

SPECIAL COMMITTEE ON THE CIVIC CENTER

May 25, 1999

5:30 PM

Chairman Wihby called the meeting to order.

The Clerk called the roll.

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

Messrs: S. Ashooh, D. Charpentier, J. Taylor

Chairman Wihby addressed Item 3 of the agenda:

Update on Civic Center negotiations and business documents.

Mr. Ashooh stated what we really want to do is first of all in recognition of the budget process you are in now and the limited amount of time that we have, we did want to take a couple of minutes to come before the Committee and let you know that even though there is nothing happening outside in the City, there are a lot of things going on and we wanted to get some feedback from the Committee on how we may, in light of your schedule, handle some of the things that we are going to need this Committee for. As you know, at this point we are negotiating the business documents with Ogden, with a hockey ownership group, with naming rights candidates, all the streams of revenue that come in and while those negotiations are ongoing, at some point we need to, in a timely fashion, bring them back to this Committee so that this Committee can have their input on that process. We know that between now and June 8 that is a real crunch on your time and we recognize that. There needs to be also recognition of your Committee's participation in...or giving us input in light of the fact that we need to also start a marketing campaign sometime in June. As you are aware, we have a deadline of August 1 for having all of the revenue streams and business documents and everything in place so that it can go to the Aldermanic meeting in early August. I believe August 1 is the meeting date. We need to have all of this stuff shaped up and at the same time get this Committee to participate in that process. We also have, and you probably have been getting updates on the Design Committee; the design team and their work on the building. If I could ask you to give us some tips on how best to get this information to you, I expect that over the next four weeks we will have probably half a dozen items that will have to come before this

Committee. How we do that is going, to a great extent, depend on how you would like to see this happen over the next month or so.

Alderman O'Neil asked are you talking about items that need to go to the full Board or is this just for some direction from the Committee.

Mr. Ashooh answered it is both. This Committee has acted as a terrific sounding board and I think proxy for the full Board as far as weighing in on opinions on what was effective, what was not effective, what would fly, and just critiques early on in the process. Obviously, we don't think that this process is going to go anyplace unless this Committee is satisfied with the work product that we would say should go to the full Board. We would like to bring it to you in process and have you take a look at these things and say this is okay, this is something we would recommend to the full Board or not. I am just a little bit concerned because I know that early June is going to be a busy time for you folks. That is pretty much where my concern lies at this time.

Alderman Hirschmann stated at our last Board meeting, the one piece that we need to work on is the communication part. The contract for the architect came on the table and we, of course, in this Committee knew about Mr. Brensinger's contract but there were a few members of the full Board that either don't attend these meetings or the communication doesn't get to them. There were questions at the full Board that put Mr. Brensinger on the spot asking him what he was doing with all his money and things like that. Communication from our Committee to the full Board or from the MDC team to the full Board is important.

Chairman Wihby stated that was reported to me.

Mr. Charpentier replied the scope of the first part of the first quarter of the contract that was part of architect anyway wasn't it.

Mr. Ashooh responded my understanding is that the report your Committee issued was that this contract was in conformance and compliance with the Phase II budget that was submitted. I think the Committee had a sense that it wasn't necessarily a question. I understand what you are saying Alderman Hirschmann about communication. Frankly, I don't think it is as effective a process and I don't think there is a way for us to sit down with all 14 Aldermen and the Mayor to go through this and that is why this Committee plays such a valuable role.

Alderman Hirschmann stated so we have to send a report to the full Board whenever an action happens.

Mr. Ashooh stated we would like to get that material to you in some sort of timely fashion. I am just trying to be sensitive to the schedule that you are all into now.

Alderman Hirschmann stated there were questions of do we, in fact, have a hockey team and a few other questions on the table that night. What we basically said was that negotiations were continuing and we couldn't answer those questions without your staff there.

Mr. Ashooh replied frankly the state of negotiations that we are in at this point, I can tell you that everyone is working towards delivering exactly what was promised during the referendum process. While you are in negotiations, it is hard to say that we are going to deliver this and then have a different shape when you actually see it.

Alderman Hirschmann stated they asked if Ogden is still involved.

Mr. Ashooh responded yes.

Chairman Wihby asked is Enron still involved.

