

## SPECIAL COMMITTEE ON THE CIVIC CENTER

**August 25, 1998**

**6:30 PM**

Chairman Wihby called the meeting to order.

The Clerk called the roll.

**Present:** Aldermen Wihby, Cashin, and Hirschmann

**Absent:** Aldermen Rivard, O'Neil

Chairman Wihby stated before we start, I just want to tell you that this is the Aldermanic Committee for the Civic Center. We are having these three public hearings and also we are going to be on TV on Thursday. We are trying to get input and this is a great turnout here. It is a great response and we are glad to see everybody here and hopefully the next three that we have will be just as good. The first thing I would like to do though is throw out one of the referendum questions that I am going to ask the City Solicitor to look at and we will go forward with this and have him look at it and see if it is a good question that goes through. The most important part of this referendum is going to be the question that is going to be on the ballot. If it is worded where people think it is worded the wrong way, then the issue is going to be the wording of it and not so much the civic center itself. So, one of the ways that I think we are going to look at and have the City Solicitor look at is it is going to be worded like this "Should the Board of Mayor and Aldermen approve the issuance of up to \$50 million fully insured bonds for the construction of a civic center in downtown Manchester to be paid with private funds and a portion of the City's share of the State Meals and Rooms tax?" Basically, I think what we are trying to do with that is limit the exposure to the City with the total amount in there, saying it is downtown to see if people really want it downtown, and also that there is two ways it is going to be funded, with private funds and from the City's share of the State Rooms & Meals tax. Those are the only two funds that would be used. It wouldn't be on your tax rate. You would know that when you went to vote you were voting to use your increase in the State Rooms & Meals tax. So that is the question that the City Solicitor will be looking at and over the course of the next week or two we can fine tune that, we can get input at the public hearings. I wanted to bring it out early so we can hear if anybody has any responses today about that question and at the next public hearings we can hear the response also.

Chairman Wihby advised that the main purpose of the meeting is to hear comments from the public regarding the proposed civic center; that a presentation shall be made followed by comments from the public. Each person shall be given one opportunity to speak; comments shall be limited to five minutes to allow all participants the opportunity to speak and any comments must be directed to the Chair. Members of the MDC Civic Center Subcommittee shall be requested to remain during the public comment period to answer questions that may arise as directed by the Chair. So again, the response would be that anybody on the list that is going to speak ask the question of myself, the Chair of the Committee, and then we will see if we can get an answer right away for you and if we can't get an answer right away, hopefully we can look into it and get back to you. Again, the purpose of this is to let everybody know all the facts and make sure that they feel comfortable with the vote. I don't anticipate that these four public hearings will be the final public hearing. I also anticipate that the Board of Aldermen will probably hold a public hearing themselves, the full Board, probably sometime in September or October before the referendum question would come in November. So this wouldn't be the last opportunity. This is the opportunity for this Committee. At this point, I am going to ask Skip Ashooh to make the presentation and after he is done we will come back up here, look at the list and start.

Presentation by members of the MDC Civic Center Subcommittee

Mr. Ashooh stated I am the Chairman of the Manchester Development Corporation's Civic Center Sub-Committee and for those of you who haven't been part of any of the hearings or witnessed any of the testimony before the Board of Mayor and Aldermen over the last year or so, the Manchester Development Corporation is a quasi-agency, I guess, of the City of Manchester that works directly under the direction of the Board of Mayor and Aldermen. The Manchester Development Corporation was established to do those things that it is not effective or efficient or proper for an elected body to do directly. So, the Aldermen use the MDC as their development arm and part of our duties are to explore subjects like this. We manage some of the developable real estate assets for the City of Manchester and I think some of you are aware of a lot on the corner of Bridge and Elm Street. That is also under the Manchester Development Corporation and we are in the process of trying to market that particular corner for development as well. That is what the MDC does. Our charge, as you can see, is our mission statement of this Board is to facilitate the highest and best use of the assets of the City of Manchester for the benefit of all its citizens. Given that charge and what our charter was, the Board of Mayor and Aldermen thought it would be appropriate for this Board, and more particularly my Committee, to conduct a feasibility study to see if a civic center could be constructed in

downtown Manchester for the purpose of economic revitalization of the downtown. That study was conducted and we were charged with that responsibility about 18 months ago. It was February 25, 1997. We thought it would take about four months. It took a little bit longer than we thought and in part that is because we found that the work that we were given was so detailed and so complex that we decided to ask the Board to take the time necessary to develop a full feasibility study. We did that and we completed our work and delivered it to the full Board of Mayor and Aldermen one week ago tonight. Those of you who haven't seen it, there is I believe a two hour production that MCTV has produced and is showing a number of times. The presentation that you will see tonight is going to be abbreviated because we really don't want to spend a lot of time going over old ground on all the detail. We are going to give you the framework and if you have an opportunity to tune in to that two hour full Board presentation it is going to be available to be seen many times after this. So tonight what we really want to do is in our presentation give you an outline of what the Board asked us to do, what the conditions were for a civic center to be deemed feasible, and to give you the answers on what we have accomplished. Once you have that framework, the Aldermen will accept questions and we have brought together a team tonight to answer those questions directly. We have with us tonight, besides myself and Dick Charpentier from the MDC Committee, we have Eric Longbottom who is the General Manager for Enron. Enron, as you know, is one of the two major companies that has agreed to make a substantial capital contribution to the building and Eric is here to represent Enron tonight. We have Barry Brensinger of the firm Lavalley-Brensinger. They are the architects that we have retained. Rich Murray of the Manchester Rivermen Associates. That is our local ownership group for the hockey team. We have Steven Stearn of William R. Huff & Co. They are the underwriters and investment bankers that have helped us do, for all intents and purposes, Steven is the financial architect. Barry Brensinger and his firm does the bricks and mortar and Steve does the bonds and finance. Then, although they could not be here tonight, I have spent enough time with these guys that the building manager, Ogden Entertainment, manages eight facilities in the Northeast and because of the short schedule time we had for these hearings, neither Harold Bannon nor Frank Russo could be here tonight but I have Harold Bannon waiting at the other end of a cell phone so if a question comes up and we don't have an answer for it, he is waiting to receive a call and we will do that. So principals from every part of the team are available to answer questions tonight. They will be together with us tomorrow night. They will be on the call-in show on Thursday and on Monday night at Memorial High School. We look forward to getting your input on this and we think it is an exciting process. We have done a lot of work and we are looking forward to answering your questions. So lets get onto the framework of tonight. First of all, the question that is put forth more than anything else is why did the Board of Mayor and Aldermen ask us to do this

study. Well what you take a look at here are four key points that we think sum up the motivation behind the Board of Mayor and Aldermen to conduct this study. Number one is to promote economic development of the downtown and that takes place because what we want to do is really increase the tax base of downtown and relieve the burden of residential taxpayers. If you take all of those together, every time there has been a tax rate increase in the City of Manchester over the last eight or nine years, if you are a residential property taxpayer, most of that burden falls on you in part because the downtown has been under utilized and under developed for about 10 or 15 years. Everybody talks about the way Manchester's downtown used to be. At that time, the downtown carried a much higher percentage of the property tax burden than the residences did. That has shifted around now. You are probably talking somewhere in the neighborhood of 55% to 60% of the tax burden in this City being carried by residences. Future tax rate increases on your property taxes would probably continue to go to the residential taxpayers here in this City unless you do something to take the under utilized assets and have them valued more fairly. That was the reason we got to this part, but what we also found is in dealing with the task of studying the civic center, is that there was some real desire on the Board of Mayor and Aldermen to do something in this City that would enhance the quality of life. Besides the dollars and sense issues of reducing the burden on the taxpayer and increasing the tax base downtown, the idea that you could bring to the City of Manchester and the surrounding area those things that we know people in this area are going elsewhere for, the idea that you could come to this City and see an event that you would pay dollars for and travel long ways for just became a very, very appealing side effect and that side effect means that we would be able to bring activity to the downtown area after 5:00 PM at night, on the weekends, when frankly when business closes, nothing else really goes on. So that is what we were looking at. Those are the reasons this got done. The elements of what we were asked to do, we were asked to select a project team. Now the project team are the people that I introduced to you tonight. The building manager, the architect, the financial consultants and to see if we could have enough interest here to put together a local ownership group for an AHL hockey team that would be our major tenant. If you take a look at those four items, that is great, but the major concern of the Board was under what conditions can you put this deal together and the conditions that the Board gave us, absolutely no property taxes are to be used to build or operate the facility. So you can't use property taxes when you construct the building and for the life of the building you can't use property taxes to subsidize it. That is a key point. That is their number one qualification. Number two, we had to have significant private investment in this facility. It was not going to be solely public money that built it. Private investment does a couple of things. One is it lowers the debt that the City is talking about financing but number two, when you have private investment in a building, someone with a profit motive has put that money into the building and

they are expecting to get a return on it. In this case, we think we have come up with a very interesting mix of using that profit motive to assure us that we are going to have a quality product in this City and protect the City of Manchester against any backlash if the building were not to be successful. That protection takes place, the qualification is a protection against operating losses so whoever is going to operate this building has to walk into the City and give us an assurance that if the building loses money from its operations that loss is not going to be put at the feet of the taxpayer here in town. Not just the taxpayer, but the residents. I mean you are really talking about something that the adverse affect, the downside of the building has to be held accountable to the people who run the building. That is what we were asked to do. We have to have a credit. Now the term credit here is, we tend to slip into lingo a little bit but when they are talking about a credit, they are talking about the amount of debt that you finance so the debt that we are talking about here, the bonds that would be issued on this facility by the City would have to be of such a nature so that they could be insurable. In other words, we have to be able to say to the City of Manchester that when this money is borrowed, that if anything should go wrong with the income that we use to pay this debt that the property taxpayer will not get a bill to say "oops sorry, we goofed. You have to pay more money on your property taxes." We do that through the form of securing an insurance policy that is issued by a number of large companies in the United States. Municipal bond insurance is a very large, very active market. We have had discussions with municipal bond insurers in this country who are very interested in this market and we feel we would be able to issue this debt and insure it so that if the Rooms & Meals tax money goes away the taxpayer is not left holding the bag. The last piece is to secure a professional hockey team franchise with local ownership. We have a representative of the ownership group here tonight. The ownership group, as you may be aware, the AHL has stated their desire to meet with the ownership group and consider their application on a conditional basis and the conditional basis is important because the AHL recognizes that they are not willing to and cannot grant a franchise to someone who really doesn't have a place to play. So it would be conditioned upon the City of Manchester going forward. If the City decides to build an arena and the ownership group has come to terms with the building manager and everything is okay, we have got a franchise we think. We think we have a good enough package to do that. The other thing that we found out is that a lot of people don't understand how big this is. What is the shape of this facility? What we are really talking about is a facility that will seat 10,000 to 13,000 people but that doesn't mean a whole heck of a lot because civic centers take all shapes and sizes and so if you think about it, one of the places we are talking about is the Staples site. Now the Staples site, what is interesting about that if you have ever been to the back of Staples, or Shop n' Save before that or Ferrittis before that, you know that there is a stone wall in the back and from Chestnut Street down to

