

**SPECIAL COMMITTEE ON THE CIVIC CENTER**

**August 26, 1998**

**6:30 PM**

Chairman Wihby called the meeting to order.

The Clerk called the roll.

**Present:** Aldermen Wihby, Rivard, Cashin, Hirschmann, O'Neil

**Messrs:** E. Ashooh

Chairman Wihby stated first I would like to go over the referendum question that is being proposed that the City Solicitor is looking at so everybody would have it here today. The question is, "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 & Rooms tax?" That is the potential question that the City Solicitor is reviewing and hopefully we will get some sort of an answer or if it has got to be changed or what has to be added to it.

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.

Alderman Thibault stated my name is Henry Thibault and I am the Alderman of Ward 11. Just a few words that I would like to say tonight before the presentation. First of all, I would certainly like, as an Aldermen, to commend the Committee that has done the work that it has done in proposing tonight what you are going to hear and what we heard last night and what some of the other meetings that are going to be held will hear. Now these people spent an awful lot of time trying their best to put the best foot forward for the city. Whether I am for the civic center or against is immaterial and believe me at this point I am not convinced

either way. The point is I want you to understand the work that these people have done in this Committee to get the City to this point at a point that undoubtedly could bring this City a lot further forward if, in fact, all of the things they say tonight or answer to your questions will be. So I would certainly like to thank the Committee, the five Aldermen that stand on our Committee and also on Skip Ashooh's Committee that is the Committee that is, in fact, doing what the Committee of the Aldermen have asked to get done. So thank you very much and I would appreciate it if you could listen attentively and if you have any questions, please, these are the people that can't answer your questions and as the Alderman of this area I certainly would like everyone's questions to be answered.

Presentation by members of the MDC Civic Center Subcommittee.

Mr. Ashooh stated good evening everybody. It is nice to see everybody here again on another balmy summer evening in New Hampshire. The venue is the same. The temperature is just a little bit cooler than last night and as the lights go down what we would like to do, the format for tonight, will be very much like last night's meeting. We would like to do a brief presentation to give you the framework of the presentation that we made to the Board of Mayor and Aldermen and after that framework we would like to expand on a couple of issues that came up at last night's session. We believe there were some issues brought up that we would like to enhance a little bit. I think it was said that last night the proponents of the civic center did a good job selling the sizzle rather than the steak. Well tonight in an effort to cut out the bologna we are going to show you where the sizzle is and show you where the steak is and cut right to the heart of the matter. So lets get to it. Up on the screen tonight we will start again with the mission of the Manchester Development Corporation. The mission statement of the Manchester Development Corporation is to facilitate the highest and best use of the assets of the City of Manchester for all of its citizens and in that charge the Manchester Development Corporation undertook a feasibility study commissioned by the Board of Mayor and Aldermen to see if a civic center could be built in the City of Manchester with the focus being downtown revitalization, to act as a catalyst, to act as an engine for increased activity, renewed investment in Manchester to bring life back to the downtown. So that is what we did. Those are the reasons why we conducted this study. These four reasons, to promote economic development, increase the tax base, relieve the burden of residential taxpayers and improve the quality of life for those who live and/or work here, are all important because they are all interrelated. Everybody can remember what Manchester was like 30 years ago. Everybody would like to return to those days, but to attract investments you need some sort of a catalyst and a civic center seemed to be the core of what this plan could be. For too long, the residential taxpayers in this City have bared an increasing burden of the bills that the City of

Manchester incurs. The downtown business district has played a smaller and smaller role in the amount of tax revenues that are generated on the properties that line Elm Street and the adjoining streets. If you recall, just a little while ago several properties were sold on Elm Street. Frankly they were sold for taxes. The taxes weren't being paid. It is hard to collect property taxes on empty buildings. What is it going to take to fill those buildings again? Well we think increased foot traffic downtown and how do you bring traffic downtown? You have to give people a reason. Someone referred last night to the mistake that was made 30 years ago in having Jordan Marsh not locate in downtown Manchester and they ended up out in Bedford and if you recall that was the first of a series of evacuations of retail from downtown Manchester so what we were left with was an empty downtown that is populated by what I would like to call second story businesses. These are businesses that are not necessarily street level businesses, they are the lawyers, the bankers, the CPA's, everybody is upstairs off the street and they also have one other thing in common. They all go home at 5 PM and 6 PM. The streets empty out. The traffic stops. The parking garage is empty. There is no one left downtown after 5 PM. Those who are, are really just staying inside doing a little more work after hours. Something else happened downtown. Everybody remembers the 88 Restaurant on Market Street and the lines that used to be outside that restaurant to get inside and get that little bit of chocolate that they would serve when the meals would come around and that was great. Now if you take a look downtown, downtown is populated by restaurants that frankly open at 6 AM and they give you bagels, they give you breakfast, they give you lunch, they do a wonderful job but they close at 3 PM because there is no traffic really for them after. A couple of businesses have made an end road downtown. We have a nice little block downtown where the Black Brimmer is and Richard's Bistro, but that is the exception, not the rule. What we are looking for is something that will activate the entire downtown. So here are the reasons why. These were the elements. These were the things that we had to secure as part of this plan. We had to select a project team. We had to select a site. We had to secure a hockey franchise and we had to have someone come up here and put together for us a coherent financing program and the team is represented tonight, the finance guy is here, Mr. Steven Stearn from William R. Huff who is here to answer any questions on the financing. We believe we have put together a package that will allow us to have a civic center which will minimize the risk to the taxpayer and at the same time increase and improve the quality of life in downtown Manchester. In order for this building to become a reality, the Aldermen also gave us guidelines. These guidelines were very important because if these things do not occur, the project doesn't go forward. The guidelines that you see up here on the screen, no property taxes can be used to build or operate the facility, significant private investment must be secured, protection against operating losses from the building, the building is up and running and if the

building manager loses money, who is going to pay that bill. The credit qualified for bond insurance, in other words the debt that the City of Manchester issues has to be insurable. It has to be insured so that if anything goes wrong with the stream of income that pays those bills, that pays those bonds off, that stream of income, if it ever goes away, then there is no recourse to the taxpayer on that. We are talking about here using the Rooms & Meals tax money, the increasing increment that is coming to the City of Manchester starting, actually it has started and over the next 30 years if the State of New Hampshire changes their mind and they reduce or cap or eliminate the Rooms & Meals tax flow, we would have to have an insurance policy that protects the taxpayers from bearing that burden. People have questioned the viability of insuring a bond like that. That is something that happens every day. Municipal bonds are issued all the time and they are insured all the time. We will get to that a little bit later. One of the last items was to secure a professional hockey franchise with local ownership. We have a local group of businessmen who are putting their money on the line to go before the American Hockey League, secure an American Hockey League franchise for this City to become the major tenant in this building and we are not talking about nickels and dimes here. To get the paperwork to apply, just to get the paperwork, there is a \$10,000 non-refundable deposit. To get the application looked at is another \$300,000. These people are willing to make that commitment because they believe in investing in Manchester. This is the package that we have assembled. These are the elements of what we had to do. These are the guidelines that we had. For all intents and purposes, this is the steak. This is what we were asked to do. This is what we were told the guidelines had to be and we will now explain to you what we accomplished. The civic center that we are talking about is a building that could be one and a half to two stories tall. The site that we have recommended is the Staples facility on the corner of Hanover, Elm, Cedar Street, Willow Street and Auburn Street and back by Chestnut. That is the preferred site. That is one of 12 sites that we took a look at. It is not the absolute site because we haven't done the testing to prove that that site will bear this facility but that is the site that we are conceptually talking about as far as this program going forward. That site lends itself to a civic center very well because it is close enough to our downtown to hold a building of this size, roughly 230,000 square feet. Now somebody said last night well that is just about five acres. Well this is a nine acre site. It doesn't look it, but where Staples sits right now, that is nine acres and we are not talking about where Granite State Fruit is and Meineke Muffler and Michael's School of Hair Design. That is not included in that block. So, yes it is a big building that sits on a big piece of property and right now, if you remember that property is about three acres of building and about six acres of parking lot, basically hot top and we all know it because that is where kids congregate at night with their cars and motorcycles and hang around and they have done that since I was a kid and before me. The building will have adjacent to it, substantial open

space. We are talking about pedestrian plazas that will surround a building of this size and we are not talking about a building that is going to loom over anything. As a matter of fact, the high rises behind it will tower over this facility. What they will be looking down on is a building that if you put a roof garden on it they probably couldn't tell it was a civic center but around that building will be substantial open space. Plazas and the like. Inside the building we are talking about a facility that will have 10,000 to 13,000 seats all together depending on the function. For hockey, we are talking about somewhere in the neighborhood of 10,000 seats; for championship high school basketball games, about 11,000 seats; and for concerns depending on how you set-up the building itself, for concerts up to 13,000 seats but in addition if you take the hockey rink area and the surrounding flat space around it, you are talking about 18,000 to 20,000 square feet of flat space for trade shows and exhibitions which actually ties in very nicely to the exhibition space right across the street at the Center of New Hampshire. The two buildings now start to give you an idea of the new types of functions that could take place in Manchester that we could not host before. Also included in the seating of this building would be 30 luxury suites and 600 club seats. The luxury suites, frankly, is a revenue package that corporations would buy that gets you an additional level of services. A luxury suite would have about 12 seats in it. You would get catering and there might be wet bars and things like that, but they pay an additional fee for that. Those license revenues are part of the revenue stream of the facility. The club seats are premium seating and you get an additional package of amenities with that but you don't get the glass window in front of you or the closed circuit TV behind you and the sofa. You get a more substantial seat. You get prime seating but you are also going to pay a premium for that. The people who pay for that, these become reasonable expenses for them to entertain clients, to bring guests from out of town, it is a way for people to entertain and if they want to entertain in that fashion, we have something that we can give them that provides extra revenue to this building. Before we go on, on the club seats just so you have some idea on that, if you take all the seating in the building, add it up and divide it out, the average ticket price right now we are figuring is somewhere around \$10. Don't hold me to that. You are not going to see Disney on Ice for \$10 in a luxury suite. That doesn't happen but if you add it all up and average it out for a hockey game the average ticket is going to be somewhere around \$9.80 to \$10.20 based on the market surveys we have done and the low end tickets probably somewhere around \$6 so you are not talking about ticket prices that are out of this world and you don't have transportation costs because it is right in your home town. It is someplace you can go and you can go to a hockey game after work. As a matter of fact, you can go to work, get out of work, go to dinner, have a nice meal, go to a hockey game, Disney on Ice, gymnastics, whatever you want and still be home by 10:30 PM or 11:00 PM during the week. Go to Worcester, go to Boston, go to Providence and do that. I don't think you can. What would go

on inside? This is part of the sizzle and part of the sizzle and I call it sizzle because frankly I think it is exciting. This is the part of the building that energizes everybody else and if you take a look at the list of events that are up here we are talking about those things that people are already going to see now or they are going to see them but they are paying a price to see them somewhere else. Also in this list are a series of events that we could hold in this facility that we can't hold now because we don't have a venue large enough. If this is sizzle, that is great. I find it exciting. The idea of having NCAA regional play-off games here. The idea of having our college hockey and basketball teams hosting these games is an exciting prospect. I know that if you think about the basketball programs at St. A's and NH College, every know and then it would be nice to have 10,000 people cheering on those teams and not have it limited because their building isn't quite big enough to put 10,000 in there. This is sizzle. This is exciting. The terms that we agreed upon, here is the steak. These terms are important because these are the only conditions under which this building can be built. We can't use property taxes to construct or operate the facility so we are talking about using a stream of income that would come to the City from the State in the form of Rooms & Meals tax. The City, through the MDC, which is an arm of the Board of the Mayor and Aldermen, would be the owner/operator. This would be a city owned and operated facility. We would contract out the management to Ogden Entertainment. The City would contribute a maximum, maximum financing portion of 80%. So 80 cents of every dollar it takes to construct this building would come from the City. That is a maximum number. It can't be any higher. That debt would be paid for by the Rooms & Meals tax. The debt service on this building, from Year 1 when we start to have debt on this building that has to be paid, the way the Rooms & Meals tax stream of income is structured to the City, that portion that we would use and I say a portion that we would use for the debt service on this building from the first year we would have about 30% more Rooms & Meals tax money coming into the City then we would need for debt service and that is the smallest percentage or smallest cushion that we would have through the life of the bond. Lets skip down, Ogden is going to subcontract with Enron Energy Services for energy infrastructure of the building. This is probably one of the most exciting features of this whole deal because part of the Aldermen's charge to us was that we had to secure significant private investment. In this offer that we put together for the City, Ogden and Enron will contribute 20%, a minimum, let me state that again, a minimum of 20% of the cost of the construction of this facility. That is a minimum and we would like to think there would be more money coming down the road and we can define that once we exactly know what the building is going to be as far as size and scale, but this deal does a couple of things. Enron is willing to bring their technology to the building and do a project of state-of-the-art technology to heat, cool, chill the ice, turn on the lights, everything in that building and provide financing on that portion of the

