SPECIAL COMMITTEE ON RIVERFRONT ACTIVITIES AND BASEBALL

February 6, 2006 **5:15 PM**

Chairman Lopez called the meeting to order.

The Clerk called the roll.

Present: Aldermen Lopez, Gatsas, Smith, DeVries, Roy

Messrs.: D. Cornell, R. MacKenzie, S. Hamilton, T. Clark, F. Thomas, P. Borek

Chairman Lopez advised that the first purpose of the meeting is organizational in nature, and requests the Clerk to provide a brief overview regarding typical issues addressed by the Committee.

City Clerk Bernier stated as noted in the minutes of September 2, 2003, it was voted that the purpose of the Committee would be to keep the Board of Mayor and Aldermen informed on the progress of the renovation of Gill Stadium and the construction of the riverfront baseball stadium and also for the purpose of providing for the Board of Mayor and Aldermen's input into and oversight of renovations to Gill Stadium and the construction of the riverfront baseball stadium pursuant to Rule 13.

Chairman Lopez addressed Item 4 of the agenda:

> Communication from the Board of Assessors submitting information relating to the 2006 taxable values at the riverfront development site.

Chairman Lopez stated I believe each member has received a copy of the report. Are there any questions at this time?

Alderman Roy stated I have a brief question. The slated timeframe for opening this hotel I believe is April 1, 2006 and you based the values on the 90% or 95% completion. Is this also going to be part of the citywide revaluation?

David Cornell, Chairman, Board of Assessors stated that is correct. The hotel will be part of the citywide revaluation. We hedged it slightly, the 95%, to account for any construction delay. I was on their website today and it did state that they are planning on opening in March.

Alderman Roy asked but it is being viewed by the subcontractor or the City's subcontracted revaluation company.

Mr. Cornell answered that is correct.

Alderman Gatsas stated I guess I am looking at the approximate values of the condos. My understanding…is that what they are currently on the market for or are they on the market for less than that?

Mr. Cornell responded they are currently on the market for slightly more than that. Two units we do have confirmed sales. One was roughly $455,000 and the other unit was around $370,000. We have to confirm sales. It is our understanding that there are an additional five units that are currently under contract.

Alderman Gatsas asked are they arms length transactions or are they…

Mr. Cornell interjected yes they were reported as arm's length transactions.

Alderman Gatsas asked can you tell me the amount of value that we were assuming for April 1, 2006…we did our projections with how much for the entire four pieces or the three pieces.

Mr. Cornell asked our current projection.

Alderman Gatsas answered when we put this package together we were assuming April 1, 2006 what would be the completed ratios that we would have for the three projects – the residential, the hotel and the retail.

Mr. Cornell stated originally as you know this process has gone through several types of changes. Our estimate dated February 2, 2004 was a total market value of around $60 million.

Alderman Gatsas asked as of this date, as of April 1, 2006 the value is supposed to be $60 million.

Mr. Cornell answered that was the projection for…schedule the work to be done. The value completed was around $60 million. Certainly the construction schedule would change based upon the developer's schedule but when it was all completed the figure was roughly $60 million.

Alderman Gatsas asked so my follow-up question would be, we were assuming $60 million by April 6 and they are at $22 million. That is roughly a $38 million discrepancy on what the value is supposed to. Where are those funds to meet those numbers coming from?

Mr. Cornell answered as far as the funds I think that would be the contingency. As far as the assessed value part that we are responsible for, the original projections that we gave as far as market value still hold up very strongly. The only difference there is the units…certainly we can't assess them if they are not there but the original value estimates are pretty much right on the money. It is just that tax related construction was slower than it proceeded.

Chairman Lopez stated let me have Randy Sherman jump in here.