Elm Street there is a drop off in that elevation of 10' or 12', I don't know. The architects are here and you can ask them. That site is an example where you could actually sink part of the bowl of that building into the ground and lower the height of the building. In essence, what you are talking about then is a building that may only be one and a half to two stories tall that actually would be dwarfed by the buildings behind it but more so it is a building that, because of its size, its depression in the ground and the creation of a plaza around it, becomes a very good neighbor in that particular spot or the spot across the street. There is actually a corridor that runs all the way up Granite Street to Lake Avenue and Granite Street and there are a number of properties in there. Right now, the Staples site as it is commonly known, tends to be the one that we feel is best at this time. Now we haven't done the ground testing that is necessary but that site, based on all the evaluations done by the architectural team, lends itself best to this kind of project. So you would have a one and a half to two story building, 10,000 to 13,000 seats, substantial plaza and open space so you are not talking about something that is going to be right on Elm Street that is going to tower over everything. You will have this plaza and open space around it and inside you will have 30 luxury suites and about 600 club seats. Now there are those of you who have said well what do we need club seats and luxury suites for. That is a revenue item. Those are extra revenues that corporations would pay for or actually hockey fans or fans of the different events in town would be looking to pay a little more for a different type of service to do entertaining for their businesses or whatever. It is an additional revenue over and above tickets that come into the building and it is a very common way now to add additional revenues to finance a property. So with 30 luxury suites and 600 club seats, you are talking about the combination of those seats and the 10,000 seat bowl. All of the tickets put together, thrown into a mix and averaged out, you are probably talking about an average ticket price for a hockey game of around \$10 with an entry level ticket of around \$6 and if you have been to a movie lately you know it is more than that to go to a movie after 6 PM. We think this type of civic center offers a range of entertainment with real price values in it for the people who live here and attractive enough so that it would attract people from other parts of the State that we know are going to other facilities for the same shows that could appear here. We have talked to some extent about what would go on inside the building and here is a partial list. Frankly, I have to tell you that this list is limited by at this point our imaginations because we get requests for all kinds of different things from, well they left wrestling on there. There was some debate as to whether we would want to leave that on there but wrestling, dog shows, monster trucks, but there are a lot of...if you take a look there is a component here of civic events that take place. Keep in mind that we are talking about a civic center. This is an opportunity for Manchester to create probably the largest community gathering place in the State and it gives us the opportunity to host things on a civic level that could not be

hosted here before. If you take a look at State basketball championships, boys and womens or mens and womens, one of the interesting things that could happen in a building like this is you could block out a weekend and have a full day of the men's four classes championships and the women's four classes championships on the next day and have a building that is productive on a regional basis for a community event. I think a lot of you are aware of the fact that NH College and St. Anselm College have Class A, actually they are NCAA II basketball programs that are very powerful and almost always in contention and can't always be the home team and part of the reason they can't be the home team is quite honestly because they don't have facilities large enough to qualify. This facility would do something like that. You are talking about giving those events that we would like to have, can't have, exist on a marginal basis, a home. Part of the hockey aspect of this which I think people fail to recognize is that the City of Manchester is home to one of the largest youth hockey organizations in the country and by putting together a civic center and having a professional team here for the first time in a long time you could have a developmental hockey program that goes from the little, little guys who can hardly stand up on their skates through professional hockey and all at a very competitive level. If you have taken a look at what the Manchester high school hockey teams have done, the youth hockey programs, the college hockey programs...ever since I was a student at St. Anselm's College, the hockey program up there has been great. These are programs that exist now that you know have a developmental capability all the way through professionals but this is not just a hockey arena. We are talking about a civic center. We are talking about a place for community events to take place. One of the ones that I think gets great attendance but doesn't get as much exposure as it would like is the FIRST Competition. If you have been to these things, they are phenomenal. We are talking about a building that would have 18,000 to 25,000 square feet of flat space so that you could have these huge competitions and instead of having them sandwiched into a small gym, we could give these kids the opportunity to showcase their work in a facility that would allow a lot of people to sit there and see what was going on. It is really a very exciting project. So this is some of it and frankly after the presentation tonight if you have questions about other things we will certainly note them and pass them on to the architects. The last part on this is the terms of the agreement. What did we agree to do to make this study complete and if you take a look we are able to say to the Board of Mayor and Aldermen that this facility can be constructed not using any property taxes, that the City via MDC would be able to own and operate the building, that the City would contribute a maximum of 80% of the capital costs from the Meals & Room tax monies and we would insure that stream of revenue and those bonds so that there would be no default that would cause any type of backlash to the taxpayer here in town. Debt service, our calculation is that the Rooms & Meals tax portion that we would use would, from day one, always have at least at 30%

cushion over what the debt service would be on this building so from day one the amount of Rooms & Meals tax money applied to this would have a cushion in it. Our figures show, if you take a look at the final report going out about seven years, after seven years we actually would be receiving a net portion of the Rooms & Meals tax money about one and a half times the amount of money that we would need to pay the debt service on this building. Is that money that could be turned back to the Aldermen for other purposes or required to use a reserve or whatever, the fact of the matter is we would be taking in more money than we would need to service this facility. MDC has arranged and come to terms with Ogden Entertainment to, not just manage the building, but Ogden has offered the City a 15 year lease. Basically they would come in and lease the building for 15 years and be responsible for all revenues for the building and receive all the revenues in the building, but they would also handle all the downside in that building. The qualification is on that that they would give us in return a substantial investment in the facility. Cash money up front and that is going to be done in conjunction with another company that we have the pleasure of having participating in this deal and that is Enron Energy Services. Enron is a \$23 billion, NY Stock Exchange listed company. They are a natural gas and propane commodities company. They are an energy company, a pollution company and they are in this State and they see this as a facility they want to be involved in. Enron has offered to construct, finance and help design all the mechanical systems in the building that go towards the heating, the cooling, the lights, the generation of ice, basically the whole bit and they would subcontract to Ogden for the 15 year lease and stabilize the cost of energy in that building for us. Between Ogden and Enron, they have made an offer to the City of an \$11.4 million capital contribution to the facility. Basically, what that means is we are talking about a \$59 million project that has all the financing costs included. \$57 million is the actual project cost but of that \$57 million the City bond about \$45 million, in essence getting a property for 80 cents on the dollar and being absolved of any risk. The last part that we think is interesting is that Ogden has said that once they have achieved a rate of return that is agreed upon, that any amount over and above that rate of return would be shared with the City on a revenue sharing basis. So the City, even though we insulate the City from any risk in the operation of the building or the construction of the building, we still have the opportunity to participate in the profits of that building during its life and we think that is a very attractive deal. The Aldermen basically said to us we want you to trade-off all the risk in this building and get us a building that will do what we want it to do and we were able to get them a building that trades off the risk, does what we think it will do in downtown Manchester and at the same time maybe get a share of the profits as well. We think that is a pretty attractive deal. So we think we can do it. Once we get into some of the additional phases of the facility, if you take a look construction would be assumed by the construction manager so during the

construction phase the City is not at risk for anything that goes wrong during the building of it and overall the last item, project financing and operation would be non recourse to the taxpayer. Basically that means that if something goes wrong, there is not a bill that will show up on your doorstep in June when your property taxes are due. That is a key provision. That is the first thing we started with and the last thing we mention to you tonight. Last, the list of players I gave you in the beginning, here is the list of players. Mr. Russo could not be here tonight but we do have an Ogden representative available if a question comes up that we don't have the answer to we will be able to get it for you. That pretty much concludes our presentation this evening. We would like to get to the questions as soon as possible so at this point I will ask that the lights come up and the Aldermen take their seats.

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

Lloyd G. Basinow, 503 Amherst Street, Manchester, NH stated I have not a very long statement. As a candidate to the State Legislature, I have a duty and am personally committed to funding public education at the State level in compliance with the Supreme Court rulings, but without imposition of any new form of broad based taxation, such as income, sales or state property tax. In conjunction with other members of the general court, we intend to use existing revenues to meet the court ordered mandate using every available source of existing revenue which we can muster. Our children come first. Do not, I repeat, do not expect to use Rooms & Meals money for any civic center for this coming December will be the last payment made to the general revenue fund of the City of Manchester. By the first of the year, Rooms & Meals education tax revenue will be sent directly to the individual school districts not to be used for any other purpose than public education. The bill is already being drafted as I speak. I would strongly recommend that Manchester's elected officials inquire of the voters if they wish to have their taxes substantially increased to build a civic center. You should be honest with the taxpayers by telling them exactly what the loss of Rooms & Meals taxes will mean to the local tax rate in order to build the civic center. Your next Aldermanic agenda will contain a proposed non-binding referendum question with a suggestion that it be placed upon the November ballot. With or without my assistance in the Legislature, be assured that appropriate legislation will be introduced in the next session which will substantially reduce or eliminate Rooms & Meals revenue from coming directly back to the local municipalities to use in any way they please contrary to the taxpayers wishes. There is a short footnote which has come about in the last few days. The State Supreme Court has advised that it is the State's responsibility to fund an adequate education for all public

school children. This, of course, you all know. After having conferred with several well known and respected attorneys, it is our combined legal opinion that the court will take a dim view of the State giving educational funds to municipal general funds instead of directly to school districts. If money were to go or continue to go to general funds, there would be no guarantee that money would be used only for education and to provide an adequate education on an equal basis throughout the State as mandated by the court.

Jeff Michelsen, 45 Falls Avenue, Manchester, NH stated I wanted to preface my remarks by saying that I don't mean to denigrate anyone's efforts or intentions in this effort and I don't consider myself to be a minority or someone who is always against things, but it is issues like this that are making it difficult for me to continue to be a booster for Manchester and for New Hampshire. I think perhaps if the funding were reversed here and it was 80% private and 20% public that might be legitimate but when I try to think of one word that best describes this I remember my dear old Mom used to say that is a cockamamie scheme and I think that is what we have here. I think it was not that long ago that we had no paper for the schools, we have no money to open schools, we have roads that are falling apart and yet we are going to build this grandiose scheme. I would love it if we could have something like this but I don't think the way this has been set-up is going to work.

Steve Vaillancourt, 161 Faith Lane, Manchester, NH stated I am one of your three State Representatives from Ward 8 and I think we should express our appreciation first and foremost to the MDC and the work that they have done. John Snow and Skip Ashooh. I remember being on the WGIR Dan Pierce Show with one and on with that illustrious man, Don Rondo, on the other so we had a good time and I remember the first comments we made when we began talking about this and it was a little more than four months ago, it was like a year and a half ago. Government to me exists to do the basic minimums. That is a good conservative philosophy. We form ourselves in society because we crawled up out of the primordial ooze, out of the swamp and decided that we had to resist the caveman mentality. We had to resist the urge to hit each other over the head and steal our neighbor's food and take his wife so we formed a social contract and we decided that there was certain minimal things that we had to do to be civilized people. Now among these was protect ourselves forming policeman, forming fire and of course as society advanced we formed schools, we formed other social functions and of course roads is one of the big ones today. So what we do as a government should be absolutely of a minimal nature that we need to survive, that we need to prevent each other from hurting each other. Now you know that Thomas Jefferson was one of the founding fathers and I think he would be rolling over in his grave today if we took his words, life, liberty and the pursuit of happiness as the reason

we formed governments to mean, life, liberty and the pursuit of minor league hockey. I think what we have to do is be truthful with the people. The civic center proponents have done a very good job of selling the sizzle rather than the steak. They have led us to believe that, and I will quote from what they had up there, "there will be absolutely no property taxes used." Well another great American founding father, Ben Franklin, said that sometimes half the truth is absolutely a big lie. Well I suggest that is absolutely half the truth. A dollar spent once cannot be spent again. So if you are using the Rooms & Meals tax for a civic center, you cannot use it for what I deem the priorities of government, roads, schools, police and fire protection so lets not say that again. Lets be at least honest and tell the people if you want to have a civic center it is going to cost you about \$3.5 million a year for 30 years. It is going to cost the average home owner of \$105,000 about \$100 a year on his property taxes whether or not he uses that civic center for 30 years. Now if we are honest we can make a decision. Do we want to have this or do we want to have the more important things that government was settled to do. There are a lot of other things we can talk about. The Rooms & Meals tax, whether it is there or not and I was in Concord today in my role as a State Rep listening to talk about the constitutional amendments and it wasn't Lloyd Basinow, but it was one of the candidates for Governor, Jim Ruebens, who talked today in front of the House Finance Committee about talking 35% of the Rooms & Meals tax and using it to fund education. Now that would mean that money would still come back to cities and towns but it certainly is an indication that there is the thought in Concord to no longer have this money coming back to cities and towns and I would add that every city and town in the State of NH uses this money to relieve the property tax burden except Manchester. In fact, just before I left home to come out here tonight, somebody said all my friends think this has to be used, set aside for a civic center. Well there is the big deception. Manchester is the only city and town that does not take that Room & Meals tax money and use it to reduce your property taxes. As far as economic development, I talked today with Joseph Bast out of the Heartland Institute in Chicago. Tomorrow I plan to talk with Jeffrey Flake of the Goldwater Institute in Arizona. A nice, good conservative name, Goldwater, huh? This is not a boom to economic development. There are survey after survey that shows this and I presented them to Aldermen. Instead of reading them here to you tonight, I do have a TV show now on Channel 16 and we will do a little reading there but lets just quote one paragraph from the New York Times, "any politician who says this is sound economic development is either misinformed or lying" said Andrew Zimbalist, a Professor of Economics at Smith College. Sports teams produce little or no net increase and economic activity in a city. They take away money from other forms of entertainment people might spend it on like eating out or going to the movies and an investment of hundreds of millions of dollars, in our case only \$50 million, in a new stadium, is far out of proportion to the meager commerce the stadium

would, itself, produce. I urge everybody to get out tomorrow night to West High School and especially to Memorial next Monday because I understand the Chamber of Commerce is making a big push with free pizza to get their forces out next Monday night. So lets have everybody else come out and get our priorities in order.