building. In conjunction to that, Ogden will provide cash up front to the building. Between Ogden and Enron we are talking numbers of around \$11.5 million up front cash in the building. Everybody says well that is nice. It is not enough. Maybe it is not enough for some measures, but in this situation you have two substantial corporations that answer to their Board of Directors and to their shareholders who are taking their own cash capital and putting it into a facility in Manchester, NH and they are accepting the risk of that building and are also accepting the responsibility to make their own return on that money. They are going to operate the building. If they make a profit, that profit is the return on their investment. If they lose money, that is the loss on their investment. They have \$11.5 million at stake in this building. It is a key part. Just to give you an idea of the size of this investment, if you were to look across the country and find buildings of this size in similarly sized cities, this is the largest private capital contribution of its kind in the country. That is how exciting this is and this is how serious the money is that Ogden and Enron have put up and for that they are accepting all the risk and they are accepting the ability to make a profit in this building. If the building doesn't make any money, that is Ogden's problem. That is their money that is on the line. I have a feeling that they are putting \$11.5 million up because they think they are going to make a profit. Ogden's lease will guarantee to the City that there will be no operating deficits that will be charged back to the City. That is a bottom line number. If the building loses, Ogden pays for the loss. It does not come back to the City. The construction risk is going to be assumed by the construction manager. In that case, during the construction you have a "not to exceed" on a performance bond and that building has to be done under the construction manager's risk. Now Ogden and Enron have put up a big pile of cash to get the profits out of the building. You would think that that would be a pretty good deal because they have accepted all of the risk but Ogden, once they receive the rate of return on their investment that we negotiate, any revenues over and above that will be shared with the City. So not only did we take all of the risk out of the building for the City, but at the same time we have put some upside into the building so that money could flow out of this building to the City for other uses. It is a very attractive thing. I don't know how many of you have run across a deal where you don't have to take any risk in a particular property but if it does real well you get some money out of it. I think it is a very good deal. Project financing and operations will be non-recourse to the taxpayer and that basically sums up those two key features. There would be no, there is a guarantee against operating deficits. The municipal bonds issued and paid for by the Rooms & Meals tax will be insured so that the Rooms & Meals tax increment goes away. The taxpayers are not liable for that. Those are the terms. The players that we have assembled who have committed to carry this deal out in each of these portions, William R. Huff and Co. is our underwriter. They are based in Florida and they now have an office up here because Steve Stearn who is sitting here has

spent this much time in NH; Ogden Entertainment, Ogden Corporation is a \$1.3 billion corporation based in New York City, Ogden Entertainment is based in Hartford. Ogden Entertainment, by the way, is one subsidiary of Ogden Corporation. There are four subsidiaries there. Ogden Entertainment is also the most profitable division that Ogden Corporation has right now. Ogden Corporation is into energy, pollution control, aircraft services and entertainment. An interesting mix, but their entertainment division has been a very, very lucrative division for them. I am assuming this is going to validate their ability to make money on buildings like this. Enron Energy Services is a \$22 to \$23 billion corporation. \$24 billion now I am told. It is going up everyday. \$24 billion NY Stock Exchange Corporation which is a worldwide energy services and energy production firm. Last but not least is the local group that has come together to secure a hockey team for the City of Manchester and that is the Manchester Rivermen and Rich Murray who represents that group couldn't be here tonight. They are getting prepared now for their presentation to the American Hockey League Board of Governors on Tuesday morning, September 1 so they are at work on that project. So as we are standing here there is work going on to move this project forward. What you see up on the screen and Chairman Wihby asked for this so we are going to present him with his copy of this, what you see up on the screen is an illustration that we thought would be helpful to understand what happens with the Rooms & Meals tax money under this proposal. Chairman Wihby and the Committee asked for this graphic to be done and if you take a look there is a solid green line that goes across the bottom of that graph. That solid green line represents the Rooms & Meals tax money that comes to the City every year and it put into the operating budget. That amount is capped at around \$450,000 in round numbers. Am I correct? \$450,000 so when the Rooms & Meals tax money comes in the first \$450,000 goes into the operating budget. The balance, traditionally, has been put into a budget and used for different capital improvements. It was the fund that, to some extent, paid for some things when times were tough here in town and now the State has decided to increase the share that the cities and towns will get. The top line that you see is that increase in share of Rooms & Meals tax revenue coming to the City of Manchester. Now these numbers are based on numbers from the State. These numbers have been vetted by the Department of Revenue Administration so that big yellow line that goes up to the top, that is the total amount of projected Rooms & Meals tax revenue that would come into the City. The dark blue portion that you see is the amount that this proposal would use for debt service on this building. I don't think it was clear enough last night that we are not talking about using every penny of Rooms & Meals tax to pay for this building. We are talking about a portion and sometimes a portion doesn't come across until you see it graphically and we thought this was a good idea so we put it up on the screen and you can see that starting in 1998, I am sorry, 2000 when the debt service starts, that extra that you see, that is that 30%

cushion that I spoke of and how that cushion grows. That is Rooms & Meals tax money that is available for other purposes. Now the thing that we have done differently, and what you have heard some of the rhetoric that you have heard over the last few months about this project is well we are taking this money and we are going to be taking it away from this project or that project. We are going to take this money and it should be used to reduce property taxes. There is nothing that stops the Board of Mayor and Aldermen from reducing property taxes with the funds that are left over, but do you want to take money and put it into an operating budget, spend it on something and have it go away or do you want to invest it in something that represents a solid bricks and mortar catalyst in your downtown. I just want you to be clear on this. This is not an all or nothing and I think clearly you can see here what the total revenue picture looks like. Those who would propose to you that we use this money for education, for Police, whatever, and education seems to be the big one, if you take this money and you put it into your operating budget, whatever that budget is, and the State changes its mind, that money goes away and now you have built a budget on funds that may not be there tomorrow. In this proposal, the Aldermen have required us to insure this stream of revenue so if it goes away, there is a back-up plan, a Plan B, something that will guarantee that those payments will be made and your property taxes don't go to pay it. I think this is a pretty clear illustration and we can't hammer that home hard enough. A couple of other things. A varying note that I would like to clear up. First of all, there is a rumor going around town today that one of the reasons this was being done is so that Mayor Wieczorek's sons can make a fortune insuring the building. I would just like to put to rest the fact that Raymond J. Wieczorek and Sons cannot bid on this. According to the charter, it is a conflict of interest so that rumor is just one of those things. I have also heard that I have been bought and paid for by Ogden Entertainment and I would just like you to know that in this room tonight there are two volunteers, Dick Charpentier and myself, who are part of this Committee. The other thing that was brought up was Providence and the losses that the City of Providence takes on its civic center. I want you to understand that the losses that the City of Providence takes on the civic center is a budget item. It is a conscientious spending decision by the Mayor and the Council down there. They use this, their civic center, as a loss leader. It brings people into town. They know, they have calculated, they understand and are willing to pay the \$7,000 that they lose on every hockey game because they have used it to bring in development. They have a \$400 million mall being constructed on that site. They have approximately \$600 million, I think it is \$600 million in additional development and if you take a look at Worcester right now, the City of Worcester with the Centrum that is probably one of the most well known facilities around here, there has been, since that facility was constructed, \$1 billion of new construction and increased valuation as a result of that facility. These are big numbers. These are the kinds of things that you can have when you

have your residents and people from out of town using your downtown. Right now, people are not using the downtown. I know that people are saying people don't go to hockey games. Minor league hockey, American League Hockey average attendance right now is 6,600 people a game and that is spread across the entire league. What is interesting about that is that there are two or three American League Hockey teams right now that play their games in 3,000 seat buildings. They can't possibly get 6,600 people in a 3,000 seat building so the average attendance would actually pull down by that. The City of Worcester, the Ice Cats, are pulling in somewhere around 6,800 people a game. All through the league, minor league sports in general are experiencing a real resurgence because they represent a real entertainment value and it is part of the entertainment that could take place in this community gathering spot. So without any further adieu, I would like to end my presentation and open it up to questions.

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. Chairman Wihby stated that the people who spoke at the last meeting are going to be put towards the end of the list and we are going to listen to the people who haven't spoken yet first.

Gordon Frohloff, 41 Pennacook Street, Manchester, NH stated I appreciate your time. I will take just about two minutes. We moved back to Manchester about five years ago after living in Western New Hampshire and were really proud of the fact that we were City #6 in the country and were really, as I travel across the country, and this is Naomie by the way. As I travel across the country, every city I go to has got a civic center. Every convention I go to, if it is Cincinnati or Cleveland or Chicago. My question would be why not Manchester. This is a golden opportunity for us in the City of Manchester to support this project. I lived in Connecticut when a civic center went up years ago. I heard that mentioned last night and it was a totally different situation. That was a National Hockey League team. You know all the work that the Chamber has done, along with the airport, the Mayor and Aldermen, I mean children...I heard somebody mention last night that if children want to go to Disney that might be a challenge being able to afford the ticket price or whatever. I know there are business people downtown that would put up scholarship money and raise donations or help the kids raise donations. The last thing I would say is that every time I fly in and out of Manchester, every person I meet who is from Vermont or Maine or Massachusetts, they love the City of Manchester and they love the airport for what it is and the last thing I would want to see happen is that if we don't go for this project, we are going to see this civic center go to Nashua or Concord or to another state and I would really, really hate to see that happen so I would just want to know from the Mayor and Aldermen, as well as anybody else representing this project, what we

can do in the City of Manchester to help support this project. Thanks for your time.

Mike Lopez, 191 Woodbury Street, Manchester, NH stated I just have a few questions or comments and maybe somebody can answer and maybe you can't and maybe you have to get some information in reference to it. I think it is important, the civic centers that have been built, that have been named in this project, Greenfield, Grand Rapids and Albany, NY, I wish the Aldermen would get the city tax base for 1994 through 1998 and the budget of that city. I think it is very important to see what kind of cost was in that particular city, whether it was more cost for the streets, more cost for the police and at the same time maybe our department heads could provide the Board of Mayor and Aldermen with impact statements that I think the Board of Mayor and Aldermen could look at. I would like to...I have had three different answers and maybe a finance individual can publicly answer this particular question. We were looking at the spreadsheet in the back of the document on the Rooms & Meals tax in the annex portion. I was told two things. I was told that the expected \$456,000 was included in that and I was told it was not included in that. I would like to know which way it is and secondly what percentage of the \$456,000 is Manchester going to receive. Is it over and above the projections?

Chairman Wihby asked Kevin Clougherty, Finance Director, to answer the question.

Mr. Charpentier stated I am the other member of Skip and his team as we are usually referred to. In that report, the City share is shown in both ways. One column shows the total City share then it shows the base amount and then if you turn the page it shows the net City share after the \$459,000 is out of it and if you look in the percentage Manchester, you notice it is 8.8355. So if Skip mentioned the \$456,000 as new money generated to Rooms & Meals tax for the State, Manchester would then get 8.8355 of that number. The additional.

Mr. Clougherty replied that is a correct explanation that Dick just gave. The \$457,000 we have been getting since 1970 and we will continue to get that and that is uninterrupted and we have always included it in the operating budget but we didn't think as part of this project that we should disturb that so it is that green line that just goes straight across and that is the assumption that has been made on that and that wouldn't change. It would be the increment that you would be talking about above and beyond that.

Mr. Lopez stated I would like anybody to comment in reference to the civic center, the civic center being...let me say that I don't know whether I am for it or

against it right now. I am searching for answers myself just like some of the Aldermen. The civic center is going to be built in the City of Manchester for the entire State. We are going to take the brunt of everything, be it more police if that is the case, or roads, designing of new traffic, garbage. Why isn't the State, or has this been approached and denied, that there is no State funds when all the other communities will share in the revenue of the Rooms & Meals taxes?

Mr. Ashooh replied that is a very good question, Mike, and it goes very much to the nature of this particular deal that we have been asked to put together. It is built for the revitalization of downtown Manchester. You can term it built for the benefit of the State and the surrounding areas. Frankly, that is our customer base. We are hoping that people are going to come here and spend their money here in this town and their use of this building will help us pay for it. We think that is a more palatable scheme of financing the building than going to the State and asking for State funds over and above the Rooms & Meals tax.

Mr. Stearn stated many of the operating impacts that you are referring to, whether it is police, traffic, maybe even certain kinds of parking control, maintenance, garbage removal, water and sewer, the whole range of ongoing maintenance and event expenses, the expenses that are related both to the ongoing operation of the building and expenses that were one time expenses that are related to events, are picked up either by Ogden or are charged back by Ogden to the individual event. So when an event comes in, as the fellow said last night, the concert promoter, an event pays and the hockey club pays this too, they pay a rent and they pay something called reimbursable expenses. That is the building bills them out for a whole range of expenses in addition to the rental cost. It is, in effect, another form of rent of course so the answer should be, and never say never because we are not at the end of this we are through the beginning of it if you will, but the whole thrust and intent of this is that operating costs do not go back to the City in any form. Operating costs go either to the building manager or to the event.