Randy Sherman, Deputy Finance Officer, stated I think what the question is we have certain debt service that we need to cover for the year. When we did the projections and actually now that they are updated with actual tax rates and where we are we actually only need $17 million of assessed valuation to cover all of the debt payments for 2006. Now that being said, I am going with the assumption and what the Assessor's have provided which is at 100% and obviously the tax rate that I am using is with a different ratio. I am not sure how the $17 million that I have would relate to the $22 million that they are coming up with. My guess is that there is still a gap. If there is still a gap, the developers are required to provide the City a cash payment, a make whole payment, which they did in 2005 as well.

Alderman Gatsas asked how much was that make whole payment in 2005.

Mr. Sherman answered on the residential property it was $114,000 or almost $115,000. The hotel parcel was about $32,000 and on the retail parcel it was about $9,000.

Alderman Gatsas asked that was based on what kind of assessment. There were assessed dollars back then. That came up in contingency. Was it based on $22 million or $17 million?

Mr. Cornell stated we don't have those actual numbers.

Alderman Gatsas asked Randy what are you projecting for the shortfall that is going to come from contingency this year.

Mr. Sherman answered based again on trying to figure out where the tax rate is going to be and what the ratio is going to be, the hotel obviously will be okay because they are going to come on line. My guess is in total between the three of them it is probably going to be slightly over $100,000.

Alderman Gatsas asked so you are saying that the residential side has found enough component in there even though they are only left with less than 50% of what we were looking at…well actually less than 20%.

Mr. Sherman answered again only to get up to the $17 million that they need to get up to in total. Again, last April I don't believe any of the units were anywhere near being done or if they even had foundations at that point. Again, there is a big change between April 1, 2005 and April 1, 2006. Certainly the hotel coming on will make a big difference because it is all three parcels combined that need to equal that $17 million.

Chairman Lopez stated I want to bring this point out because I have questions along the same lines. In 2006 we only have a debt service of $1.2 million and with the revenue coming in and I think Randy mentioned it and what the Assessors provided us it will probably give us around $348,000 and the make up will come from the letter of credit. The make whole agreements and the letters of credit are two different things. They can draw down on the letter of credit and they have been so along that line I want us to keep that in mind. We will receive the necessary funds either through the assessed value and the taxes on Fisher Cat Stadium of the $750,000 and if there is any make up that has to be made from the condominium because the hotel will be on line, the letter of credit will cover the rest of what they owe on taxes.

Alderman Roy stated I just want clarification from Randy and I think you kind of summed it up that we are not talking about contingency money, we are talking about their make whole agreement that pays the difference in taxes if there is a shortfall.

Mr. Sherman responded correct.

Alderman Roy stated so it is a make whole agreement and not contingency.

Mr. Sherman replied correct.

Chairman Lopez stated I just want to point out and I think somebody mentioned it is 100% on the taxes but this has been evaluated under the revaluation of these numbers is that correct.

Mr. Cornell responded that is correct. All of these numbers represent 100% of market value and this being a revaluation year we are appraising all properties at 100% of market value.

Alderman DeVries stated this would be a question for Bob MacKenzie. If Mr. Chinburg was to plan on going forward with the high-rise phase of the condominium project down there when would you expect that that was going to be initiated this year? When would you expect to start seeing submissions or have conversations in earnest with the development? Is there a certain month that we should be seeing some action on this by?

Robert MacKenzie, Planning Director, stated it is a type of project actually that they could start almost any time of the year. They don't really have to come back to the Planning Department because they have gotten site plan approval but we do work closely with the Building Department. Normally contractors like to, if they are going to get into the ground it would probably be more this fall although I haven't heard any indications that they are looking to start the midrise as yet. They are focused on the townhouses and those seem to be coming along. We haven't heard any indication that they were going to start on the midrise.

Alderman DeVries asked so on the townhouse project for the completion of the six units that they had to get foundation permits or whatever with the Building Department have you heard that there is any action beyond the permits that have already been pulled that were noted.

Mr. MacKenzie answered we had heard that there might be some more applications last week, I think last Friday, but I am not sure if those actually came in. They do have permits for four buildings and two buildings are nearly complete. Two buildings with 12 dwelling units in them. So they do have a little room to begin construction on the next couple of buildings without pulling anymore permits.