Michael Coons, 3836 Brown Avenue, Manchester, NH stated I am just an average taxpayer. In the nine years I have owned my home, my taxes have gone up 40%. We need to take this money to fund education. They built a middle school in this City and they can't open it. They argue over opening it up and it is not even big enough to handle our kids. I think we need to take our priorities from entertainment and put it towards education and lowering the people's taxes.

George Charass, 69 Lucille Street, Manchester, NH stated Bill Shea, much to the chagrin of the Mayor and a few other people, recently at the proposal meeting dared to mention that \$96 million. Actually I think it will turn out to be more eventually. It is what in the truth and lending bill refers to as the total of payments, \$96 million but that is only one thing. That is what it costs to build the building. Now most government entities like the Pentagon and a few others use what is called life cycle costing and that life cycle costing includes acquisition or in our case construction, but it also includes operations, maintenance and God forbid if anything goes wrong, disposal. Operations, maintenance and disposal. Well, lets go to maintenance. In maintenance we have such things as reliability, maintainability, and a few other things but most of all preservation and improvement. Who is going to pay to preserve that building? Who is going to pay for the improvements in that building? It may well be that Ogden is going to pay the ushers and the clean up crew and a few other things, but an awful lot of things happen to a building during its life time. Question, is anything, anything, going to come back to us? For example, the extraordinary City services that may be required at certain events. Policemen. Who is going to pay for the Policemen? Not the property tax owner. There are a myriad of costs. I have just mentioned a few of them, preservation, improvement, City police. I mentioned three. There are probably 370. I think it is very important for you, as our representatives, to find out all the devils in all the details. Enough. Enough about that. The American Hockey League won't approve a hockey team until we say that we will build a hockey rink, but if we say that we will build a hockey rink, the American Hockey League, even then, can still say now and Lowell may get a few people together to say no so we will have committed to a building that is going to be a lot more hollow than we think. Should we take that chance?

Alderman Wihby asked Mr. Ashooh to address some of those questions.

Mr. Ashooh stated lets take the last one first. As far as the American Hockey League coming to this town and we build a building and then they say no, the construction of this facility, the issuance of the bonds, is conditioned upon securing an AHL hockey team, not the other way around but we will not be granted a franchise unless we have a facility. We don't build a facility until we get the team so lets say this group goes down and they make an application, we are granted a conditional franchise that the City can then go forward and build its building with the assurance that we get a team. That is number one. Number two, as far as maintenance, what happens in the building and things like that, would we get anything back, part of the operating proformer of the building includes a reserve fund where there are capital contributions on a yearly basis put aside to do just that, to redo the facility, do the maintenance, the repair, the upkeep and as a matter of fact we asked that question of Enron about some of the new technology that they want to put into this facility and they have their own program of aggressive maintenance and management on their facility so in essence when this building is paid for we have a building that is in good operating shape because we budgeted for it. One of the interesting things about our proformer is that we are bringing in the building manager and the construction people at the right time to do the planning and the budget so that we don't have a facility that is undermaintained. I hope that answers your question on maintenance and reserve.

Win McCarty, 1514 Wellington Road, Manchester, NH stated I am State Representative Winston McCarty from Ward 2 and I believe many of us need to be re-educated in economic development. We can understand well how this City was built with someone harnessing the energy of the river, building canals and factories and employing people to produce products made from raw materials purchased. The finished products were in demand and people outside the City paid sums of money for the products, enough to enable the manufacturer to pay taxes to the City on all his property and wages to the employees to live, build homes, and educate their children. Money flowed into the City. Now we hear about building a tax-free facility with tax money, operated with energy purchased outside the U.S. so that some superstar can entertain us after we spend our money for tickets. The superstar then leaves with his pockets full of money. I now ask where is the economic development. This is money flowing out of the City. Now I can see some advantages of a civic center and not to just Manchester, but to the entire region. Some of the benefits I hear mentioned benefit all the surrounding towns just as much as Manchester. They, likewise, should participate as well as the taxpayer in Manchester if we can afford to build it. Lowering property taxes with the Rooms & Meals tax should bring real economic development to the City. We have many other needed and worthwhile projects such as sewage, surface water drainage, highway infrastructure and schools. All of which require large

amounts of money. All which help economic development and I would like to add that the people that talk to me all favor a referendum and I thank you.

Doug Whitfield, 14 Windsong Avenue, Manchester, NH stated if there is any doubt after I get through speaking, Mr. Chairman, I am opposed to the building of any arena with taxpayer dollars. I had some things to say that kind of maybe changed a little as I hear what is being spoken by some of the people involved and now I am convinced that this is being done with smoke and mirrors. If we get the hockey team, if we don't get the hockey team, we will get this signed, we will get that signed. I think the point is that you keep saying it is not going to be done with our taxpayer dollars and the Legislature has given the Rooms & Meals tax back to the City and should have been used to take care of that infrastructure. I might suggest you spend a few bucks and put an air conditioner in this dump. If we spruced up some of the things we have, we might be a lot better of than building what you are talking about but those taxes, I don't think a lot of people understand, those taxes are coming back to reduce our property taxes which are skyrocketing and escalating as one young man just said and believe me I can attest to it. You claim that the tax collector is not going to knock on our door but I would say he already has because those are monies we should have already gotten. After this proposal is made and this team mystically appears and we have this hockey team that is going to pay to operate this facility, what happens two or three years down the road when they say you know we are not making any money there. Now we are going to move. Oh, you are going to move, we can't let you move. Well, maybe for a subsidy of \$2 or \$3 million and this is not beyond the realm of possibility. Ask Hartford, CT. Ask the State of Massachusetts who the Patriots have a gun up to their head saying we are out of here if you guys don't pay out of the taxpayer dollar. Let the guy that goes to the game pay the price, not the taxpayer. You talk of the jobs and economic development it is going to create. I have been to a lot of arenas around the country and I haven't seen too many of those high paying jobs. I see janitors. I see some ushers, ticket takers, people selling refreshments. I don't see those as high paying jobs. They are probably going to be taken by guys who are already working minimum wage in McDonalds and the other. We need industry here. We don't need, I don't believe, arenas unless it is paid for with private money. You talk of the economic development downtown. In case you haven't noticed, there is no place open at that time of night. 90% of these events, at least, will take place when all the businesses are closed except the bars. Now maybe we can attract a lot of fellows out of the bars and we will be able to put on a lot of extra police patrols to take care of the increased DWI. Maybe a few bar fights out in the street because those guys couldn't afford a ticket so they decided to hang around outside and drink and I am sure you are going to tell us that the taxpayer is not going to pay for that, that it will come out of some other cost I am sure. You talk of private investment. You

have two private investors who are willing to pay 20% of the cost of this facility. Those two investors are the two people who are going to profit from the operation of this. If this were a money making operation, there would be real estate trusts who would be clamoring at the door to build these types of places, but they are not involved, they don't care. Other private investors don't want to get in because they don't make money and the only time the taxpayer gets sucked in is when some politicians convince them that Santa Claus is on his way. Cities and States, I don't believe, belong owning buildings, private buildings, businesses. The State of NH you can look at the situations with Cannon Mountain and Mt. Sunapee. Prime examples of how good City and State governments can run businesses. Businesses should be run by private companies with private investments and that is where the dollars should be put. It should be put into schools. It should be put into the roads and the other infrastructure that this City needs so badly. To hear Aldermen say recently that they thought they could get this through without a referendum I think absolutely shows the quality of the people who got elected if they don't feel that we deserve a chance to at least go to the polls and cast our ballot because this is our money whether you believe it or not, it is going to come out of your pocket.

Bob Katchen, 91 Chad Road, Manchester, NH stated during the presentation made last week there was talk about opportunity lost and opportunity gained. One of the opportunities lost were the property taxes on the Staples property and I think the number was about \$105 or \$115 million. There was some bantering back and forth of that number. Very quickly thereafter, a big number was thrown up on the screen of Rooms & Meals tax \$465,000 or \$465 million or whatever anticipated. What percentage does Manchester now get back from the Rooms & Meals tax versus the \$100+ thousand lost on that property.

Mr. Ashooh stated I think you are comparing two different things.

Mr. Katchen replied I am but that is the way the presentation was made.

Mr. Ashooh responded to answer your question, the amount of incremental Rooms & Meals tax money that would be generated as a result of what we think is the economic impact of this building is \$456,000 which is roughly equal to the increment that the City takes now and puts into the general operating budget.

Mr. Katchen asked would you state that in English, I missed it.

Mr. Ashooh answered right now, what we project being the economic development impact on Rooms & Meals only would be about \$456,000. That is roughly the amount that the City of Manchester receives now and puts into their

operating budget. The amount above that is what we are proposing to use to finance a civic center.

Mr. Katchen asked what about cars and traffic. Nothing in the proposal last week mentioned traffic. Something about so much parking within 2,000 feet, so much parking within 5,000 feet which to me is about a mile. What happens when the civic center lets out at night all the cars?

Mr. Ashooh answered well one of the interesting things about the facility, the site that we took a look at, is that is at the conjunction of three of the major thoroughfares in town. You have at least five major streets on the west, north and south sides of the building that will funnel traffic in and out. You have Granite Street, probably about half a mile away. You have Commercial, Canal and Elm Street all carrying traffic north and south and South Elm Street all leading to the major exits out of the City. A traffic study was done to take a look at the impact on that area and we think because of where it is located we can handle traffic there very well. You also have to remember not everybody is going to park at the site because what we are trying to avoid is a building stuck in the middle of town with a sea of parking around it. That creates a problem in and of itself and it is not what we are talking about here.

Mr. Katchen stated I see a lot of roads entering and dumping onto 293 north and south bound so I see a problem with that. Another comment that I have is you are building this huge building and it is going to be plopped down in the middle of Manchester that neighbors a lot of communities where people don't make a lot of money. Has anyone done a demographic study that is going to show how many inner city people will be able to utilize the facility and go to Disney On Ice at \$25 a ticket, go to a concert at \$25 a ticket instead of sitting on the outside and watching people from the outside go in?

Mr. Ashooh replied it is an interesting point and what we will take a look at as far as our pricing structure, the only one that we can take a look at frankly is the pricing structure on hockey which is something that we know what the market tests around here but we also know that the other events that take place in the other arenas around here have pricing structures that we think will be better for these people because they won't have to pay transportation costs to get there. Outside of that, I can't tell you exactly what Disney On Ice is going to charge in 2000 to appear in this building or anyplace else.

Mr. Katchen stated I know that I took my family to see Disney On Ice not that long ago and that is probably something I won't be able to do for at least another five years, the cost of that one trip. I can't see an inner city kid looking at all this

stuff going on and sitting there saying wow and my parents tax money is paying for that and I don't have textbooks, I don't have computers, my school is overcrowded, you know. I am on the PTO at Webster School and you should have heard the feedback that we got the first meeting after the Mayor and Aldermen turned down the additional \$2 to \$3 million funding. My son is going to be a fifth grader. Now he has got the sixth graders coming back into his school that had graduated from the school. It just hurts to see us take this money and our cherished possessions, our future, is our kids. I heard through the grapevine that part of the reason they were denied the \$2 to \$3 million was there was some bantering back and forth, something to do with some consultants being hired, some kind of funding. My problem with that is if you have got a beef with the School Board, take it up with the School Board. Don't take it out on my kid.

