

3/12/96 Committee on Community Improvement Program

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COMMITTEE ON COMMUNITY IMPROVEMENT PROGRAM

MARCH 12, 1996

6:30 PM

Chairman Robert called the meeting to order.

The Clerk called the roll.

Present: Ald. Robert, Wihby, Clancy, Domaingue
Ald. Reiniger arrived late.

Messrs.: R. Girard, T. Arnold

Chairman Robert addressed item 3 of the agenda:

Communication from Leo R. Bernier, City Clerk, requesting to utilize space formerly occupied by District Court for use by the City Clerk's office and the Charter Commission.

Chairman Robert asked Mr. Houle if he had ideas on what to do with the space that would become available when District Court moved.

Mr. Houle answered on behalf of the Board and Committee a request for proposals had been issued to architects for the space planning and architectural design, a report would be available for the next Committee meeting.

Chairman Robert stated that he was aware of interest in the parking spaces, and asked for some form of needs assessment in regard to that.

Discussion ensued regarding parking spaces, how many exist and who should be allowed to use them.

On motion of Ald. Clancy, duly seconded by Ald. Wihby it was voted to table the request.

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Chairman Robert addressed item 4 of the agenda:

Communication from Kathleen Giacomponello, Business Manager, Hillsborough County, advising payment in the amount of \$107,000.00 which represents the settlement on the Pine Island facility as a result of the fire that occurred on October 21, 1995; and further expressing concern relative to liability issues directly attributable to the burnt out structure and discussions relative to money being isolated for future use at the Pine Island site.

Mayor Wieczorek stated that he had met with Ms. Giacomponello, Business Manager and Carolyn Kirby from the legal staff for Hillsborough County, in order to find out exactly what to do with the Pine Island facility, the City apparently had requested that they have \$107,000.00 in coverage, but the County had a blanket policy on their buildings which only covered replacement cost, which was considerably different from the fixed amount. There were two options; request that the County go after the carrier to provide replacement cost, or go towards actual cash value, the building had been 4,500 square feet, the City had \$107,000.00 in coverage but on an actual cash value that might be approximately \$200,000.00.

Ald. Wihby asked if the City called the insurance company and told them to send us \$107,000.00.

Mayor Wieczorek answered that \$107,000.00 of coverage was what the City required in the lease, which he believed had been reviewed in 1993 and was unsure who had reviewed it, but something was definitely wrong. The \$107,000.00 figure was applied back from 1978, no insurance company he knew of would allow a policy to be bought and allowed to run for almost twenty years. To move the situation ahead, Toni Pappas forwarded the check, and the insurance company sent a letter which stated that they would like to be advised within thirty days if the City was willing to agree to the terms. As far as the County was concerned their part was over, now the City could not pursue any of the other option because the City was not the actual insured, the County was the insured, any action instigated must be done at the County's request. The City needed some direction on what the County would want to do, either put up another building with the money we had, or pursue cash value or replacement costs, and again deal with the County, or else the County would not be involved and the City would do what it wants to do with the piece of

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land. Those were the options he felt were before the Committee. A letter had been received recently from the NH Cooperative Extension Service, who wished to terminate their lease. He did not know if this was an effort to get the City moving on the issue.

Ald. Domaingue stated that the Committee was approached a couple of weeks ago by Bill Allen who was looking to nudge the County into trying for more money via their blanket policy. She felt that the termination letter was the County's obligation to make sure that they don't get hit for any negligence as a result of that building still being standing in the condition it was in.

Mayor Wieczorek stated that liability was an issue and a decision needed to be made soon as to what to do with the building, there was a County Commissioner's meeting soon and if he could get a sense of how this Committee felt he would send a letter to the Commissioner's meeting indicating that the City had a preference.

Discussion ensued regarding the various options available to the City.

On motion of Ald. Domaingue, duly seconded by Ald. Wihby, it was voted to pursue replacement costs of the Pine Island 4-H Center building.

On motion of Ald. Domaingue, duly seconded by Ald. Clancy, it was voted to table the communication.

Chairman Robert addressed item 5 of the agenda:

Communication from Sherman Holland, President, Freedom Writer Corporation, submitting supporting documentation of a business plan and construction budget breakdown relative to property located at 88 Lowell Street.

Chairman Robert asked Mr. MacKenzie if Mr. Holland was the party that had been mentioned previously as having an interest in the building.

