report is still sitting there without action on it. You could table it or receive and file it or deny it.

Mayor Gatsas called for a vote on the motion to table. **Alderman Arnold** requested a roll call vote.

Alderman Shea asked so for clarification, we are not referring it back to Lands & Buildings? You said we are keeping it at the Board level?

Mayor Gatsas answered yes.

Alderman Shea asked so a vote yes would be to keep it at the Board level and a vote no would be to defeat the tabling motion?

Mayor Gatsas answered that is correct.

Aldermen Arnold, Craig, Roy, Shaw and Ouellette voted yea. Aldermen Ludwig, Long, Osborne, Corriveau, O'Neil, Lopez, Shea, and Greazzo voted nay. Alderman DeVries was absent. The motion failed.

Alderman O'Neil moved to receive and file the report of the Committee.

Alderman Roy duly seconded the motion.

Alderman O'Neil requested a roll call vote.

Alderman Greazzo asked is it safe for the Diocese to continue forward with their sale and then we are stuck with just our parcel?

Mayor Gatsas answered no, because this is not 19 acres that are owned by the others and 20 acres owned by the Diocese being contiguous so they can separate. It is a patchwork of lots. There is no division that you can say, 'Sell your acreage

and the other five people can sell theirs'. There are lots all over the place that are patchwork in 39 acres.

Alderman Greazzo asked so the other land owners are now unable to sell their properties until we decide what we are going to do with ours?

Mayor Gatsas answered that is correct.

Alderman Greazzo stated I don't find that to be the case, Your Honor. I think if they are able to enter into a sales agreement with the developer, even if the developer wants to take them in patches. He might not be able to develop them unless they are contiguous enough to make the 12,500 square foot lot requirement...

Mayor Gatsas interjected he can't do it because there are roads that are paper streets in there that are owned by the City.

Alderman Greazzo asked and that is what would hold up this project?

Mayor Gatsas answered there are various things that would hold it up. Obviously this just goes away and my bet is we settle it in court and that is where we will probably be.

Alderman Greazzo stated Your Honor, I see this as another reason why business does not want to come to Manchester.

Alderman Shea stated what I would like to suggest as I said before is a commission of people that would the decision we made tonight would stand but they would come back to the Board of Mayor and Aldermen or to the Lands &

Buildings Committee, whichever is more preferable after a study is done in two months to find out whether or not that land can be used for some sort of development. I would like it to be an honorable group of people. In other words it should not be a group that is leaning one way or the other. They would be like a jury that would look at the facts and all of the implications and the negatives and positives and come back so that those of us who are in a dilemma can say it is in the best interest to sell the property or it is not in the best interest to sell the property. We are focusing, like I said before, on one particular item but I would say if we have industrialists and entrepreneurs and others in the community, they may be able to help us in this regard. Again, we would just look at their study or whatever their conclusions are and say we feel more confident about what we should do, predicated on what we receive. I don't know if the Board wants to accept that but that is my motion at this time.

Mayor Gatsas replied I can only tell you this. Alderman O'Neil made a motion to receive and file. If that motion is defeated then we will listen to your motion and I guess we can find something that we as a Board can agree to do. Certainly that motion would come after Alderman O'Neil's motion.

Alderman Lopez stated whether it is the School Department or the City, there will be funds involved and for somebody to look into that and give a qualified answer as to what can be built there other than houses, if they want a school there what size and how many acres...that is all going to cost money. I don't know who is going to pay for that.

Alderman Shea replied I am not suggesting that we pay anyone anything. I am suggesting that people volunteer for a commission or a committee similar to what you established when you first took over as Mayor looking over the different school situations as well as how to improve the community at large. I am not

saying we should pay anyone anything. I am asking for community volunteers. I am sorry if I gave the impression that we are going to spend one penny.

Mayor Gatsas responded I can't recollect if that commission made any suggestions on City land. I don't think they made a particular suggestion on this parcel but I am not sure if they made suggestions on other parcels that we had throughout the City. Alderman O'Neil has a motion on the table to receive and file. If he wants to withdraw his motion and take your motion he can do that but that would be a decision he would make.

