

SPECIAL COMMITTEE ON THE CIVIC CENTER

March 2, 1999
PM

5:00

Chairman Wihby called the meeting to order.

The Clerk called the roll.

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

Absent: Alderman Hirschmann

Messrs: S. Ashooh, J. Taylor

Chairman Wihby noted that Item 3 has been taken off the agenda.

Chairman Wihby addressed Item 4 of the agenda:

Report on comparable venue site tour.

Mr. Ashooh stated I didn't get the chance to catch up after the last meeting. We wanted to report to the Committee on what we found. Does everybody have a copy of this? Basically what we did in about four days is we went to about four cities to a greater or lesser extent very much like Manchester. They had all basically taken on building civic centers and it gave us a chance to talk to city managers and building managers and people involved with the day-to-day running of the facility and talking to them about different stages of development and what they found. Were they happy that they did it? What changes would they make to make the buildings better today and it was really enlightening. A little sidebar on that trip, one of the unique things I think in every location we went to which was Bakersfield, CA, West Valley, UT, Grand Rapids, MI and Greenville, SC, we ran into someone either from Manchester or from New Hampshire connected with either the buildings or with city government in each of those places. As a matter of fact, the city manager in West Valley, UT, his parents live here in town. The guy that runs the center in Bakersfield, CA, is from Manchester. His grandparents live here in town. The restaurant we ate at in Greenville, SC, the kid that owns that restaurant is a native of Durham, NH, went to Clemson and liked the area so much he stayed down there. Every place we went, people were either from Manchester or from New Hampshire and knew all about us and what we were

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doing there. It was kind of like old home week. What we did find as far as the buildings, there were four buildings of similar size that were all constructed with

pretty much the same purpose. It was a little bit different with the E-Center in Utah, but Bakersfield, CA sits 110 miles from Los Angeles. It sits in the middle of an oil field. There seems to be an average temperature of about 105 degrees in the summer. It is just not a real pleasant place. If nothing else, they built the civic center for shade but this built this, they opened up in September. It is a building managed by Ogden Entertainment, the same organization that we dealt with. It seats about 10,000 people for hockey. Also, their hockey team is owned and operated by National Sports Services which is one of the entities involved with bringing an affiliation to this City. That was something that was built as a catalyst for some activity downtown, but also it was built with the intent of offsetting a deficit that they run every year, a big deficit that they run every year from the convention center. The city manager told us a couple of things. The first was never build a convention center because they never make money or if you do, build a civic center to offset the operating deficits you get from those. He also said don't build three to one parking. He said parking is not necessary. He said that what they found in Bakersfield is people will park eight or ten blocks away to avoid a \$3 parking charge on event night and they have a parking garage right across the street. He said it doesn't fill up. He said that people park all over the place just so they don't have to pay for parking. We learned in part of the operations of that building, the back of the house where the groups come in to stage their events they don't have quite enough room because of a railroad sign that is right in behind it and we also found that planning for where a building house sits on a lot is important. Reba McIntyre brings, when she comes to the civic center, comes with 17 tractor-trailers for her event. So you need the proper space. From there we went to the E-Center in West Valley, UT. That is being built, to some extent, as a venue to house some of the ice skating events in the 2002 Winter Olympic Games in Utah. They had, I think, a little bit of extra money to mess around with. The fit and finish of this building was spectacular. It was a great place. They were also the building that had Olympic size ice. I know the question has been asked and we took a look at that. All four venues had considered building an arena that had an Olympic size ice rink that could be brought down to NHL size. There is about a 15-foot difference in width. With the exception of this one building that is being built for the Olympics, no one said that it would be in our best interest to build something that had an Olympic size ice sheet in it because the only time you need it is when there is an Olympic sanctioned event and unless this Board is considering going for the 2006 Winter Olympics, I don't think it is something that we should consider. Interestingly enough, the E-Center was the one facility with built parking on-site. They had 4,100 spaces right around the building and that is one place where they do have problems with parking and traffic because it sits kind of like in the middle of highway interchanges. It is well-served by the highways, but there is just one big parking lot around it so everyone goes to that one parking lot and everybody