Mr. Lopez asked can any information be provided to the citizens of Manchester or the Board of Mayor and Aldermen in reference to the hockey teams, AHL hockey teams, in the last 10 years where they started, how long they were there, and where they are now.

Mr. Ashooh answered the short answer is that the average ownership in the American Hockey League, average ownership runs right now about 10 years. Steve can give you detail on who is where and when.

Mr. Stearn stated I want to say two things. One, to finish my answer to the last question and you have the numbers, when you go and you look at the statement

called projected arena operating statement you see a column that says reimbursable per game. That is the event related expenses that are charged back in addition to the rent. Okay, so you can find that in the package. The American Hockey League is the oldest minor league hockey league in the country. It is 62 years old. Of the 19 teams in the league, 9 of them are owned by National Hockey League franchises. This is the most stable minor hockey league that there is in the country. In addition to that, the fabulous advantage, of course, is that there is a club in Portland, there is a club in Lowell, there is a club in Providence, there is a club in Springfield, there is a club in Hartford and everybody wants to beat their neighbors brains out so the stronger the geographical rivalries are, the more vibrant the franchises are and the more stable the franchises are from both a sport and a financial point of view.

Mr. Lopez stated I think you answered this, Skip, once before in the beginning but I just have to ask the question again. Is there a breaking point on the guaranteed bonds where they would say no you people have to take care of it now or if we get into a loss column period in the Rooms & Meals tax? Does the insurance come in and continue to pay it regardless?

Mr. Ashooh replied the easiest thing to do is to talk to the guy that is going to write the insurance or get the insurance for us.

Mr. Stearn stated we will not get the bonds unless they sell us the insurance policy. Period. We won't do the project unless we get bond insurance. If we get bond insurance, the bond insurance policy will say I promise to pay the principal and interest of the bonds on the date that they are due no matter what. Period. That means that if the State Supreme Court declared the Rooms & Meals tax unconstitutional and it could not be collected anymore, the bond insurer would still pay the tax.

Mr. Lopez stated I was just looking over the report in reference to the Bilo Center. It was scheduled to be opened in 1997 but it is opening in September of 1998 and there was a delay. In the report it said 1997. I was wondering if you could comment on that.

Mr. Stearn replied the report is wrong if it says it was scheduled to be opened in 1997. The Bilo financing was originally anticipated to be done in 1994 and then 1995 and there was always a two year process and it finally got done in July of 1996. The reason I can't be here next week for the final meeting is that finally the grand opening is September 1, 1998 and I am proud to say it is on time, under budget with more improvements and far more revenues generated than we

projected or that Nation's Bank projected so we are opening on time and it is really very exciting.

Linda Garrish, 7 Irwin Drive, Manchester, NH stated I come here tonight to tell you why I am opposed to any public funds being used to build a civic center in Manchester, why I feel that a civic center is not the answer to Manchester's economic development woes, why the Staples site may not be appropriate and why a public referendum question vote must be held in this November's general election. I am not opposed to profit making. I am not opposed to entertainment and sports participation or live sports viewing. I am not opposed to private entrepreneurship in an appropriate city location that contributes to Manchester's property tax base and to the Rooms & Meals tax base and contributes to the production of long-term living wage jobs while at the same time respects the local environment, culture, and economic status of the average resident. I am not opposed to any project that does all that and doesn't take away from where Manchester's priorities should be. I believe that Manchester's priorities should be on our seniors, our families, and our children and here you talk about mostly temporary part-time and low wage jobs. In a city that has chosen not to fully fund education so that a new multi-million dollar middle school can only be opened for, I believe, three sixth grades or a few sixth grades, while numerous other potential feeder schools remain overpopulated. Where portable classrooms once again adorn school playgrounds. Where violent and risk taking behavior by juveniles continues to concern young people and adults alike. Where our school cleaning standards have sunk to an all time low. Where hundreds still live homeless due to needs for good jobs, training, affordable housing and health services. Where local streets develop potholes faster than those nearby are temporarily filled and in a city where some say we can't afford and don't need two acute care hospitals yet we can afford to spend \$45 million on an entertainment center and where property taxpayers will see increases to make up for the loss of Manchester's Rooms & Meals tax allotment at the same time this no property tax income is generated and the profits don't even stay in Manchester. They go out of the region. When I consider all of that, it just seems to be poor priority setting by a community that prides itself on local control and low taxes and is reputed to be #1 in the Northeast Region. Local control is real democracy in action. Citizen voters have a chance to vote on big cost items for their community that will have impact on community life. Local control is when resources stay in the community to foster a cycle of economic stability and shared benefit by local residents and where community input is valued. A civic center may be a good idea, but only for those who can afford to pay for it, both by its construction costs and its ticket prices. Far too many residents in Manchester can't even afford air conditioners, or cable TV, or reasonable housing or even their electric bill, never mind expensive tickets to entertainment and sports events. Let those who choose to build it and use it pay

for it, but let the people have their say in a referendum ballot this November. Remember, it is our human priorities that count and please don't lie about tax money being spent. I would only add and ask the following questions which I do not expect answers to right this very moment, but that need to be answered perhaps by the public as we go along and you as we go along but not necessarily at this moment to delay other folks. What does quality of life mean to the majority of Manchester residents? What happens to quality of neighborhood life for nearby to the Staples site elderly and low and middle income renters and home owners? What impact have civic centers had on demand for public services like police, fire, housing and education in other communities in the region like Portland, Worcester, Hartford, and so forth? Why should naming rights go to someone out of the region, along with the benefits? Just what percentage of Manchester locals will be able to afford the luxury suites and club seats? What happens if the project is not successful and after 15 years Manchester has another white or black elephant? I thank you very much.

Shari Hastings, 468 Candia Road, Manchester, NH stated as a member of the Board of School Committee I felt compelled to speak at one of the public hearings regarding the proposed civic center. We have all heard what a wonderful affect this civic center will have on our City, especially our inner City. We have heard that we need to look to the future of our City. Well I am here to tell you tonight that our Mayor and Aldermen have overlooked the real future of our City, our children. While they have been consumed with their dreams about this civic center, they have severely under funded the education of our City's children. Due to the Mayor and Aldermen's preoccupation with things like the civic center, Manchester's children will be squeezed into overcrowded classrooms and they will be using outdated textbooks. Many of these children, especially our inner City children, will be lost in large classes and will eventually drop out of school because they can't get the individual attention they need. The Mayor and Aldermen didn't even provide enough money to fully open the new middle school this year. When it was proposed by an Aldermen earlier this year that Rooms & Meals tax money set aside for the proposed civic center be used for unforeseen education costs incurred in the last fiscal year, the Mayor and Aldermen voted not to use this money for education but to keep it for the civic center. The civic center may seem like a wonderful idea for our City, but Manchester will face a major education crises in the very near future when we will not have enough classroom space for our children. At a time when the Board of Mayor and Aldermen have chosen to significantly under fund the Manchester School Department's budget but they are ready to go forward with building a civic center, I think it is time that the citizens of this City think about the priorities of our elected officials. I urge the Mayor and Aldermen to make the issue of the civic center a referendum item and I urge the voters of this City to send a strong message to the Mayor and

Aldermen that the future of their children is more important to them and the City than the civic center by voting against the proposed civic center. Thank you.

Harold Gulley, Jr., 121 Cedar Street, Manchester, NH stated I am the officer in charge of the Salvation Army here in Manchester and I want to first echo the comments of Alderman Thibault in expressing my appreciation for the work that this Committee and the team has put into giving due consideration to this project. I am not here tonight to indicate that the Salvation Army's sentiment is either for or against the plan, but rather to speak out of concern for some of the people who will be affected by such a development and who often don't have the opportunity or the ability to be heard in discussions such as these. The Salvation Army has just completed a long-range planning process and has spent a lot of long hours discussing a lot of issues that may affect our ability to serve people including the affect of the civic center on our services and we have determined that remaining in our current location on Cedar Street is best for us and best for the people that we serve and, therefore, we are going to, assuming the civic center ends up being at the Elm Street location, we are going to be very close neighbors, less than 100 yards. Based on the contact we had with various individuals associated with the development of this project and charged with bringing it to a reality, we anticipate being associated with this project is going to be a positive experience and that they are going to do their utmost to be good neighbors. However, whenever anyone is planning such a large project, focusing on its impact to the overall community, it is easy to overlook its impact on smaller segments of the community such as those who actually live in the immediate area of the proposed site and in particular around the building in which our offices are located. The question that I would put before this Board and before the Aldermen who have the responsibility to vote on this project is this, has the team adequately discussed the question of traffic, noise, community safety, trash and parking to the extent that if your house were located on Cedar Street where our building is located and where many of the people that we serve live, would you be satisfied that this project is not going to adversely affect the quality of life of your family? If the answer is yes, then I trust that the people that live there and work there will be satisfied. However, if the answer is no then I would call for more consideration to be given to things such as resident only parking and redirection of traffic to avoid residential areas. Just an one example of why these are of such great concern to us and to the residents of that area, in the last nine months, three children with whom our agency works with very closely, have been struck by cars. It could be safe to assume that increased traffic could bring increased accidents. I don't believe for a minute that these are issues that have been necessarily overlooked by the people developing this project, but there are issues that have been lost in the discussion about economics, about taxes, and number crunching and whether or not they have been discussed is not evident and has not been brought to the ears and the minds of the people who may

be affected so it is important that they have the opportunity to know the details about how these issues are going to be addressed. In conclusion, we are concerned that this project not become a purely economic issue but that it remain a people issue. We echo the comments made last night by representatives of Manchester Neighborhood Housing that these are not deal breaking questions, but these are critical elements that must be addressed in advance if this project is going to truly be a community effort. Thank you.

Father Jonathan DeFelice, St. Anselm College, Manchester, NH stated I am the President of St. Anselm College and a member of the Board of Directors of the Greater Manchester Chamber of Commerce. I want this evening to express my full support for the concept of the civic center as a good initiative for the progress of the Greater Manchester area. There is no doubt that in an era or in an institution of limited resources that there will always be competition among good priorities and we have heard certainly from some folks this evening who are very concerned about other good priorities, but it seems to me there is no doubt that a civic center in our City would have a very positive effect on the economy of the whole City and the area and would serve as one more major element in the economic and cultural revitalization of our area. It may, in fact, have the kind of economic impact that would help to solve some of the other problems that have been brought forward. From the perspective of our college, having a civic center is certainly an added bonus in attracting students to our area who, as you know, have an impact economically in the short-term during their college education and certainly in the longer term by considering making Manchester and this area their home and their place to live and work. The range of activities that I think is proposed at such a center would, I am sure, be attractive to college students and their families. While the details may yet need to be worked out, I believe the discussion about a civic center for Manchester has gone on long enough. It is time for Manchester to join the ranks of its sister cities with a facility that matches the high quality of our history and hopefully the high quality of our future. Thank you.

Richard Borraza, 459 Central Street, Manchester, NH stated I would like to echo those feelings because I have a feeling that as a tide raises all ships so would the civic center. It would increase the tax flow and the money flow through the City of Manchester to the point where it would help education a lot. Someone who has a dollar in their pocket and spends it on something foolish has nothing to show for it. Someone who takes that dollar and makes an investment and makes a return on it and keeps reinvesting it has something to show for it. It is time to invest in ourselves. Thank you.

Richard Gustafson, 61 Carnegie Street, Manchester, NH stated I would first like to commend the study committee for the work that they have done on this project. I

think it is thorough, more than thorough in fact in looking at the various dimensions of this project and protecting the City and the taxpayers against a downside either in terms of operation or in terms of long-term debt service. Secondly, I would like to commend the Board of Mayor and Aldermen on looking at the Rooms & Meals tax flow to Manchester as a diverse revenue stream that can help us do a number of things by setting aside a portion of that revenue flow to help keep our tax rate, to set aside a portion of that to invest in our future as we have heard this evening, and also allow that as that Rooms & Meals tax revenue stream increases in years ahead we have the opportunity to take on other projects that enable us to reinvest ourselves in our City. From my perspective here in Manchester both as a college President, as well as a citizen of the City, is that we gain strength through diversity. We gain it through the diversity of our people, we gain it through the diversity of our businesses, and we gain it through the diversity of different initiatives in economic development. This is simply one more thread in the weaving of fabric of strength that I think will carry this City to greatness in the 21st century. We have seen already what the airport can do and has done for us. We can see what is going on with US First, the Historic Association, and the Science Center in the Millyard. We can see what the partnership between our institution and the City of Manchester is doing with the small business incubator and I think that this project will likewise lend strength to the overall fabric of economic development in the City and beyond. For us, it is much more than an entertainment center. As many of you know, we have hosted the FIRST Regional Competition for the last three years. We will not be able to host that any longer after next year. It is too big. The FIRST is an educational effort that draws young people from all over the State and beyond and is really 100% of our future in terms of young people and their commitment to technology. Having a civic center to host an event like that to me is an educational event, not necessarily entertainment, also US FIRST and its activities are very entertaining. We also host, every four years, the first in the nation primary. How many of us have struggled to find places where we could properly host many of the debates and other kinds of activities that associate themselves with this four year event? This is a major influx to the State and we seem to have to host those things outside of the City of Manchester because here, where we have a state wide newspaper and a state wide media center in terms of WMUR, we cannot host those large events here because we just don't have the venue to do that. I urge the Board of Mayor and Aldermen to support this project. I think it is important for us now. I think it is important for us in the future and I think that we will not only be proud, but pleased with the positive economic impact that this project can have on the City of Manchester and the State of NH. Thank you very much.