Alderman O'Neil stated let's move forward on the vote. We will be here all night if we don't.

Alderman Lopez stated one other point I would like to make is I hope this motion is defeated so that reconsideration can be done when Alderman DeVries is here. She should have been here tonight but she is out campaigning.

Alderman Ouellette stated when the dust settled I was going to make notice for reconsideration with the Clerk at the next meeting. That is my intent as well.

Mayor Gatsas asked on the motion that was just defeated to accept the Committee report?

Alderman Ouellette answered yes.

Alderman Lopez asked does reconsideration take precedence over receive and file?

Mayor Gatsas answered I would leave that answer up to the parliamentarians in the back row.

Mr. Clark stated the Mayor is the parliamentarian here. There is a motion on the floor already.

Mayor Gatsas stated right, but Alderman Lopez's question is if the receive and file motion passes and it is received and filed, can...

Mr. Clark interjected under the rules an Alderman can still request reconsideration at the next meeting.

Alderman Ouellette stated I didn't hear what he said, Your Honor.

Mayor Gatsas responded he said that under our rules if the motion does pass somebody in the minority can make a motion of reconsideration and it will come up at the next meeting.

Alderman Ouellette asked of the report being received and filed?

Mr. Clark answered whatever he is giving notice on. If he is giving notice on the original vote, then that would come back up.

Alderman Arnold stated just so I am clear, a vote to receive and file this kills this project in its entirety. Is that correct?

Mr. Clark responded unless someone gives notice of reconsideration in which case it would come up at the next meeting.

Alderman O'Neil moved to receive and file the report of the Committee.

Alderman Roy duly seconded the motion.

Alderman O'Neil requested a roll call vote.

Aldermen O'Neil, Shea, Shaw, Craig, Ludwig, Osborne, and Corriveau voted yea.

Aldermen Lopez, Greazzo, Ouellette, Arnold, Long, and Roy voted nay. Alderman DeVries was absent. The motion carried.

Alderman Lopez gave notice for reconsideration.

Mayor Gatsas asked does he have to identify which motion he wants reconsidered?

Mr. Clark answered I believe they can both give notice – one for each.

Alderman Lopez asked notice of reconsideration of the Committee report at the next meeting?

City Clerk Normand asked on the receive and file motion or the acceptance of the report?

Alderman Lopez answered acceptance of the report.

Alderman Corriveau asked do we get to vote on this, Your Honor?

Mayor Gatsas asked on what?

Alderman Corriveau answered the notice for reconsideration.

Mayor Gatsas stated at the next meeting you can because he is in the minority.

4. Nominations to be presented by Mayor Gatsas.

Mayor Gatsas stated pursuant to Section 3.14 (b) of the City Charter, please find the following nominations:

Craig Langton to succeed Michael Langton (resignation) as a member of the Board of Adjustment (Zoning), term expiring March 1, 2011;

Phillip Sapienza (labor representative) to succeed himself as a member of the Water Commission, term to expire January 2014;

Kimberly Griswold to succeed Louis D'Allesandro (term-limited) as a member of the Water Commission, term to expire January 2014;

Jeff Dobe to succeed himself as a member of the Senior Services Commission, term to expire January 1, 2014;

William Cashin to succeed himself as a member of the Manchester Housing and Redevelopment Authority (MHRA), term to expire December 31, 2015;

Stephen Patterson to succeed himself as a member of the Revolving Loan Fund Board of Trustees, term to expire June 1, 2013;

Patrick VanRoyen to succeed himself as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2014;

Sheryl Brodeur to succeed James Clinton Harris as a member of the Office of Youth Services Advisory Board, term to expire January 1, 2014;

Michael Farley to fulfill a vacancy as a member of the Heritage Commission, term to expire January 1, 2013

Kristy Roney to succeed herself as a member of the Heritage Commission, term to expire January 1, 2014.