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leaves at the same time. It is a difficult situation. They told us that, particularly in Utah,

it is an 8:30 PM crowd. The event starts at 8 PM and the show up at 8:30 PM and they all show up at the same time and they all come in late. No one gets into the event until later on. That was part of an economic development project by West Valley, UT that encompassed 62 acres of property that the city bought and developed. Grand Rapids, MI, the Van Andel Arena, this building was probably built with the greatest private investment as they had the benefit of the Van Andel family. These were the people that founded Amway and not only got the ball rolling, but kicked in about \$11 million to build it. This building had 1,800 club seats, 42 luxury suites, and one of the most remarkable things about that is they came up with an awful way to get some additional money into the building. If you wanted to buy a luxury suite in this building, you had to make a \$100,000 contribution to the building and then you could buy the luxury suite. If you wanted to get a club seat you had to make a \$1,000 contribution to the building fund and all that got you was a ticket to get into the lottery to buy a club seat. That is a funding mechanism that I don't think is realistic around here. \$100,000 as an entry ticket to buy a club seat is pretty rich, but what we did find is that in all of these facilities, selling the luxury suites and selling the club seats was a very, very viable task. I don't think there was a building that we saw that still had club seats available. They had all been sold. Some buildings had been open for a couple of years. Bakersfield, CA and Greenville, SC are companies that do not have income profiles that are a lot different than Manchester. As a matter of fact, their per capita is probably better but their luxury suites sold. We found out a couple of things about managing these things. First of all, in Grand Rapids, MI, all of the club seats, all the luxury suites were sold on a three-year basis so all of club seats and luxury suites are being renewed in the same year. Obviously if they don't sell them all out they may have a shortfall so staggering the sale of the terms of these things would be advisable. This building is managed by SMG. We had the chance to spend the day with the building manager there. They did something in Grand Rapids that was interesting. As they did in Bakersfield and to some extent they did at the E-Center in Utah and that is that they sold parts of the plaza as a fundraising mechanism. They bought bricks. In the plaza you could buy bricks anywhere from \$50 to \$1,000 depending on the size, what you wanted to put in and they charged so much per line. It was a nice fundraising mechanism for these facilities. What we did find out though is that if you decide to do that, people take great ownership of their bricks and the building manager in Grand Rapids told us that not a week goes by that they don't get a few phone calls from people complaining that there is gum on their brick and asking that it be cleaned off. One person did call to say that their brick was in the smoking area and they would like it moved. But there is a certain amount of civic pride. People actually go out and take a look at their bricks and that gives a positive point to it. The last place we went was the BI-LO Center in Greenville, SC. In Greenville, that has some interest to us because first of all Scheer Development and Scheer Sports is

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the consultant we contracted with and this is a building that they, not only, developed and walked