Alderman Smith asked have you had any information or inquiries into the retail land. Has anybody approached you or is that out the door now?

Mr. MacKenzie answered we haven't in the last couple of months. There has been interest in the site. Parking has been an issue with that. We still expect that if the parking issues can be resolved that we will see an application. It is relatively small piece and the footprint would be fairly small so there is not a lot of work to do on the site plan. As I understand it the parking is an issue.

Alderman Gatsas asked Bob how long does the Planning Board approval last before it expires.

Mr. MacKenzie answered the approval lasts for one year although they can come in and ask for an extension on that.

Alderman Gatsas asked when does that one year expire.

Mr. MacKenzie asked for the Chinburg project or…since they have begun active and substantial construction basically they have locked in the site plan.

Alderman Gatsas asked how many certificates of occupancy have been issued to the sold units.

Mr. MacKenzie answered we understand that only the two units have been issued CO's but again they have 10 other units that are nearing completion and we expect the Building Department will be looking to release CO's for those probably in the next month.

Alderman Gatsas asked have the roads been surfaced in there or are they just driving on dirt roads.

Mr. MacKenzie answered in the key areas I know that they do have some sub pavement. They won't do the final pavement until basically all of the buildings have started construction.

Alderman DeVries asked the riverwalk project, is that going to be or is it currently open for public traffic and will it be reopened this summer.

Mr. MacKenzie stated it is available, as I understand it I was down there a little while ago and I think it is open. There might be some additional construction if and when the bridge project gets underway so that might be some interruption where it comes down and ties into it. It will likely be closed again when the midrise project, which has a lot of retaining wall work starts up.

Alderman Lopez asked can we get a good look at that area down there. I know some of the areas were blocked off but with the weather the way it is now and spring coming we should get a handle on it. I think we said once before that we would like to get it open as soon as possible.

Alderman Gatsas stated I think we have a lot of or at least we have one expert that is out in the marketplace on a regular basis and is in the real estate market and I would say that the market looks like it is softening according to everything I have heard. Has anybody taken that into perspective when they have looked at these numbers?

Mr. Cornell responded the figures we provided are current market estimates. Certainly if the market would go down from now until April 1 these figures would be adjusted. These figures are based on current market conditions. If the prices went down 5% between now and April 1 we would certainly have to adjust those down as the market would indicate.

Alderman Gatsas asked is it your understanding that if we take your $80,000 of land value per unit and we subtract it from $350,000 that leaves us at $270,000 divided by $1,699 square feet that the square footage cost is $158 because my recollection was that the square footage cost in those units was going to be much greater.

Mr. Cornell answered the selling value per unit…the two units that have sold we have a selling price of $214 square foot and $211 per square foot.

Alderman Gatsas asked what size units are these.

Mr. Cornell answered the first unit was 1,699 square feet.

Alderman Gatsas asked and what was that per square foot.

Mr. Cornell answered that was $214/square foot. That unit sold for $364,900. Additionally, there was a unit at 2,163 square feet…

Alderman Gatsas interjected maybe that is what you have as a per unit land cost because I see the number $364,900 but that is telling me that you have no value in there for the land and down below, five lines down you are telling me that the unimproved townhouse site has a land value of about $80,000.

Mr. Cornell replied let me just clarify that. The $214 and the $211 per square foot, that sold price would include both land and building. Those are actual sales that took place. So the $80,000 per unit for a site value, that is our estimate for the market value for townhouse units approved and ready to go with all the site work done, what a developer would pay for the right for that.

Alderman Gatsas asked wouldn't you agree that I have to subtract that from the $363,000 to get a per unit square footage cost.

Mr. Cornell answered what we did was we broke them out as far as…there are 45 units total so we have the four large units at 100% and six total units that we are projecting 50% complete. That leaves us with 27 site lots and we are estimating the site lots for those 27 units at $80,000 per lot. That is how we came up with our market value.