Alderman O'Neil moved to suspend the rules and confirm the nominations of all of the people who are succeeding themselves. Alderman Corriveau duly seconded the motion. There being none opposed, the motion carried.

Mayor Gatsas noted that the remaining nominations will layover to the next meeting of the Board pursuant to Rule 20 of the Board of Mayor and Aldermen.

5. Confirmation to be presented by Mayor Gatsas:

Arts Commission

James Chase to succeed Elizabeth Cash Hitchcock (term limited) as a member, term to expire December 1, 2013.

On motion of Alderman Arnold, duly seconded by Alderman Shea, it was voted to confirm the nomination.

On motion of Alderman Roy, duly seconded by Alderman Long, it was voted to recess the meeting to allow the Committee on Finance to meet.

Mayor Gatsas called the meeting back to order.

8. **Report(s) of the Committee on Finance**

There were no reports.

9. Report of the Committee on Human Resources/Insurance

The Committee on Human Resources/Insurance respectfully recommends, after due and careful consideration, that CIGNA be authorized to offer the CIGNA Comprehensive Indemnity Plan, effective January 1, 2011, to City retirees over the age of 65.

On motion of Alderman Shea, duly seconded by Alderman Ludwig, it was voted to accept this report and adopt its recommendation.

10. Report(s) of the Committee on Community Improvement

There were no reports.

Mayor Gatsas stated the report that showed the additional funds that were received during the course of the year, if it is okay with you Alderman O'Neil, you can make a copy and distribute it to the full Board or we can do it out of our office so that everybody has that.

Alderman O'Neil replied if it is easier I would rather have your office do it, Your Honor.

Mayor Gatsas stated just so everybody knows, I gave Alderman O'Neil a report that shows all of the projects and funds that came after we did the budget and additional new monies because as we read the CIP reports it says amending such and such a number and this makes us understand that there are no additional funds coming, we are just appropriating or amending that budget. That really means there could be another \$100,000 from the federal government from another source.

I just asked that we report those to the Board so that everybody would know that is new funding.

Alderman O'Neil stated I believe we had three tonight for new funding.

Mayor Gatsas responded right and I believe in your Committee we changed it so it says new funding. I will send you that report so that everybody can see it.

11. Report of the Committee on Public Safety, Health and Traffic

The Committee on Public Safety, Health and Traffic respectfully recommends, after due and careful consideration, that the request from the Daughters of Elizabeth for free parking for approximately 12 people in the Hartnett Parking Lot, from November 1, 2010 to November 15, 2010 and from December 1, 2010 to December 15, 2010, be approved.

*On motion of **Alderman Roy**, duly seconded by **Alderman Long**, it was voted to accept this report and adopt its recommendation.*

12. Discussion regarding possible foreclosure proceedings on Lowell Terrace.

Mayor Gatsas stated I think everybody knows that at least for the time that I was on this Board this was in Lands & Buildings on the table for the whole time. We have been attempting to get some passage with the owners currently in place and certainly in having conversations with them we were looking to sell the property or have them buy us out of the property because we are their partner at somewhere around the assessed value. I will tell you that they came in and looked for a change in revaluation and the revaluation came in at about \$1.65 million. I went back and said whichever is more, either the revaluation of \$1.65 million or the appraised value, is what we would sell the property for. From there I will leave it up to Attorney Clark to discuss. Both of those offers have been rejected and they

came forward with a price that is less than the revaluation. I have asked Attorney Clark to brief this Board on what it would take to move forward on foreclosure proceedings because they are delinquent on the loan and they have been delinquent for a long time.