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Mr. MacKenzie answered that he was one of two who have shown interest in the building, Jay Taylor had been preparing a request for proposals to see what other interested parties there may be.

On motion of Ald. Wihby, duly seconded by Ald. Clancy, it was voted to refer the communication to Jay Taylor.

TABLED ITEMS

Item 6:

A resolution amending the 1996 Community Improvement Program by adding School to Work FY 96 - \$80,000.00, and Challenge Consortium - \$100,000.00. (Note: tabled 2/27/96).

On motion of Ald. Domaingue, duly seconded by Ald. Wihby, it was voted to remove item 6 from the table.

Brief discussion ensued regarding whether or not part of the resolution had been acted on.

On motion of Ald. Wihby, duly seconded by Ald. Domaingue, it was voted to table the resolution.

Item 7:

Discussion regarding 9.9 percent EPD billings. (Note: tabled 2/6/96 - communications from City Clerk, Ald. Hirschmann and Tom Seigle enclosed).

This item remained on the table.

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Item 8:

Communication from Jay Taylor, Industrial Agent, requesting the Mayor be authorized to execute a Confirmation Option to Purchase (Right of First Refusal) satisfactory to Blue Cross, subject to the review and approval of the City Solicitor. (Note: tabled 2/27/96).

On motion of Ald. Domaingue, duly seconded by Ald. Wihby, it was voted to remove the item 8 from the table.

Ald. Domaingue asked the Committee to look at the Development Agreement , section 2 stated "the City will execute and deliver to Blue Cross a new confirmatory option to purchase suitable for recording in form and substance satisfactory to Blue Cross and the City", she felt that the proposal was not satisfactory. On page 31, item 9 stated " the rights of Blue Cross under this agreement may not be assigned without the prior written consent of the City" what that stated was that Blue Cross could not turn around and assign the right of the option to anyone else, but if the Committee looked at the proposed new Right of First Refusal Agreement, which should be acknowledged under the Development Agreement, that the right of Blue Cross could not be assigned, but what it did, in section 4, stated: " however, Blue Cross agrees that this agreement may not be assignable to any party other than...." and then proceeded to list the various parties that Blue Cross could assign their interest to, if the Committee consented to this it would amount to consenting to Blue Cross/Blue Shield to assign their rights.

Chairman Robert asked if Ald. Domaingue was objecting to them being able to assign it.

Ald. Domaingue answered that when the City signed the Development Agreement, it said that they cannot assign that right of first refusal to anyone else without the City's consent, by signing the new proposed Right of First Refusal, the City would be giving its consent to anyone that Blue Cross wished to assign their rights to.

Chairman Robert stated that it appeared to him that they were simply assigning it to themselves.

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Ald. Domaingue answered that it seemed to her that in the proposed agreement, if Blue Cross were to merge or become another entity, the new entity would automatically inherit the right of first refusal; her second concern was the price which she had objected to and still objects to, which was \$8,000.00 per acre twenty years ago.

Ald. Wihby asked what would happen if the Committee did not agree to change the old one, it would still be \$8,000.00.

Ald. Domaingue answered that there was a Development Agreement that stated that a new Right of First Refusal agreement would be provided, satisfactory to both parties. She felt that any option of transfer should be limited, the assignment was given to Blue Cross/Blue Shield because they inherited it from Home Insurance, the City did not have to allow it to be inherited by any corporation that moved onto the property, and should leave it as the City's property forever as park property.

Discussion ensued regarding the new agreement, why it was necessary, who initiated and wrote it, etc.

Ald. Domaingue wanted to have a question answered before the Committee proceeded with the request; what was the effect of paragraph 9 of the Development Agreement and did it modify the first Right of First Refusal.

On motion of Ald. Domaingue, duly seconded by Ald. Wihby, it was voted to retable the request.

Item 9:

Communication from Toni Pappas, Chairman, Hillsborough County Board of Commissioners relative to the Pine Island 4-H Center. (Note: tabled 2/27/96).

This item remained on the table.

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Item 10:

Request of the Building Commissioner to demolish the Pine Island 4-H Center.

(Note: tabled 12/5/95 in Committee on Lands & Buildings).

This item remained on the table.

There being no further business to come before the Committee on Community Improvement Program, on motion of Ald. Clancy, duly seconded by Ald. Wihby, it was voted to adjourn.

A True Record. Attest.


Clerk of Committee