through the referendum process, but Carl Scheer is the owner of the ECHL Hockey Franchise in that community, a franchise which happens to be, their average attendance in Greenville, SC for the ECHL hockey team which is AA, we are talking about AAA here, is over 9,000 people a night in a building that seats 14,108 people for hockey. This was the largest building that we saw. What we learned very quickly is that marketing has a lot to do with the operation of the facility. I think what makes them successful is the type of package put together to attract people. It is not enough to have just a hockey team. It is not enough to have a building with a good management team. You need a good marketing team and the BI-LO Center, I think, did that. What we ended up with when we look back is four buildings that all had decisions to make and these decisions all pretty much came out in the construction process. You have a budget, as we have here in town that acts as a constraint. You can only spend so much money to do this. As you go through the process, you start making trade-offs, you will start making decisions. One of the decisions that a lot of these guys made was the fact that when money is short they decided to cut out an elevator. Some of them had initially planned one elevator or four elevators and they ended up with one or two. I know that in Greenville at the BI-LO Center, we were going to get on an elevator as part of our tour but we had to wait for the elevator to be emptied because there were people coming off of the vendors trucks loaded with popcorn and things like that. They had one elevator. In the Van Andel Arena, they have one elevator. We found that for a particular event, you have 20 people who show up at these events in wheelchairs and the only way to move them to the second level is with an elevator so the way the building manager described it, it is a train station. You have people waiting for the elevator lined up all the way down the hall with one elevator taking two wheelchairs at a time. It is that exercise that I think was the most valuable. Where do you spend the money? Where do you conserve the money and where is the conserved money best spent? In Greenville, SC, the money that was saved from not putting in an elevator went into those things that helped generate revenue in the building and it was very evident. This is a building that is ahead of itself on its proformer. Its attendance figures are terrific. It is one of the only places in the last 25 years that the Ringling Brothers Barnum & Bailey Circus has, while they have been on the road, agreed to extend its stay for seven or eight days because the attendance was so high. These guys made the decision that they were going to cut money out of construction here or there because they had to here and there and they were going to use that conserved money on items that would bring revenue into the building. As we know, in a building like this, successful operation is the bottom line. We don't want to have an economic catalyst here that is not successful. Those measures are what we use now when we sit down with the architects and take a look at the designs for the building. We can start to evaluate what we are going to see in our building with what these other

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cities had done right and what they wished they could do over again. What they have for a wish list. Some of these guys want to go back and put more money into

the building and make changes. If you take a look, in the packets I just gave you, you will see a two page matrix and that matrix is the comparisons and observations of the four buildings from information gathered from those of us, the nine people, who were on this tour. The three architects from H.O.K., Barry Brensinger from Lavallee Brensinger, myself, Jay Taylor, Kevin Clougherty, Steve Stearn who is a financial architect on the project, Frank Russo and Harold Bannon of Ogden Entertainment, and Rich Tortora of Evensen Dodge, all of these people saw all of the buildings and made their observations on how they matched up, some of the decisions they made, some of the key points that were learned out of each one. The bottom line is that all four communities were very happy with their buildings. It was exactly what they were looking for and if they could do something over again, it might be to enhance the project more rather than to scale it back. I don't think that anybody in any of the cities that we went to said that they overbuilt their arena.

Mr. Taylor stated I think one of the comments in Bakersfield that the city manager made was they were originally talking about a 6,000 seat building and at the very last end of the discussion they decided they were going to go for the bigger building because they thought that it would make more sense for long-term growth and they were very happy that they did go to the larger building because they felt that the smaller building, had they built it, would have been outdated almost as soon as they had opened the doors. Nobody had said they built too much. Many of them were talking about how they were going to try to expand and build more seats into the building or excellent seats for other events but I can't recall one instance where somebody said yeah we built it twice as big as we needed to. The other thing that struck me most was the parking issue which we can discuss at some length, but the three buildings all handled parking a little differently but the one building that had the service parking surrounding the building, which was the E-Center in West Valley, UT, strangely enough was the only place where we heard people complaining about parking which is just the opposite of what you might think but the issue there was all of the service parking surrounded the building and they all had to come in on one or two streets. So it was fine getting in if every one came in slowly, but when everybody is trying to get out at the end of an event, they all had to go out the same streets which presents a traffic jam whereas the facilities where there is dispersed parking, the comment was that the crowds disappear relatively quickly because everybody walks or takes a tunnel to their car and they all go out in different directions so there are not as many traffic jams. That was the message that came through loudly and clearly. Dispersed parking is what we have been talking about and it really does work. As long as we can provide some shuttle service via the MTA to and from, I don't think it is going to be the big issue that everybody thinks it is.

Mr. Ashooh stated that is pretty much where we stand on the report. I have one video tape that I would like to make available to the Committee. We don't have video facilities in there yet, but the city of Bakersfield did send us a video tape interviewing the city manager, the Mayor of the city and showing the construction and why they did it. It gives you some idea of how it sits there. The same thing happened in Grand Rapids. It is a very interesting tape and I will make it available so that you can take a look at it at your leisure. At this point, that is all I have to say. I will be happy to answer any questions you have on any of the sites.

