# SPECIAL COMMITTEE ON THE CIVIC CENTER

**December 6, 1999** **5:15 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, Atty. Craig, K. Clougherty

Chairman Wihby addressed Item 3 of the agenda:

Continuing discussions relative to the proposed Manchester Civic Center.

Mr. Ashooh stated thanks for this opportunity to continue with the process. As you are aware, we are presenting more documents tonight and I just want to take an opportunity to say that the process is ongoing. We are pleased to have another stack of light entertainment for you in this reading, but I would like to take a second if you don't mind to address an issue that was in the newspaper this morning. I think you saw the front page article about the civic center finances and the feasibility study coming back and there was one section in there about the guarantee against operating deficits and it being suspended if the team is not in the building and I just want to address that a little more fully. That discussion actually came about as a result of a fairly lengthy conversation I had with a reporter yesterday about all of the things that can happen in the building and the levels of protection that we have in this structure. The guarantee against operating deficits, as you are aware, is a key piece in this whole structure and that document provides for a guarantee against operating deficits and if the team ceases to operate in Manchester, even with the suspension of that guarantee against operating deficits, the City is not at risk. The language is carefully structured so that the City does not have to appropriate funds to pay for any deficits that may exist in the building, not that they would. I just wanted to clarify that the City is not in a risk position in that case.

Chairman Wihby asked so the article was wrong in the paper.

Mr. Ashooh answered it was not wrong, just incomplete. It would be nice if we could have 100% of every conversation put in the paper and for space reasons they had a lot of material to cover regarding the feasibility study and it was only part of the conversation, part of what actually exists in the documents.

Mr. Clougherty stated what we want to do is continue what we had discussed at the last meeting about the documents. As you know, we handed out a series of documents at the last meeting and I don't know if any of you have the cover sheet that we gave from the last meeting, but I just want to go through and let you know that on that list the next item was a financing agreement, which is in the package that you have tonight. The lease agreement and the sub-lease agreement you also have in your documents tonight. The concession agreement is in there and the construction management agreement. The management agreement, which is a critical piece of this, is still being negotiated by Ogden. They are going through the bank term sheet and they are reconciling those two items. We were told that they want to continue to do that and we are giving them the time to do that although cautioning them that our criteria is not going to change and the clock is running. You have the cooperation agreement. The hockey lease is completed and on its way, but it hasn't come through on our e-mail yet. We understand that it is somewhere between here and the lawyer's office and as soon as we get that we will provide it to you. Each one of the documents we have given you has a little description in front of it of what its purpose is and I understand that I owe you a list that takes the criteria and tells you how they back up against each one of those, but I just didn't have the time to do that between getting the documents done and getting the packets pulled together. I will get back to you hopefully tomorrow night so that you will be able to see what is happening on each one of those items because I know it is important. I didn't want to not give you the documents because I am doing the little piece on how they relate to the individual criteria. I thought it was more important to get you the documents and tell you that we will get that to you at the next possible date.

Chairman Wihby asked what about the final three items there. Are those still missing? Is that what you are talking about? The parking study, the bank term sheet and the bond insurance commitment letter. Those are still missing?

Mr. Clougherty answered right. They are still…the bank sheet and the management agreement are still being worked on by the bank and Ogden. The parking study has come in in draft and the parking study…is Jay here…basically the parking study came in and said that if the proformer had a number of $340,000 in there that the City should be able to meet that target. We had one or two questions after reading the study that we really wanted them to go back and define and provide us some more information on so we have asked them to do that. I

would be more than happy to provide you a copy of the draft if you would like, but I would like to have those sections that we are asking them to go back and beef up included in anything that we hand out. So we got the draft back, it came in Friday at like 4:55 PM and after we read it over the weekend we had some questions today and they just weren't able to turn around the numbers that we asked for so that is the status on that draft. It may be that we could have that for the Board tomorrow night because Jay is talking to them and is trying to get that completed but the draft is substantially done and it does confirm what we had put in for a number. The bond insurance commitment letter is something that Richard Tortora is working on but the draft is substantially done and it does confirm what we had put in for a number. The bond insurance commitment letter is something that Richard Tortora is working on and he is in communication with the credit rating agencies in that regard today. We would hope to have that again in the next several days. As far as the documents, we are moving them forward to you as they become available. You will notice on some of them there are blanks, but that is because we have to fill in the dates and the time that the deal goes forward, but you have an idea of what the gist of the document is. I would be happy to answer any questions.