Mr. Ashooh stated I would like to answer that because there seems to be a debate building between the appropriate use of Meals & Rooms tax money and we have had a number of proposals put here tonight. All of them tend to lead to the same thing and I want to ask you if you are prepared for a consequence of having state legislation which mandates the use of Rooms & Meals tax money only for education and having the local taxpayers not have any say on the money that comes into their City on how it is going to be spent. That is the other side of the coin. The debate that we are talking about here is taking this money that the City has set aside for improvements and seeing whether or not it would be appropriate for this type of investment given the appropriate safeguards. When you also add on top of that that this is not being done to the exclusion of the schools, the riverwalk or any of the other projects taking place in town. At this point in this City right now, there are 22 rehab or reconstruction projects going on in the 24 school buildings in the City of Manchester. The City of Manchester is spending money right now. The Aldermen made a management decision to set aside this money so these projects could take place and it can be done and a civic center can be built while these projects continue on and that is why we made this positive recommendation. I hope it clarifies the debate. It is not this at the cost of everything else. It is this is part of a balanced spending program in the City of Manchester that the City has conducted for a long period of time.

Harold Levine, 49 Hillcroft Road, Manchester, NH stated I want to commend Mr. Ashooh for the presentation of last Monday night. I did see a much clearer picture of what was going on and I believe that he and his committee really did an outstanding job even though I felt that the taxpayers of Manchester weren't involved, there would seem to be other presentations from the Chamber of Commerce which I think is pretty wrong. I think I have got one question to ask Mr. Ashooh when I get through or Alderman Wihby or Alderman Cashin or Alderman Hirschmann. I don't want to forget you, Keith. How much money was

appropriated for this particular project by the City of Manchester and what was the percentage financially that the Chamber of Commerce gave back to the taxpayers of Manchester to produce this feasibility study? I go along with this particular project and I think a referendum is due. I have to commend Alderman Shea for his outstanding performance and homework that he did on this particular project. It was a pleasure to listen to you last week, Alderman Shea. I also have to commend Alderman Clancy for the article I read I think in yesterday's paper and it was brought out by one of the legislators what about the people from the Chamber who comprise the Chamber from all surrounding towns. Have them approached their towns to help the taxpayers of Manchester produce the civic center from their Rooms & Meals tax. I have spoken, over the last two or three years since this has come about and I find for some reason and I don't know why you people don't, the best spot if you are going to have a civic center, you got the room, I saw plans last Monday night. I don't think a civic center with parking in the area could support a building that size. I feel the next block down of West Auburn and Elm Street which you have as sixth on your list, the Allen Brady property, all along there to me would be the most viable place. You would not upset 200 apartments housing the elderly just a block or two up. They have problems going out at night, etc. You have got a lot of what we call crack houses in that area and they would be right in back of the civic center if you put it at Staples. I think if you take this piece of property it would be the biggest rape of the taxpayers in the City of Manchester because it is not. There might be political connotations to go along with why you want Staples. That is not for the public to know. We will never know the truth, okay, but I just feel that you are imposing upon the Salvation Army. I don't know if you have contacted them. You know we are trying to create a clean inner city. I believe on Pine and Cedar Street they put up some beautiful new houses there for low cost housing. You have got it on Auburn and Beech Street. By having it on the Staples particular lot, how can you expect people to invest their money down there and then have a convention center. I believe in the referendum but it should be in two questions. One if you approve of a civic center and two, where it should be as far as the taxpayer is concerned.

Mr. Ashooh stated just to answer your question on the funding, our budget that we were given in February of 1997 was \$180,000. Those funds came from the accounts of the Manchester Development Corporation which is funded originally by federal funds that are used for economic development. The percentage of the budget that came from the Chamber of Commerce was zero. The participation in the development of this study by the Chamber of Commerce was zero except for a project that we asked them to do on seeing if their members would be interested in buying our luxury suites. Other than that, there was no financial involvement or input.

Joseph Levasseur, Cedar Street, Manchester, NH stated I wish I had not let Mr. Levine sign before me because he took all my notes. However, I do support that the city or community could use a civic center. When I walked in tonight I had a whole list of notes and somebody kind of gave me the key question, are you in favor and I looked at that person and said in favor of what? In favor of a civic center in the region? Yes. In favor of having the City and the taxpayer financing it? No. The location? Absolutely not. Whoever dreamt up that location, I don't know. I don't want to say it publicly. I think that the Allen Bradley location, I will support Mr. Levine's thinking, I heard bad comments because of toxic waste. So what? Clean it up but I think there is room for expansion, there is room for parking, there is better traffic pattern. If this was private money and the developers were willing to put a bridge across the river to connect to the arteries that go through City of Manchester, Allen Bradley's location all the way to the river lends for a tremendous expansion. I mean the City owns part of that land way in the back. There is room for expansion but the one thing that I think the taxpayers don't want to hear is don't reach in my pocket.

Jim Wilson-Napier, Pine Street, Manchester, NH stated very early on in this process I found myself very excited and very supportive of the concept of a civic center. I have come to a total change of mind and a change of heart. Historically in 79 ADAD, Vespasian and his son Titus built the coliseum. I doubt if that improved the civic life of ancient Rome and I doubt if this will improve the civic life of modern day Manchester. Manchester needs more than games. Recently we were treated to the spectacle of not being able to open a middle school on time for the upcoming fall semester because we did not have the funds. I think education is far more important than games. We are told that the civic center will afford property tax relief. Well if we take that \$65 million and fund our schools, cut the taxes we will have property tax relief without a boondoggle. We are told that X amount of dollars may or may not come from sports activities. Well every time I turn on Channel 9 Sports and they pan Holman Stadium in Nashua, they show the Timberland, Timberwolf games, they talk about the Singer soccer teams, they are playing to a hell of a lot of empty seats. I don't think this is going to be viable economically. There is the issue of the elderly high rise structures. I doubt if the City can afford to relocate two large elderly high rise structures because the tenants are driven out by the noise created by 10,000 to 13,000 unruly, drunken, doped up teens. These are very serious concerns. There is a concern about parking. There has not been an adequate attempt made to address the issue of parking and the needed possible 10,000 spaces from 9 AM to 5 PM during the work days when these trade shows and conventions are taking place and every other parking space is available. There has not been a commitment to on-site, underground parking. It is not just the Staples site that is inadequate. There has been no attempt to address the issue of parking on-site underground. There are

just too, too many issues that have not been properly addressed. It seems that we are moving ahead with great haste and I question our moving ahead with such great haste when so many people are unable to be present to address these issues. Those in the neighborhood with whom I have spoken are totally and adamantly opposed to this in any way, shape or form. I have yet to speak with one member of the neighborhood who is even slightly supportive of this project. A couple or three meetings ago, I mentioned the opposition that the Fenway community in Boston has to Fenway Park and I recently heard on the news that there were plans afoot to build a new, larger Fenway Park and that the Fenway residents are up in arms and they will fight this and they will win. Everyone in my neighborhood is just as adamantly opposed and we will fight this and we will win. Thank you and good evening.

Mike Flanagan, 28 Victoria Street, Manchester, NH stated I am shocked at what has happened here so far tonight. Let me tell you what I do for a living. I am a concert promoter. I put \$50,000 to put Alabama over here two weeks ago. We did 5,000 people. Anybody notice a traffic jam here? It was Saturday, August 1. Anybody remember a big traffic jam? This gentleman wanted to know who pays for the police. The person that rents the building pays for the police. The person that rents the building pays for the clean up. The person that rents the building pays for the insurance. A lot of buildings, I rent buildings all over New England and the Maritimes and Canada, they have \$1 surcharge on each ticket. The consumer doesn't even see it. If you are spending \$28.50 it will say \$28.50 plus \$1 service charge to go to the building improvement fund. That is what it generally is. There is where the money comes from to improve this thing each night. If you do 10,000 people a night that is \$10,000 and the gentleman that came up here and said that the money leaves town, the money doesn't leave the town. The artist makes 33% of the door. That is a record. You can look this up. This is part of the entertainment business. 67% of the money stays right here in town. It pays for the people. It pays for the rent. It pays for the electricity. It pays for the food. These people when they come into town, they eat and they have to get a hotel. Actually, the artists that come into town are going to be paying for themselves to play there because they are going to be paying the Rooms tax and they are going to be paying the Meals tax and so this is a wash out. I have only lived here for a year folks. I moved here because I thought it was a progressive town and geez since I have been here it says #1 City in America. You know what, but the people I have heard here tonight are non-progressive and they have not a clue what is going on. As far as educating our kids, I work in the school system here as well and I think every kid, if you go to Central or Memorial or West High School and ask them if they would like to see a civic center, 95% of them would say yes. Not only that, but they are going to get an education at that civic center. They are going to have OM. They are going to have OM things. Do you know

when George Bush was President and he had to come to do a major speech here to the United States for his campaign he did it at the Derry High School gym. He flew into Pease. We have got a beautiful airport out here. I bet you are the same people that argued against the airport too. You are the same people, aren't you? Yeah. That is really doing badly. I go to the Health Club every day. I see the traffic. I see buildings and the guy that mentioned about all the buildings that close down at night. That is because there is nobody here. Wake up! If we brought 10,000 people down here there would be a restaurant you know. What is wrong with you people?

Felix Torres, 225 Laurel Street, Manchester, NH stated I am here to speak on behalf of Manchester Neighborhood Housing Services. I think that the civic center and its proponents have presented a tremendous image and vision of what a future Manchester can look like and I certainly think that a lot of that vision could possibly be very true, but we also as people who, I live in the neighborhood and as an organization have worked in the neighborhood, have some concerns but I don't want my concerns to be misunderstood as the NHS is opposed to the civic center but we do want to raise some questions. I think Skip has done a very good job in presenting, we have met and Skip and is tired of seeing us but we have made a very good presentation about where people are going to park and I think that is very likely to happen, however, as some of us who live on Laurel Street, for example, can't park during the day because up and down the street the workers from the Norris Cotton Building are parking there, we certainly think that parking which is tough in the neighborhood is a concern and we are certainly worried that some of those attendants to the civic center events might decide parking on Cedar or Laurel or Auburn makes a little bit more sense then parking downtown so certainly we urge the Committee to consider that issue. If parking does, indeed, become a problem the second problem we are faced with is crowd control. What happens when the event breaks and people go home and even your quietest, most wonderful crowd at 12 AM or 10 PM or whatever is pretty disturbing. They can be quiet as church mice but once they slam their doors, you have a bunch of doors slamming and that is disturbing. I also think that the traffic issue is a concern. As someone who in the morning walks three blocks and as I wait and take my life in my hands when I first cross Maple and then when I cross Beech, I am not so convinced that those folks who now travel through Maple or Beech aren't going to use the same routes to get to the civic center. Now I bring up these issues not to say that I think they are deal killers or the Staples site should not be picked, however, it is something that I hope the Board of Mayor and Aldermen will look at proactively. We are having a home ownership seminar today and tomorrow and I hope that certainly in the future when we have someone who is looking to buy in our neighborhood and they say what is happening with the civic center, how is that going to affect me buying a house, I hope that we will be able to give them a

very firm answer. Whether it is there is going to be resident parking or the gentleman was talking about the promoters paying for extra police protection. Well certainly those are the kind of things that people are going to want to know, they want to know up front and have some kind of sense of commitment from the City on these issues. Thank you.

Frank Cartier, 41 Ray Street, Manchester, NH stated I am going to keep my comments fairly short tonight because the gentleman who spoke one time before me pretty much stole all my thunder of what I was going to say. I fully support...I was one of the fireman that he had to hire in order to put on the Alabama concert. I just want to say that I am absolutely for the civic center program. What I hear from a lot of these people is such a negative attitude about people living in this City. We are the number one city in the Northeast and there is a reason for that and we need to move forward. If people didn't have dreams and ambitions in this City, we would still be a tiny town of Derryfield with just farming. We would not have had the investment of the Amoskeag Textile Company. If people didn't have vision, we would not have built the airport. Somebody brought up the point of using public money, tax money, whether it be federal, state or local, to fund projects that benefit private industry. Well this airport that we have is supported by taxpayer money, whether it be federal, state or local and who is getting the benefit? Southwest Airlines, Northwest Airlines, United Airlines, all these companies. It is kind of that situation like we built it and they did come. We are having too much success, people will say, at the airport because of all the traffic. So for people who say that we cannot support a civic center, my wife and I, we travel to Worcester, we travel to Boston, we travel to Mansfield, MA in order to see entertainment. We spend a lot of money for tickets. We don't complain about the ticket prices. \$6 sounds a lot better, for a good hockey team, then movies. Not only do we go down and spend money for these tickets, we also spend money on hotel rooms so we can stay the night. We spend money on dinners so we can eat. Now people are talking about well we will be using up all our Rooms & Meals tax money to support this civic center. Well it seems to me and correct me if I am wrong, we will be increasing our Rooms & Meals tax revenue coming into the City because more people will be going out to dinner and more people will be renting hotel rooms which is where we get the money in the first place. If someone can correct me if I am wrong, I will be glad to hear it. So I will keep my words short. I am all for it and that man put it very well. Thank you.