Paul Gagnon, 175 Reed Street, Manchester, NH stated I have been going door-to-door for the last week and I have talked to people that make \$25,000 or less,

taxpayers. One of them told me she can't even get her sidewalk fixed because the City doesn't have any money to do this. I will even give you their names. They are really not against the civic center, but they are against the tax money and I agree with them. The Rooms & Meals tax, as far as I am concerned, I am one of them that makes less than \$20,000 a year because I got fired from the City here when they got rid of the custodians. I had to start over at 59 years old at \$7 an hour. I still have to pay my taxes, my friends, regardless what you say. My taxes are still \$4,500 a year. I have to pay that out of \$19,000. I have to eat. My light bill is \$100 this month. I don't know how you can sit here and say we are going to pay 80% of this thing and you are not going to use our tax money. I don't know how you can sit there and say those things. That tax money should come back to us to help offset the electric company rates. That is a big one. It should help us to reduce our taxes. I would love to be paying \$2,400. I probably could afford that but as it is now I am just making ends meet. I am 60 years old and I don't even know if I can keep my house until I am 62. What am I going to do when I retire and I am getting \$800 a month? So I am forced to sell my house so you guys can have a civic center. I don't think it is right although we may need it but I don't believe that you people should be taking what I consider my donation to this thing is my tax money and that is what you are doing. You people are willing to spend \$11,000 but you want us to spend \$67 million. I don't know, I mean \$11 million but this is what you are asking us to do and I don't think it is right. Thank you.

Don Welch, 147 Boutwell Street, Manchester, NH stated ditto. I see we have strong representation from Ward 12 which is on the west side. We have got Alderman Hirschmann. We have got State Representative Gagnon, State Representative Chabot and we have got Paul Gagnon who is running for State Representative also. We get around out there and I have found out over the past two or three weeks of asking people, going around and asking them, it is 75% to 25%. 75% are against it and 25% are for it. I don't know what Alderman Hirschmann has found out or the other State Representatives, but those are the numbers I am getting. I think most people like the idea of a civic center, but the people that I have talked to, that 75%, said they don't want to pay for it through their tax money and I think the sentiment that they said was a tax is a tax whether it is Rooms & Meals tax and touting your property tax won't go up, well you have a loss of revenue per se by paying off these bonds with the Rooms & Meals tax. As a State Representative, my concern is what is going on up in Concord. As Chairman Wihby, who is a familiar face up in Concord knows, you never know what is going to happen up there. Currently, with the Governor's initiative to really straighten out the education problem in this State and bring more monies back to the cities and towns for education, my concern, grave concern, is that you are going to see either gambling in this State, video poker machines, or you are going to see Rooms & Meals tax being taken away from the cities and towns and that is going to be just one form of the revenues that have to be acquired to send back to the cities and towns. With that said, I have a couple of more questions relative to the investor aspect of this. You have a couple of million dollars that is being put up by Enron, I mean Ogden, and nine or so from Enron. On the Ogden side of it, it is my understanding they are going to be putting the concessions in and have total control of the concessions. How many concession stands are they going to have in this facility? Ten or fifteen maybe?

Mr. Ashooh answered I don't know we haven't designed the building yet but lets assume that ten is a good number.

Mr. Welch replied ten of them lets say at a couple of hundred thousand dollars a piece.

Mr. Ashooh responded I don't think I understand what you are asking.

Mr. Welch replied well to design and build and to put in such as a modular concession stand that plugs right into a certain part of the arena.

Mr. Ashooh responded I think you need to ask the architect exactly what these look like.

Mr. Stearn answered the estimated cost of the concession finish, the stands, the kitchen, the equipment, the signage, the cooking ware, the plates, etc. and even the concessionaire's uniforms is about \$1,075,000.

Mr. Welch replied okay so with that we are looking at really about a \$900,000 investment or an \$800,000 investment from Ogden. Is that correct?

Mr. Stearn responded there has been no final settlement of a number from either Enron or from Ogden. What we have agreed upon is a minimum of that amount of money that we talked about. We do not have and I don't know where you got the \$2 or \$2.5 million from Ogden because I don't have it. I don't have a final number from anybody yet. We have letters of intent from each of the two major investors that a combined minimum of will be invested.

Mr. Welch stated okay thank you. Lets switch over to Enron. Now if they are going to have the physical plant probably designed, installation of all your heat, cooling, chilling, electric and further more build a co-generating system for that civic center, any excess energy that is produced in the form of electricity is going to go back to where? PSNH.

Mr. Ashooh introduced Eric Longbottom who is the general manager for this area from Enron.

Mr. Longbottom stated to tell you the truth, right now the way the regulations are written, it doesn't pay to put it back on the grid because of the payment that is given to the producer of the power from the co-generation plant so we would not be generating excess electricity and selling it back to the grid.

Mr. Welch asked with respect to your investment in the civic center, does that rule out any competitive bid process for the heating, the cooling, the electrical, the chilling and so on.

Mr. Longbottom answered that basically we take on as a construction manager because we have to guarantee the end results that come through so we will have bidding that goes on between us and other people who will be putting the projects in. We use a lot of local labor to do it.

Mr. Welch stated that is another one of my concerns because we just went through a \$30 million prison up in Berlin, NH and one of the stipulations was that they use local help for the construction and also to man that prison. My concern is that if one person has the exclusive on all the piping, all the cooling, all the heating, all the electrical, the whole infrastructure basically, that in fact there will be major contractors coming in from the outside bringing in people.

Mr. Longbottom replied to answer that question, I haven't been with Enron all my life but I have been in the construction industry in NH for 25 years and been a participant in most of the major projects that have been done in this City through various firms. As a construction manager, we would be completely out of our heads to try to bring in a contractor from out of town that has got to truck everything in, has to bring labor in and all those types of issues so we always use local labor when we are doing these projects.

Mr. Welch asked so there is no bid process for the construction manager either.

Mr. Longbottom answered that part of the project, the infrastructure of the engineering facility and plan, we do that construction management.

Mr. Stearn stated but this is a minority of the cost in the project. There is going to be a bid, a national and local bid process for the construction manager of the project. I mean it should not, it practically cannot go forward without that. We have to deliver a guaranteed maximum price. We have to deliver a completion guarantee. We have to cover the construction risk and we have to do that in a way that brings the expertise involved in...that comes from the experience of building these projects and the cost advantages from having local labor and local contractors so yes, there will be a bid process.

Mr. Welch stated just two quick questions while you are still standing up. Relative to the bond sellers and insuring these bonds, I am not in the investment business at all but I know that bond sellers are the most conservative in the investment market. Taking the current structure in the State of New Hampshire as it pertains to education, our City, we can't even build new schools, everything that pertains to education, I just can't fathom an insurance company saying okay we are going to bond \$45 million, I mean we are going to insure \$45 million worth of bonds that at any time can dry up and I am not taking five years down the road, I am talking six months from now.

Chairman Wihby stated I think that question has already been answered. If there is no bond, there is no project.

Mr. Welch replied so this thing, once again, everything has to be in place or the project is a no go.

Mr. Stearn responded the answer to your question is yes and that question comes up...can I take a minute Alderman because it really does come up in a lot of different versions whether it is the hockey, what happens if the hockey club moves or what happens if we don't get bond insurance, what happens if we don't sell the premium suites, on and on and on. Let me try and explain how these projects are done, the process, and this is a project of...there is the buzz words public/private partnership but that is exactly what this is. In the simplest form, nothing gets done unless everything gets done. In the simplest form, in the simplest words, that is the way this will be done. That is the way all of these projects are done. You have essentially five different parties coming to the table. You have the hockey team, you have the building manager, you have the contractor, in this case we have an additional party, we have Enron, and you have the City, you have the public funding. Everybody has a different set of interests and a different set of obligations that they must bring to the table. Ogden is not going to give us a guarantee that they are going to take care of all the operating risks in the building unless the majority of those premium seats are presold and unless the naming rights deal is done and unless there is a 15 year lease with the hockey club. The hockey club is not going to say anything, the Manchester Rivermen aren't going to say anything until the league gives them a franchise, grants them a conditional franchise and they have a lease with the building that provides them with the opportunity to earn a fair return on their investment. Enron is not going to enter into an agreement with the building until they know that the City funds are going to be there and that they know that the operator is a credit worthy operator since they are leasing the building, they are leasing, they are owning and leasing 15% of the building, their energy infrastructure, to the leasee, to Ogden, they have to be comfortable with who they are leasing it to and that the promise from Ogden to pay them is a good promise. The City is not going to do anything. The City is not going to issue a dime of its bonds unless it knows that all of those things are done that have to be done. That the operating risks are covered by Ogden, that the construction risks are covered by the construction manager and that the risk to the taxpayer in respect to bonds are covered by obtaining a bond insurance policy that the Financial Advisor, the Bond Council and the Finance Office of the City of Manchester are comfortable with and I will remind you that I am an agent of the City of Manchester in this transaction. I am contractually obligated from providing any allegiance, receiving any compensation from anybody but the City of Manchester so through your Administration and your agents, I am your Agent. It is my job to do what you are telling me, what they are telling me, that they want. That is all I can do. I have been told we are taking no risk. We want the most private investment in the building. That is what I am trying to deliver to you. I

don't get paid unless I do that. So, in the answer, it is we are all in it together or there is nothing to be in.

Chairman Wihby stated thank you. That was very good. We should probably start off with that speech at the next hearing and with that all said that is why it is very important that the referendum question is worded the right way so that everything in the referendum question is what we want to do and accomplish, that there is a set maximum, that it says there is the bonds that have to be issued and try to get everything in that referendum question that we want to take care of so that if it passed or it doesn't pass, or if it passes and they don't have the bonds insured, we wouldn't be able to do it because the referendum says they have to have fully insured bonds. If it is over the price, we wouldn't be able to do it because the referendum would say that.

Donald Pomeroy, 255 Greeley Street, Manchester, NH stated I would like to say that the Committee and the Board has done an excellent job on this. To be honest with you, I was dead set against this until I attended your meeting at the UNH Auditorium about a week ago and since then I have gone from being dead set against it to being more middle. Okay, I had a very nice talk with Richard Girard afterwards. With reference to ticket prices, I take it that the \$10 to \$15 would be over and above whatever the event promoter decided to price his tickets at.

Mr. Ashooh answered when I mention the ticket price I should be a little more explicit about that. We are talking about average ticket prices for hockey games and the league average and when we build our proformer we are looking at those averages and what the market will bear for hockey so don't expect...

Mr. Pomeroy replied there is no way you are going to get some of the events that you have got on your calendar for \$15 a ticket.

Mr. Ashooh responded no. I think the Mayor tells a story about going to see Bill Cosby for \$56. That is a decision between the building and the promoter.

Mr. Pomeroy stated the other question that I have deals with the profit-sharing contract with Ogden Entertainment. I would like to know if that is going to be based on gross revenue or bottom line profit.

Mr. Stearn replied it is a good thing that Ogden is not here tonight. We haven't talked about the details of it at all yet. I am going to give you my experience and my sense of where I believe it ought to go. It has to go on a net income line, the pre-text, well it is all pre-text. It has to go on the pre-text on that income line and they are entitled to a return on their investment, both their capital investment and most importantly the risk that they are taking and so I don't think it is on gross revenue in this case because they are, in effect, buying the risk of the building. I am certainly willing to think about anything. I think this is a place where we really can be creative about it, but I think that is, I think from a practical business perspective or at least where my initial instincts are, that is the way I would approach it.

Mr. Pomeroy stated that begets, my follow-on to that question would be then under those conditions what incentive does Ogden have to manage this facility in a manner to maximize profits knowing full well that if they maximize profits they have got to hand some of it away. No business runs like that.

Mr. Stearn replied I think it is going to start by...they are not going to share a dime with us until they get a thoroughly adequate rate of return. That rate of return and this is probably going to create political problems and I am sorry but the reality of it is and the reality is Ogden's internal rate of return that they have...the technical term is the hurdle rate, what they would get is something in excess of 20%. So we are going to talk about 20% bottom line profit for them above all expenses and anything else that goes to them before they share any money. Now sharing doesn't mean that we get it. We get a part of it and so the incentives are they are still going to get the majority of the bottom line after the 20% too and I think I said this at the initial presentation and it is worthwhile repeating I think. There is not going to be a lot. If people are looking at this project on what could we make at the bottom, bottom line after the sharing with Ogden, don't do it. There is not going to be a lot of money there and it is not a golden bonanza and nobody should have any false illusions that this is going to be an extra pot at the end of the rainbow. That is really not a good reason to do a project like this. I would strongly recommend against it. It is really the cherry on top of the whip cream on top of the sundae. It is not the ice cream.