Alderman Gatsas stated right and the eight units at the top at $350,000 I would assume that $80,000 of that $350,000 is land cost.

Mr. Cornell responded yes.

Alderman Gatsas asked so if I subtract that out that brings me to $270,000. If I divide $270,000 by $1,599 that is a cost of $158 a square foot. You are telling me you used $211.

Mr. Cornell answered keep in mind there that the difference…that is the market estimate so the cost will be less than what it is selling for. Typically what it costs to build and then what it sells for is the builder's profit.

Alderman Gatsas responded I understand that but if I just use $211 then there is no land cost in that unit.

Mr. Cornell replied the $211 would be the land and the building – full cost.

Alderman Gatsas asked how do you put a cost of $211/square foot on a unit when that is what you are telling me is the land cost per unit too. How are you adjusting that? What are you using for that premise? It has to be one or the other, it can't be both.

Mr. Cornell answered let me clarify that. The $211 is market, which would include both land and building. That is what the market is telling us that people are willing to pay for the aggregate of both the land and the building.

Alderman Gatsas asked so if that is what you are telling me then I must subtract $80,000 from $270,000 because you are telling me on the line below it that the land cost is $80,000 and I understand that is part of the aggregate of the $350,000 but if the raw material, roof, sides and interior is then a number of $270,000…if a builder was going to go out and buy those additional 27 units, he is going to pay $80,000. For him to get to the $211 plus that he is going to be at a much higher number because at that number he is not going to have a profit. You are telling me that the $211 has the profit included.

Mr. Cornell answered right. What I am saying there is the developer would pay $80,000 for the lot. Assuming the developer costs would be more along the line of $100/square foot as far as construction cost and it may not even be that high depending on the quality of the material you use so you would get to a cost much less than the market value or what they are actually selling for.

Alderman Gatsas stated I apologize but I think what we were told when we first heard this project two years ago and I don't think you were here at that time but we were hearing that construction costs were much higher than $158/square foot. We were told that they were closer to $200/square foot not in with the land but just the building. That is what we were told.

Chairman Lopez asked Stephan Hamilton if he could clarify.

Stephan Hamilton, Assessor, stated I am not sure I understand the question exactly. The estimates that we have provided typically have included both land and building or the total market value. I don't recall…

Alderman Gatsas interjected let me help you. This has to do with the appraisal and the gyrations we went through with the appraisal. When we were talking about appraised value, we were talking about per unit land cost and we were at a much lower number when we were talking about this. I was one of the Aldermen who said it should be a much higher level of value. Now all of the sudden the value has shown up.

Mr. Hamilton stated I think one thing we have to recall and understand is the date which those values were determined for the raw land didn't include such things as site development or approvals or zoning changes that had been implemented so those values that were contemplated with the transfer of the property didn't include a lot of the approvals that were put in place and now since those approvals have been given all of the site development costs have been put into the ground. All of the utilities have been put in and the roadway has been largely finished and

most of the site work is done at least for the townhouse portion. So those now represent unit locations that are ready to construct. That is significantly different than what we were talking about for the appraised value of the land prior to any approvals.

Alderman Gatsas asked are you saying to me that when we looked at this land cost of $6 million that was only for the 231 units…I think we were close to 306 weren't we Mr. MacKenzie when we looked at the raw value and then we had to make some exceptions because of contamination. I don't remember seeing anything that was $20,000 a unit or $80,000.

Mr. MacKenzie stated the maximum under zoning was I think up around 300 units but given the land topography and some of the easements and other constraints, 200 units is what they are shooting for.

Chairman Lopez stated I would just like to add one thing and I think you bring up some good points in what you are talking about here. I don't think we really got into the land at $80,000 so I think you are right. If you kept the land I would pay $270,000 for that condo. If that was the situation. But since the land is thrown in there it comes up to the $350,000 we are speaking of. That is the way I understand it.