Maurice Cuvellier, 342 Amory Street, Manchester, NH stated I believe in the magic of the market place, frankly, and if think if you really want the City to improve and you really want this to be a tower on the hill, put the tax rate as low as you possibly can for the home owner plus industry. The lower the tax rate is, I believe, my philosophy, the more money you are going to pick up and all kinds of

marvelous things will happen if you just let the magic in the marketplace take over. What is going to happen, basically, is all kinds of things we can't even think about tonight will happen. There will be so much money coming in here, especially if the other cities don't do the same which they will have to do eventually because Manchester, they would be following the example, they would have no choice. We would pick up more money. We would have less having to worry about hockey teams that are not going to make it. If you guys ever read U.S. News & World Report you would see that they didn't exactly think that hockey was doing all that well in the United States. All sports are going down some, but hockey was singled out and they must have really been glad when Disney finally bailed them out. Anyway, that is basically all I have to say. Just, if you really want the City to improve, put that money where it can best be used - in the pockets of the businessman and the homeowner.

George Morrissette, 25 Farm Lane, Manchester, NH 03102 stated I am kind of shocked at some of the information I hear tonight. Personally, I feel that this is a tremendous opportunity that we should not send elsewhere to Bedford or Merrimack especially where everything is going. I feel sincerely that if a contract or a company is willing to spend \$10 million as their part of the bargain because of their interest in the operation, that they know what they are doing. They are not going to spend \$10 million on a losing cause. I don't like the location too much. However, if they determine that it is the best location...I feel the City already owns a lot of land now due to a tremendous good deal that the Aldermen worked out with the State of New Hampshire, that might be a possible site with no cost for the site, no loss of taxes that we are getting from the properties who are there now. So as far as location, I would prefer that it be located on City land because it is a big thing to stick in the middle of town. However, I am concerned for downtown and if that is a major reason, well then so be it. The Chamber of Commerce works for the City of Manchester. Their interest is pretty much that of Manchester. These gentlemen know what they are doing and they promote what they feel is good for our City. They will provide jobs so we don't need these small paying jobs. You will need all kinds of jobs. People who want to work part-time and people who don't have trades. So it will bring many construction jobs at first but that is not the big thing. The big thing is afterward it will create jobs. We spent several years studying this subject and now is the opportunity and I feel that we should move forward and don't pull another Jordan Marsh and send our potential interested people out of town. I think it should be in Manchester. Thank you, gentlemen.

Gail Fisher, 83 Gilhaven Road, Manchester, NH stated I am both a homeowner in Manchester and a business owner in Manchester. I have a small business located at the airport which has benefited tremendously from the resurgence of energy into

this City with the airport. I have lived in the area for about 25 years and I watched both the demise of Elm Street and now the resurgence of Elm Street and the renewal of energy that is happening in this town is something that we must not stop. I am very much in favor of the civic center. I know that it will bring much, much, not only energy but jobs to the City in terms of an increase in the number of restaurants, boutiques. People who go to events spend money. I work with about 15 other people and on Monday mornings we will talk about what we did over the weekend and somebody will come to work and say that they went to Great Woods or they went to Springfield for something or they went to Boston for something. There is no reason in the world that these people shouldn't be able to stay home. The only thing that goes on in Manchester right now is Hoyts Cinema that has increased the ticket price, increased the price of popcorn, made the bags smaller...there is nothing to do here. We need to have the civic center so that people can stay home and have fun. Thank you.

Hubie McDonough, 65 Holmes Drive, Manchester, NH stated I hate to get up here and be negative because I am really a positive person. So number one, I am positive for the civic center but I cannot pass without saying to these people who have been knocking the Aldermen because the schools aren't open or a certain school isn't ready or this or that or the other thing. They should be talking to 14 School Board members. Talk about a circus, go up there. In two weeks the schools are going to open and nobody knows what time. I mean those people are beautiful. Go talk to them about running the schools. As far as the project itself goes, I rarely go downtown because I have no reason to. I go twice a year to pay my taxes and might sneak in again to register my car and occasionally to the post office. Otherwise, what is attractive down there? I will tell you what is attractive is McQuades and I credit McQuades for believing in Manchester and upgrading their store but if you look at me, I don't go to McQuades. But they are there and they and other people like them would be there and making money I think if we had something to draw people into the area so obviously the civic center is one thing. I ask all the naysayers, I have lived here all my life. We have been crying for 10 or 15 years that Manchester's downtown is dying. Will the naysayers tell me what they would put there to upgrade it? The answer speaks for itself. Nobody is putting anything there. A civic center may well do it. You get the people in...traffic...I don't see any of these problems as really being problems. I have been to hockey games for the last 60 years. I began standing in snow mounds at Dorrs Pond. So finally they built the JFK, seating horrible. I don't know who designed it. They pulled some bleachers in from Gill Stadium and they are still sitting there. They built the West Side Arena. You sit down and you look through metal railings, fire hoses and anybody who wants to come in or leave walks in front of you. Another well planned facility. No comfort at all. I have sat in JFK at high school graduations. You think this is hot? Nay, nay, that is hot and

then everybody who wants to be there can't be there and when you go in you wish you weren't there. We are talking about an air conditioned building. An air conditioned building with comfortable seats and good sight lines. Enjoyable. We go out before, we eat, we look at McQuades and say oh they are open tonight, lets go in. We have got fourteen Aldermen. We elected them. I thought we elected them to make decisions, both tough and easy. This is a toughie. Throw it back to the people, but there is fourteen of you. Can't you? Well, it is going to go to the people. Do your best, Aldermen. Thanks for the meeting.

Alice Krasner, 77 Larchmont Road, Manchester, NH stated I, too, think Mr. Ashooh did a wonderful job with his presentation and I know they have all worked very hard but I am sorry to say that our family is opposed to spending any City funds for the proposed civic center. We are not opposed to the civic center, per se, but we believe that the private sector of our community should build it. As explained by Skip Ashooh, our property taxes would not increase, the City would pay 80% of the cost of the civic center by using the Rooms & Meals tax money it gets each year to pay off the 30 year bonds. The Rooms & Meals tax is intended to provide revenue to NH cities and towns for their needs. It could include important things like support of education and affordable housing for low and middle income families. A few weeks ago, we learned that the new middle school would not be fully operational this September as planned due to a lack of money. Surely, our Rooms & Meals funds should be used to support our schools in a case like that where there is a shortage. What about affordable housing for low and middle income families in Manchester? We understand that there is an extreme shortage of affordable housing. Rooms & Meals funds could help such a vital need. To pay out the City's Rooms & Meals income for 30 years for the civic center means that for 30 years we wouldn't have that money for necessities like education, affordable housing and other parts of the City infrastructure. Therefore, we urge the Board of Mayor and Aldermen to oppose spending any City money on the construction of the proposed civic center.

Mark Burns, 25 W. Clark Street, Manchester, NH stated before I make my comments I would like to ask Skip if he could please reiterate his comments relative to the Rooms & Meals tax and what portion of that is going towards this project.

Mr. Ashooh stated of the Rooms & Meals tax money that flows to the City of Manchester, the first \$450,000 in round numbers gets put into the operating budget. Of the amount that comes into the City above that, we would take a portion of that to pay for the civic center bonds. From the first year that we propose to use that, there would be an excess of 30%. A 30% cushion, more than we would need. That would be set aside as a reserve and each year you have to

have that cushion. In seven years that cushion would grow to about 50% on an annual basis.

Mr. Burns replied so clearly we are not stealing from the schools or stealing from the Highway Department to build this civic center. Is that...

Mr. Ashooh responded the statement I made earlier was that this was not an all or nothing. That in a few years time actually the Rooms & Meals tax money according to the State figures would outstrip our need for this and there would be money available for other projects.

Mr. Burns stated I would like to begin my remarks by saying that I am very much in favor of this. We are talking about, basically, economic development here in this City. The other day, I was driving my children and a few other kids home from soccer practice and we went around the traffic circle and over the Amoskeag Bridge and they saw the sign "Manchester, #1 City in America." A few chuckles came out of them and they said as compared to what. What is here for us? I think that is what we are planning for here. We are not planning for next year or the year after. We are planning 10, 15, 20 years down the road. The last economic development of any large scale in the City was City Hall Plaza. Prior to that, it was the Center of New Hampshire which I think, at that point in time, Alderman Cashin you were on the Board, there was a lot of controversy about that project as well. If you take a look at the mission statement that was put up earlier given by the Board of Aldermen, it said that they were looking for economic development with the least impact upon the taxpayer in the City of Manchester. Clearly, this proposal meets that and it meets all the guidelines that have been set by the Aldermen. Certainly the terms that have been agreed upon are very realistic and I would like to dovetail with Hubie McDonough's comments that you people are elected and we elected you to make good decisions and the hard decisions and I think this is something that you should be deciding as a Board which is good for the City. Clearly all these people that are here tonight supporting this project have put in a lot of hard work and have certainly met the requirements that have been set forth by the Board of Mayor and Aldermen and I would ask you to vote in favor.

Chairman Wihby stated, Mark, just to explain what happens is there are two pools of money for the Rooms & Meals pot. There are two pots. One pot now goes towards reducing the tax rate. The other pot goes into a fund which we have been collecting and saving for economic development purposes and that is why it is there. So this proposal will take that amount of money and use that towards a civic center. The first pot would still goes towards the general fund reducing taxes. The second pot would go to the civic center. Opponents of that are saying

that the second pot could reduce taxes and they are right in theory. The second pot could reduce taxes if it was put in the first pot and all of that went towards the general fund. The problem with that and why everybody is saying that is not going to work is because for instance if we used it this year and the fight wasn't between a civic center and the School Department. The Aldermen didn't...that wasn't a vote that we had to choose between one or the other this year. The problem that we have is that if we did, say we gave the School Department \$2 million so they could give raises out this year and we took it out of the extra money that we had. Next year all the money that we have for the civic center in that Rooms & Meals money would go because they would need that again. We would start flat again with that money. Now it is gone and there is no economic development. The money is already gone, it is paying the teacher's raises and now a new amount is going to be needed because there is more teachers, or there is more raises, or there is more money needed to fund school education. That is the other side of the issue if we do that and spend the money that way. Now we could use it to fix highways like you said. That money could be used to do that.

Mr. Burns replied I suggest at this time that you bring it up at the next Board of Mayor and Aldermen meeting for a vote.

Dotty Hebert, 235 So. Porter Street, Manchester, NH stated I oppose plans to build a civic center in Manchester paid for by the City's share of the incremental Rooms & Meals tax monies. I view the civic center as a sports and entertainment center. I would rather see elected officials use the revenues from the Rooms & Meals tax to help reduce by property taxes and improve services paid for by the taxpayer. For example, in recent months the Manchester School District had to borrow \$2.1 million to buy textbooks, computer software, lease portable classrooms and to hire staff to meet Federal and State minimum requirements. There was not mismanagement of funds. It was not errors by the School Board in making poor judgments. This was money to make minimum state requirements. In addition, what Alderman Wihby referred to, they did have some Rooms & Meals tax and the budget was reopened and they went and added \$200,000 from when they reopened the budget to give to the school system but at the same time they still ended up borrowing money. Does it make sense to set aside revenues for sports and entertainment and have the School District borrow money to meet minimum requirements? If the proposed civic center is approved with the stipulation that the City's extra revenues will be locked into place for the next 30 years to pay for it, I don't want it. What happens when the Highway, Police and Fire Departments need money? The extra revenues will no longer be available. Again, I say no to the proposed civic center.