Mr. Pomeroy responded so really we can't expect to see much of a return on this.

Mr. Stearn replied correct. We cannot expect to receive a large return directly from the payments from the building and even if there was a big return, it would be limited by tax law otherwise our tax exempt bonds would become taxable. We simply cannot afford that.

Mr. Pomeroy stated the next question I guess has to go and my really big concern still remains the project itself and the construction of the building, not a problem. You guys have covered it, you guys have guaranteed it, that is not a problem, at least for me. My problem stems from what is going to happen two or three down the road when people find out that they don't want to come to Manchester and park in the Armory Parking Lot and Ogden comes to the City and says look guys we just can't run this thing with the infrastructure that we have got. We need a parking garage or we need an interchange off of Route 293, both north and south or we need to widen Canal Street or we get something from the Fire Department...I can remember this happened when we first allowed high-rise office buildings on Elm Street. All of the sudden the Fire Department needed two or three major expenditures for new trucks. I think that, you know, we haven't, you guys haven't covered enough of the nickel and diming that is going to go on after this thing happens. I would like to see some real projections out in that sense.

Mr. Ashooh stated let me turn this over...you have some good questions and I think Barry Brensinger of the architectural firm would like to respond to those.

Mr. Brensinger stated as has been said on a number of occasions, we are still early in the design process. I think everyone recognizes that. However, as part of even this very preliminary feasibility study, we felt it was important to meet with the primary City departments so we have met with Highway and Police and Housing and Planning. We have met with them to gather whatever existing information is available with regard to infrastructure, utilities, and the Highway Department has assured us that there are no significant issues at this site or for that matter on any of the twelve sites that we have looked at. We met with the Police Department, as an example, to talk about some traffic issues that Captain Gulley raised and I would like to come back to that in a minute. Our current belief is that the Staples site, which is the recommended site, can sustain this project without any required other infrastructure improvements. That is not to say that in some point in the future, the City or private investment doesn't decide that they want to make some improvements but they would not be required as a result of this project. I am going to kind of take two more seconds while I am at the mic because I want to respond to the Captain's question as well while I am here if I may, Mr. Chairman. When we undertook the site selection process, the first thing we said was it would be easy to be subjective about this. It would be easy to look at sites downtown and kind of pick a favorite and kind of rationalize why that is the right site. The approach we took, however, was to say from the beginning lets agree on what the site criteria are and I think you have seen the list of those at previous meetings. Lets agree on how we should judge each individual site and then as objectively as we possibly can, judge all twelve of them so that it is a fair analysis. The end result of that, after we looked at all the criteria, was that in our opinion as

designers, the Staples site is the preferred site. It doesn't mean it is perfect. Frankly, none of the twelve sites are perfect. A perfect site doesn't exist with regard to any project but I can assure you that we have heard and we continue to hear concerns such as you have raised related to adjacent neighborhoods and they will be taken very seriously as the project moves forward. I mentioned that we met with the Police Department. We have had specific discussions with them about that neighborhood, how to control traffic, how to deal with some of the issues that you are concerned about and we will continue to have that dialogue with you and others as the project moves forward so we will do our very best to address that.

Mr. Pomeroy stated as just a very last comment, I would like...your plan looks good, I really hope you can do it. If you do do it as planned, this will be the first thing that the City of Manchester has ever built in my memory that has come in early and under budget. Thank you.

George Chaprass, 69 Lucille Street, Manchester, NH stated I would like to add just one comment with respect with what Linda Garrish said a few minutes ago although mine is a little more, shall we say, smart alecky. What you guys are going to do is build a hockey rink right next to a cemetery so that if it fails, we can always make a mausoleum out of it. Isn't that a good idea? And for all that you are doing, building it next to a cemetery and a mausoleum you are building it right next to the old people who are probably on their way there anyhow. Isn't that nice? It really strikes me as kind of funny. I don't know. It is just kind of a side remark for Linda Garrish. Mausoleum with cooling. That is good. Last night we talked about construction costs being amortized over about 30 years and doing it with the Rooms & Meals tax and we talked about life cycle costing and operations and maintenance and maintainability and preservation and improvements and all the rest and you said it is all covered. Well, that is what I thought you said. I have one more question about that. Contingency is a funny word. Loophole and contingency are almost synonymous. My question is this to you and Mr. Stearn, are there any contingencies? Are there any loopholes? In your wildest dreams, is there any possibility of the taxpayers of Manchester paying any more than the nearly \$100 million that we are going to pay and get dressed in purple?

Chairman Wihby asked where do you get the \$100 million from. Where is that number from?

Mr. Chaprass answered oh, \$96 million.

Chairman Wihby asked where does that come from. You are doing the interest.

Mr. Chaprass answered truth in lending.

Chairman Wihby asked so when you give the price of your house do you say that your house is worth \$1 million if you amortize it over 30 years.

Mr. Chaprass answered well there is a truth in lending form that all banks used to explain the costs of the house to the person who is going to sign the mortgage. He is the mortgagor I understand. He is the one that gives the mortgage to the mortgagee which is the bank which is kind of funny. It is the backwards way that we think. Isn't that right Mr. Stearn?

Mr. Stearn replied yes.

Mr. Chaprass responded boy am I smart.

Chairman Wihby asked so as far as the contingency, what is the percentage of contingency that we have now.

Mr. Chaprass stated let me answer your question, Mr. Wihby, on the truth in lending, the final form says total of payments and the finance people call it total debt service but it is all the same thing. It is that whole area. If you integrate that curve from where it starts to where it stops, you know what you are going to get? About \$100 million. That is what it is. Any other questions? Thank you very much.

Chairman Wihby asked what was the second question you had, the percentage of contingency.

Mr. Chaprass answered no. What I want is them to tell me that there is no contingency. There is no chance that we will ever pay more than that \$100 million.

Mr. Ashooh stated let me, since my dreams are not that wild, obviously yours can be, Mr. Stearn has pretty wild dreams so I would like to have him answer this if you don't mind.

Mr. Chaprass stated all I want to know is where it is capped, really.

Mr. Stearn replied I don't think I have a clue as to what your question is, but I will try and answer what I know about the deal in respect to these issues. Contingencies in a construction project like this mean are you setting aside cash to deal with any unforeseen things. Are you setting aside cash to deal with a

construction problem? Are you setting aside cash? Well we are doing that. We are being safe that way.

Mr. Chaprass asked I am talking about all the way to the end of time.

Mr. Stearn answered unforeseen circumstances that nobody can foresee all the way out to the end of time. Nobody can make that promise to you. There is not a single promise in the world that anybody can make to you like that on anything ever. I mean, but I can't promise you that the Municipal Bond Insurance Company or American Municipal Bond Insurers Corporation or Financial Guaranty Insurance Corporation are going to be in business 30 years from now. I can't promise that World War III is not going to break out. I can't promise you that there will not be Acts of God that nobody can foresee. Nobody can do that, but the world does not work like that. This will be Triple A rated bond insurance that will guarantee you as far as Triple A money anyplace will guarantee you and if Triple A isn't enough for you I can't do any better. I am sorry, but that will guarantee it. Ogden is an investment grade corporation. Enron is an investment grade corporation. Their promises are made. I can't promise you beyond that but a lot of people take those to the bank.

Chairman Wihby stated the question that you were asking though, are you saying in the construction phase, when it is going up or in the future.

Mr. Chaprass replied down the line phase. I accept lightening and Acts of God like all insurance companies do, but I wanted them to tell me that there wasn't anything between the lines and they just did. That is all I was asking about. Not about Acts of God, about between the lines, contingencies. Last night, in answer to my question, you said that construction was contingent on acquisition of a hockey franchise. No franchise, no construction. Is that correct?

Mr. Ashooh responded Mr. Stearn said a little while ago, it all happens or nothing happens.

Mr. Chaprass stated right. If it is correct, then the Trojan Horse, civic center, will be a non-entity for a while at least and you, by your designs, admit that the hockey franchise is not an anchor tenant but a cap stone without which the whole thing goes. So what we are really building is a hockey rink, I think. Now, the Rooms & Meals tax faucet, R&M, Rooms & Meals, is my money too. Seven cents this morning at Burger King. I had to pay seven cents meals tax. I go there every morning and pay seven cents. That is \$30 a year and I go a lot of other places and pay all kinds of funny taxes and that is my money too. So the Rooms & Meals tax is my money and the people in this room probably pay seven cents at some Burger King or McDonalds. So it is my money. You see we are here everyday so we pay a lot of that Rooms & Meals tax, well not much Rooms but R&M is about to become a significant revenue stream. You know the other revenue streams. I won't bore you with it but of course the other one is property tax. I have less than 30 seconds if you please and he did talk for a long time. Each revenue source is a faucet from which a revenue stream pours, pours forth in accordance with economic climates and conditions. Rooms & Meals is one of those revenue sources. You know the others, including the property tax and if you were allowed to slow the Rooms & Meals source to a trickle, you are not going to shut it off, you are just going to slow it down, and when you slow it down, the other revenue sources, including the property tax, may well have to cough up larger streams. Don't think of it as one property tax, one Rooms & Meals tax, one something else. They are all revenue sources. They all contribute to the revenue stream and if you slow one revenue stream, sometime in the next few years we may have to speed up the other streams in order to pay the Firemen, the Mayor, the Police Chief, and so on and so forth. And this is my last sentence and I will sit down and I will give you the rest on Monday. Monday is going to be a goodie. And when the property tax faucet is turned up, will the landlords raise the rent a little or a lot? See you Monday.

Bob Chabot, 73 Joseph Street, Manchester, NH stated I have lived here all my life and have no intention of moving. This is a wonderful City. It has different moods and has its quirks too. It is an exciting time and people are telling us that a civic center is going to solve a lot of problems and I find it strange that investors are not beating down the doors to get a piece of the action. I agree that the civic center might be of great help to this City, but somehow why is it that it is the City that has to subsidize it? It is the only thing in the City that has happened that has to be supported by the City? The City wasn't built by the government. It was built by private enterprise. It started with Samuel Blodget and many others, undoubtedly. Now we think that the only course that we have is to tap into tax money and if you think we can rely on Rooms & Meals tax with the uncertainty that exists in Concord, you are not betting on the best horse there is. We do odd things here in Manchester. I still don't believe that government has any businesses subsidizing

private enterprise. I remember when I spoke to the Mayor about the insurance building on North Elm Street. It would have been a wonderful opportunity for us to buy it and consolidate all the City departments under one roof with ample parking, a majestic looking building, but they were dedicated to keeping City Hall because it was on the social register or some such thing but for the life of me I can't understand if that building is so important why they allowed Nynex to build that big monster in front of it and we still have to pay taxes and rents all over the City for the departments that can't fit in there. People are scrambling all over and you can't even find a decent parking space to get to City Hall. We have been told that an insurance policy is going to cover the bond issue and I don't know who pays the premiums and how much and for how long that is going to be. We seem to be very intent on making new things and I am sure you have worked very hard at it but somehow you don't listen to the people and you don't talk to the people. You are going to impact on a neighborhood of old people and you are fencing yourself into what you call nine acres which sounds like a big piece of land but where are you going to expand? Right across the street where the mill, the railroad used to have their warehouses, there is an awful lot of land there. That is where the gas company used to be. Way down by the river. There would be ample room for expansion. It would be readily accessible to the highways. People could vacate that very easily. It seems, though, that there is a lot of odd things happen. You have put a lot of time and effort in what you are chasing after here, yet if you had put as much endeavor in attracting industry and creating jobs for blue collar workers like me where people would have money in their pocket, they are the ones that could be subsidizing this City by paying taxes and buying homes and eating out and going to entertainment. You are trying to hit a home run all the time. That doesn't necessarily work. I don't know. You are probably well intentioned but I think you are missing the mark. Thank you for your time.