Alderman O'Neil stated the issue of the Olympic size ice, I didn't think necessarily pertained to whether or not we would be having the Olympics but it more had to do with the fact that UNH has shown an interest in playing some home games here and they play on an Olympic size ice surface. The people I know that know hockey and know UNH style, that is to their advantage. They play better at home because they play better on a big surface. That is what my feeling is on the Olympic size ice surface. The second issue with regards to parking, I don't disagree, Jay, with what you said but I think the problem we are looking at isn't necessarily the civic center initiating this...we have a parking problem at the intersection of Lake and elm or Granite and elm today without the civic center. There is a parking problem with the Center of NH so I think we do have to take a look at some facility in the area that might serve all needs.

Mr. Taylor replied that might very well be that we have a parking problem, but there are some things that can be done to, I think, mitigate that. About 10 years ago, there was a study done actually to look at building a parking structure on the Federal building lot.

Alderman O'Neil responded that is fine. That is one alternative.

Mr. Taylor stated there is some consideration being given to extending passenger rail service through Manchester in connection with what they are talking about with Boston and Nashua. If that comes to pass, the State would be able to give us a hand in doing something in the way of parking in the Millyard, a park and ride lot which could be used during the day for parking. That is two or three blocks away from the civic center location, but that could help us down the road. I guess what I am saying is if we provide events and a schedule that people want to go to, despite the fact that we might not have 3,000 parking spaces right out in front of this building, my guess is that...take UNH, the Whittemore Center for example. I happened to have gone to a hockey game there a month or so ago. The interesting thing about the Whittemore Center is if you park in Lot A which is the big parking lot on the west side of the railroad tracks that cross between the Whittemore

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Center and the old fieldhouse, you can look across the tracks and see the
Whittemore

Center. You can throw a rock and hit it. The problem is that you can't go across the railroad tracks. You have to go in the front of the lot, up the stairs, over the railroad pass, down the stairs and across this huge lawn. It is a good 5-7 minute walk. The difference is you can see the building every step of the way. It looks like it is 10 feet away. What we are talking about here is a similar difference. I think it is psychological to the extent that you can't see the building from the Victory lot even though it is a similar distance. In discussions with the architects last week, they were talking about trying to create some sort of an image where people from throughout downtown will be able to see this thing whether it be a light or a tower or a statue or whatever it is to bring that psychological focus into play so people wouldn't think it is as far away as it might actually be and I think we have to look at some of that. The other thing we can do is a shuttle service and I still say and I will say this again, if you think about where the City's parking facilities downtown are located, no of them are further than a block from Elm Street so it seems to me the simplest solution is if you ran a shuttle from the site to Bridge Street and back and forth, no one would have to walk more than a block to get to their car. I think it is a doable situation. It may take some innovative thinking to make it work, but I think we can make it work.

Chairman Wihby stated we have some extra parking on Granite Street where we have all that property down there. Could that be part of using it up here? I don't know how many spots are there but it seems pretty big. The West Side Club and then across the street. Do we own that triangle there? Could that be parking or used for something

Mr. Taylor replied well there is parking now. They are using it for West High School right now.

Chairman Wihby stated but it is not being used at night.

Mr. Taylor replied that is a little bit of a stretch, whether someone would walk across the bridge, I don't know.

Chairman Wihby stated well if you have a shuttle that might work.

Alderman O'Neil stated, Jay, I know that the Center has been using shuttle service to the South Commercial Street Lot and I haven't heard anybody raving about it. I hear a lot of complaints about it. I haven't heard one person say it is the greatest thing in the world. Get off parking for a second, would it be possible to get, from the four places you visited, a blueprint of what the blocks around what is there.