Alderman O'Neil stated, Kevin, we had talked at the last meeting about some executive summaries on each item. Where do we stand with those, in terms that I would understand them?

Mr. Clougherty replied there is a brief attempt at that on the cover of each one, but admittedly as I said I know it doesn't go as far as you would like but I am trying to balance getting you the documents and getting you a little bit of an explanation of what it is versus not getting you the documents to do the cover letter. I am hoping that you will respect what I am trying to do here. I will take the items and beef up those descriptions for you so that you will have them tomorrow and address the criteria, but given the timing that we are getting these and getting them produced it is a trade-off and I am airing on the side of I am going to give them to you and give you the information probably tomorrow and that will be acceptable, I hope.

Atty. Craig stated I would just like to add to that, Mr. Chairman, that the key document is still being worked on and that is the management agreement and that has now become a document that is being worked on between as Kevin said Ogden and the banks and as soon as that falls into place then we are off and running and then it is time for you to get the executive summary as well as answer any questions that you may have.

Alderman O'Neil stated at the last meeting you had might the offer on behalf of the City team to sit down with any Alderman one-on-one to go over it. Do you believe it would be better to wait until we get all of the documents in before that happens?

Atty. Craig replied some of them, yes, but let's take the management agreement. As far as I am concerned right now that is the critical one and that may be a one-on-one if you want. The financing document, the one from the banks could be a one-on-one and the commitment to insure the bonds could be a one-on-one. The rest of the stuff is interesting maybe, important and critical but an executive summary, in my honest opinion, unless you have other questions wouldn't require one-on-one.

Alderman O'Neil responded I understand what you are saying. With the construction management agreement there had been a lot of…

Atty. Craig interjected I am sorry. With that one there are certain parts, two parts there that have to be approved by this Committee. That is already part of the Cooperation Agreement that was adopted previously. There are two issues there that will have to be specifically approved by this Committee, not the full Board, but by the Committee and we are ready to do that as soon as the rest of the deal is put together.

Chairman Wihby stated we can recess and be called whenever we want a meeting or set something up for next week. When do you expect to have the executive summaries and everything?

Mr. Clougherty replied the consensus here seems to be if you could recess the meeting and as we get the balance of the documents we could have a meeting for this group and then perhaps from that meeting schedule a briefing for the full Board.

Alderman O'Neil stated Bill Johnson prepared a report for the Housing & Redevelopment Authority, a summary, and kind of went through everything again. Is there anybody at Johnson that if somebody had a question they could call?

Atty. Craig replied perhaps Kevin could answer that question better than I could.

Mr. Clougherty responded if anybody has a question on that, they could call either Jay or I and we would be happy to get them an answer.

Chairman Wihby asked so we have five documents that we are waiting for. Are there any problems with those four or five?

Mr. Clougherty answered no. I think the management agreement is down to the final points and I think Ogden and the bank are working at that. Our position has always been that we will be responsive. We wait for them to come to us with the documents. If it doesn't meet the criteria, we are not going to recommend that you go forward. The documents that we have gotten so far, I think, will pass the criteria muster. The parking study, as I said, I think meets the numbers from what we have seen on the draft. We want to make sure that there is some more detail provided on that. The bank term sheet, again, is something that Ogden and they have to work out for the financing. That is between the two of them. Our criteria and our timetable is very plain to them. The bond insurance commitment letter is something that has to come from the financial adviser. He was at the last meeting. He is aware of the deadline and he is working on that. Hopefully, we will have something on that soon. As soon as we have something, we will bring it to the Committee.

Alderman O'Neil stated, Kevin, your cover letter with the packets today, you are saying an executive summary is attached to each document…

Mr. Clougherty replied it is just that little cover sheet.

Alderman O'Neil responded we are looking for bullet points.

Mr. Clougherty replied I understand, Alderman. I just didn't have time to get to it.

Alderman O'Neil moved to recess the meeting. Alderman Rivard duly seconded the motion. The motion carried and the meeting was recessed.

A True Record. Attest.

Clerk of Committee