Richard Danais, 241 North River Road, Manchester, NH stated I support the civic center as it is proposed. I come before you this evening wearing several different hats. First as your State Senator representing the district that encompasses many, if not all, of the suggested sites for the proposed civic center and I want to say that the comments that I have received from my constituents, as well as the property owners and the people who work downtown is that they support the civic center. Those who live, work and own property downtown have seen the deterioration that has been happening downtown. The cruising ordinance is just one example of the extreme measures our elected officials have had to look at to try to eradicate the wrong element from taking over our downtown. Right now, there is no reason for our families to go downtown at night and that has to change. I also want to mention that your State Senator has historically rejected legislation that will take away local control from spending funds we send back to the cities and towns. There has been suggestions made during these public hearings that there will be

legislation introduced earmarking future Rooms & Meals taxes towards education. Let me assure you that outside a few vocal opponents of the civic center that are in the Legislature, there is no support for mandating to the cities and towns in this State on how they spend their money. The overwhelming majority of the Legislature believes, and will continue to believe, in local control and that means giving our local elected officials the right to spend their money as they see fit. Education is a strong issue in the State right now. It is being addressed in every corner of the State House. It will be a major issue this fall in the elections and rightfully so but it is not the only issue facing the community, nor do I think the civic center diverts money from the education funding. We need to look long-range. Where do you want this community to be in ten years? We need to look at the big picture and I firmly believe that the civic center is the important component in that long-range plan. As a commercial real estate broker that has been based in this community for the last 25 years, I have seen many clients walk through my door. It is my job to not only find adequate space for their needs, but to sell them on our community in our State and let me tell you that industry will not invest in a community that does not invest in itself. The civic center is a perfect example of our elected leaders making the hard decisions and supporting the civic center project and calling it the engine of economic growth. As a lifelong resident of this City, I applaud our elected officials for having the foresight to envision what this community will look like with a civic center and what it will do to revitalize our community. This is a true public/private partnership. It cannot work any other way. It is a catalyst for growth and economic development. I am proud to live in a community that has the foresight and vision to look beyond tomorrow and look forward to the day that I see Mayor Wieczorek cut the ribbon for the opening of the civic center. Thank you very much.

Jim Wilson-Napier, Pine Street, Manchester, NH stated on my way over here this evening, I was thinking once again it is another civic center meeting when I could be doing something much more interesting. This thing is worse than Count Dracula. It is worse than Ken Starr and it is worse than the Energizer Bunny. It keeps going and going and going. Yesterday I spoke with a woman whose husband will probably lose his job if this disaster goes up on the Staples site. So much for job creation. I have talked with a lot of people in my neighborhood and not one person with whom I have spoken supports this project. Last night, I referred to it as a boondoggle when in fact it is a disaster. Ward 3 is not all that different from Ward 11, Alderman. We have many elderly people who have worked all their lives for their small one and a half story cottage and that is all they have in life. They struggle on Social Security to pay their taxes, their waste, their water, their sewage, their insurance, their utilities, upkeep, and maintenance and then they are faced with a choice, do I pay the utilities, do I pay the groceries,

do I buy my prescriptions and it is quite a struggle for many of them and they need property tax relief now. They don't need it 10 years from now, 20 years from now or 30 years from now. They need property tax relief now. 10 years from now, 20 years from now, 30 years from now, they will be in their graves. It won't matter. They need relief now. I feel very strongly about this issue. Originally I supported the concept, but if it was such a good deal it would be 80% private money and 20% public money. What does that tell you? Too many issues have not been addressed or been skimmed over. How many people drove here tonight? Raise your hands, how many of you drove here tonight? Okay, those of you who drive, how many times have you taken buses, City buses? No one. So much for the shuttle service. There are many sites in town that could be used with private funds, not public. Staples is the worst possible site. It is directly across the street from our two elderly high-rises. These people have worked all their lives and they don't need to be awoken at 1 AM, 2 AM or 3 AM but 13,000 drunken, stoned, doped up teenagers leaving one of these events. Can the City afford to build two new high-rises to house those who are forced out of the current high-rises by the noise? I don't think so. Last night we were told there might be some income possibilities. Tonight we find that that will not occur which is good, most entertainment companies cook more than snacks in their concessions. Finally, we still don't know how much the damn thing is going to cost. When you include debt service, interest, is it going to be \$100 million? Is it going to be more and at what point are these cowboys going to say gee we needed a garage after all and what will that cost us? Not quite finally. No one mentioned reinsurance as a contingency. You know there is more, there is more but this idea keeps...the more meetings I attend, the more I learn, the worse this seems. Thank you.

Mr. Stearn stated first, on your last point about reinsurance, all of the municipal bond insurers buy reinsurance. They buy it after the bonds are insured, after the insurance policy is issued and the cost of reinsurance is already in the insurance premium so in terms of reinsurance, that happens after the fact just like reinsurance happens on every other kind of insurance. Secondly, in terms of first I said one thing last night and now I am saying another thing this night about the bottom line and sharing the bottom line, in fact and I believe you were at the public hearing at the Board of Mayor and Aldermen, the presentation last week, I said tonight exactly what I said at the presentation, that nobody should count on it. But really what I wanted to get up and respond to is something that a lot of people have talked about in one form or another and that is if it is such a good deal where are the investors. It should be, I am in favor of the civic center but it should be 80% private investment or 60% private investment or there should be a lot more private money and then I would be in favor of it and I want to...it is really a very legitimate question and it is really a very legitimate issue and I want to try and say two things about it. One, I want to tell people how we went through the process.

That this wasn't a magic set of numbers that came out of the air. We bid the facility manager and the food service contracts to all of the major providers of those services in the country and we laid out the ground rules of what we were seeking and that we needed to have, we could not do this deal, they couldn't have an opportunity to be in the project unless they delivered both the guarantees and they delivered the capital investment. We sought ownership of the hockey clubs. We were in offices. I personally was in the offices of two presidents of National Hockey League franchises talking about bringing investment and hockey to this town. We went through an entire nationwide process and that process of seeking private investment was the major reason that the 120 day process ended up being a 16 month process. We needed to put a deal together that satisfied what we were told or we couldn't do anything. Those were the ground rules and what you have, you do have investors. You have investors on your terms and I can get you more private investment than this, but you have got to do something, you have got to give me something back. You have got to give me a willingness to take some risk. I got you \$11.5 million now and I am going to try and get you more and you don't have any risk. George and I were talking about this before the meeting. You buy a U.S. Treasury Bond, there is no risk in it. There is essentially no risk in it. You get 5% on your money. I sell you a Junk Corporate Bond, you are going to get 11% or 12% or 13% on your money. People pay for risk. People are entitled to return for risk. The deal here is no risk to the taxpayer. That means you are going to get less private money invested in the building. We can change that trade-off. We can get more private money in the building. We can put less tax dollars in the building, but you are going to have to take risks to potential future tax dollars. I am not making that recommendation. I don't think you should do that. I think that is the wrong public policy equation. I agree with the objectives and I agree with it out of my experiences as an administrative official in government in previous careers. I think we are doing the right thing here for the taxpayer of Manchester. It is a legitimate argument as to how much is in and whether it should be more. It absolutely is but you need to know that there has been an honest national process to maximize the amount of private investment in the building on the condition that there is no risk.

Lloyd Basinow, 503 Amherst Street, Manchester, NH stated before I get to my prepared statement, there is one question that I would like to get immediately answered because nowhere have I heard the question either asked or an answer given. If the so-called bonds or insurance is going to exist, then I would like to know and I think the people would like to know, what is the time period that an insurance or bonding company would be willing to cover such a bond and what would be the fee for each of the years involved.

Mr. Stearn answered the bond insurance will be for the full 30 years of the bonds. The bond insurance premium is paid once up front. The bond insurance premium is funded out of the proceeds of the bonds and is already included in the \$57 million number that we are using. Our estimate of the insurance premium, based on today's interest rates and the \$57 million number and the cost of insurance in the market today for similar, that is hotel tax bonds in Single A or, this is a Double AA State it is even a better State, leads to an insurance premium of \$770,000. That is in the report.

Mr. Basinow stated last night I warned you that a bill removing the Rooms & Meals tax from coming directly back to the municipalities would soon be filed. The magic date I am now hearing from a number of State Legislators is September 9. Now I am not promising on the 9th that the bill will be filed, but it will be very close to that date contrary to what other people have said tonight. I had hoped to be a major mover in filing that bill which will send money directly back to the school districts to fund education exclusively, now I can only hope to be one of the three quarters of the Manchester delegation who will probably sign off the bill as co-sponsors. The biggest laugh of all is that you propose to put onto the ballot what I consider to be a phony referendum question asking the voters to approve use of Rooms & Meals to fund a civic center. Money that will not exist. Someone must think the voters are too stupid to see through your efforts looking to get civic center approval on either a binding or a more possible and probably non-binding question. Alderman Wihby, why not put an honest question onto the ballot. Putting a trick question on the ballot isn't going to fool the voters. Now that it is almost certain in our minds that Rooms & Meals revenue will not be available to build a civic center in Manchester, why are you and the proponents refusing to tell the taxpayers what the real cost will be to them in direct property tax increases? Proponents admit that the cost of the proposed civic center, principal and interest for 30 year bonds, but excluding the additional cost of police, fire, ambulance and a new \$15 to \$25 million parking garage that will eventually be proposed, will be at least \$96 million or \$3.2 million minimum per year of the City budget. The tax assessors say that this would amount to between \$90 and \$100 additional taxes on a \$100,000 residential home per year based on each million to be raised at 28 cents per million. That is the average cost they figure on for each million. Over the life of the bond issue, a home owner can expect to be taxed close to \$3,000 for a facility he may never personally use while home owners in the surrounding Greater Manchester area will pay absolutely nothing towards the cost and the use of this common facility and this has been mentioned by quite a few people who have appeared so far before his hearing. If this civic center is so wonderful to the entire area and to the southern tier of the State, why must Manchester taxpayers alone foot the total cost to construct it? Why aren't the Greater Hillsborough County taxpayers, including Bedford, Londonderry, Hooksett, and Concord,

Concord of course is not in Hillsborough County but they are close enough, Derry, Londonderry, Auburn, etc., all of whom might benefit from its construction, why aren't they being asked to contribute their fare share. Isn't such a civic center everybody's responsibility or should only Manchester taxpayers be ripped off. That concludes my prepared statement but I do have a little bit more I would like to say off the cuff. As you all know, most of you know me, I am a very outspoken individual and sometimes I get carried away. I don't always stay with the politically nice ways of putting things but I get my message across and I am declaring war tonight. I am declaring war and there is a bunch of other soldiers out there that are going to be right with me and if I use some strong terminology like calling someone a liar, I have a responsibility to immediately prove that statement in a manner that cannot be contested and I am saying tonight that there are a bunch of liars out there and I am going to prove it right now. We have continually heard that this is not going to cost the taxpayers anything on their property tax. Lie, lie, lie. We are paying for a civic center with our property taxes right now. Last year's increase in the property tax, even though it wasn't a great one, is because of the civic center because you didn't want to use part of the Rooms & Meals so you decided to raise the tax. This year's tax rate, which I am sure will come about and be even greater, will be paid by the property owners because again civic center money or any money from any source, isn't going to be used and next year's property tax increase will be because of the civic center and every year thereafter but the greatest thing that you have done in order to keep the tax rate from skyrocketing very quickly is you have made every person who owns a motor vehicle and registers in this City to pay a surcharge so that you didn't have to raise the property tax and you didn't have to spend the Rooms & Meals tax that you are getting in and committing to a civic center. So by surcharges and God knows what other kind of surcharges you are going to come up with as other emergencies and probable tax increases come along, you are going to soak the taxpayers of this City. Lie, lie, lie. We are paying for it and we are going to continue to pay for it if this project goes through. Thank you.

Chairman Wihby stated, Mr. Basinow, for the record with the referendum question that has been thrown out, if there was no State Rooms & Meals tax because the Legislature voted it out, then the referendum would have to be private funds so it is very simple. If there is no Rooms & Meals tax, it has got to be all private funds. That is the way the question would be.

Mr. Basinow stated, Alderman, lets have a nice simple, uncomplicated referendum. Just ask the people do you want a civic center built in the City of Manchester and leave all the frills off it and find out what the people really think about the project you are proposing.

Chairman Wihby replied I think that would be an injustice to the people. They should know that it is going to cost some money. That there is some money that is going to be used.

Mr. Basinow responded that's right. They are already paying for it.

Chairman Wihby replied that is why we put the question together so that...if we had proposed the people want a civic center, you would be the first one standing up there saying that that is not the right question. That people should know what they are getting into. Because we have proposed it this way, you are saying well lets just make it easier. I don't think that making it easier is right. We are trying to cover all the points with the referendum question because we want the right question out there and that was the purpose of trying to...and that is why we brought it out early to get input from people to see what else they wanted to add to this. I didn't think we would have people saying lets make it shorter. I think there are maybe things that we should be adding into this to assure that people are happy that everything is covered.

Mr. Basinow responded, Alderman, it is not my intention to get into a debate and obviously my time is pretty much up. However, I would say this. Don't worry, the public before they go to the polls will be properly informed.