Mr. Ashooh asked as far as other types of development. Actually, I think a street map would probably suffice and I think we could get that. I have a picture of one place right here. There was one place that was really smack dab in the middle of an industrial area that was in Grand Rapids. It was right smack in their downtown. There was a facility...across the street there was an old warehouse and they opened it into something like Antics or Jillians. It was right across the street from the civic center. The other corner can't be developed because it is the county or municipal steam plant which they built right across the street from but this is the main street in Greenville, SC.

Mr. Taylor stated in Grand Rapids, they actually built the Van Andel Arena on the former site of a municipal parking garage and they built a new parking lot to replace it across the river probably a quarter to a half mile away and they run shuttle buses on event days to get people back and forth. So they actually took one of their own parking lots, built the building on it and moved the parking lot away.

Alderman O'Neil asked do any of the communities have a blueprint for the surrounding area and have they followed that.

Mr. Ashooh asked a development blueprint.

Alderman O'Neil answered right.

Mr. Ashooh stated both in Bakersfield and in BI-LO and in the Van Andel Arena, those were located in already developed areas. The Van Andel was right in downtown. The BI-LO Center was built right on the edge of downtown.

Alderman O'Neil asked but they didn't say now that the civic center is here this is what we are going to see happen around it.

Mr. Ashooh answered in Greenville, their idea was to take a dead downtown and bring it back to life. They had five restaurants, none of which as the former city manager told us, were any good. They had one place that the locals called the No Tell Motel. Their plan was to get rid of that stuff and four years later they have 65 restaurants in downtown and the motel is gone.

Alderman O'Neil asked but there was no specific plan, that just happened naturally.

Mr. Ashooh answered it was to attract private investment in their downtown.

Mr. Taylor stated I think they may have had something like we have which is the master plan. We already have a master plan that was devised in 1993 for the whole City.

Alderman O'Neil replied but the master plan did not reflect, at the time, a civic center being at the corner of Lake Avenue and Elm Street.

Mr. Taylor responded no, I think the master plan and the LDR study which was originally done all talked about a civic center in generic terms and I don't think there was any specific location cited in the plan. You are right.

Alderman Hirschmann stated two things. One was mass transit that you touched on a little bit. In the four locations, was there busing to the sites. You said there were shuttles. Were there subways?

Mr. Taylor replied in Grand Rapids, they used shuttles to take people from the parking lot they built. I believe those were run by the city. In Bakersfield, I don't believe they even use shuttles. It is a different climate. In the middle of January here it is not the same as the middle of January in Bakersfield, CA so people can walk a longer distance there because they are not worried about freezing to death as they might be here. They didn't use shuttles and West Valley, UT didn't use shuttles because they had surface parking for about 3,000 cars around the building. This is the one where parking jams were the biggest problem. BI-LO, I think, I don't recall seeing any shuttles because most of the parking facilities are downtown and within a 5-7 minute walk.

Mr. Ashooh stated the chief of police told the planners for the building not to worry about parking because if you allow scattered parking on the city streets people will filter into the city coming in different ways and park around the facility but not congregate and when it came time to leave they would filter out of the city as well. I think that with a 14,000 seat sell out, they told us that the whole area can clear out in 25 minutes because you have the ability to get in and out of town and filter out rather than be channeled out.

Alderman Hirschmann asked ?

Mr. Ashooh answered ? compared with what was going on with other facilities, which we were able to do. Maybe that gives us some idea of the standards we would like to set and see what our building would look like and how it would operate. It is just amazing to take a look at a building like the BI-LO where you have an average attendance of over 9,000 in a town that didn't have an ice rink. This is not hockey country but they are doing a bang up job of presenting hockey

as entertainment and that is really what we are talking about. This is an entertainment facility.

Alderman Hirschmann stated in the BI-LO is the marketing team the management team.

Mr. Ashooh replied to some extent, yes. The building managers, a company called Blime Services, which happens to be the facility manager for the Nashua Pride, has a lot to do...their event people work with the hockey team's event people to plan out these things and execute them and it is a very well done program. It keeps people in the seats for the entire night.