Mr. Ashooh answered we are looking at utility participation because questions come up on the City's cost of capital and whether having any utility provide capital to the building is going to be as cheap as the municipality going out and actually providing it themselves. So we are doing a cost benefit analysis on what is the least expensive way to bring capital into the building. That doesn't mean that there isn't a role for Enron or someone like Enron in the engineering and providing service to the building, but it might be cheaper for us and that is a question that we need to answer and bring to you and say this is the way it was going to go, but what we have now is we were able to lower our costs and finance the building more cheaply and we will use it to reduce debt on the building.

Chairman Wihby stated so Enron is still there if you want it.

Mr. Ashooh replied we are looking at all phases of this.

Chairman Wihby asked but they are still there.

Mr. Ashooh answered yes.

Alderman Rivard stated I am sure you are in touch with the insurance company that may provide protection for the City if the Rooms & Meals tax goes away. With the Claremont situation and the possibility of the State looking for extra revenues, has that created a problem in trying to get people to come forward and provide that insurance.

Mr. Ashooh replied I think that municipal bond insurance, what people tend to miss is that it is not a question of whether they would insure it or not as much as the cost of the premium. If you want to get life insurance and you have lousy health, you can still get it; it is just going to cost you more. I think that until some questions are answered about the safety of the revenue stream, that premium question isn't going to be answered but we still have interest on municipal bond insurers and providing that protection.

Alderman Rivard stated so because of the Claremont situation, it could cost the City considerably more to get that protection.

Mr. Ashooh responded the insurance premium that we may have to pay to insure those bonds could be higher depending on how uncertain that stream is.

Alderman O'Neil stated I guess what you are looking for is some kind of direction as to whether we can get together every other week or weekly. Is that what you are looking for?

Mr. Ashooh answered I don't know if it is necessarily weekly as much as getting some sense of how you would like to handle the information. If we know that we have something coming up, we can go ahead and plan a meeting and say on this day we are going to deal with all of these items. I don't think that is necessarily the way the process is going to go. We may have a whole bunch of things in the middle of June and then a flat spot. I think it is just a recognition of taking a look where this Committee will be after the budget process is done, how your schedule may open up and yes maybe have a meeting every two weeks. We may cancel it if we don't need it, but also provide a little bit more time...we have kind of stayed back in the process. Our meetings have been relatively brief and we have been sharing them with other things. We are going to have some fairly serious things that we are going to need to get into and we will need more than a half-hour or hour.

Alderman O'Neil asked would it make sense to schedule, even though we might not use it, the first and third Mondays of June, July and August to see what happens. I would rather have it scheduled and not happen. We are all going to try to plan vacations. The only reason I said Monday was in case we need to report

something to the full Board on the first Tuesday and that is all we will be meeting for in the summer.

Chairman Wihby asked will the budget be done by then.

Alderman O'Neil answered I would have to guess yes, Mr. Chairman, optimistically. I would rather schedule it and then if we don't have it, fine.

Alderman Hirschmann asked so the first and third Monday of the month. That sounds okay.

Clerk Bernier stated my suggestion would be probably at least the third Tuesday because CIP and Human Resources meets at 6:15 PM so you can schedule it at 5:00 PM.

Alderman O'Neil asked so you want to do it on the first and third Tuesday's then.

Clerk Bernier answered the first Tuesday...we could always put a Committee Report, if available on the agenda for the Board meeting. You could meet just prior to the Traffic Committee. It is up to you.

Alderman Cashin stated Mr. Ashooh said some of these meetings could be lengthy.

Alderman Hirschmann stated well that will be an hour and 15 minutes.

Mr. Ashooh stated well some of the business documents, when it comes time for us to present the business documents, what we may want to do then is get them to you ahead of time so that when we actually meet in Committee you can have questions that we can deal with rather than try to go into a lengthy contract with term sheets or something. You are going to have a series of things coming up that I think you are going to want to be fully informed on. If we know when we are going to meet, that gives us a schedule now that we can get material to you and maybe talk to you about it ahead of time and when we meet in Committee and we have the hour when we are not sharing with someone we can be as focused as possible and have you ask the questions that you need to on that night.

Clerk Bernier stated we could start on June 15.