Steve Vaillancourt, 161 Faith Lane, Manchester, NH stated I live in Ward 8, home of the airport. I like to say that all the time because as we all know the airport is the great engine of economic growth in the City and as Alderman Rivard knows, I am very sure, if this civic center does to the people of the inner city what the airport has done to my constituents, my friends and neighbors in Ward 8 and 9, then God save us all. I listened to Representative Chabot here earlier and I thought I should just take a drink of cool, cold water like he does and try to talk in a calm, reflective manner because you get a lot farther that way and people really listen then if you get up here and shout and are emotional and then I thought I am the last person in the world to deal that way but I did want to come back and talk to you tonight because I promised last night that I would call today Phoenix, Arizona and speak with the Goldwater Institute, a man named Jeffery Flaker out there. Not the best of names I guess, but anyway, the Goldwater Institute is a conservative think tank and they are in the process of building a \$1.2 billion stadium for the Arizona Cardinals and I don't want to call anybody a liar. I don't want to say that anybody has told anything but the complete, unvarnished truth, but one of the presenters tonight said this \$11 million contribution to this public/private partnership was the largest in the country. Not by a longshot. The people of Mesa, Arizona are contributing \$300 million of the \$1.2 billion. That is 25% from the public. 75% private funds. The Arizona Cardinals are putting in

\$200 million. Not \$11 million, \$200 million, but just to get to the point, Mr. Flaker informed me of a new term today and he was talking that think tank talk so when he told me about it I had to say what. The new term was dispersed costs, concentrated benefit, but after sitting here for the last two hours tonight, I think I understand more from what I heard tonight than the explanation Mr. Flaker told me. Dispersed cost, concentrated benefit means simply that you take from a lot of people, meaning all of the taxpayers of Manchester and you benefit a few people. We have heard from the few people that will benefit tonight. We heard last night from a man who sells concert tickets. There is no doubt in my mind that he will benefit from this civic center. There is no doubt in my mind that someone whose restaurant is in danger will benefit if it is in the neighborhood of the civic center. Dispersed costs, all the taxpayers pay to benefit a few, concentrated benefit. That is what we are really talking about but we are really talking about whether we want to disperse costs for concentrated benefit. We don't need to build a bogey man of the Rooms & Meals tax because I have asked other people to be honest and I want to be honest myself. What if the Rooms & Meals tax money does stop coming back to the cities and towns? Well there is probably going to be a solution that will benefit Manchester even more than we are getting now. I speak in terms of the ABC Plan and as a State Representative in Concord, if we come up with a solution, Manchester is going to get more than the \$3 or \$4 million or whatever that comes back from the Rooms & Meals tax. We might get \$11 or \$15 million more to help our schools and if we do that and we help our schools enough we might have additional money so we can lower the property tax. We might even have enough money so you might want to consider building a civic center, but it all comes back to that phrase, dispersed cost, concentrated benefits. Do we want the few to benefit for what the many are paying for? In the course of education, police, fire protection and roads, everybody benefits because society benefits when we are all educated, when we all don't have to live in fear that our houses are going to be broken into or burned down or that we are going to have to ruin our car when we drive on a pot hole strewn road. As far as Ogden is concerned, we have done a lot of talk and I have to give this man here, is it Mr. Stearn, I think he is a very honest man. In fact if I were Demostanes with my lantern looking for an honest man, I would say I found one tonight because he did say last week that there is virtually not going to be any return to the City on this. That was in response to an Alderman's question. He said it again tonight and I just think the media should follow-up on that because if I hadn't heard it again tonight, I was going to quote that old song, "Nothing from Nothing Leaves Nothing" because there is going to be nothing when it comes to profits from this. We shouldn't look at this for profits. We should look at it for the events, the sizzle it is going to bring our City and I was the one who mentioned the sizzle rather than the steak and rather than see the sizzle of tractor pulls and the sizzle of big time wrestling and don't ever denigrate big time wrestling because it is one of the big time events

nationwide today. It is in a resurgence since we had Killer Kowolski back in the 1950's, but I would like to see the sizzle of quality education so that we can be proud of every student we produce in Manchester. I would like to walk in here and it is the first time I have ever walked into this high school and I would like to see the sizzle of this school in much better shape. I would like to see the sizzle of elderly people not having to be afraid when they step feet out of their homes at night and I would like to see the sizzle of roads where I can truly think I am driving without going down through some World War II mines that were left. You have sizzle, you have steak. This steak, well I don't want to use the word rotten, but this steak is not as pure as the steak that I would like to see this City pursue. So I just would call upon us all as we go down this road not to follow red herrings, but to keep focused on what our priorities are, what we want this City to do and to become and not think that sports and all those things are the most important thing in the world. The most important thing in the world is family and community and feeling good about yourself and if it is some minor league hockey team or wrestling that makes you do that then we are in a sorry state. We should feel good because we are educating our children and because we are making a better and productive society for us all to live in. It is just that simple and we don't need a think tank from the Goldwater Institute to explain dispersed cost, concentrated benefits to keep us focused on the ball. Thank you very much.

Gail Fisher, 83 Gilhaven Road, Manchester, NH stated I appreciate the opportunity to speak again tonight in favor of the civic center. I spoke last night and of course the minute I was finished I thought of ten more things that I wanted to say so I really appreciate the opportunity to have a second chance and I won't say ten things I promise. I am a resident of the City of Manchester. I live in Ward 1 and I also have a small business in Manchester near the airport, the All Dog's Gym. I have lived in or near Manchester for over 25 years and in the past few years I have been thrilled to see the change, the positive change and energy that has taken over this now vibrant City. This renewed energy is the fuel of positive economic growth bringing new opportunities that exist from high paying executive positions to minimum wage first time jobs for high school students and everything in between. Jobs enable people to spend money which grows other businesses that provide other jobs. That is economic development and I don't know why Mr. Vaillancourt seems to be so opposed to it. Recently we hosted a seminar at my facility that attracted 175 dog owners from as far away as California, Texas, throughout Canada and even brought three people to American from England. Participants spent money throughout Manchester in hotels, restaurants and shops. They rented cars. They purchased gas. They took pictures and had them developed. They went to the mall. They traveled around shopping for antiques, site-seeing and spending money. That was one small business bringing 175 consumers to the area. The civic center will increase this number

nearly 100 fold, not just once or twice a year but more than 100 times a year. Some people have spoken in favor of a civic center, but are opposed to tax dollars being used for it. Both as a resident and a business owner who pays quite a bit of taxes, I disagree completely. This project is precisely the kind of thing I want my tax dollars to be used for. Monies used to build the local economy pay dividends. On the other hand, tax dollars spent on operating expenses, whether it be for police, schools, roads, or anything else are gone. The only way to replace them is through raising more tax dollars. The civic center provides an opportunity for growth in the tax base without raising taxes. Using a guaranteed source of income backed by an insurance policy is a slam dunk and the benefits of the civic center programs will serve to improve our quality of life across the board. I guess it is pretty clear that I believe that a civic center, by providing entertainment, sports events, and educational opportunities, will be a boon to Manchester but even if it is not a boon, even if it is break even or even if it ends up costing the City money, aren't we worth it? Not all investments pay dividends. Some ventures are simply the right thing to do. As a business person I sometimes make an investment in improving the quality of my product for a zero sum gain or even a loss just because it is the right thing to do. The civic center will improve the quality of the product that Manchester provides to us, its citizens. It will improve our quality of life. It is the right thing to do and this is the right time to do it. Thank you.

Mike Flanagan, 28 Victoria Street, Manchester, NH stated I got so fired up yesterday because I was the first proponent to get up and speak after I heard 20 people say this is bad and this is awful and by the way there are a couple of things you last three gentlemen said before the lady that I didn't understand. One was one is supporting a bill to do away with the Rooms & Meals tax and only 25% of the people he knows are supporting it. I thought I heard him say that and the gentleman that talked about the mausoleum next to the civic center. There is a job opening in the Boston Globe and I think you would do great right there because that is pretty good colloquial you used. By the way, I teach here at West part-time. I am a part-time teacher and I teach at all the high schools and I am a concert promoter. I am the guy that put up the money to put Alabama here at Singer Family Park on August 1 which I think Alderman O'Neil was at and I showed him around. I have worked with a lot of entertainers in my life. I worked with Frank Sinatra, Rolling Stones and I moved to Manchester. I moved to Manchester because I felt that this was a burgeoning community and believe me you mentioned the concert promoter that is into making money off this building, absolutely, that is how America was started. You put your money up, you put your money down, you gamble it and you hope to make it. That is what this is all about. Progress in America right here in Manchester. We did Alabama. No arrests, no drunks, no parking problems. People loved this. I also tried to rent 36 rooms for Alabama and their crew. Do you know I couldn't find a room that

Saturday night in Manchester? You know why, because people went to this concert, they went out to eat, they had dinner, they rented a room, they went to the bar afterwards and had a couple of drinks. That all came back from Rooms & Meals tax. It all came back and I asked the lady at the desk because we had to stay, you know we went to the Holiday Inn, we went to the Sheraton and we had to end up with something a little bit less than that but what happened was she said there was the concert and an antique show and I said gee where is the antique show and she said that is at the Center of New Hampshire. I said well isn't that a function room at the Holiday Inn and she said yes it is. So basically what we are saying is we have a major league town here or at least a Triple A town here but the biggest room in this town is a wedding reception room at the Holiday Inn downtown. Last night by the way, I spoke last night...I have a 17 year old daughter and a 13 year old son. They borrowed my car to go down to the Worcester Centrum to see a concert. They spent \$30 for a ticket. They went down there and ate. They came home. I was pretty nervous though. My daughter is 17 and she took my brand new Blazer down there. I was pretty nervous about that. It would be really nice if she could just do that here. Ironically, while she was going to the Worcester Centrum, I took a cab here. I didn't have my car. They had my car. When I got in the cab and I told the guy where I was going I said I am going to the Manchester Public Library and he said "ha, ha, ha, you are going to the civic center meeting, ah. Are you crazy?" He said that this town is full of people that are cynical and negative. You know doom sayers they are all over the place and God when I got in there and the first 20 people at that meeting it was. It was doom sayers and negativism. As a matter of fact half the people cheered me and half the people said go back to where I came from but no I am staying here and I am going to try to make this happen. By the way, the airport is doing pretty well too. See we talked about this last night. These doom sayers are the same people that said the airport won't work. These people are also the same people that pay \$40 a day, \$40 a day to drive into Boston to park and take an airplane somewhere. I don't want to do that. You know I don't understand the Rooms & Meals tax exactly but I heard last night that this might cost me, worst case scenario, \$100 a year. Hey, I am in line and I will give you my hundred now. Here is my C note. As a matter of fact, I will take a couple of those club seats right now. You got them? I will buy two. As a matter of fact, I will rent the building 10 times in the first year and I will pay all the extra police which I have already done with Alabama, the extra fire department, the health department, the building department, I spent over \$50,000 putting a show together there in this town and 90% of the money stayed right here in this town. I just have one more thought. Being an entrepreneur, I know an investor, when you are going to someone for money needs some kind of commitment from the one who stands to gain the most. The City of Manchester stands to gain the most. That is what it is all about. People are not going to open their billfolds and give \$10 million, \$5

million, \$20 million. It is amazing that you have two people that are doing it already because we have got nothing. We have just got talk here. No one has said a civic center is going to happen here at all because we can't because there are too many doom sayers. But I will tell you what, once they say the civic center is going to happen you will see these people, Budweiser, do you think they are going to turn us away down in Derry or wherever they are down the road here in Merrimack. They are going to be putting in some big money. They are going to buy one of those boxes, I guarantee it. You know, Manchester could be a major league town. We could have the Celtics and Bruins doing exhibition games. Rod Stewart could be here. Tony Bennett, U-2, Dave Matthews, Smashing Pumpkins, Garth Brooks, whatever. So I tell you what, lets step up to the plate and smack this Pedro Martinez fastball because the civic center in Manchester is a home run.

Alderman Cheryl Klock, 144 Brook Street, Manchester, NH stated I moved to Manchester about three years ago from the city of Mesa, Arizona and I wanted to let the people of Manchester know that the stadiums that have been built in the city of Phoenix have done the downtown area of Phoenix, I can't explain what it has done to the downtown. It is just wonderful. The downtown of Phoenix was a very dilapidated, deteriorating downtown that needed revitalization bad and there were tons of proponents for the stadium, for the America West Arena which now holds the Phoenix Suns. The skeptics, of course, came out. However, it pulled through and today it is one of the biggest draws of the downtown area and I just want to say that the naysayers of this project should take a look at the economic impact of the surrounding communities for these things. Second of all, I think I want to commend the Committee on its project. It is one of the most simplistic projects that I have ever come across. It is very easy to understand and I don't understand how come there are so many questions consistently of the same nature when over and over again the answers are being clearly given. Thirdly, obviously I am in favor of the civic center project, thirdly, I wanted to tell the gentleman, I don't know if he is still in the room or not, but I am disgusted about what he mentioned about Manchester's teenagers. I was very disheartened when he mentioned that our teenagers of this City, the people that would only be going to these functions would be stoned, drunk, etc. and I think that is very disrespectful for the Manchester teens sending a clear message that we don't think they are mature enough and I just wanted to make that point. Thank you.