Mr. Taylor stated there was one and I think it was the BI-LO where they actually sold, they had cup holders on the back of the seats and a local radio station bought the rights to put their stickers on these cup holders and they pay about \$40,000 a year for that right.

Mr. Ashooh stated the cups cost \$40,000 to buy and install the first year. It was a revenue stream. I think it was \$40,000 a year and a five year contract to sell the cup holders on the backs of the seats.

Mr. Taylor stated if you look at these things, you really have to strain to even see what it says if you are sitting three or four feet away and they are paying all this money to have their sticker plastered on the cup holder.

Alderman Rivard stated the arrangement that Manchester is looking to enter into with a facility manager, do these other cities have that type of arrangement where there is no liability for the city once the facility is constructed.

Mr. Ashooh replied no. We are one of the few that are...guarantees against operating deficits are not unusual. The terms that we are asking for and the capital contribution, I think the combination of the two makes Manchester a little more unique. What it is giving us is an extra level of protection.

Chairman Wihby stated you are going to work on setting a date around March 26 to go to the BI-LO Center and then we will all get in touch with you to let you know how it works.

Chairman Wihby addressed Item 5 of the agenda:

Communication from John C. Mongan suggesting that the City should reopen the feasibility study relative to the Civic Center project.

Chairman Wihby noted that this was sent to all Aldermen and sent to the last Committee and Alderman Pariseau had it sent to this Committee to take up. I am going to say that I am not going to allow this to be political because I think this whole thing is political, especially the letter that I got today sitting here comparing the Mayor's term with John Mongan's term. That is totally out of place, but just so we answer some of these questions, can you (Mr. Ashooh) address some of this stuff.

Mr. Ashooh stated first of all, the article that former Mayor Mongan addressed were two or three paragraphs out of a three part multi day series. I have that whole article here. I have not had a chance to read the whole thing yet, but I did read the first three or four pages of the first insert and it was a very powerful statement on the success of the Peoria Civic Center from city government, from Caterpillar, Inc. and from the people involved who were opponents in the 1970's and now have become converts to it. Paul Porter and I had a discussion about six or seven months ago. He actually had an opportunity to talk to his counterpart in Peoria who runs for office up there and he told Paul that when they proposed the civic center he was running for office and he was dead set against it. He said now I am not running for office but I am absolutely in favor of it. The questions that Mr. Mongan brings up about withholding facts and talking about the true record of the civic centers and their finances and the like, all of those questions were addressed. They were addressed fully and accurately during the public hearings we had and the testimony that we gave to your Committee. Let me just recall for you that this is not the first time that someone has shown a civic center that has lost money and now is making money. In Peoria, as in Providence, those cities that have had civic centers that lost money lost money because city government tried to run them themselves rather than have professionals come in and they started making money, in Peoria, as in Providence, once they brought in professionals to turn it around. Peoria brought in SMG in 1990 and that is when they started showing a profit. Up until that point in time, the city of Peoria tried to run it and they didn't do a particularly good job.

Chairman Wihby asked that is whom he is talking about right.

Mr. Ashooh answered that is correct.

Chairman Wihby asked so the city ran it until 1990.

Mr. Ashooh answered right and that article refers to the fact that it started to make money in 1990 when they brought in a professional outside company to run the building. The idea that we did not disclose, I think, over an 18-month period we disclosed everything that we possibly could about this process.

Chairman Wihby stated I guess I am upset because this Committee held numerous public hearings everywhere and I don't remember him coming to any of them, first of all. We held them because we wanted to do the right thing and so far we have gotten along and everyone has worked together, Democrats and Republicans. It hasn't been a party thing and it just seems like now it might be a Mayoral thing and I am not going to allow that to happen, at least in this Committee. I wanted this addressed anyway. So basically nothing has been held out or not disclosed to this Committee, from what he is saying, and basically it was because the City ran it before 1990.