Mr. Cornell stated essentially those are market estimates for the full market value of those units.

Chairman Lopez stated I think the bottom line is the debt service…we are going to make the debt service and if we do not have the taxes that have been promised then the letter of credit kicks in right Randy.

Mr. Sherman answered that is correct.

Alderman Gatsas asked how much is left in those letters of credit.

Mr. Sherman answered the hotel one is gone at this point now that they have met their threshold. There is about $160,000 on the retail parcel and about $1.325 million on the residential.

Chairman Lopez addressed Item 5 of the agenda:

> Communication from Frank Thomas, Public Works Director submitting stadium project reports as follows:
>
> a) memo from Michael Castagna summarizing outstanding issues; and
> b) financial status reports.

Frank Thomas, Public Works Director, stated in the packet of information that was furnished as part of the agenda what we are showing is that the majority of the work is completed now. There are a few loose ends that are being addressed that have been noted on Mike Castagna's memo to me. There are a couple of ADA issues that are being addressed. The lift that is going in the visitor's locker room should be going in sometime by the middle of this month along with some adjustments to the seating bowl area, etc. Again, this work is going on. In my memo to you there were the four areas that I have identified that will need to be addressed before we release approximately $950,000 that we continue to hold. Just to run through that list quickly, I would be looking for confirmation that all punchlist items are completed and assurances that there are no outstanding league Rule 58 requirements. The league came in and evaluated the project and developed a list of some concerns. It is my understanding that these areas of concern have been agreed to be modified or have been worked out with the team and Sean Smith but we don't have anything to document that fact. As I noted there are some ADA requirements being addressed. We want to make sure obviously that the project gets completed and that it meets all league Rule 58 baseball requirements and that it meets all state and federal requirements regarding ADA accessibility. The last thing is we understand that there is at least one change order that is out there. If you remember correctly, change orders above $19 million that the City committed for the stadium were to be worked out between the team owner at the time, Drew Weber, and the contractor. I guess there are some negotiations going on at least one change order and the fourth point is that we would have to be satisfied before we release our retainages that either the change order gets executed or the claim gets resolved in a manner that would be satisfactory to our legal department. We want to make sure that we are not on the hook at a later date for some kind of lien that may come down on the project. Until those four requirements are met, we will continue to hold the $950,000.

Alderman Gatsas asked can you tell me how much those change orders that are in dispute are.

Mr. Thomas answered I haven't seen them. I can only rely on what I have heard rumored around. I heard potentially in the range of $1.6 million. Again, where this change order is…we are not a contracted party and the $19 million that we have committed or the funds that we have committed this is an item that has to be resolved between Mr. Weber and the contractor. The way it was set up and approved by this Committee was that if we were aware that there was a change order out there before we would relinquish any funds that we are holding on the project we would get certification that the change order was paid. In this particular case we know that there is something out there. We don't know the details of it and that is why we will hold the money.

Alderman Gatsas asked is that the same change order that was there since…

Mr. Thomas interjected no. There have been four change orders that have been executed by Mr. Weber and Payton and we have received notice that those change orders have been paid.

Alderman Gatsas asked you have or you haven't.

Mr. Thomas answered we have been notified that those four have been paid and we have received copies of waivers of lien.

Alderman Gatsas asked how much were those four.

Mr. Thomas answered in total about $1.2 or $1.3 million.

Alderman Gatsas asked and those have been met so there is one left.

Mr. Thomas answered there is a fifth one now that is in the process of being negotiated between the contractor and Drew Weber.

Alderman Gatsas asked the certificate of occupancy that it says here has been…

Mr. Thomas interjected that has been issued.

Alderman Gatsas asked even without the ADA requirements being met.

Leon LaFreniere, Building Director, stated the ADA as many of you know is administered by the Department of Justice. Our provisions in our local building code require us to follow ADA 17, which is a standard that is referenced in the building code and we feel that they have met that standard.