Mr. Ashooh stated we would like to also talk to you about another meeting maybe on June 9 if that is at all possible. We may be able to handle it before the regular Aldermanic meeting but if you recall about three months ago the Building Trades Council addressed this Committee on strategies to promote the employment of

Manchester residents on the project. We have been approached and actually we are getting a real good turnout for our Committee meetings at 7:30 AM on Wednesday mornings from the building trades and ABC and the AGC. What I think I would like to suggest is if we can put together a meeting, I would like to do it before July where I think the AGC and ABC would like to come in with their ideas on what contractors have done on using local hires and we can provide, at the same time...I don't know if you saw the RFP's that went out by Manchester Housing when they went out to seek candidates for the construction management on the civic center but one of the questions that Manchester Housing built into this RFQ was, besides their qualifications and their expertise in building hockey arenas and things like that, what they have done in the past on different projects to promote local hiring. We got a number of RFP's back and they all had responses to that question and I think we would like to provide that information to you as well and give you at least a wealth of knowledge so that when something comes up and when we start talking about how we can best get Manchester residents involved in the project, you get a breadth of experience from the contractors side and from the building trades side on how it has been done. If we could do something like that and give that presentation that would be great. It doesn't have to be a particularly long meeting. Dick, how long do you think you would need?

Mr. Charpentier replied about a half-hour to 45 minutes.

Mr. Ashooh asked do you know who you would want to present it.

Mr. Charpentier answered I am sure Gary Abbott and Mark Holden.

Mr. Ashooh stated I think we probably want to put three on that list. If those two presented, I would like to ask Ken Edwards from Manchester Housing because he is the one that helped put that RFP together and handled the responses and he can talk a little bit about that.

Chairman Wihby stated you should let the trades know so they can be there too.

Mr. Charpentier replied they have a representative at each of our Wednesday morning meetings.

Chairman Wihby asked could we schedule that sometime in the beginning of July.

Mr. Ashooh answered I would like to do it before July because what is going to happen is the construction manager will probably be selected in the middle or third week of June and it is at the time that the construction manager is selected and you start doing the cooperation agreements that some of these language questions come up so we would like to have that information before that time.

Alderman O'Neil asked when are you going to make a recommendation on the construction manager to this Committee.

Mr. Ashooh answered it should be right around that meeting on June 15 that we were talking about.

Alderman Cashin asked could we do it at the same meeting.

Mr. Ashooh answered I am sure it could be done. I don't know what kind of time Manchester Housing may need to talk to you about the construction selection process.

Alderman Hirschmann stated what I picture in my head is a flow chart with boxes noting we need to have the land purchase, we need to negotiate with this group, we need to get local hires, etc. I picture a flow chart and the priorities and as we go through the flow chart we check them off so you are not bringing stuff in and everyone is asking well where are we. We can look at the flow chart and say well we got this done and this done and this done and make sense of it all.

Mr. Ashooh replied we have an itemized list but I think we have hesitated to give you a timeline because we don't necessarily have control of that. You don't know how long negotiations are going to take, but I think we are fast coming up to a point when we can give you a punch list.

Alderman Hirschmann asked is the land purchase negotiating ahead of the...which one is first.

Mr. Ashooh answered the way the schedule was constructed is we took a look at when we needed to be in the ground for a 2001 opening and then we took a look at the municipal process of acquiring property and that is a 90-day process so you have to back up from there and when you have to get the Board's approval before then we started building our schedule backwards from that. We are still in the negotiation phase where anything could pop up at anytime, but we are driving towards that site acquisition schedule and on November 1, construction starts. That has been consistent. I think we will be able to give you that punch list as soon as we begin to nail down some of those things that are clouded in the process.

Alderman Hirschmann asked so land purchase is later in the priority list.

Mr. Ashooh answered it is our top priority. It is the one that drives everything else. The City, I don't think, would acquire a single piece of property until the significant elements of the business deal are in place. We have to have all of the contracts negotiated. We have to have the substantial revenues in place; the financing all in place before the City can go out and commit to buy anything.

Alderman Hirschmann stated I actually thought the building trade's piece...you know in my schedule of blocks that would have been way down here. We got that packet from Mr. Long, which I filed, and I respected some of his comments and there were some that I think were off base.