David Bigelow, 335 Laurel Street, Manchester, NH stated some of the questions I was going to ask have already been answered because of other people. What I am curious about if you can just answer for me because I have heard it as a percentage but not a number cause I don't know what the whole number is to begin with. You were very specifically talking about the \$406,000 or whatever of the Rooms & Meals tax, but what, as opposed to a percentage because I don't know what the total number is, what is the specific amount of Rooms & Meals tax money each year that would be going to the civic center itself?

Mr. Ashooh replied the only way I could answer that, because it would change each year, is what is happening is the State is increasing the amount of the Rooms & Meals tax money that comes to the City each year. So the first year we are probably talking in the neighborhood of 60% or 70% and each year thereafter it actually gets smaller. So that would be the maximum the first year and after five years we have one and a half times that we would be taking out or roughly 40% of the Rooms & Meals tax money I think. You just take this picture and use it this way. It is 1% in the first year and gets smaller each year thereafter because the Rooms & Meals tax money goes up each year.

Chairman Wihby stated we can get you those figures. We will mail them to you. Randy, can you get those figures out?

Mr. Ashooh stated Steve Stearn has got those numbers if you would like them.

Mr. Stearn stated Skip is right. My name is Steve Stearn and I am an investment banker with William R. Huff and have been working with the Manchester Development Corporation for a year and a half on trying to put together the project. Skip is right. The way the formula works in the State of New Hampshire is sharing the Rooms & Meals tax with the cities and towns is there is an increasing share of the tax that comes back to the city and town every year. So, if we take and I have got it on two different pages. It is in the book and this, by the way, is available to anybody. It is down at the Development Corporation and it is down at City Hall. Let me just give you some sense of the numbers. In the Year 2000, it is estimated that the City will get \$2.4 million in the Rooms & Meals tax. The first \$450,000 goes to the base, to the general fund, for tax reduction. That leaves about \$2 million. About \$1.5 million of that \$2 million would be used for the civic center bond payments leaving another \$500,000 to be used for any purpose that anybody in the room has discussed and that the Board of Mayor and Aldermen decide in the public process. That \$500,000 increases, the sharing goes up every year for a certain amount of time until it reaches a flat level. We have structured the bond payments so that they stop at a certain level so that...well we are talking 30 years and there are going to be economic upturns and there are

going to be economic downturns, there is going to be inflation and slow downs, but there is a natural order of progression over three decades of economic and fiscal growth so that starting in that first year, the Year 2000 which hopefully is the first year that the building is open, there is an extra \$500,000 and I am going to eyeball this because I can only go so fast, but the next year it is \$650,000. The next year it is \$850,000. I am talking about the money left over available to the general fund for any kind of spending purpose after the payment of debt service. I think that is your question, isn't it?

Mr. Bigelow replied I was like, you know, if we didn't have the civic center the difference in the money that could be put toward the operating budget.

Mr. Stearn responded there is two separate questions. The money left over goes \$650,000, \$850,000, \$1 million, \$1.25 million, etc. That is how much is left over. How much is being spent...none of those numbers include the \$450,000, they are all added to that. How much is being spent, starting in the Year 2000, \$1.4 million on the civic center, \$1.7 million, \$2 million, \$2.2 million, \$2.4 million, \$2.7 million, \$2.9 million, \$3.1 million, \$3.3 million, \$3.4 million, \$3.5 million, \$3.7 million. That is in 10 years it stops at \$3.7 million.

Mr. Bigelow replied thank you. That is what I was trying to get at because if you are just throwing me it is going to be 50% or 60% or 70% without knowing the number 70% of what, \$5 or \$5 million.

Mr. Stearn responded just to finish, the peak payment, and I might be off by a dollar or two, but not any amount of money, is in the Year 2011. The payments are flat at that number, roughly \$3.7 million for the remaining 19 years of the project. Theoretically at least, one would expect that over time, again evening out the cycles, that the Rooms & Meals tax revenue base is going to continue to grow so one would expect in those years as well there would be an accelerating contribution back to the general fund.

Mr. Bigelow replied thank you. I guess part of...when I am looking at whether this is a good idea or not is one would I love to have a civic center here? Yes. Two, I am concerned about how it affects my tax rate because no matter how you phrase it, if money is being taken away from the operating budget whether you say it is Meals tax or it is property tax, it is money that could have reduced the property tax because if you are taking it to pay for something else then that money has to come from somewhere else like maybe property tax to make up that difference. I guess the other thing I would be concerned about is if someone is trying to sell me something and it is really good for me they wouldn't have to lie to me about what is happening and why it is good for me if it really were good for

me. You know it is like “No, I didn’t lie to you. I made a misstatement. No, I didn’t lie to you. I made a...” oh what was that phrase that Clinton used once? But anyway, “I didn’t have sex because I didn’t enjoy it.” You know? But anyway, I guess my point is if you are making a misleading statement to me it is a lie and if you are trying to lie to me to tell me that something is good for me and I figure that out, I am not going to be real convinced about that. I am not saying that anyone has lied but to say to me like you are not using your property taxes to pay for this, one way or the other I am paying for it as long as it is coming out of the operating budget for the City of Manchester. Thank you very much.

Chairman Wihby asked Randy Sherman to get a chart that would explain all that regarding the Rooms & Meals money for the next public hearing and have it in color and one page.

Charlie Pace, PO Box 22, Manchester, NH stated I thought I was signing an attendance sheet but I have one comment. Run a referendum in the middle schools and the high schools and see what you get. Among the kids that are going to use it in the next 20 years. You know the kids that we are looking for in the future. See what they say. Run the referendum with them.

Bill Marvin, 887 Chestnut Street, Manchester, NH stated I guess I would probably be considered a carpetbagger in Manchester since I moved here from Massachusetts when I was two years old. So I am not a native. I grew up in Manchester as I said. I went to school here. I used to come downtown on Monday nights and Thursday nights when the town was bustling and it was fun to be downtown. I would like to see that happen again. There is a lot of fine things happening in Manchester right now. We have got the riverwalk starting to develop. We have had a lot of success with the For Manchester group, the Science Enrichment Center, the FIRST Center that is opening downtown. We got the overlook and the airport booming and just a lot of positive things happening in Manchester and I just see this as another positive step in Manchester's future. I think that what we are looking for is economic development. The civic center will provide that. I would love to see people back downtown and new restaurants and feel free to walk around at night and enjoy themselves which certainly isn't happening now. I also agree with my neighbor, Mr. Burns who lives in Ward 1 two blocks away, that it would be nice if you gentlemen could handle this decision at the Board level. I think that is what we did elect you for and I am certainly willing to live with that decision. So, I wish you a lot of luck in that regard and I think your question is fair and as you said, Alderman Wihby, the question really shouldn't be one sided but let the people decide. So often you see questions like that that are determined just by the way it is written and I think the one you have is fair. So, best of luck.

Artemis Paris, 1275 Hanover Street, Manchester, NH stated good evening, Chairman Wihby and respected Aldermen Cashin and Hirschmann. Thank you for the opportunity to speak to you this evening on the proposed civic center. Like everyone who has spoken for or against, I am not opposed to the concept of a civic center. I am opposed to the financing structure. May I present my testimony to you for your consideration? The Manchester civic center proposed is the predetermined choice for the expenditure of the Rooms & Meals tax monies returned incrementally to the City. It appears to qualify as the highest priority need for the long-term use of these funds. The project wished for a significant private investment. It has only a 20% minimum commitment from the private sector, leaving the significant part, 80%, to be funded by the City's share of the Rooms & Meals tax monies and Alderman Wihby I am not going to get into the

percentages as they were explained because I had this prewritten but you know that I understand that it is a part of it. I just can't rewrite my text. Eighty percent would be funded by the private sector. The City's share of the Rooms & Meals tax monies shall be committed to the project. The residents of this City in this plan of financing, give up their right to tax relief. What are some of the project's assumptions? First, the reliability of this stream of revenue. Two, the successful selling of luxury premium seating suites. Two, market conditions exist for naming rights we are told. What is the built-in unknown in this project? That the City and Ogden will share excess facility cash flow on a basis to be determined. We don't have that upfront information. On the site selection, I was at that site yesterday having to go to Staples to buy some materials and I, too, would like to comment on the fact that we have a lot of residential living around the site and near the site. For example, west of Elm and Merrimack there are a lot of residences there and I have been hearing Aldermen say we need to revitalize parcels downtown where we have shopping for people. I see this piece of property as a property that has been underutilized right now. It has a potential for being a tax generating piece of property. We have the Colivis and the other high rise apartments. I spoke with someone at the Division of Elderly Services at the State level. The whole purpose is to maintain the independence of these elderly people by providing services for them nearby. If you take away the opportunity of them to be able to shop and we need stores where they can go and shop so lets develop that piece of property to serve the immediate residential needs of those who are elderly and some of them do have physical disabilities and also the residents that Mr. Felix Torres spoke of. Targeting these monies for this predetermined project assumes, above and beyond anything else, that the City shall not have any future need for these monies. I believe that these monies were intended to be spent equitably and reasonably for City-wide priority needs promoting tax relief and ultimately assuring economic well-being of its residents. Economic well-being is tied in with property investment by the residents of this City. I further believe that the schools are in need. Infrastructure has need. The list could go on and on. I do not support using public funds for this project which could also jeopardize the City's right and access to these funds as deemed necessary in the City's annual budget process. The City should not forfeit its right to use these funds for the City's priority needs. I further support a referendum. That the wording be explicit to make clear to the citizens the intent of the return of Rooms & Meals tax monies to the City. I would like to conclude by saying I don't think it is the right thing to do in the manner in which this project is being structured financially and I don't think it is the right place to do it and I thank you for your consideration.

Carlos Gonzales, 1826 Front Street, Manchester, NH stated I will thank you all for being here as a citizen of the State of New Hampshire and Manchester for giving me the opportunity to participate. I believe in participation. Also, I commend the

leaders of this City for the dialogue and the community-building that is taking place here tonight, unlike whatever happened with the Catholic Medical Center on the west side. For the first time, I see an openness coming from the leadership and that is what you, as leaders, were elected for. So, I commend you for that, for opening it to the public. I will use some phrases from Abraham Lincoln because I believe Abraham Lincoln was one of those genuine, honest, humble and sincere leaders of this country. "Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often a real loser in fees, expenses and waste of time." From the Bible, I will use from Proverbs 29, Verse 2, "When the righteous are in authority, the people rejoice, but when the weak as authorities are ruling, the people mourn." Having said that, I will get into the civic center. The civic center poses a challenge to the leaders of Manchester and a challenge to all of us who are residents of Manchester and taxpayer citizens. Yes, it is true but we must not close the door to progress and the future of the next generations. This is about vision, future development, compromise and dialogue. My life experience, starting with the University of New Hampshire, I remember when I first started there and I for the first time visited Manchester and that was in 1980 and how discouraging it was for me to come to Manchester then. It was a run down City with tons of people walking around, turning the corners and walking on the street and they didn't look that good. Basically, old looking. Today I see Manchester as a vibrant, lively City and it can do better still. I went to live, after I became a professional, to Plymouth and I was a teacher at Plymouth State College and I am still a teacher because I believe in education which basically made me. Plymouth has an Art Center that pretty much makes Plymouth very lively. Manchester is not an exception. We are here right now facing new leadership. All of you were elected and this City has gone from #6 to #1. I see development such as the riverfront, the downtown, the Citizens Bank Arena, the Millyard development, the Farmer's Market, the Neighborhood Housing of which Felix Torres was here today. I see the Hackett Hill Industrial Park coming up at the west side and I see also the airport expansion as signs of what a #1 City is about, but with that also comes challenges. Challenges on how to administer and run the City and I challenge you as elected representatives, both democrat and republican, to do your homework and I truly believe you will do it because God allowed the people to vote for you and also people elected you. I would look at some pros because we cannot always focus on the negative. We must be positive. This will bring needed revenue for Manchester and it won't affect the tax property. Revenues coming from the Rooms & Meals are going to be basically used for two different purposes and as explained here tonight, I don't need to get into those details. They fulfill it, based on my understanding, those needs and it won't affect us as taxpayers. I believe that the civic center is a center not just for entertainment. I see this coming to the City - revenues, new jobs, recreation, of course, educational conferences and meetings, arts and musical festivals, religious

groups renting it and bringing revenue to this City. I go to church in Massachusetts and we have to rent the Fleet Center in Massachusetts. Why can't we do it here in Manchester at churches? We can bring 10,000 or 15,000 people at churches here to Manchester. I also see sports and business conferences and political meetings such as somebody mentioned. George Bush came to this State and he had to be in one of those high school arenas. Lets keep the New Hampshire advantage and make New Hampshire more attractive and welcoming. I will pretty much tell you...this question, do we want to keep the New Hampshire advantage and of course the Manchester advantage? I think we do. We need to move on positively and make New Hampshire better than it is today and specifically Manchester. Lets build the civic center. Lets do it together through compromise and dialogue. I believe that when I remember running for Aldermen At-Large the question was asked to all of the Aldermen and we all agreed that yes but that there would have to be some compromises through giving and taking and I see it happening with this proposal tonight. I will say just to close three different phrases from the Bible. Number one, "When a man's ways are pleasing to the Lord, he makes even his enemies live at peace with him." Number two, "Plans fail for lack of counsel, but with many advisers they succeed." Like what I see today. The advisers are not just from the leadership, they are also from the private sector and we as citizens are also advising right now. The citizens' concerns need to be taken care of and I believe that you leaders will listen and take care of those concerns. Number three, "Commit to the Lord whatever you do and your plans will succeed." Lets keep the New Hampshire advantage and lets keep Manchester not just as #6 City as it was, lets try to keep it forever or as much as possible as one of the leading top cities in the State of New Hampshire and the United States. Thank you.