Alderman Gatsas asked so had you issued a temporary occupancy permit prior to this.

Mr. LaFreniere answered yes we had and that occupancy permit was issued just prior to the opening of the facility and we worked with the team and Mr. Castagna and the contractor to finish the punchlist items that we had on our list relating to building code issues and that certificate was issued in the late fall.

Alderman Gatsas asked is there a contingency in ordinance provisions that allows you to issue a temporary certificate of occupancy.

Mr. LaFreniere answered it is actually not a temporary certificate but it is a conditional certificate. What we did was issue a certificate after all of the items that we felt constituted life safety had been addressed and the remaining issues fell into various categories that didn't represent life safety hazards and we assigned timeframes for those to be completed and as I said we worked with the team and the contractor to assure that those items, were in fact, completed in that timeframe.

Alderman Gatsas asked so in other projects where people have come forward looking for occupancy permits…have you done this before.

Mr. LaFreniere answered yes. It is not uncommon for complex projects in particular or conditional certificates of occupancy to be issued especially when there are issues that transcend what one might consider the basic life safety types of criteria. For example, fire alarms, detection systems, etc. We had issues outstanding related to site work, weather coating that needed to be put in place, some signage…there were various categories of issues that were outstanding that we felt in concert with the Fire Department were appropriate to require to be addressed within the established timeframe but did not compromise the safety of the facility.

Alderman Gatsas asked so the Fire Department signed off on it also.

Mr. LaFreniere answered yes.

Alderman Smith asked Frank can you tell me what the change order was. Can you identify that for me?

Mr. Thomas answered I don't have the details. It hasn't been submitted to the City. Again, this is being paid for directly between the contractor or is being negotiated directly between the contractor and the owner, Mr. Weber. Again, I am aware that there is this change order that is out there and it is in dispute but I don't

have the details now. Having said that, some of the items that are included in this change order that is out there are some of these ADA issues that have kind of come up as various inspections have been done by the Department of Justice.

Alderman Smith asked the Solicitor how are you going to protect us if you don't know what the change orders are or what the situation might be. In other words you have two outside parties that are in contention with each other but we might end up with a problem ourselves.

Thomas Clark, City Solicitor, stated the contract is with the parties. I have spoken to the attorneys. I do know they are in active negotiations.

Alderman Smith asked so Frank you are going to hold that $950,000 until they resolve the change order.

Mr. Thomas answered that $950,000 will be held until the four items that are in my memo are addressed to the satisfaction of the Solicitor's Office. That is correct.

Alderman DeVries asked Mr. Thomas the Rule 58 compliance, did you receive that in writing or verbally.

Mr. Thomas answered I got a copy of the detailed report inspection that was done by the league. Some of the items…it was more or less a check off sheet that someone took and went down the list. Some of the items that were identified as a deficiency were items that were identified, reviewed and signed off on in the past by the league such as parking. There is a…if you go by the letter or the Rule 58 check off sheet there should be more parking provided then there is down there. However, that was reviewed and kind of waived off by the league and got checked off. Now that is one of the items that was resolved. There were items on there such as correction of all the lighting so that it shone better on the field. Those type of issues have been addressed. Yes, I have a list of all of those. I don't know what the final resolution…again that is one of the items on…one of the four items that I have. I have to get a confirmation from the league and from the team saying that all of the issues have been resolved agreeable to both parties or that the team will be addressing some of these minor issues during the course of next season. If necessary we would get a guarantee from the team that that work would be completed before we release that $950,000.

Alderman DeVries stated back to the parking waiver that you indicated they had for minor league baseball, is that something that is reviewed yearly now for compliance where they are operating under a waiver or is that a permanent record that we now have indicating that we are waived from that regulation.

Mr. Thomas responded it will be a permanent item. Again, there was like a 30-page check off sheet for the stadium to confirm to Rule 58 minor league requirements. One of them was so much parking. That was determined by the league to be waived under this particular project. That waiver will stay for eternity. Again, we would be looking for some type of documentation before we release that money.