Mr. Clark stated currently the City holds the promissory note on Lowell Terrace. It is made up of two components. One is a mortgage of \$1.25 million and the second is basically a mortgage of \$250,000. The \$250,000 note is due. There was some confusion many years ago as to the conclusion dates. One was extended and one was not. The owner had requested that the date for the \$250,000 loan be extended until 2013 to coincide with the other note. That has been tabled in Committee and nothing has ever happened with it. We have had discussions with the owner to get a buy-out of the City. Basically the \$250,000 note states that the City is entitled to half of the appraised value of the property. There is dispute as to what can be deducted from that appraised value and whether or not they can take the balance outstanding on the balance of the other portion of the mortgage, which is approximately \$218,000. The City has a few options. We can make a demand for the payment. To do that we would then have to go through an arbitration procedure on the notes to come up with the appraised value. We may have some litigation to resolve what can and cannot be deducted. If they fail to pay, we would then proceed with foreclosure. That would require the City to be able to bid at the foreclosure sale if it ever gets to the point for up to about 70% of the value of the property the way the current federal laws are. This whole process will take somewhere from six months to a year. The City's options are to do nothing, as he is still paying his underlying mortgage; demand payment; or try to work out an arrangement with them in some other terms. The City had asked that we agree to set the value of the property at the assessed value of \$1.652 million and split that in half and allow him to deduct his outstanding balance. He came back and said the \$1.652 million was too high and he would be willing to go to \$1.545 million.

That is as far as we have gotten. If this Board wants us to begin with demand of payment, that is the instruction we will need from this Board. If the Board wants to let it sit and allow him to continue to pay down, the problem of what can be deducted does go away in 2013.

Alderman Lopez stated I believe this is tabled in my Committee correct? It has been tabled for a long time.

Mr. Clark stated yes it has been tabled in Committee. The Mayor gave notice and the City Clerk placed it on this agenda.

Alderman Lopez responded I don't have any problem moving forward but I was wondering if the numbers we are talking about are correct. What are we suing them for, \$250,000?

Mayor Gatsas replied no. It has been tabled in Lands & Buildings since 2003. The first time it was put there was in 2003 and we didn't even have a certificate of insurance naming us as the additional insurer. We put it on the table then and it sat on the table for three or four years. Then it was taken off the table and brought back to the Committee and put back on the table. The funds that we are talking about are CDBG funds. Those funds can be used for a couple of different issues that we have before us. It can be used to complete the Odd Fellows building. It can be used to fund some more City Year students in some of the other schools. It could be used to put into other projects throughout the City. When they went to court to reevaluate their property, I think it went from a \$2.2 million valuation to a \$1.65 million valuation, which is what they are now paying taxes on and that was done within the last year or 18 months.

Mr. Clark responded it was within the last year.

Mayor Gatsas stated so if that is what the agreement was, I thought the negotiating point of \$1.652 million was a pretty fair one or the appraised value because they said they wanted to go refinance and they needed to get an appraisal and I said that was fine. If the appraisal comes in at \$2.2 million then we as a community should be part of that \$2.2 million and if it comes in less than \$1.652 million then we have gotten taxes at that number so that is the value we should get. I think we need to do something to get it off the dime so it doesn't sit here for the next three or four years. The deal is a little more complicated than that because they are supposed to be sharing in revenues with the City. We have never seen any revenues because their management fees are in there. Nobody has really taken the time to go through them to take a look at what the City should be entitled to. I just thought that it has been in Committee for quite some time and we should take a position one way or the other. I am sure that the Institute being right across the street would probably be very interested in purchasing a rooming house directly across the street. They did a heck of a job renovating the one on the corner of Lowell and Chestnut.

Alderman Lopez asked so we pulled it out of Lands & Buildings tonight and you want to work on some type of motion? I think it would be proper to take it out of Lands & Buildings then.

Mayor Gatsas answered I think we can move on the motion we have before us and receive and file what is in Lands & Buildings at the next meeting.

Alderman Lopez asked so what is the motion that the Solicitor is recommending or who is recommending the motion?

Mr. Clark answered there are options. One option that we discussed is you can authorize our office to move forward with the demand of payment and any subsequent proceedings that need to occur to try to collect the debt.