Scott Green, 47 Byledge Road, Manchester, NH stated thank you Alderman Wihby, Alderman Cashin and Alderman Hirschmann. I normally would support the civic center but the civic center has a critical problem and that problem is based on the kinds of team owners. Several weeks ago, I had to take the train down to Baltimore. I started in Boston, the former home of the Braves. The train goes through Hartford, the former home of the Whalers. It goes through New York, the former of the Dodgers and the Giants. It goes down to Philadelphia, the former home of the A's and ends up in Baltimore where I was going, the former home of the Colts. Sports teams don't stay forever in one place. As soon as they can find a new venue that is more profitable and that will make more money, they will go. They will break contracts. They will threaten to break contracts. So many city and county governments and state governments are on their knees begging teams to stay. They are on their knees begging teams to come in. I don't think the City of Manchester should become caught up in that system of begging teams to stay, of begging teams to come in. I think the civic center is a sound

idea. I think we do need a civic center but making the civic center at the present time dependent on a professional sports team that is the prime tenant as the pillar, especially a team in a sport that seems to be declining, I think that is a fatal flaw in the current plan for the civic center and that is why I think the Aldermen should oppose this current plan.

Grace Freije, 114 Hollis Street, Manchester, NH stated Chairman Wihby, Alderman Cashin and Alderman Hirschmann, good evening. I live in Ward 3 which is smack in the middle of downtown in the proposed ward of the new civic center. I am a former School Board member and a teacher of 20 years. I have lived in Manchester over 30 years, graduated from Manchester public schools. I see many people in this room who have graduated from Manchester public schools and most of us seem to be doing okay. I think my message tonight is one of vision and change and in the world of education we like to use the word changing paradigms and what that means is looking at things that we have done the same time after time after time with new eyes. Looking at them with a more creative approach. Having been a high school teacher for over 20 years, I can tell you, I can't say it in this room but high school kids are very willing to tell you what they think about Manchester and guess what? The future that we have been talking about all evening, they are leaving town. They don't want to be here. They are going away to college and they don't want to come back. Just ask them and they will tell you. As far as education, you won't find many people that are more impassioned about education and kids than I am. I think what we need to do is look at our education system more closely. There are good teachers in the school. We give our kids a good education, but we also need to look at how we structure our education system with new eyes. We need to look at school reform and school restructuring. We need to give our School Board and our Administrators more autonomy. I ask that all of you consider this proposal very carefully and think about the future and think about our future and lets try and keep them here in Manchester and so they will be here to work as hard as I have worked for many years to make Manchester a better place for us to live, to work and to play and for people to come and visit. I would like to commend the Aldermen and the entire committee that has worked on this proposal. You have done an excellent job. Thank you.

Steve McMahon, 268 Ridge Road, Manchester, NH stated I wear two hats professionally. One, I am an investment adviser and two, I coach high school girls basketball and AAU high school age basketball and it amazes me the negativity we talk about in this City that I have heard tonight about how awful things are in the City. The rest of the world must be really in trouble if we are #1 or #6 or whatever we are and we have all these problems. I think if a client came to me and said I am #1 or #6 in the way I live versus the rest of the world and I am getting to get some extra revenues from a place that I haven't used this money yet and now I have an opportunity to do something with it, what would be a good thing to do. I have an opportunity to invest in an asset, the civic center. This asset should be an asset that can increase, improve and enhance my lifestyle and my kids lifestyle and all around me and on top of that, this facility has the opportunity to broaden my other income by increasing tax base around the City and making businesses better and bringing more tax revenues in and maybe the jobs there aren't the greatest jobs in the world but I guarantee you the neighbors that live there that people talk about don't have much, they would be very glad to have those. This is an asset that can help this City tremendously. It can help our kids. It can help our future and unequivocally I would be in favor of it and I think the location is good because of the parking and the traffic, foot traffic that is created by people walking by all the merchants that would then blossom in downtown.

Joshua Wright, 88 Joe English Lane, Manchester, NH stated about nine months ago, my wife and I moved up here and bought a house and one of the concerns we had when we moved here was what are we going to do on the weekends, what are we going to do at night. We love the Back Room. The food is great but you can only eat there so many times a week, right? I have tried some of the other restaurants downtown but there is nothing else bringing me downtown. Right now, I go out to dinner in Boston. I go out to dinner in Waltham. I go out to dinner in Saugus. I go out to dinner in places in Massachusetts because there is nothing right now that brings me down to downtown Manchester. The Black Brimmer is a great restaurant but I always forget about going there because I don't have to drive by it very often. The thing that concerns me about not having the civic center here is what are my kids going to do when they grow up. I don't have any kids right now but eventually I will, I hope and what are they going to do around here because right now I am a little bit bored and I go to Worcester everyday. I work in Worcester. I go to Ice Cats games which is the local team down there. They have done a great job down there. They support the community and they also do something else that no one else seems to have mentioned. They create spin-off. Now what spin-off is is economic development that is not produced by the team or the civic center itself, but by businesses that are developed because of the existence of a civic center. If this civic center is built,

you will have new restaurants, you will have new retail shops, you will have new reasons to go downtown. You will have new reasons to enjoy Manchester. If it is not built, I frankly don't see any other reason why I would go down there. I am sure McQuades has great clothes, but it is not a reason for me to go to downtown Manchester. I hope the Aldermen will just vote yes for this and if my Aldermen does, I don't know who he is. Who is my Aldermen? all right. We will see you next election.

John Stancik, Manchester, NH stated I am a little nervous. Not because I am speaking in front of you but I am afraid I am not going to be able to afford my property taxes and I am nervous because I really don't want to move out. I don't see what has been presented, for me, as anything that is going to keep me here. I need more evidence and number one, I think we need a referendum. It looks like inside baseball is being played here tonight from what I see. If I could put on my glasses for a minute and just read the notes that I have been copying down, back in the early 70's, 1971, 1972, 1973, I heard similar promises from a company known as Public Service Company of NH. They were going to give us the cheapest electricity in the country and we know what happened there. The Mayor last week said at the presentation before the Board of Aldermen that essentially Manchester will get a free civic center out of this. That is the financing package he was looking at and that is what his idea was. We will get a free civic center out of this. He knows as well as I do, although he didn't say it, there is no such thing as a free lunch and there is no such thing as a free civic center. He also didn't say that if it sounds too good to be true, it usually is too good to be true. Frankly, I would rather have the State Rooms & Meals tax money to lower my property taxes so I don't have to be nervous about moving. I have one question which I will ask Mr. Ashooh to address when I complete this little message. What role does power generation by the Enron Power Plant going to play for the benefit of the general public? What exact role is that power plant going to pay? Is it going to help lower my Northeast Utilities bill, Public Service Company of NH? If this is so good, lets get 100% private investment. It should be simple unless of course it is too good to be true. I saw on the screen that there were 230,000 square feet in this plan. I assume that meant the building. Do you realize that is a little bit more than 5 acres? Nobody would holler, nobody would say acres, they would say 230,000 square feet because we can't comprehend thousands of square feet very well. My house is less than 1,200 I am sure. Five acres. Yes, a referendum is what we need. To the gentleman who said don't let the ball pass again with the Jordan Marsh game, didn't they go bankrupt like PSNH? If it sounds too good to be true, it probably is and if they go bankrupt after having built this civic center, there go all of the 20 full-time jobs that were promised by Ogden that would be filled by the building of this civic center. Twenty, twenty full-time jobs. Somebody said

tonight and I don't know who it was, they wouldn't be very high paying jobs. I bet you a couple of them are going to be high paying. Thank you.

Bill Green, Ward 3, Manchester, NH stated I have lived in Manchester to the point where in three months I will be 81 years old. I don't take any of these things lightly and I don't know if any presently presented plans are going to be such that I will benefit from them myself but I have had some experiences in the City over my lifetime. In the early 1950's, a Citizens Advisory Committee was organized on the public schools. It was the best committee, to this day, that I have ever served on and I think one of the best that has ever served the City. It represented a broad gauge of the citizenry and it was a very active, very efficient group of people. The first study we made was of the curriculum and we made recommendations to the School Board and they were all adopted with great fanfare. It was a wonderful thing to do. The second was examining the housing and the facilities that the schools had. We recommended at that time the only way to cure the overcrowding in the school system was to take the freshmen year out of the high school and take the 7th and 8th grades out of the grade schools and create the junior high school system. That seemed to strike a nerve and everyone came out very fearful of what was going to happen. We not only devised the system, but we also gave them the locations of where to put the junior high schools and it was on City land. It would not have cost the City any money. This was all passed over very lightly with much of the same type of criticism that I have heard hear tonight on this project. Very spacious and not necessarily substantive. The end result of that was that the junior high school system was adopted. The junior high schools were built on the very sites that our committee had recommended to them only they did it about seven years later at more than a third more of the cost of getting the project done. I would hate to see the same thing happen with this. There is a fear and mentality that takes over at a time like this in a community and it would be a shame to have it do that here. I sat at home the other night listening to the presentation by the gentlemen who have really studied and prepared this plan and I have never been more impressed. This has been done by experts who have spent all kinds of time on every aspect of it. The engineering, the cultural, the financial, every aspect of it and are prepared to answer the questions and most interestingly not willing to answer the questions they couldn't answer. I didn't get any sense of fudging. It was a sense of saying this is what we have done. They have spent all kinds of time and effort to present this thing in as fine a portrayal as anyone could hope to have. I have seen Manchester outlive old age twice. Once in the 40's and once in the 70's. I hope I can live long enough to see it do it again. There is a great anecdote about Casey Stengel. Stengel was at spring training talking to a reporter and there were two young ball players down the road and Casey said to this writer you see that young fellow there on the left. He said yeah. He said he is 20 years old. He says in 10 years he is going to have a chance to be

an all star. He said you see that other kid with him. He said yeah. He said he is 20 too and he said 10 years from now he is going to have a chance to be 30. Now we have got a chance to be an all star. I hope Manchester can show that we can be.