Mr. Ashooh replied that language comes in a little bit later in the schedule when the cooperation agreement is done. I think that is part of the thing that has to be written up at that point.

Alderman O'Neil stated it might be helpful on any one of those three presentations if they could get us the presentation ahead of time, especially the one from Ken Edwards.

Mr. Ashooh stated now that we know what the dates are, I think it gives us a chance to have an idea of when we can prepare the materials to get them to you.

Alderman O'Neil stated I have one quick item under new business. Following a discussion at our last meeting, Jay Taylor and I met with the general manager and operations manager of Allen Bradley. It was based on some phone calls that I know I got, but I don't know if anyone else got questions about what was going on down there. Mr. Taylor is still waiting for a letter, but he can correct me if I am wrong, but I think I am speaking for you when I say that we don't believe that they are going to want to participate in either having a parking deck on their lot or participating in any parking program. They are talking about bringing in some more jobs there, so we assured them that there is going to be no effort by the City to mess that up. The general manager is going to be sending Mr. Taylor a letter confirming that.

Mr. Taylor stated I think what we told them was that if they were not interested we certainly weren't going to force the issue. The last thing we want to do is discourage them from doing whatever they want to do there. It is their property and they said that they are going to continue to invest in it and employ more people.

Chairman Wihby asked did they know that it wasn't going to be of any cost to them.

Mr. Taylor answered yes. Their major issue was liability. In other words it is more of a headache to them than a benefit and they just don't want any part of it.

Chairman Wihby asked is there some way of us buying it and leasing it to them or something. We have plenty of attorneys who can work it out.

Alderman O'Neil answered they were pretty clear that they just have no interest. They just want to do what they are doing and be good neighbors and support the civic center project.

Mr. Ashooh stated I am assuming that we did something on that property which was going to be a certain cost to build a deck there and we have had some informal discussion about the Norris Cotton building as a place for a garage. I am not sure what they have for spaces on Allen Bradley, but I am assuming it is a comparable size to what was at the Federal building.

Mr. Taylor replied if we built a garage at Allen Bradley, we would get a lot more cars. They have an 11-acre site there including the building. I think the engineering study we have on the Federal building suggests that we can get a garage that holds about 600 cars. I am not absolutely sure of that.

Alderman Hirschmann stated I think it is good to know that early one. We are trying to stay on course of what was on the ballot last fall. There is no money for a parking garage, deck or land purchase anyway.

Mr. Ashooh stated one thing this may bring up and I am not sure how it could be done but I think on the trip to Greenville we heard how...I think the building manager once selected worked with the Linear Parking System they used down there to canvass the surrounding neighborhood and solicit property owners who had open spaces to see about enrolling them in a program. Allen Bradley is not a participant at this point, but there are a lot of others that might be that may fill that gap.

Alderman O'Neil replied as far as I am concerned, nobody should be contacting Allen Bradley about anything.

Mr. Ashooh stated we found out early on that they are great corporate citizens. They put a lot of improvements in the building.

Alderman O'Neil stated they were actually quite concerned when we met with them. They had been reading things in the paper.

Mr. Taylor stated if we institute a program for non-public parking and it is successful and down the road they voluntarily approach the City to ask can we participate, we would be happy to have them but I think to force the issue at this point would be counterproductive and we should leave well enough alone.

Alderman Hirschmann replied that is why I think the Rubenstein property down along the riverfront might end up being more valuable than having a stadium down there.

Alderman O'Neil stated a baseball stadium is not necessarily taking up all that space.

Mr. Taylor stated on the Federal building lot, with the pending construction of a new police station and expansion of City parking requirements in that general area, it may be desirable to look at building a garage on that site irrespective of whether the civic center is built or not and be used for the civic center so that we can get more mileage out of the investment by using it 10 or 12 hours a day rather than just during the daylight hours.

Alderman O'Neil replied we also, in the past year, have received a couple of letters from the Center of NH with concerns about downtown parking and the fact that they have been bussing some people from Commercial Street for large events.

Mr. Ashooh thanked the Committee for their time. The next scheduled meeting is June 15 and we will try to get you materials ahead of time for that.

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

A True Record. Attest.

Clerk of Committee