Alderman Lopez moved to authorize the City Solicitor to move forward with demand of payment from Lowell Terrace and if that should fail further authorize any proceedings that need to take place to try to collect the debt, including foreclosure. Alderman Shea duly seconded the motion. Mayor Gatsas called for a vote. There being none opposed, the motion carried.

TABLED ITEMS

- 13. Report of the Committee on Community Improvement**
Recommending that the request from the Planning & Community Development Director to rescind \$590,000 of the Bond Resolution for Annual ROW Reconstruction Program, CIP 711209 be approved.
(Unanimous vote)

This item remained on the table.

- 14. Referral to Committee on Finance**
Resolution:
A Resolution “Rescinding \$590,000 of Bonds, Notes or Lease Purchases of a Bond Resolution for 2009 CIP 711209 which authorized \$3,211,500 of Bonds, Notes or Lease Purchases, so as to endorse the issuance of a bond authorization in the amount of \$2,621,500.”

This item remained on the table.

- 15.** Petition for discontinuance of a portion of Hayward Street.
(Note: Tabled 10/5/10; pending project completion)

This item remained on the table.

- 16.** Petition for discontinuance of a portion of Lincoln Street.
(Note: Tabled 10/5/10; pending project completion)

This item remained on the table.

NEW BUSINESS

Mayor Gatsas stated the only piece of new business I have is there is a letter to CMC on behalf of the Board thanking them for their generosity in continuing to donate the lease payments for the West Side Police Substation on Kelley Street. That went out and certainly the Board has a copy of it. The other one is the Manchester School District Open House at the Administration Building on 11/4 from 3:00 PM to 6:00 PM. The invitation is there for all Aldermen to come in and see their new space.

Alderman Greazzo stated I would like to thank Chief Mara for holding Halloween on Halloween. It went off without a hitch from what I am told and there were no incidents, so thank you.

Alderman O'Neil stated we were having a little discussion in the back room, and many of us thought the numbers were down at our homes. I don't know if David Mara has any information on that. I know he had some extra people out there.

Many of us thought that the number of young people out at that time went down a lot. Alderman Osborne said a lot and I would concur at my house.

Alderman Osborne stated I used to have 200 to 250. I give out freeze pops. This year I gave out about 78. I think basically 1:00 PM to 4:00 PM was better. In my ward the grown-ups don't even walk out in the dark so why should the kids go out and walk the ward?

Mayor Gatsas stated Chief, I believe we are in a very safe City. What about you?

Mr. David Mara, Chief of Police, replied yes.

Alderman O'Neil asked Chief, are there any observations that you heard from the people? It just seemed that the numbers were down.

Mr. Mara answered first of all we had four extra patrol cars out there and they were dedicated to handling all kinds of issues dealing with Halloween. They didn't report any problems. Just anecdotally within my department I went around and asked people how it was when they were coming to their houses and everybody I talked to said there were fewer people.

Alderman O'Neil stated I don't know if it was cold.

Alderman Greazzo stated it has been 40 years since it was on Halloween so people might have forgotten the date.

Mayor Gatsas stated it was probably because the Patriots game was on.

Alderman Craig stated I guess too, if you are going to need feedback regarding the hours, at our home and the other homes around we really didn't have anyone come to the door after 6 PM and that is what a lot of people have said as well.

Mr. Mara replied I think throughout the City that is exactly what happened. We are trying to give it some thought to figure out why. I don't know if it had to do with the Patriots game or something else that was going on but we couldn't come up with an answer as to why there were fewer people out there.

Mayor Gatsas stated maybe you can check with the surrounding communities and see if their take was a lot less.

Mr. Mara responded one of the things that was mentioned in our building was that because we had it around the same hours as everybody else perhaps we had fewer people from out-of-town coming into Manchester.

Mayor Gatsas stated I think everyone around us was 6:00 PM to 8:00 PM so I think the Chief is right. They used to come in and take advantage of a double trick or treat and do Manchester and then go to their own communities.

Alderman O'Neil stated I am glad to hear that from a safety standpoint it was a very safe evening and everyone had a good time.

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

A True Record. Attest.

City Clerk