Chairman Lopez stated looking at the final line, if the four points that you mentioned are satisfied and the City Solicitor agrees that we are protected, your balance on the project would be what.

Mr. Thomas replied right now if we close out the project we have a balance of $860.01 in the $850,000 that was allocated to make improvements at Gill Stadium over and above the initial amount and an unencumbered balance of $1,744.79.

Chairman Lopez asked so we did pretty good if everything goes all right.

Mr. Thomas answered so far we are doing well.

Chairman Lopez stated well we didn't go over budget and that is the most important thing.

Alderman Gatsas stated I am going down the same road that Alderman Shea was on. The ADA issues, if a certificate of occupancy has already been issued and the ADA issues are in limbo what happens if ADA comes back and somebody gets hurt because the issues haven't been addressed?

Mr. Thomas responded the issues are being addressed Alderman. As noted in Mike Castagna's memo to me, the lift in the visitor's locker room has been ordered and is due in for installation in the middle of February. There has to be some reconfiguration of seating arrangements and again that is being addressed and will be completed by the end of February. There is another issue with a certain kind of latch on the handicapped stalls in the restrooms that needed to be changed out. Installation is going on and it is expected to be completed by the end of February. Those were the only ADA outstanding issues. Again, the $950,000 is more than adequate to assure that that work gets done.

Alderman Gatsas asked the $1.3 million that is in suspension right now you said was for ADA issues. Are those the ADA issues that you just spoke of?

Mr. Thomas answered that is correct but part of the outstanding change order is to compensate the contractor for the ADA issues.

Alderman DeVries stated I think you were just giving us the budget rundown and you spoke to the unencumbered and the balance and between them it is about $2,500. I think…maybe you did finish that thought but I would like you to take that thought to the next step and where is that $2,500 going. Is that going back towards the outstanding change order or is that available for something at Gill Stadium say?

Mr. Thomas responded the $860.01 will go back to that one time revenue account or go back to Gill Stadium or wherever. The unencumbered balance right now I am sure Drew Weber will submit a bill to the City for that amount.

Alderman DeVries asked so $860.01.

Mr. Thomas answered correct that will be coming back to the City.

Chairman Lopez stated I guess the only person we haven't heard from is Paul Borek the Economic Director. I know you have been keeping track of the condominiums and hotel and stuff with Mr. MacKenzie. I know that Mr. Thomas is wrapping things up on the stadium down there but do you have any comments you would like to make?

Paul Borek, Economic Development Director, stated in speaking with Chinburg Builders today, they indicated that they had eight contracts and two reservations on the townhouses including the two closings that they already had. They are looking forward to starting construction on the fourth building, which they have a permit for. They also indicated that they have a waiting list of 260 for the towers – expressions of serious interest. They are working with Lavallee-Brensinger to design alternative floor plans and layouts and test market some of those designs to the individuals on the waiting list to come up with a mix that would be viable. They are optimistic about moving forward on the tower.

Chairman Lopez stated the other point I would like to make and Solicitor Clark you could probably guide us on this but I don't think we want to get mixed up into two parties asking questions and having a debate about how is going to pay what when it has nothing to do with the City. Did you understand my question?

Solicitor Clark responded if you are talking about the change order we have to let them negotiate the change order.

Chairman Lopez asked so let them negotiate the change order and we have nothing to do with that.

Solicitor Clark answered right.

Alderman Roy asked did anyone at Chinburg Builders mention the closing dates of what he has under contract already.

Mr. Borek answered no we didn't discuss the specific closing dates on those.

Alderman Roy stated April 1 is a very big day for the revaluation and if the numbers are in the $360's and $425's or $450's we would like to see that because that will affect the numbers on the Assessors stuff. If you two could work together on that I would appreciate it.

Mr. Borek stated we can follow-up on that.

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

A True Record. Attest.

Clerk of Committee