Senator Eleanor Podles, Manchester, NH stated for the record I am a Senator and also a taxpayer. I am against the funding proposal of \$39 million which would tie up Manchester's share of the Rooms & Meals revenue for 25 to 30 years and this is only for one project, the civic center. The Legislature envisioned the Rooms & Meals revenue sharing to reduce property taxes and to improve infrastructure in cities and towns. You are setting up dedicated funds. Where is the dedicating funding coming from? It is from the taxpayers of Manchester. We are shifting revenue from the operating budget to the capital budget. The civic center is a capital budget item and what it does is...I have been sitting in front of that fan and I guess I am really very hoarse. Please bear with me. It creates a shortfall in the City's operating budget. Property taxpayers will have to make up the shortfall. If you shift the Rooms & Meals tax revenue over to the civic center, the City will be left with three choices when passing the next year's budget. Number one, it will find new sources of revenue. It will have to do that. Number two, it will cut their budget by a like amount and number three, it will pass the cost onto the property taxpayers and which of these three do you think they will do. The project needs more private money. Twenty percent is not enough. It should be at least 60-70%. This project, if built, will put a heavy burden on the Police and Firemen. Traffic will be intolerable and uncontrollable. Parking at a premium. I have some figures for you that I just got yesterday from the Senate, from the LBA. This is the distribution for Meals & Room taxes to the City of Manchester in previous years and up-to-date. In fiscal year 1996, the City of Manchester received \$812,000. In fiscal 1997, the City of Manchester received \$814,000. In 1998, \$1.098 million. We have now appropriated for 1999, \$1.5 million. Starting in 1997, this is why you are getting increases. You have noticed that you were in the thousands and now you are in the millions and this is because starting in 1997 with prior year revenues the State must distribute to the communities an amount equal to 75% of the increased Meals & Rooms revenue for the current year over the prior fiscal year. This is additional distribution and it is capped at \$5 million. If you remember, this was a bill by John King and this is a bill to add an increase that was not there in other years and each year it will go up so the money is there. I have several questions and I would like to have somebody answer them for me. My first question is, we were told this evening that the civic center will be owned by MDC, but who will pay the taxes on that building. That is my question.

Mr. Ashooh answered in the current proposed structure, that facility would be a City owned facility, therefore, the City would pay itself taxes or not pay any tax bill at all.

Ms. Podles replied no taxes, right. My other question and I have several, my other question was I noticed that the guidelines included secure a professional hockey league franchise. My question would be do we plan to televise the hockey games?

Mr. Ashooh answered if we could find someone interested in televising, I would hope so.

Ms. Podles replied because that is the only way I think you can make money, if they are televised.

Mr. Ashooh responded if you would like, Senator Podles, I would love to introduce you to the team so you can consult with them on that because we are looking for revenue.

Ms. Podles stated I also way to say that the money that you people talk about, millions and millions of dollars over a period of 25 to 30 years coming out of Rooms & Meals, that is only if the economy stays the same or does better because if the economy goes down, the State isn't going to get any money either. We are very lucky that the economy is very good. Anyway, I just think that taking Rooms & Meals tax like this for something that is a capital budget item is a dangerous precedent and I just feel that it is a civic center at any price and that is what it is.

Matthew LaPointe, 211 Salmon Street, Manchester, NH stated I am strongly in favor of the civic center project. One thing that I am not sure everybody understands or I am not sure I understand it. I understand from the presentation that was made by Mr. Ashooh that these bonds are going to be guaranteed. That they will be insured. If there is a problem with the tax revenue, my understanding is that the insurance would pay the bonds. I don't see what the alarmist, what the big alarm is over not having the ability to pay for the civic center when it seems as though this Committee has really looked at every possible corner of this problem and found a way to cover all of the possible problems, all the possible things that could go wrong. There is a guarantee on the operating expenses that there wouldn't be any operating losses, that the City would not have to pay. There is insurance on the bonds. They have thought of a mechanism to get additional Rooms & Meals tax. The increase in Rooms & Meals tax is going to pay for this. Not taking money away from anything that it is already being spent on. I am flabbergasted at the technical ability that this Committee has come and put together such an amazing project that has every base covered and yet there still are

people who are opposed to it. I can't understand it. I am amazed at some of the cynicism I hear from some of the citizenry. The cynicism, the notion that well somebody must be getting a better deal or the fix is in here or somebody is getting something and they are not sharing with us and somehow somebody is not being straight with us. Well, I think these people are absolutely well meaning people who want to do the best for the City and I think they have left no stone uncovered and I don't think the fix is in and I don't have any mistrust of any of these folks and I don't see any reason why anybody should have any mistrust of any of these folks. I urge you to vote yes. We elected you to make hard decisions. This is a hard decision. Vote yes. Thank you.

Chairman Wihby stated Matt, just to get to your point, sitting up here after I don't know how many years on the Board, since 1986, and having a crowd like this and there is pros and cons. You hear a lot of people I think who are angry over the issue and making some innuendoes but you know I didn't really hear that today. I heard that from a couple of people but I think this crowd really cares about what is going on and I think they should be commended. This was nothing like a regular public hearing that we have had where they go after these guys and they are on the hot seat. They have done a great job with the presentation and we are trying to keep it open so that everyone can answer the questions and we can answer them right away. We are going to have more like this but there was a couple I think that you referred to, but I think on the whole it has been a very good crowd.

Richard Bourasses, 459 Central Street, Manchester, NH stated I am a business owner downtown. In 1973, I came to this City as a college student. I was amazed at the vibrant undertone of the City. I mean there was life going on everywhere and later on I came back here as a recruiter and saw a big downturn when I was in the service but I decided to come back to Manchester when I got out of the service and I saw it just about die and I decided to do something about it. I invested myself into Manchester. I put my money and my efforts into downtown and I think it is starting to come back. What I see is a lot of people being like rats and trying to leave a sinking ship by not investing in themselves and their City. I have four children, all of which will move out of Manchester without something to keep them here. I have seen the ebb and flow of jobs. I have seen the ebb and flow of businesses, but any business that does not take a chance and invest in itself is bound to die and I think that is what Manchester is on the brink of. It either has to move forward and live and survive and grow or it is going to wither on the stem and die. We have a neighbor to the south of us, Lowell, that took the right steps and has been slowly coming back. Unfortunately, its mentor, Mr. Tsongas, has passed away but in many ways they are still striving towards his ideals. I think Manchester needs to take a leadership role and become the shining star of New Hampshire. I think Skip and his team have covered every base. They are not

looking at this costing the City anything. What they are trying to do is cover all the bases with insurance policies, with private investors, and having as many people have said, spin-off businesses and a growth of Manchester. I think it is only the beginning. If done, it will do very well. The same as the airport. I use the airport a lot. I have a lot of clients that use the airport and a few years ago the only choice you had was to go to Boston or take a puddle jumper from Manchester into another bigger airport. It is time to keep going. It is time to move on. I think this is a decision that the Aldermen should make. We elected you to make the tough decisions. I think the decision is very straight forward and I know that Manchester has its problems but I think this is one way to start resolving them. Thank you.

Gary Frost, 89 Lovering Street, Manchester, NH stated I used to spend a great deal of time downtown, especially in Ward 4, as the Executive Director of the Boys and Girls Club. I have been a resident of Manchester for nearly 25 years and have always been concerned about the vision our governing leaders had for this community. It is my feeling that throughout many of those 25 years, short sightedness on the part of our community leaders has, at times, had a negative impact on the ability of this community to move forward. Over the past few years though, I have seen a real change. I have seen revitalization, enthusiasm, and pride in our community beginning to grow. This is obvious to outsiders as well, having designated Manchester as the number one small community in the Northeast. Although we have been ranked the best, we still can be better by continuing to invest in the future. I see the proposed civic center as a true investment in the City of Manchester. An economic, cultural, and pride building investment. This plan presented to you meets all the guidelines requested. The Committee putting it together should be applauded for their fine work. It is said that reasonable people make reasonable decisions. Those who are sincerely concerned about the future of our City and are willing to look at this proposal with an open mind can only be supportive of it. I truly feel that building of this civic center will launch us into the new millennium. I hope that in 10, 15 or 20 years from now I can look back at Manchester and be proud of what it has become and not have to look back and imagine what it could have been. Again, reasonable people make reasonable decisions. I ask that you listen to the reasonable thinkers and make the decision that is best for Manchester. Thank you.

Alderman Richard Girard, 517 Hevey Street, Manchester, NH stated I wasn't planning on speaking tonight, but as I have listened to the debate here and the concerns of the people who are worried about their property taxes, I decided I would read an article that comes from the Grand Rapids Press. For those of you who don't know, back in 1996 the city of Grand Rapids, Michigan built a civic center and Grand Rapids, Michigan is a city similar in size and make-up to ours.

Part of the article reads like this, it is entitled "Powderkeg of Development". Only someone blinded by cynicism or ideology would deny that the VanAndle arena has ignited a powderkeg of development in downtown Grand Rapids. Since the arena opened in October of 1996, seven formerly vacant downtown warehouses have come to life, fourteen new restaurants have opened, retail is returning to Ionia Avenue, and moves are underway to renovate and build several other buildings for offices, night spots, stores, and residences. Not even the most bullish supporters of the arena expected the place to spark that sort of downtown revival. "We thought a building or two would be redeveloped" said Jim Gray, the construction manager of the arena, "but no one expected this sort of thing." The arena certainly benefited from timing. It arose as the economy was in full bloom and just as downtown seemed to be the trendy place to head but area designers can take credit too. The arena succeeds where a lot of projects failed because it fits comfortably into the neighborhood. The arena is roughly the same height as surrounding buildings. It isn't surrounded by a sea of parking. It is close to adjacent buildings and doesn't present an impregnable wall to pedestrians, except on the south end which was designed for expansion and the article goes on. The reason why I bring this up, and about nine or ten months ago in the NH Sunday News there was an article on the economic impact that the Worcester Centrum had had on downtown Worcester and since being built in 1980, there has been over \$1 billion worth of development in downtown Worcester around that civic center. For those who are worried about property tax relief, I submit to you that real property tax relief comes from the expansion of the property tax base. Now you can take the \$3 or \$4 million a year in Rooms & Meals tax and in the Year 2029 it is actually \$12 million that comes from the increment and if you were to take that and apply it to today's tax rate, your tax rate would go down about \$3. If you were to add that \$1 billion worth of development from downtown Worcester to Manchester, your tax rate in today's dollars would go down almost \$10 per thousand. The economic development principle is key and I would just ask those who are worried about their property taxes and whether or not they can afford this, I would ask them to consider whether or not they can't afford it because unless we can do something about the downtown tax base which right now represents less than 5% of the City's overall tax base, it should be about 25-30% according to the International Downtown Association, the residential property taxpayer is going to continue to be hurt and we are going to continue to argue over where the debt shares on the Titanic are because we just can't generate the funds we need to take care of other items. So please do consider that question. Thank you.

Daniel Lord, 362 Douglas Street, Manchester, NH stated not only am I a homeowner so I am concerned about property taxes, I am a father so I am concerned about the education but I am also a merchant on Elm Street. Fifteen years ago I moved here from Binghamton, NY which people raised the same

question about a civic center there. Binghamton went through the civic center, they revitalized the downtown. Binghamton in the 70's was dead and I saw in the early 80's when I came here, Manchester being the same way. I am seeing Manchester now start coming alive. The downtown area is bustling. Yes, there are vacant buildings but they are filling up. I took a chance on downtown Manchester and I am glad my family and I did. I think this is the right move at the right time and we should go ahead and go for it. Thank you.

Greg Shultz, Kenney Street, Manchester, NH stated it is a no brainer. Build it. My only question is what is the architectural design going to look like? Is it going to have granite and brick and keep the Manchester historical style to it?

Mr. Brensinger answered we have not yet gotten to the point in the design where we have definitively determined what the exterior of the building will be like, however, I can tell you that we have had numerous discussions with Skip and his Committee about it and we also had, as some of you may recall, several community-wide workshops on the design of the building. One of the messages we got very loud and clear, particularly at the model building session at the Center of New Hampshire, was that folks want it to fit into the architectural character of our City and we would certainly, as the designers, support that. I think you can count on that being our intent and we will follow through on that.

David Bigelow, 335 Laurel Street, Manchester, NH stated if I understood what they were telling us earlier about the maximum we would be paying would be about \$3 million a year for 19 years, what is the ballpark figure now of our general operating budget overall.

Chairman Wihby answered our total budget is \$165 million.

Chairman Wihby advised that there being no one else present wishing to speak, on motion of Alderman Cashin, duly seconded by Alderman Hirschman, all comments will be taken under advisement and all written documentation presented will be received and filed.

Chairman Wihby asked Randy Sherman to devise a chart on the Rooms & Meals numbers for the next presentation.

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

A True Record. Attest.

8/25/98 Spcl. Cmte. on the Civic Center  
45

Clerk of Committee