Alderman O'Neil asked, Skip, are you sure of that because I thought, and I am not taking his side, but I thought somebody told me that they had another firm before SMG and they got rid of them and then contracted with SMG.

Mr. Ashooh answered the article that Mr. Mongan cites refers to profits coming in or starting to turn the corner in 1990. It was at that time that private management came in. It is possible that another company came in, but they have been consistently profitably in the 90's.

Alderman O'Neil stated I thought somebody who went on the Peoria trip told me that whoever they had running the civic center now was actually a second firm that they had. I thought they said firm.

Mr. Ashooh replied it is possible, but rather than take a look at this article and taking my word for it, we had a massive visitation by a zillion people from the City of Manchester who went to Peoria and talked to the people in city government and in this report that was recently issued, it has the comments of the people who went on their trip and their impressions and the conversations they had first party with the people who run the city government in Peoria and people who run the building out there.

Chairman Wihby asked could you give us the other full scope of this article, too.

Mr. Ashooh answered yes.

Chairman Wihby stated I am reading this thing and then at the end it throws in something about Rule 6, I mean if that is not a political thing, I don't know.

Mr. Ashooh stated if you want me to answer the individual items, the public was never informed, is that the sheet that you are looking at. Let me go down them

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one at a time. Number one, “as to the financial success rate of other city’s Civic Centers”, we answered specifically and generally what civic centers have done,

and specifically those buildings that we either could get in touch with or had first person comments from their building managers. People have thrown out the fact that Portland has been losing money. Well to me that is kind of hearsay. Portland is now considering more than 15,000 seats and you don't do that if you are losing money. Providence, when somebody asked about the Providence success rate or the Worcester success rate or Springfield's success rate, we have been able to come up with the figures and tell you exactly what is going on in those buildings. That is part of the record. Number two, "that breaking even only referred to operating cost – the taxpayer paid for the building no matter what", the plan that we put before the City in the referendum question was that the City of Manchester, through the rooms & meals tax, would pay a portion not to exceed 80% of the construction costs capped at \$57 million and that there would be a minimum 20% private investment in this facility. That has not changed. To tell you the truth, I find it unusual to find a city facility built with the taxpayer not paying for it and in this method we decided to use the rooms & meals tax to do that. That has not changed. The break-even portion, I think there may be some misapprehension there or an inaccuracy because the break even we are talking about is not a break even. It is a guarantee against operating deficits while this building is up and running so the taxpayer is not at risk during construction or during the operation of this building. Those are protections that we are talking about, not the fact that the City is going to be on the hook whether it is a losing building or a vacant building. We have sought, at every step along the way, to protect the taxpayer from the direct cost to them if this is not a success. Number three, "as to the financing methods of other cities – specifically that none of them financed their Civic Center alone", I think you will recall a line in the presentation that was made at all four of the public hearings that the City of Manchester is looking for significant private contributions so this is a true public/private partnership and if you recall, the \$11 million contribution that we are looking for from Enron and Ogden in this deal would be the largest contribution of this size of a facility like this in a big market city in history. So public/private partnership are not unusual. The partnership we are putting together for the City of Manchester, I think, may be unusual because we are going extra steps along the way to get extra protections. Number four, "as to the success rate of downtowns after Civic Centers were built in other cities – and that was supposed to be the main purpose for building one here", well we did mention it. I think we talked about the \$400 million worth of capital improvements or economic development in Worcester, the \$200+million in Providence, the 65 new restaurants in Greenville. Jay, do you recall what their economic development was?

Mr. Taylor answered they said over \$200 million of private investment.