John Stancik, Hall Street, Manchester, NH stated you learn more and you write more notes as I listen here. I like music too but U-2, Alabama, Rod Stewart, come one give me something more like Charlie Parker or West High School I understand has a great jazz band. That is just a remark for the person who promoted the Alabama concert. I would like him to promote some Charlie Parker, Stan Canton, Dizzy Gillespie type music. Traditional jazz if you like. That is not

why I got up to speak though because I think he really is a, I think he is a hockey player maybe rather than a musician. The referendum question is what I would like to speak to. I think to be fair that what you must do is modify the question to at least note that this Rooms & Meals tax reference in the question is going to be used in lieu of lowering our property taxes. I think that would be much fairer. I certainly would hope that we have a referendum. I am not convinced of that yet, but you brought the subject up last night, Mr. Wihby, you brought it up tonight and I think that is what you are asking for, modifications of the referendum question. Investment bankers really do a good job. I think Mr. Stearn has answered everybody's questions. We don't all understand it but that is pure folly that picture up there. Look at it if you might. It is pure folly. There is nobody that can predict what is going to happen 30 years from now. As a matter of fact, tonight we can't predict what our State's tax structure is going to be with the Rooms & Meals tax. We won't be able to next week and I guarantee you we won't know what is going to happen on April 1, 1999 or a month after that. We have got troubles in this State. Don't guarantee, don't be a bet on that Rooms & Meals tax. Talk about betting, it reminds me that if indeed you do fail after the 15th year that is a great site not for a hockey rink but a gambling casino. I mean really that is what you need downtown. I mean if you are going to bet on something, bet on gambling in New Hampshire. It is more likely to pass than this be a success as far as I can see. The investment banker has done a wonderful job. They did their best job I say in Orange County but they have to be optimistic. They don't make a buck unless they are optimistic. They just lose money and that is what happened in Orange County. It happens all the time. If the U.S. government offered us a 90%/10% match we would jump at it. We would say yeah Uncle Sam pay us 90% of this and we will pay the other 10%, but if the U.S. government, our tax money, said Manchester we are only going to pay 20%, you pay 80%, we would not listen to them. You know that as well as I do but that is essentially what you are asking us to do. The MDC I understand from the pictures that were up there or the text that was up there a moment ago was charged with facilitating, a word I have always wondered the true meaning of, facilitating the highest and best use of City assets and my question is, is it already assumed that the Staples lot is a City asset. I don't want you to answer it because we know the answer is no but you can make it a City asset of course with the cooperation of the owner. The City is #1 now and you are so proud of telling us that. It can't get better than #1 can it but without a referendum question, if it doesn't remain a #1 City, the Aldermen and the Mayor are the only ones who are going to be able to blame for no longer staying #1. They will be blamed for making us a #2 City which is something I thought we ought to get to before we jumped to #1 for that matter. I said it last night and I will say it again. I have another 30 seconds and I will talk. If it sounds too good to be true, it usually is too good to be true. On top

of that, there is no such thing as a free lunch. I said it last night. There is no such thing as a free civic center. Thank you very much.

Tom Robert, 435 Dubuque Street, Manchester, NH stated I would like to start out with a question. Up here you have a graph depicting the revenue stream that will come forth from the civic center of itself. My question to you is how would this revenue stream, how would the economic benefits that would spin off from the construction of the civic center impact Manchester's tax revenues?

Mr. Ashooh answered the chart that you see up on the screen is the projected flow of funds that the State of NH has projected that will be coming to the City of Manchester and these are the uses of those funds. This is money coming in. It is not revenues from the civic center.

Mr. Robert stated years back, I supported the concept of a civic center because it would seem to fit the needs of the people, at least my neighborhood. If you look around my neighborhood, we are a little bit better off today then when we started. There are a lot more people working today. The tax rate has not been going up at quite the same rate that it was years ago. We are getting a few things fixed, but there is still an awful long way to go. I still support the concept of the civic center and I just want to say that I commend you and the work that you have done to this point, but I think my people have to have a better idea of how this project is going to impact them in terms of solving the problems that they have told me that they feel they have. First of all, they need some sort of tax relief. Number two, they need their parks, they need their school buildings, they need their roads maintained on a regular basis. How does this project fit into that? I have always worked on the assumption that this would redevelop the downtown. This would put people to work. This would put money in folks pockets so they could reinvest it in their homes and in their family. We need to see some, at least some estimates of that. Could you prepare something like that for us to see at some point in the future?

Mr. Ashooh answered we have got studies that show the estimated economic impact, but let me back up just a little bit. I think what a lot of people fail to recognize is that what we are dealing with is the diminishing impact of the ability of our downtown to generate taxes. All of the things you are talking about all come back to one thing, the people in your ward get asked over and over to do one thing and that is to pay their property tax bill because no one else downtown can. So what we are talking about here is creating an engine that will create the value downtown and bring the downtown business district from 5% of the tax base maybe up to the national average of 20% of the tax base. That is what is missing. That is what we hope to do in that effort. An investment like that on its base

should take some of the burden off the residential taxpayer. Other than that, it is projections.

Mr. Robert asked could we have some sort of projection like that. During my many campaigns, people have talked to be about downtown redevelopment, why its necessary and how it would reflect itself on the tax base. I think people need to see some numbers. People need to see what it can do. I think once they see what it can do, they would be a little bit more open to it. Again, you look around. This is my district. You still see the paint peeling off the wall here. We haven't got some lights fixed. I mean you have got some people with some real needs. We have to show these people how this project is going to affect them.

Mr. Ashooh answered that is a fair question and I believe if we work with the City Assessor's Office we can probably define a district and try to illustrate just that impact.

Mr. Robert replied excellent. In lieu of that, I would just like to reiterate my support for the project. I do believe it is in my constituents' best interest, long-term and short-term. Thank you.

Don Bouchard, Ward 11, Manchester, NH stated I will be as brief as possible. I am in support of having a civic center in this community. I look at this building. I read in the newspaper about how we can't even fund our schools and we are thinking about spending money on a civic center. I don't know. I don't run my own budget at home this way. Thank you.

Maureen Egan-Gamblin, 130 Tarbell Street, Manchester, NH stated first of all I want to thank you for holding these public hearings and I want to applaud Skip and his Committee. They have just put an incredible amount of time into this project and I think that the amount of time that you have spent answering questions and the hearings that you have gone to and the willingness that you have had to be forthcoming with what you and your Committee have researched speaks a lot to this process and makes me very proud to be a citizen of Manchester and I commend the Board of Mayor and Aldermen and your MDC Committee for doing the wonderful job that you have done. As a home owner, as a taxpayer and a mother of three, I am very concerned about property taxes in Manchester. I am a first time home owner. When my husband and I chose to purchase a home, we were renting in Auburn and we were renting in Londonderry. We chose to move to Manchester because Manchester had potential, Manchester had a dream, Manchester had a community spirit like I wanted for my children. I really think that the quality of life in Manchester is something that draws a lot of people and has the potential to draw more people to this City and I think that property taxes

and the quality of life are two issues that will be directly affected by a civic center. I am whole heartedly in favor of a civic center in the City of Manchester. I work downtown now. For the last year and a half I have been working downtown and I have discovered an entire new life. There is a real sense of community among the business people. You go out to Joe Kelly's you have lunch, you walk down and see what is on sale, you go by McQuade's, you grab something on the way home, oh its somebody's birthday lets get a card but at 5 PM the sidewalks go up and everybody is gone. A civic center would make Manchester a destination City, not just for people coming into Manchester but for Manchester citizens. Like I said, I have three children. I pack them up in the car. We save up and go to Disney on Ice. We drive down to the Fleet Center. We park, we go out to dinner, we get some ice cream, we get something from the hot dog vendor on the way in. We have a great night and then we have to drive 45 minutes home and my hard earned money, I am a working mother, I am a taxpayer, my hard earned money is going to Boston, it is going to Worcester, it is going to Rhode Island. I would like to keep some of it here. I have heard a lot of people say at these meetings, opponents of the civic center, that they would like to see the civic center not be built. They would like to see 100% of Manchester's Rooms & Meals tax money go to reduce property taxes. I don't think they understand the equation. A civic center would build a base of businesses in the town and would ultimately reduce the burden on the property taxpayer by increasing the business tax base and I am wondering, Skip, in your research...they keep saying lets use our Rooms & Meals tax money to reduce property taxes. Has that happened in any other community in NH?

Mr. Ashooh answered we did take a look at that issue because it has been brought up so much and we asked some of our Committee to contact the Department of Revenue and took at look at the impact of the Rooms & Meals tax. Interestingly enough, what we found was that bottom line there was a handful of small towns that actually reduced the tax rate. The balance, the 245 towns or so that everybody but Manchester that used their Rooms & Meals tax to reduce property tax, ended up either increasing their tax base through re-evaluation or...actually, Dick do you have those numbers on the results of the Rooms & Meals tax?

Chairman Wihby stated I can jump in here for a second. I can tell you that in Manchester as it has been illustrated with some of the conversations we have had with people in this room, last year if we had taken all the Rooms & Meals money and tried to use it to reduce taxes it just wouldn't have happened. It would have gone to fund some of the school money and you wouldn't have seen a decrease in the tax rate with that money. That is where that money would have gone. I can probably say that would have happened the last five years because we have always short funded the schools and if we had done that and used the Rooms & Meals money than maybe the schools would have been funded a little better. It never

would have been up to what they wanted but we wouldn't have seen any decrease in the tax rate.

Ms. Egan-Gamblin replied what I would say is that you see other cities that have spawned development with civic centers and they build their tax base which would help the taxpayer and would allow us to buy paint to paint this building.

Mr. Charpentier stated we asked for information with regard to what has happened in the various municipalities in NH. I believe the correct numbers is there are 254 municipalities and 253 of them have put the Rooms & Meals money into their tax rate. Manchester is the only one that has not and I think that has been said many times. So the question was how many of those jurisdictions have reduced their tax rate. The answer that we came up with was 9 out of 253. So the question...we then had to go further because it isn't just the Rooms & Meals tax that might reduce the tax rate there are other factors and in many of these cases the difference was increase in assessed valuation. So for example if we go to and I am trying to pick one out here that might be meaningful. They are all small cities and towns but for example lets say Conway which is the most in dollars, in 1996 their total assessed value was \$593 million and in 1997 it was \$607 million. They happened to reduce their tax rate by 2% but when inquiries were made of the various City or Town Clerks of others and in some cases these were so small that either we ended up talking with Selectmen or in a couple of cases with the accounting firm that happened to do the work for that town and there were all other factors. For example, increase in auto registrations, etc. So there was no way of our pinning down exactly that yes Rooms & Meals money to this particular town has made a big difference. In Conway's case, their allocation of Rooms & Meals tax was \$90,000. So the concern that we talked about in our Committee, if all of these cities and towns had put the money in their tax rate and Manchester includes that stream of revenue that is at the bottom, that \$459,000, if what somebody said tonight is actually true, that the Rooms & Meals money would be taken away then what that means is there an immediate tax increase in all of those cities and towns including Manchester's \$459,000 because the money has got to come from somewhere. So if Conway put \$90,000 into their tax rate and that \$90,000 disappears, they have got to make some sort of a change.

Ms. Egan-Chamblin replied whereas if you put a percentage of the Rooms & Meals tax into building a civic center with bonds that are insured, that is protected.

Mr. Charpentier responded I think that is what we have been talking about in Manchester. The Aldermen have put it into that separate fund and were it to go away, the Aldermen would not have to replace it with tax money so that is why we at MDC, I think all along we at MDC have been encouraging them to use it for

economic development and along the way some of our discussion has been well there is plenty of economic development but right now the civic center is what is on the screen and the civic center seems to be what is viable.

Ms. Egan-Chamblin stated just in closing I would like to say to the Board of Aldermen that I would like to see you, as a Board, vote in favor of the civic center. I welcome a referendum but I would like to see my Alderman make a vote of it.

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

Chairman Wihby advised that the second purpose of the meeting is discussion relative to the proposed civic center.

Alderman Hirschmann stated I would like to welcome everyone to West High and welcome west Manchester. We do take great pride in this side of the City and this facility especially. Two things that I wanted to address. One was the actual question of a civic center ballot question and some public officials that spoke before us tonight I wish they would listen right now. They said they walked in their ward and my ward asking about a civic center and they said that the response was 75%/25% and I think that before you go asking questions you have to preface a question with the right information. You have to ask somebody if they would approve a civic center using State revenues. We are not using Manchester tax dollars. The word tax shouldn't even apply. So if you are knocking on doors talking about civic centers, you should ask people if they would be willing to build a civic center using State revenues, not City of Manchester tax dollars because that is what we would be using. The other comment I really took personally and I respect everyone that comes before us a citizen and speaks before us. I respect pro and con, but when you are a public elected official and you come before us and you make a statement or an allegation, I take it personally and I guess I am going to say this out to Shari Hastings, personally to you, that the Board of Aldermen worked very hard on the School District budget and they worked very hard on the school funding, buildings, everything. We have bonded more in this City government in my couple of years then I ever imagined doing. We voted \$9 million for a middle school. Well it is your job to open it. Don't throw stones. The civic center and schools are two different things. So what I would really like is the question going on the ballot prefaced with the right information. I want it to say state revenues are to be used, not tax dollars. That word tax should be taken off the question. That is my comment.

8/26/98 Spcl. Cmte. on the Civic Center  
49

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

A True Record. Attest.

Clerk of Committee