Mr. Ashooh stated and that is with the building opening in September of 1998. In other words, this started to happen once ground was broken. We know that there is economic development out there. We went to these four cities and they all showed us the same thing, that there was real long-term benefit in each of these cities. One of the things you ought to know is we have taken up a new currency accounting method here in town. There was an article in the Union Leader referring to the fact that we need like 617 Joe Kelly's. Well Joe Kelly is equal to about \$165,000 on the tax base so we are going to use Joe Kelly's now to denominate the stuff coming in so in the future if this Committee refers to the number of Joe Kelly's I think we can quantify that for you. Number five, "that the largest retail store in downtown will be torn down to save downtown", if Staples is the largest retail store downtown, that I think speaks of why we are doing this. We are talking about a 60,000 square foot building on a 9 acre site that is generating \$150,000 in property taxes in Manchester. That is not an equitable situation. If you take 9 acres of property in any residential neighborhood, it is going to generate a lot more than \$150,000 worth of property taxes. We may be looking at demolishing that building for a better use for a catalyst for downtown but that is not to say we are going to let these guys get out of town. We want to keep these businesses in town. So I think, line by line of those items that the public was never informed, I think we have mentioned those things not just once but over and over. That all those who opposed the project were "naysayers" I think people had genuine concerns and we answered those concerns and that is why it passed the referendum question.

Alderman Hirschmann asked are you going to address everyone who writes a negative thing in our Committee here.

Chairman Wihby answered I think our concern is that we worked hard on this to make sure that it has been non-political and we tried to have public hearings. We have taken in every comment so far and looked into it. It is one thing if we are being lied to and going in the wrong direction but it is another thing if we have a person who is against the civic center and continues wanting to go in that direction. As long as the facts are true and accurate and we have made a decision already, then we will look at them.

Alderman Hirschmann stated my comment is that the Peoria trip was an economic development trip. It was about river walks, it was about civic centers, and it was about the city as a growth unit as a whole, not just the civic center. If you want to talk about feasibilities, we have the Hunter Report from 1994 where people came up from Maryland and gave us an analysis of our City and gave us a feasibility in 1994 of what a civic center would do for the City. We had professors from the

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University of New Hampshire telling us we should do this back then. Send them a copy of that. Have the clerk find the Hunter Report and send him a copy of that.

Mr. Ashooh stated let me just say this is one of the reasons that this trip to Greenville I think will be important. It will give you an opportunity, face-to-face, to talk to people in city government about what the process was that they went through, what they have seen happen and get their input. They have gone through the process. We have that opportunity to do that and I encourage you to go.

Chairman Wihby asked you would do the planning and get in touch with everybody.

Mr. Ashooh answered yes.

Alderman Cashin stated I agree with Alderman Wihby about the four-year administration of Mayor John Mongan. I think that might be a little political, but I don't want to discourage anybody from coming in here and asking questions. I think that is what this Committee is all about and there are still 47% out there that we have to convince that this is the right way to go and this is the only way we can do it. It may be difficult to answer the questions, but I think it would be to our advantage to answer them and encourage people to send them in rather than try to pigeon hole them or not discuss them. I think that would be bad PR.

Mr. Ashooh replied I am prepared, as are the people on my committee, to answer any question that comes up because we have done the homework over the last couple of years and we can answer those questions and do it very straightforward. That is not a problem.

Chairman Wihby stated I am not saying that we are not going to take up any more. All I am saying is when you get a two page letter and on the second page it talks about Rule 6 where the Mayor has to keep quiet and then you get another letter on the table saying his term versus another term, it sounds like he is running for Mayor.

Alderman Cashin stated I am referring to the questions he brought up. They are legitimate questions and he has a right, or anyone has a right, to send them in and I think we have an obligation to answer them.

Alderman Rivard stated they he has done a good job and we should be glad to answer the questions. I have never seen him sidestep it and I believe he is telling us the truth. He is a homegrown guy here and why wouldn't he do what is in the best interest of the city of Manchester. I have a lot of confidence in him and I appreciate him answering the questions.

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Mr. Ashooh replied thank you very much but the fact of the matter is we are talking with what we found out, not what we are guessing at. If there is something that we can't answer, we can still go up and get those questions answered. I understand Alderman Cashin's position and we will answer questions as they come up.

There being no further business to come before the Committee, on motion of Alderman O'Neil, duly seconded by Alderman Rivard, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee