

COMMITTEE ON COMMUNITY IMPROVEMENT

March 9, 1998

5:30 PM

Chairman Reiniger called the meeting to order.

The Clerk called the roll.

Present: Aldermen Reiniger, Wihby, Clancy, Pariseau, Girard

Messrs: R. MacKenzie, T. Summers, S. Maranto, B. Jabjiniak, P. Ramsey,
F. Testa, J. Corder, R. Ludwig

Chairman Reiniger addressed Item 6 of the Agenda:

Communication from Alderman Hirschmann requesting funding in the FY1999 CIP for signalization of Goffstown Back Road and Montgomery Street.

On motion of Alderman Pariseau, duly seconded by Alderman Wihby, it was voted to refer this item to discussion with Item 7.

Chairman Reiniger addressed Item 11 of the Agenda:

Discussion relative to Amoskeag Hydro.

On motion of Alderman Girard, duly seconded by Alderman Pariseau, it was voted to discuss Item 11 as part of Item 7.

Chairman Reiniger addressed Item 7 of the Agenda:

Resolution:

“A Resolution Approving the Community Improvement Program for 1999, Raising and Appropriating Monies Therefor and Authorizing Implementation of Said Program.”

Mr. MacKenzie stated if you have copies of the CIP available, I would like to run through it so you understand the implications of the different parts of the program. Under the first tab you will see the CIP Summary. There is a table that shows where the funds are coming from and going to. Out of the \$96 million CIP program about \$71 million is from Enterprise Funding which are basically fees. The largest chunk of that money, \$72 million, will be going towards Transportation and the Environment and the largest share of that is airport changes. There is approximately \$10 million in Education and about \$6 million in Health and Community Development. Those pie charts give you a quick overview of where the money is coming from and where the money is going to. The next half is the annual budget and I want to highlight some of the projects on the five different tables. There are Tables 1-1 through 1-5 and it is important to recognize the distinction between those because each one has a different implication in terms of taxes. The first one, Table 1-1 shows Federal, State and Other Funds. These have no impact on the property tax rate. On the first page you will see five projects for Office of Youth Services and the Health Department. Both of those organizations do a good job of going after and receiving both federal and state funds. You will notice on the bottom, School Department grants. We have still not received information on School Department grants yet. Typically they range from \$7 to \$10 million.

Alderman Girard asked will we have that prior to the public hearing.

Mr. MacKenzie answered I don't know. We have sent requests a couple of different times, but have not received anything in writing yet. If it is not received before the hearing, they will have to come in during the year and come to this committee and amend the resolution every time they want to accept a federal grant.

Alderman Girard stated my concern is the public hearing which is on March 23. If they are going to come in after the public hearing with a total of \$7 to \$10 million, I think maybe the school personnel and parents may have some concern as to how they plan on spending that money.

Mr. MacKenzie stated on the next page, I wanted to highlight the second item down, Downtown Revitalization. We are showing a project of \$1.5 million. We are, in essence, creating a potential holding tank there. They applied for a loan program from HUD. This relates to the potential for 1037 Elm Street. As you may know, we are still in preliminary discussions with EDA for a major grant for that building. This would be a match against those other federal funds. The next item down is Bridge Rehab. We are looking for a fairly major rehab of the Amoskeag Bridge. Eighty percent of the funds for this will be from state and

twenty percent as you can see under bond, would be considered. The other major item in this is \$2.8 million Residential Sound Insulation Program. That was started a couple of years ago by the Department of Aviation and this is a new grant award. It has been on hiatus for awhile, but this would be anticipating a new grant award for additional homes to be done. That is a quick wrap-up of Federal, State and Other Grants. As you can see, the total is \$7.5 million, but we would expect a higher amount.

Alderman Wihby asked didn't we have Bridges at \$1.8 million and \$450,000 and you recommend \$1.8 million. What does that mean?

Mr. MacKenzie answered in total the project would be the combination. The \$450,000 bond is actually in a different table.

Alderman Wihby stated so when it says they asked for \$1.8 million, we are actually giving them \$2.2 million. We are giving them more than they requested?

Mr. MacKenzie replied the request for the federal share was \$1.8. You will see when you get to the bond table they also requested \$450,000 in City bond.

Mr. MacKenzie stated the next table, Table 1-2, is a special form of federal funds. This is funding from the housing urban development. This includes CDBG, which is Community Development Block Grant; Emergency Shelter Grant, and Home Fund. We separated these out from the other Federal and State Grants because with these, the City has a little bit more discretion as to where those monies go. Under the CDBG projects, we typically fund a number of social service organizations. These are mostly organizations that have been operating in the City and do public benefit type operations. The only thing I wanted to note on this page was on the bottom of the page you will see Neighborhood Playgrounds. We are anticipating doing some additional work in certain parks, including potentially Harriman Park and Enright Park. We are looking at parks that are within eligible areas for CDBG funds.

Alderman Wihby stated I thought we eliminated the Daycare Visiting Nurses a few years ago and it always shows up again on the budget. Also, how much did we end up giving Helping Hands last year? I think we gave them more money.

Mr. MacKenzie answered regarding your first question, there was actually two pots of monies that the VNA used to be funded other. One came under CIP which was directly for childcare and the other came out of the operating budget. The Board did cut all of the money out of the operating budget a couple of years ago. This amount has been funded the last couple of years.

Alderman Wihby asked why.

Mr. MacKenzie answered it is our understanding that this particular program subsidizes childcare for working people who don't have a lot of financial resources and may otherwise not be able to go to work because they can't afford childcare. It is our understanding that Optima Health would not fund the subsidized portion to the extent that the VNA did in the past. VNA was taken over by Optima Health but it is still run as a separate organization.

Alderman Wihby stated so there is no profit in this. Have you talked to Optima to see if they would pick the whole thing up and save us money?

Mr. MacKenzie replied I have in the past spoken to Sister Margaret who heads the program and she basically said that Optima did not wish to support them and they still have to go through their traditional funding sources like they did before Optima took them over. I don't know if that has changed. I talked to her last week.

Alderman Pariseau asked are we subsidizing Optima, Mr. Chairman. I mean we have this barrage of advertising from Optima about how much they do for the community, but they never said anything was paid by the City. What do we do now? How many of these things are Optima controlled?

Mr. MacKenzie answered the only project here that I am aware of that is related to Optima is this Visiting Nursing Association.

Alderman Pariseau asked what about Helping Hands.

Mr. MacKenzie answered Helping Hands gets some assistance, but that is a separate organization.

Alderman Wihby stated but who picked up the \$60,000 that we used to give them before in the operating budget part. When we took that out, there wasn't a complaint from anybody. We had no problem taking it out. They still survived. Are you saying that Optima didn't pick up the \$60,000 or that they didn't take the \$60,000 at that time?

Mr. MacKenzie replied we didn't deal with that question in the operating budget because I don't think it went towards the VNA Childcare so I can't answer that. It went to the VNA for other purposes.

Alderman Wihby stated I suggest that we look into that.

Mr. MacKenzie stated in response to the other question about Helping Hands, they were funded at \$6,000 last year. They are recommending \$15,000 in funds this year. Some of those organizations have been really squeezed by the state and federal government who cut their budgets.

Mr. MacKenzie stated on the next page, Table 1-2, I did want to highlight that several of the Manchester Neighborhood Housing Services programs are being funded with a good portion of the Home Funds and CDBG Funds.

Alderman Pariseau stated I have a concern relative to 5.10251, Neighborhood Playgrounds. They have requested \$200,000, we cut it down to \$100,000. That is just to take care of neighborhood parks. Then we come my one area, downtown, and the request was for \$200,000 and they are only cutting \$10,000. Where is the justification for the taxpayers in Ward 9 in getting some of this park money?

Alderman Clancy replied it is CDBG money.

Alderman Pariseau responded I don't care where the money is coming from. Because I am a citizen and it is CDBG it has to go downtown. It is a Community Development Block Grant. Ward 9 is part of the community. Where is the justice?

Mr. MacKenzie replied I am not sure what the justice is, but the federal government has their rules and regulations and they say you can only spend CDBG money in eligible areas. To be eligible, you have to have 51% low and moderate income residents which means that Precourt Park does not qualify.

Alderman Pariseau stated Precourt Park doesn't qualify because of the income, but they don't take into consideration the Elmwood Gardens and if they did we would beat the minimum qualifications. Those kids in Elmwood Gardens participate in Little League and soccer that happens at Precourt Park. I would like to see how you come up with those figures.

Mr. MacKenzie replied HUD has very strict regulations about what qualifies and what doesn't. They monitor the City for CDBG funds. All I can tell you is that we do our best to make sure that the money goes as far as possible. What we try to do is make sure that if a park is eligible for CDBG funds, we don't use bond money so that frees up bond money to go into parks that are not eligible. That is why we have two funds of money.

Alderman Pariseau asked how many parks do you have downtown that entertain children with Little League and soccer, other than Stanton Park, Veteran's Park? Do you see what I am saying? We have all these parks out in neighborhoods and they are going to come up with \$100,000 for 30 parks. You got five parks downtown and they got \$190,000. I don't know how you justify it.

Alderman Clancy stated some people called me last night and told me that there hasn't been equipment at Stevens Park since 1950.

Alderman Girard stated for purposes of discussion, the money we are talking about here are CDBG funds.

Mr. MacKenzie answered on this Table 1-2, yes.

Alderman Girard replied that is not clear because in some cases you have designations and in other cases you have no funding source listed so it is not clear to us whether it is CDBG or other money. If you are telling us that everything in Table 1-2 is CDBG it would be helpful if we knew where the money was targeted to within this so when we get to other areas that aren't CDBG eligible we can take a look at a portion of the monies appropriated.

Mr. MacKenzie noted that if there is no designation after the number than that is CDBG. Table 1-2 is HUD funds. The only reason there would be a designation of CDBG is if a funding source is split.

Alderman Wihby asked do you get a list from Parks on what their recommendation is for the year.

Mr. MacKenzie answered we get a priority list which you should have received in the mail. On this list, they give us their requests for the year.

Alderman Wihby stated and then you decide what amount of money they should have and which ones you can do using the priority list.

Mr. MacKenzie replied to the extent possible. The Mayor, I know we have talked about this in the past, will follow the priority list first. There are some situations, for example if Party #1 is \$10 million and Party #2 is \$50,000 we may fund number 2.

Mr. MacKenzie stated I will comment that we do try to stretch the CDBG funds as far as they can go and we make sure that if a park is eligible we will use the funds for that.

Alderman Girard stated for different projects if you could let us know what the money is intended to fund, like the Downtown Park Rehab here for \$190,000. I think that would be very helpful.

Mr. MacKenzie stated lets talk about the Downtown Park Rehab. That \$190,000 is for Queens Park.

Mr. MacKenzie stated the next item I want to highlight is about 2/3 down the page. The Right-of-Way and Other. That is \$630,000. That is primarily a continuation of the Elm Street reconstruction. The Highway Department asked for about \$1.5 million in order to make improvements from Elm Street down to the Millyard. We are recommending \$500,000 for example for Stark Street. I think Stark Street was the number one priority. Spring Street is second and Granite Street is third. We don't have enough money to do all of those.

Alderman Pariseau stated under that same item, did we loan Jac Pac money last year.

Mr. MacKenzie replied no. There was at least a verbal commitment that if they stayed in the City and stayed in the plant that the Mayor would try to find them monies to get the other \$150,000. There was no formal commitment.

Alderman Pariseau asked was that a loan or a grant.

Mr. MacKenzie answered this would be a grant. In exchange for that though, we are getting right-of-way under the bridge and along the Merrimack River.

Alderman Girard stated with respect to the right-of-way and other for the \$630,000 that the Highway Department actually made a request for \$1.5 million. In my request column I have \$630,000.

Mr. MacKenzie answered I am not sure why that shows as \$630,000. Some of these projects as requested by the Department, have been put under another group or organization so in those cases we didn't necessarily show the request.

Mr. MacKenzie stated the last page of the HUD Program, Table 1-2, ADA Transition Plan. We are showing \$250,000. Access Manchester is working with a group of various people to prioritize the needs of the City. There are a lot of needs and we are trying to address these. The federal government does have certain mandates on the City to provide handicap accessibility and we are trying to do our best to meet those requirements. Next, I would like to move along to the City

Cash portion. I want to highlight the \$50,000 halfway down the page. This is called Athletic Field Rehab Program. Some of the committee members that were on the committee last year might remember a couple of discussions the committee had. One was about the Piscataquog Park. The group came in and said can we at least get a small amount of money to improve some soccer fields. What happens is the City typically bonds larger projects and the Parks & Recreation Department handles the routine maintenance. A lot of the projects requested are too small to be bonded and too large to come under Parks & Recreation's operating budget. So we did put \$50,000 in cash this year to handle these relatively small projects. I know that Youngsville Park is looking for about \$15,000 to do improvements for a softball league. Alderman Clancy was looking for some money for playground equipment. This would handle small projects in parks. Once you get above \$50,000 for park rehab, that is when you should start looking at a larger bonded project.

Alderman Clancy made a motion to take \$25,000 of that money for Stevens Park because they haven't had any equipment up there since 1950.

Mr. Ludwig stated I think you are misinterpreting the intent of the \$50,000. Several organizations have come forward and said we would like an infield...many of our parks are funded by organizations. Some of our what are called unadopted fields, which typically are the ones that look the worst, the City ones are the ones that need \$5,000 or \$10,000 to put an infield in or something like that. We never have the \$5,000 or \$10,000 that it may cost to do that infield over. I think that was the intent of this money. Alderman Clancy, I do know the condition of Stevens Park and it is poor, but if you start dividing the \$50,000 up and giving \$25,000 for that project the money is not going to go far. Also, playground equipment, itself, is not a \$25,000 item.

Mr. MacKenzie stated I think the difficulty has been that in the past we have identified a lot of money but if you bond a project it has to be typically at least \$75,000 to do that. So the smaller projects for \$15,000 or \$20,000 haven't gotten done.

Alderman Pariseau asked relative to Item 5.10293, Skating Rink Debt Reduction, can't we put that into an Enterprise and let Intown Manchester take care of that. Why should I pay \$25,000 debt reduction?

Mr. MacKenzie answered they did request some assistance on the Skating Rink operation.

Alderman Pariseau replied if it is not going to break even then I think we better look at getting rid of it.

Mr. MacKenzie responded I think the difficulty they are having is that the operations themselves may break even but they have a debt from the original start up that they are trying to work down so they can break even.

Mr. Davis stated the Board of Mayor and Aldermen were very generous with the initial grant of \$150,000 to help us to get that project underway and that involved not only construction, but also management. We realized that the expenses of the rink, that includes putting it up and taking it down every year, paying an immense electricity bill for running it through the Winter, and basically taking care of the operations, the labor and other expenses or storing equipment and so forth, we are going to exceed the \$150,000. Under the advisement of our financial consultant at the time, we elected to basically put some of the original \$150,000 grant into operations. We then went and asked for a loan for \$75,000. They granted that, but we still have that note to pay off. We are doing much better this year. The first year was very high in terms of construction. We are doing much better in terms of breaking even.

Alderman Pariseau stated the last item on that page, notice the \$3,000 for Tech Set-Up and the item above that you requested \$29,000 and they cut it down to \$3,000 then they took the \$3,000 and put it in Tech Set-Up. Why didn't they just leave it?

Mr. Davis answered that is an amount that is placed on the budget every year. I am not sure where it is actually from. It is to put up and take down the rink.

Alderman Wihby asked do we have any new items that we are funding for this year under Cash.

Mr. MacKenzie answered the potential Skateboard facility design is a new item. Teen Drop-In Clinic Equipment, we have funded Child Health Services in the past, not last year, but that is actually a new item. The 5.10292, Implementation of Visitor Science Program is one that is new. We got a grant for most of that. This is the next stage of that. On the next page, Graffiti Removal is a new one.

Alderman Pariseau asked on 7.30280, Airport Transportation, why are we giving them \$5,000 cash. Is that out of taxpayer monies?

Mr. MacKenzie answered yes. In this case it is channeled through the Airport Authority, but it is actually for a separate group. We are working with the Town of Londonderry. They have applied to the State of NH for ride sharing, van pooling and other ways to reduce traffic around the airport. This does not go to the Manchester Airport Authority, it goes to the regional group. This was funded last year and the previous year and it is requested by the Town of Londonderry.

Alderman Pariseau asked do they give matching funds.

Mr. MacKenzie answered yes.

Mr. MacKenzie went back to answering Alderman Wihby's question. Elm and Queen City's Controller Replacement is new. Amoskeag lights, replacing those that are broken or rusted in downtown is a new one.

Alderman Wihby asked for the MTA, where are we getting the additional money. I mean you got the \$16,000 or \$17,000 cash and then you have Equipment Replacement, \$68,000. Is that coming from Transit Authority monies?

Mr. MacKenzie answered that is coming from federal funds that goes to the MTA for that purpose. The amount that we are showing there in cash is only 20%. We should show the other 80% that comes from federal funds.

Alderman Wihby asked they are paying \$10,000 for a copier.

Mr. MacKenzie answered that was what was requested. Now going back to the highlights of the City's Cash portion, you will see Annual Right-of-Way Maintenance, \$500,000. That is actually resurfacing. Last year's CIP funded \$250,000 under this item. The Mayor strongly suggested and wanted to double that to \$500,000. I would note that in order to have the manpower to do all of this resurfacing there are some other changes that have to be made and I will get to that under the bond part later. Typically, the Highway Department has had trouble getting the manpower to use this amount of money in terms of resurfacing. Other projects under Cash would be Annual Maintenance, \$225,000. That is for basic maintenance and repairs to City buildings and primarily schools. Last year they got \$200,000 so it is up just about 10%.

Alderman Girard stated on that item, Mr. MacKenzie, you know year after year after year the buildings don't get any better. It doesn't seem to me that we ever do anything but fund the maintenance and repair items well enough to get ahead of the code. At some point I think we are going to have to do something to make sure that the requests coming in from departments are funded because they are not

getting any younger, they are not getting any better and I would really like to see the City move from crisis and emergency maintenance to preventative and routine maintenance.

Mr. MacKenzie replied it would be up to the Board if they wanted to increase that. I would note that I agree that they have not been able to get into a mode of preventative maintenance. They are basically responding to emergency situations, replacing boilers and that type of work.

Alderman Pariseau asked can I get an explanation of what that 8.30355. Do we have a building identified as Youth Services.

Mr. MacKenzie replied you may know that currently for the Youth Services Department they used to be housed in one building at the Franklin Street School and now they can't fit. That amount of money has added up to \$200,000 a year for leasing costs and the leases they are looking at now with rates going up could be much higher. I think from an efficiency and economy standpoint, we should be looking at having perhaps a publicly owned building. If you are going to lease a facility for five years or more, you are going to be losing money. If you want to keep a program in a building, it pays to have a public building. We think it is reasonable and cost efficient to look at some type of facility so that we defer those leasing costs.

Alderman Pariseau asked who is going to go in there.

Mr. MacKenzie answered the operations that were in the Franklin Street School were the Health Department, Welfare, Office of Youth Services and Elderly. They were originally under the same roof and then split up when the Center of New Hampshire came in.

Alderman Girard asked what the \$15,000 that the Mayor has recommended would go for.

Mr. MacKenzie answered that would go towards finding possible sites. Either looking at sites for new construction or purchasing existing buildings for this kind of facility. For example, the Health Department has been looking for a long time. Their current facility is inadequate and they pay a lot of money. They had one place locked up, but the price tripled as they were looking at it.

Alderman Pariseau stated there is a building on the corner of Bridge and Chestnut or Pearl and Chestnut. Is that what they are looking at?

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Mr. MacKenzie responded that type of building. This money would allow us to go out and look at four, five or six buildings and see how they would meet the needs. Even though we would keep new construction as an option, there are plenty of buildings out there that we might be able to retrofit for a reasonable cost.

Alderman Wihby asked so the \$15,000 covers a study.

Mr. MacKenzie answered just a feasibility. Look at different sites and figure out the costs to make sure that we would actually be saving money.

Alderman Clancy asked what is the status of the Gerber building now. It has been sold recently, right? So the rent will probably go up and we will get stuck again, right?

Mr. MacKenzie answered yes.

Alderman Clancy stated I suggest we look at the building up the street, 530 Chestnut Street.

Mr. MacKenzie replied Mr. Taylor has looked at this issue before and I would rely on his assistance in looking at some of these sites. He is very familiar with this type of search.

Alderman Girard stated the last item is Information and Referral from Manchester Consolidated Services. I was under the impression that they were no longer in existence.

Mr. MacKenzie answered you are correct. That should be Southern NH Services. They are the agency that took over that operation. We will change that.

Alderman Girard asked what would this money be used for. We already fund Southern NH Services, don't we?

Mr. Jabjiniak answered they have taken over three programs that were run by Manchester Consolidated Services, the Voluntary Action Center, the Latin American Center and Information and Referral. So we have funded the program previously and it is now being operated by Southern NH Services.

Alderman Girard asked what other funding do we give to Southern NH already.

Mr. Jabjiniak answered just those three. They might get other money from the enterprise community as they are the lead agency on the collaborative of Catholic Charities.

It was noted that the responsible agency was now Southern NH Services and would need to be changed.

Chairman Reiniger stated there is an item from Alderman Hirschmann that we referred to this discussion regarding the Goffstown Road/Montgomery Road signalization for \$65,000.

Alderman Wihby asked do we know where that stands. Is it on the list?

Mr. MacKenzie replied the Traffic Department conducts this priority list and then they go to the Traffic Committee. I don't remember discussion at Traffic Committee.

Deputy Clerk Johnson stated there is no priority listing for safety signalization in terms of what you are thinking. In the past, there have been requests made through the Traffic Department for the LED replacements, which is really replacements of existing signalization. This was prioritized by Fire and handed to the Traffic Department. They were never brought into the Traffic Committee. They just went directly to the CIP request. In the last three months, the Traffic Committee has said that there should be a priority listing made. The first one that came on to that was the Jewett and Valley intersection.

Alderman Wihby asked was there a priority list made. I understood when we voted that that was the number one priority.

Deputy Clerk Johnson answered that was indicated by the Traffic Director at the time as the number one priority.

Mr. MacKenzie replied the list we saw only had two intersections on it.

Alderman Pariseau stated I think efforts should be made for South Beech and Brown Avenue that has been on somebody's list for years. In the last four years there has probably been over 60 accidents there.

Alderman Girard stated my recollection of the process for signalization differs. Last year, Alderman Reiniger submitted something to the Traffic Committee which got on a list. My recollection is that the Traffic Committee worked with the Traffic Department to take a look at signalization requests and forward them

through the budget process. Last year there was another intersection that was in the southern end of the City that jumped over the one at Elm and Brook. I don't think that as a Committee, given everybody's concerns here, that we should be acting on individual requests. We should ask that the people in the Committee who are responsible for the oversight of these things make a prioritized list and send them to the Mayor for his budget process and then to this Committee so we can take a look at it.

Alderman Wihby stated I would like to find out how much the top requirement is and then we can debate whether we want to fund the traffic light or not.

Alderman Clancy stated well 39 accidents. Isn't that enough to have signalization?

Alderman Wihby stated I am talking about new ones. We should have a list in front of us of what the top one or two are and the Committee should decide whether or not we want to fund one, two or any of them and then allocate that money.

Alderman Hirschmann stated I sent this here for funding for this budget year knowing that CIP is going to be rushed. People are having trouble getting to their homes because they can't turn left, including the Chairman of the MTA Commission who can't get home at night because he sits at that intersection for 15 minutes. I submitted this and on a 13-1 vote, it came here for passing this. I got a letter stating that it would cost \$65,000 and I want it taken seriously.

Chairman Reiniger stated we are going to have another meeting on March 16 before the next full Board meeting so we will have Tom Lolicata come in and answer our questions.

Mr. MacKenzie stated just to be clear, we are referring these two sites to the Traffic Department to evaluate those against the existing list and then come back to this Committee so we can look at the total list. I think there are only two intersections on that list. One is being funded. The other is Webster Street and River Road.

Mr. MacKenzie went over Table 1-4. It is the bond projects. Those that are not related to enterprise projects. The first one is the Somerville Fire Station. That has been requested for a number of years. In the current fiscal year we funded some design work for that. They also did a feasibility study looking at whether or not we could build one new station further out to cover Bodwell Road and the Somerville area and different options for working on the Somerville Station. The

general result of that study was that this location is a good one. It is in an area that has a lot of triple deckers. It is actually the third busiest engine company in the City so it is a high incident location. We are looking at staging the funding over two years. There are a couple of options for the site - building new construction on the sites and tearing down the existing station. That has its problems in that you have to redistribute all of the existing equipment for a year's time. What the recommendation of the feasibility study was is to actually put an addition on the Somerville Station. It will require some property resubmitted for tax deed. Put an addition on which will be a brand new engine bay. That could be done while the other one is still in operation and then rehab the building. We are showing that the money would actually be funded over a two year period. That is the \$625,000. The second item is Fire Station Generators. There are still three departments that need fully up-to-date generators and this would fund two of those. I believe these would include the Mammoth Road and the Calef Road. These are heavy duty operations. For example, the Mammoth Road one would provide energy for that station, but also powers the communication system. That is \$125,000. The next item is School Recreation Facilities Parking Lot Improvements for \$200,000. Currently, Parks & Recreation is working on Weston School and Highland Goffs Falls School. Highland Goffs Falls is a big site and it may need a little bit more money out of this year's money to complete both of those schools. The next schools on the list are Webster, Northwest and then the Junior Highs. Certainly the Junior High sites need some work, but the next two to complete all the elementary schools would be Webster and Northwest. I am not sure if we would get to both of those this year, but Parks & Recreation will give it a try. The next item is \$910,000 for Parks Capital Improvement Program. It would be the intent to fund the next two major phases of both Livingston Park and West Memorial Field.

Alderman Wihby asked can we break that down into two numbers. Can we list them at \$560,000 and \$350,000?

Mr. MacKenzie answered I will first give you the rationale for lumping them together and then the Committee can break it apart if they would like. A good example right now is Weston and Highland Goffs Falls. Originally, they said about \$150,000 each. As it turns out, Weston is much smaller and Highland Goffs Falls is much bigger. The problem when you separate out projects is it narrows the flexibility that a department has to get both projects done. What would have happened in this funding year is that they probably couldn't have started construction at Highland Goffs Falls. They would not have had the flexibility to swap back and forth between projects.

Alderman Wihby asked if we don't do it, what is the big deal. Do they have to come back to the Aldermen?

Mr. MacKenzie answered they would have to come back to get those switched, but that can be a time-consuming project. I know it sounds easy but it can take up to three months to go through the process, especially in the summer when there is only one meeting. We found that with some difficulty on the stage lighting. We had separate stage lighting projects for Memorial, West and Central. They all ran over and under in certain ways and it made it difficult to complete that project because we had to go back and adjust all the funding. It did take several months to do that.

Alderman Wihby noted that Alderman Hirschmann wanted Livingston and West Memorial field projects separated. Alderman Pariseau seconded this motion. Discussion ensued where the Chair advised that they would move on all items later.

Alderman Girard stated in Table 1-5 which you haven't gotten to yet, there is another \$500,000 in Livingston Park through the Parks & Recreation Enterprise. I am wondering what that is going to be used for as opposed to the \$560,000 we are being told is going to Livingston out of the general obligation bonds.

Mr. MacKenzie replied do you want me to jump to that issue right now.

Alderman Wihby asked what phase are we in. We had a plan that was put in for Livingston that had a number of phases over the course of a year. This is Phase III and it was allocated for that amount to do certain items. What you see on the other page is what was on the newspaper and I mentioned the other day under 5.10258 and that is the \$500,000 that we have been speaking to an individual about as far as helping out and doing some extra stuff over at Livingston. Basically it is go take care of putting in a building over there, a storage house, doing the rest of the paving, bleachers, scoreboard, landscaping and all the different things that weren't going to be funded in this third phase. It probably would have been done in phases down the line but we have a person coming forward who is willing to do \$25,000/year for 20 years and the City is just going to have to pick up the debt service on that for a year. It finished the whole facility up there and Central will have a track facility. When we put this together, we did it with some private donations at first from the Oval Society. The Oval Society was told that if they wanted a track up there they would have to come up with some money and they committed to this Board \$100,000. One of the things that they are already using it for is they are upgrading the surface and spending \$30,000 of their own money to do it to make this the best track North of Boston. They are going to take the other

\$70,000 and maintain this facility that we are building up there. The running of the concession stand, the cleaning of it, the insurance on the building, all of that stuff will be run by the Oval Society in conjunction with the donation we are getting from this individual. There will be a track. In the middle of the track will be a soccer field to be used by Central. There is going to be an additional field that could be used for Central field hockey, but most likely it will replace the two fields that were there before which was a baseball and soccer field. It is going to be an open concept. The \$560,000 takes care of all the things that Phase III called for and the additional \$500,000 is to push everything forward so we don't have to fund it in the future. We will ask the Board to incur the debt service on that \$500,000.

Alderman Clancy asked how much money are you looking for in total.

Alderman Wihby answered around \$13,000 a year for the debt service. The \$500,000 is there from the donor. It is not City money.

Chairman Reiniger stated, Alderman Wihby, it was your conception from the beginning that there would be significant amounts of private monies added in with City monies.

Alderman Wihby replied absolutely. I think if we go forward with any project in this City we should be using private funds along with City money to make thing work. Look at Riverfront Stadium. That was all privately done. They brought it to us. I will be the first one to tell you that I had some misconceptions at first, but if you look at what happened with private donations and private support I think that is what you need in the City. At Livingston we did that for four or five years. The Aldermen said we want to see something happen over there, we don't want to maintain those fields. We still have Memorial Field where every time it has to be resurfaced they come to the Aldermen and we probably do it one or two years later than it should be done. We have the facility over there now that every four or five years we can fix this field up with money that is not going to be City money.

Mr. MacKenzie stated the next item on the list is the Riverwalk Planning/Design/Permitting. We haven't had too much of a chance to talk about this one. There was a major presentation on it. We are suggesting that there is a need for a lot of design work before we get too far into the project. That is why the Mayor has included some money to start on the Riverwalk Plan.

Alderman Pariseau asked are we looking at private funding for this Riverwalk Project as well.

Mr. MacKenzie answered out of the \$6 million I have been trying to identify ways to fund the project in pieces, but I think a large piece of it could be funded. I think there was discussion that one portion of that project could be privately funded, but the balance would have to be either federal, state or local funds.

Chairman Reiniger stated as I understand it, there would be private funding for the bridge across the river. We are looking for at a very significant portion of it, over 1/3, to be privately funded.

Alderman Wihby replied this leads in to what I just talked about at Livingston. I think we should show the public that we want this done and make a commitment ourselves. We should pick the point where there is economic development and we know that something will be done with the buildings down there. If it is a \$2 million project, we should come up with about \$1.5 million, anticipating \$500,000 coming from private donors. I would like to see this start where we know that it is going to make an economic increase downtown rather than start at Queen City Avenue.

Chairman Reiniger stated we are looking from the railroad trestle to the Jillian's Restaurant, right.

Mr. Sommers replied yes. We are talking about a \$2 million plan from the railroad trestle which is just South of CFX Bank going past Granite Street up to the north side of Jillian's about \$2 million.

Alderman Girard asked does that include the trestle.

Mr. Sommers replied no. We would look for funding for that. The intent would be if we could get \$1.5 or \$2 million from the City, the rest we would get from other sources.

Alderman Clancy asked didn't you break it down into three different sections when you initially did it.

Mr. Sommers replied we broke it down into five or six, but we figured that we would move with permitting and get the central part of the City done and then tie it down to the railroad trestle which allows us to get private people to do the bridge across to allow the connection.

Alderman Wihby asked how much is the bridge.

Mr. Sommers replied the bridge is a little over \$1 million.

Alderman Wihby stated I think we should show that we want this to happen. I think we should move forward with it contingent upon them being able to get private donations. If we show that we are willing to do this, I think it makes sense to fund the \$1.5 to \$2 million.

Alderman Clancy asked would the project be bonded for a number of years.

Mr. MacKenzie answered we would probably bond this project for up to 20 years. The likely tax impact of that would be about 2.2 cents per million dollars of bond. That is every year for a 20 year period.

Alderman Girard stated the last presentation that was given on the Riverwalk stated that you wanted to start around Singer Field and move up to allow you the time to go through the permitting process to build along the river further up where you have to go over or onto the river bank. Does that expectation still hold or is it feasible to do as Alderman Wihby has suggested and try to start in the middle and work towards both ends.

Mr. Ramsey replied I have a map you might want to look at. Here is the bridge that we are talking about. If we approve the money in this budget cycle we believe that by the Fall, from here to here could be done. Then Tom could start with the permitting process which is going to take some time. By next Spring, we could have the permitting done from here up to Jillian's and then start construction in the next cycle. It would give us a year to work on finding federal funds which we are confident about. We already met with Senator Gregg and Senator Smith.

Alderman Girard stated so you are saying that you don't need to start down by Queen City Bridge and move your way up to handle the permitting process.

Mr. Sommers answered no. We feel the most bang for the buck will happen here. We will focus on where the most economic impact will be which is right in this area. We will go to that as quickly as possible.

Alderman Girard stated I understand that, but my recollection was you wanted to start further down to allow time for permitting.

Mr. Ramsey replied that was the original thought but in terms of what works best with the funding and everything, we feel that this is a better way of doing it.

Mr. MacKenzie stated there are issues that I haven't even talked to the Riverfront Foundation about in terms of funding other sections. For example, in the

Governor's 10 Year Highway Program, there is a funding identified for a connector from South Commercial Street down around to Queen City. We anticipate that that could potentially be used to create a parkway down here so that this link of the Riverwalk could be funded as part of that roadway improvement. If there is a private investment in the bridge area we may look at what is called a TIF, a tax increment financing whereas increases in taxable revenues go to help pay off the bond. Kevin Clougherty, myself and Jay have been up in Concord reviewing how that works there. They used it for a couple of projects. If there is a potential for a major project in there that would actually elevate values, we can use that to pay off another section. We are looking at federal funding for the final section.

Alderman Clancy asked how long would it take to do the first phase.

Mr. Ramsey answered from here to here is the Fall and from here to here we hope by the next construction cycle.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau, it was voted to add \$1.5 million to project number 5.10291, Riverwalk Planning/Design/Permitting, bringing the total to \$1.6 million.

Alderman Pariseau asked for a brief summary on the sidewalk construction program. One is for the 50/50 Sidewalk which is \$50,000. The next one is Sidewalk Construction Program, Highway Department for \$75,000. Then we have this one.

Mr. MacKenzie answered the \$50,000 that you saw under Table 1-1 that would actually be your private contributions in the 50/50. As you know, in the 50/50 a property owner pays 50% and the City pays 50% so the \$50,000 would be what property owners would pay under the 50/50 program. Then under the one for \$200,000, \$50,000 of that would be the match for the 50/50 program which would leave \$150,000 in other bond projects for sidewalks. Those could go to pay towards that priority listing. Then we use the \$75,000 in CDBG for sidewalks in any area that qualifies.

Alderman Girard asked on the Annual Parking Facilities Improvement Program, the Traffic Department asked for \$815,000 and the Mayor has recommended \$100,000.

Mr. MacKenzie answered this actually was for projects outside of the garages.

Mr. Maranto replied the Victory Garage has stair tower repairs estimated at \$125,000. Then we get into parking lots, i.e. drainage, lighting, landscaping, miscellaneous at a total of \$490,000. Middle Street, again reconstruction, drainage lighting for \$200,000. We also have right now a balance from the Center of NH.

Alderman Girard asked is the work at Center of NH complete.

Mr. Maranto replied not yet.

Mr. MacKenzie stated but there is an outstanding balance. There is money for the Center of NH.

Alderman Girard responded is there money in here to complete Center of NH. Is this \$100,000 that the Mayor is recommending toward any project in particular.

Mr. MacKenzie answered the Mayor is interested in the Hartnett Parking Lot because there is an active group up there and several of the cultural organizations are interested in working with the City on improvements.

Alderman Girard asked does any of this work look at increasing capacity. We have the happy problem now of running out of surface lot space and the garages are starting to see a lot more activity too. I would hate to see us go through and do work to any surface lot and then decide we are going to rip it all up to put a deck on it or to dig under it.

Mr. MacKenzie answered we have reviewed, with a number of people, the issue of potentially putting a parking garage at the Hartnett Lot. It does not look as though that is the best location to do it. I think you can maximize spaces at the Hartnett Lot. Right now there are very wide isles and it was built under very old standards. I think for a relatively small amount of money you can have a significant increase in the number of parking spaces without going to the cost of a garage.

Mr. MacKenzie stated on the bottom projects, I did have a couple more comments I wanted to mention. UNH Land Acquisition. We are moving ahead. This is a piece of the puzzle in order to make that work. Jay and Kevin have been leading on that and there is still a lot of work to go.

Alderman Girard asked why would we want to split the funding over a number of years for this.

Mr. MacKenzie answered the only funding that we may be splitting is the CDBG money and that would be in an out year if UNH was coming back to the Millyard. The only thing we can use CDBG money for in that case is for example equipment. It will cost a lot to fully equip the building, so they would not need that money until they were actually going to be moving in.

Alderman Girard stated I asked the question because with the sheets that we have, the Economic Development Office has requested \$4.3 million and the Mayor has suggested \$2.9 million.

Mr. MacKenzie replied I think it is just a logistical issue. I know that the original request came in for \$4.3 million, but I think part of that is in deferring...

Mr. Taylor interjected some other sources have been matched that we think will help us defray the cost of equipment. One of those being the land sale proceeds from the Manchester Airpark and if there is other cash available it will offset the total cost of that so we don't have to have it all done by bond.

Alderman Girard stated so essentially the \$2.9 million is a fully funded request.

Mr. MacKenzie replied under the bond portion, yes.

Mr. MacKenzie stated the next project I want to highlight is Annual Right-of-Way Reconstruction because this gets back to the issue of having the capacity to resurface. Right-of-Way Reconstruction started several years ago when the budget got tight the Highway Department said lets bond some street reconstruction projects and their employees could earn credits to help offset some of the losses in the operating budget. That worked when the City was going through extremely difficult financial times. The Mayor hoped that we could eventually work away from bonding some of those operating costs. What has also happened is that in order for the Highway Department to earn these credits, they have had to postpone some of the street resurfacing or they haven't gotten to all of it. The Public Works Director, in conjunction with the Mayor, has proposed winding down on the street reconstruction to free up time to do the street resurfacing. That is why you will see there is a request of \$1.5 million that was funded at \$1 million and that will slowly slide down to the point where we are only buying materials rather than labor.

Alderman Wihby asked is the \$1.5 million their capacity. If we gave them another \$500,000, could they do more?

Mr. MacKenzie answered that would take away from the resurfacing.

Alderman Girard stated I agree that we should wean the department off of this arrangement, but in making this shift, in future years will we be doing road reconstruction with cash. It seems to me that we are doing less reconstruction in favor of more resurfacing. I don't have a problem with that, but I would worry if we were going to go to all resurfacing with no reconstruction.

Mr. MacKenzie responded what we have done is brought street reconstruction down to about \$700,000 and then that stabilizes thereafter. That still allows for street reconstruction but you are basically weaned off the operating part.

Mr. MacKenzie stated on the next page, I did want to highlight a few major projects. \$2.5 million in bond towards the Special Needs Program and that would be the Chandler replacement, wherever that may be. We are also showing \$1.5 million in other funding sources. The School Department believes that they can save significant amounts of money and are thinking that they can fund the balance. So we are looking for \$2.5 million in bond money. The next one is the School Capital Improvement Program. Just to highlight the major projects under that, we are looking for Phase I of the Memorial High School improvements, Phase III of the Central and West Heating and Ventilation, along with some design for the Parkside addition. Those are the key projects under the School Capital Improvement Program. If you look under the Multi-Year, you will see that the Mayor has projected that next year we would be looking for \$1.9 million to fund the construction of the Parkside addition. Typically, given the long lead time, we like to fund design in one year and then construction in the other.

Alderman Girard stated on the Special Needs Education Facility, has there been a facility identified for this \$4 million. I know there has been talk about Lake Shore and I have no idea where that is. I know there are other options that have been spoken about, whether it is an addition to McDonough or renovation and addition to the Brown School and others. Do we have any idea where this is going?

Mr. MacKenzie answered under State law, the School Board can pick school sites. They have focused on the Lake Shore Hospital site. We believe there may be alternatives in case that falls through.

Alderman Girard stated so this number is based on Lake Shore Hospital.

Mr. MacKenzie answered we don't know what the final numbers are. These numbers are in anticipation. This came from the original cost estimates from the School Board.

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Alderman Girard asked if Lake Shore falls through, do we have any numbers for any other options that have been discussed in the past so we have an idea of where we might be able to go.

Mr. MacKenzie answered we have discussed this issue with a number of people, including the Mayor and if it looks like it is possible that Lake Shore will not happen, there are a couple of alternatives that are good and we have the ability to come up with some good schematics and cost estimates for those other sites. Again, the School Board has the authority to select school sites.

Alderman Girard responded I know but we have the authority to fund it. I think we should be looking at all of the options and have all of the numbers before us because we may not want to fund their preferred option if there are others that are more viable on the table. We don't know if they are there unless we have them.

Mr. MacKenzie replied that would be a question for the School Board.

Mr. MacKenzie stated Table 1-5 includes primarily Enterprise projects, but other programs that can basically pay their own way. There are several recreation projects here. Those are Enterprise projects and they have found a way to make sure they can get the fees to handle that. The next major chunk is the Airport and we do have some changes and additions to that. It is \$56 million. We are still evaluating and the Finance Department is working with them to review whether this is all feasible. There are still some questions that need to be answered and we would like to try to answer those. Clearly, there is a loss of quite a few properties involved and we want to see if there is any way to recoup that tax loss. We will try to get the answers before this process is completed. Other projects I wanted to highlight under Table 1-5: The CSO, Combined Sewer Overflow Program at \$4 million and there are two other parts here on the bottom, the Special Needs Educational Facility, I discussed that before. We believe that a portion of that can be funded through the savings and revenues from that facility. The last one I wanted to highlight is the Noresco-School Energy Efficiency Improvements. We believe that a plan to improve the energy efficiency of all of the schools, particularly the lighting, can basically pay for itself in about eight years. This could be a self-funded program. After the eight years, the City would be able to take those savings on electricity and other heating costs.

Alderman Wihby asked didn't we do that with some other schools.

Mr. Houle answered yes we did and it worked.

Alderman Wihby asked what schools.

Mr. MacKenzie answered this will cover all of the schools.

Alderman Clancy asked how many are done now.

Mr. Houle answered Parker-Varney and Highland Goffs Falls. Basically, the key savings of this project would come from retrofitting the lighting in all of the schools. We would also install new security systems in all of the schools. Right now, we are looking at card access systems and we are talking about a facility management system where we can control and monitor all the schools, as well.

Mr. MacKenzie stated there are 10 projects that we feel are important to get going early on so that we can get them done quickly and save money (hand out). Those projects are the Terminal Expansion at the Airport, the Ammon Center Parking, Runway 6/24, Construction of a Long-Term Parking Lot. Those are four aviation projects. Then we would like to move ahead to the Parks Capital Improvement Program, City Hall Security AV, the telephone systems for City Hall and the Fire Department, the School Capital Improvement Program which will be used at Memorial, West and Central, the Sidewalk Construction Program and the School Recreation Parking Lot. We will be proposing, as a technicality, that we would actually amend the 1998 CIP Program so that we could get underway and both bond these projects and amend the FY98.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau it was voted to add the Riverwalk Planning/Design/Permitting 5.10291 for \$1.6 million and the Livingston Athletic Facility 5,10258 for \$500,000 to the request from the Planning Department.

Alderman Clancy stated the other day I was at Beech Street School and their parking lot is in the same condition as the Coliseum. The parking lot for Beech Street needs to be resurfaced down around Green and Beech Street. Please take that into consideration when you are doing these school parking lots.

Mr. MacKenzie replied I believe that would fall under the Enterprise Fund of the Parks & Recreation Department. I could speak with the Director about that.

Chairman Reiniger asked are there other sources of funding for Alderman Clancy's request like CDBG or something.

Mr. MacKenzie answered I can't respond to that. We will have to look into it.

On motion of Alderman Pariseau, duly seconded by Alderman Clancy, it was voted to approve the request from the Planning Department as amended.

Alderman Girard asked are these items still going to go to Public Hearing.

Mr. MacKenzie answered yes.

Alderman Wihby asked can we do some changes now. I have some that I want to do that we should probably see if we want to change them with a vote. Under 5.10180, Athletic Field Rehabilitation Program, I would like to amend that to make it \$110,000 so increase it by \$60,000. I would like to give Stevens Park \$25,000; Youngsville \$15,000; Prouts Park \$10,000; Precourt \$60,000 and then you would still have about \$50,000 Miscellaneous. I also want to decrease 8.20410, Motorized Equipment Replacement, from \$725,000 by \$60,000 to \$665,000 because we don't have to do the MTA \$60,000. Basically, I have added \$50,000 to the CIP to do these projects.

Mr. MacKenzie replied I would like to comment that one is on the cash side and this is under the bond side. So we would reduce the bond side by \$60,000.

Alderman Pariseau asked why we are nickel and diming things tonight when it is going to have to go to a Public Hearing and come back to us anyway. There are people here waiting to speak.

Alderman Wihby replied my feeling is that we should come as close as possible for the Public Hearing and let people know what we plan on doing with it.

Chairman Reiniger stated we know that we are going to have the Traffic Director reporting back to us at the next meeting. Everyone should go back and think about any changes they want to make and maybe even submit them in writing to make it easier.

Mr. MacKenzie stated I have the list of changes that have occurred since it went to the Mayor. I also have a summary of potential tax implications of both the bond and cash but those are changing as we speak so maybe we don't want to see those tonight. The first two changes we are recommending, these come under Table 1-1 Other Funding Sources, so these do not relate to property tax issues. The first one is \$150,000 for the Building Improvement Program, Intown Manchester and the funding for that would be CBDRF, the Central Business District Revolving Fund. That would be monies that can only be used in the downtown. The second one would be to amend Table 1-1, \$150,000 into the SCIP Program out of impact fees. Again, impact fees can only be used for school capacity increases and we would be using that money for the design of the Parkside Addition.

Alderman Pariseau made a motion to approve the two change requests from the Planning Department. Alderman Wihby duly seconded the motion.

Chairman Reiniger called for a vote. Alderman Girard was duly recorded as opposed. The motion carried.

Alderman Wihby made a motion to add \$110,000 to 5.10180, Athletic Field Rehabilitation (Stevens Park \$25,000; Youngsville \$15,000; Prouts Park \$10,000; Precourt \$60,000). Alderman Pariseau duly seconded the motion.

Chairman Reiniger called for a vote. Alderman Girard was duly recorded as opposed. The motion carried.

Alderman Wihby made a motion to subtract \$60,000 from 8.20410, Motorized Equipment Replacement. Alderman Pariseau duly seconded the motion.

Chairman Reiniger called for a vote. Alderman Girard was duly recorded as opposed. The motion carried.

Mr. MacKenzie stated Items 3-7 are additional requests by the Department of Aviation. In the regular CIP they have requested \$56 million. They would like to add projects of another \$30 million to that. Item 8 is related to the Amoskeag Dam. The Finance Department is here to discuss that. They are interested in a \$20 million project. These are projects the Committee may want to consider.

Mr. Testa stated when we first submitted our budget to Mr. MacKenzie, all we were doing was working off the first few items of our master plan. This is not anything new. They are items that were in the master plan that have now become realizations. Recent developments have happened to cause these things to come out of the master plan schedule a lot sooner than we originally planned. Items 3-7 all have to do with parking. We have eliminated some of the original parking requests and added some other parking requests because of what has happened at the airport in the last couple of months. You already approved the Terminal Expansion. We are pretty sure that this is a feasible project. We have every square foot of that addition spoken for. We are expanding the terminal due to the needs of the airlines and the marketplace for more space at the terminal building. When you add space at the terminal building and you add airlines as we have been and I will say that we are expecting some more over the next couple of months, more and more people will use the airport. FAA did a study of people in NH and about 2 1/2 million of them go right by Manchester Airport to Logan because we didn't have the facilities. Now we have the facilities and the airlines coming in and we know there is going to be a lot more demand. A lot of the demand that we have is already spoken for. The facility is fully leased out and we don't have enough space to take care of what is coming down the pike in the next couple of months. We need to do some things with parking. During February vacation, we

were within a couple of hundred spaces of filling every possible parking space at the airport. Right now, there are about 230 spaces in the hourly lot. We have 880 in the daily lot which is usually filled by Wednesday. Our long term lot has about 1,200 spaces. All total, we have about 2,200 spaces. We recently added, out of our own capital funds, 217 more spaces on a piece of property that we had negotiated. That was added to the long term lot and that was completely full this past vacation and the old Ammon Terminal Lot had about 250 cars out of a possible 500 spaces there. This was only February vacation. It doesn't take into account April vacation, October, or July which are our four biggest months. Our slowest months are the ones we are going through now which are December, January, February and sometimes September. We don't have enough parking or enough space. One of the projects you already approved was the Ammon Center redoing the old parking lot so we can reconstruct that. Right now, the Ammon Center is fully rented out to industries and small businesses. We have to give them about 150 parking spaces. The Tower takes about 100 spaces because the FAA has rented out some space. U.S. Customs is going in there. The rest we are going to use as a remote lot. There are about 540 spaces out of that lot. We have already constructed a 700 space parking lot down on this connection (handout). That is only a temporary lot that will last no longer than a year and a half. Part of this project is to reconnect this taxi road with the end of the runway. That will start happening after next year. In essence, we will have a parking crisis in the airport. We need to plan for the long-term. One plan is a parking garage and after we had a meeting with the parking consultants and financial consultants today, we looked at a four level parking garage with about 3,200 spaces. What we have done is something very unique in that parking garage. Although it is a large number there, the parking garage has a lowest level or ground level which we will rent out to the rental car companies. They will rent the whole first floor from us and actually pay a premium for being in the garage. That will pay a large part of the bonding cost for the parking garage. We ran through some numbers today and it looks feasible. We will have the actual feasibility numbers by April 1. We will probably look at having a professional construction management team come in and manage not only the program itself which probably has 60 or 70 elements to it, but also manage the construction and inspect the construction. Because we have to take 888 spaces out of production while building the garage, we are looking at short-term parking in some spaces we already have.

Alderman Wihby asked what is the net. Is it 3,000 or 3,000 minus the 888?

Mr. Testa answered the net parking gain on this space is 3,200 less the 800. The net gain is 2,400 plus the parking.

Alderman Wihby asked so we are paying \$35 million for 2,400 spaces.

Mr. Testa replied no it is actually 3,200 spaces. Don't forget the rental cars downstairs. They come out of the resurface lot here and go under the garage. So we minus the surface lot because this is the way one of the expansions goes on the terminal building.

Alderman Clancy asked how many rental cars are you going to have in the basement.

Mr. Testa answered about 600-700. Right now, the fleet at the Manchester Airport is about 1,600 cars. We only have 200 ready rental spaces. Right now, Hertz built a facility down here and all the rental car companies have some remote facilities down here.

Mr. Testa stated so these are the facilities that we are talking about that are needed to support what is happening at the airport. It is not something that may happen five years from now, it is what is happening right now.

Alderman Girard asked will you be able to fund the bond issue through new revenues generated from the parking so there will be no liability to the City's taxpayers.

Mr. Testa answered all of the funding at the airport comes from airport sources. We do not ask for any liability from any City taxpayer or the Board of Mayor and Aldermen. We can tell you that any funds we raise through bonds here are either paid off through increased parking revenues in the garage and that seems to be about \$2-\$3 million per year so far; from passing of facility charges which is the \$3 charge you see at the bottom of your ticket which is a steady source of income for us and right now we get about \$1.75 million a year and that is growing. That takes care of the bond issue you borrowed from. The third thing is that we will insure all bonds which takes all the risk away from the City. We will pay for the insurance, much like the bonds for the terminal building in order not to have the City liable in any way, shape or form, we went out and got a State guarantee and pledged all the revenues and all the profit in the airport as collateral for those bonds. These new bonds would be subordinate to that, but still would only pledge the collateral and revenue of this airport without putting the City in jeopardy.

Alderman Girard stated because you are insuring the bonds and because the airport revenues are going to pay for the bonds, will there be any impact to the City's overall bonding ability. Are there bonding caps or anything like that?

Mr. Sherman replied no because you have segregated those out as either some type of revenue bond or PFC back bond and insured they would fall outside the City's cap.

Alderman Clancy asked of all these monies that are going to spent down there now, how much is Londonderry going to kick in.

Mr. Testa answered Londonderry doesn't kick in any money for the operation the same way as Manchester doesn't.

Alderman Clancy stated it is going to be about \$30-\$35 million for the garage. So we are going to front that money right?

Mr. Testa answered no, not the City. We raised our own funds internally. We will go out for the bond pledging the revenues of the airport for that bond, insuring the bond. The City doesn't come up with any dollars or funding.

Alderman Clancy asked so you would be self-sustaining.

Mr. Testa answered yes, much like we are today. We don't borrow any money from the City and we don't ask for any funds from the local property taxpayers.

Alderman Clancy stated I see you are going to acquire 82 homes down by St. Francis. How about the taxes we are going to lose on those homes? How are we going to make up those monies?

Mr. Testa replied that is something else. In the master plan, what we looked at was these homes are in a runway protection zone. Not exactly the most desirable place to be on a national approach to a runway or a take off to a runway. If I was building this airport today, those would not be able to be built there under any circumstances. We took the homes up on Goffs Falls Road next to the Post Office for much the same reason. They are in a runway protection zone and by federal laws and federal rules, there should be no place of human congregation or human residence in a runway protection zone. A runway protection zone is designed, not only to protect runway services, but to protect anybody living in those areas. It is a totally voluntary program meaning that anyone who wants to stay near the river may stay there. There are some homes that we will have to take right along Brown Avenue, but for the most part those people have been identified. Some people want to stay there and that is their choice. Although those homes should be taken no matter what, we have realized that some of the people want to stay there and some of the people who want to stay only want to stay for three or four years until they retire and move out. That has nothing to do with the airport

construction program. This is more a safety and sensibility issue. It is very tough sometimes to come after the fact and try to make right something that was done without a lot of forethought. Unfortunately, we come under this particular project at a time when we should buy those homes and those who want to move should be moved. We have contacted 81 home owners and out of that group 48 have asked to be moved. This is funded by federal grants which come from the surcharge on the ticket of which \$1 goes to the federal airport improvement funds; State funds, the State has appropriated \$2.4 million to match 5% against our federal grants.

Alderman Wihby asked do you have to knock the houses down or could you use them for alternate housing or low income housing.

Mr. D'Orsi answered what we normally do with the homes is to offer them for sale to be taken off the foundation and brought someplace else. We didn't have much success with that on Goffs Falls Road, but these are smaller homes that people might be interested in moving. If that doesn't happen, then we will go to demolition.

Alderman Wihby stated that seems like a waste. Couldn't we have elderly or low income people move into those houses?

Mr. Testa stated it is a runway protection zone, and people of any income level are entitled to the same protections. The runway protection zone has nothing to do with noise or construction. We are concerned for safety for those people in that area and over the next two years we are going to try to get the people who want to move out of that area.

Alderman Pariseau made a motion to approve the two amendments from the Aviation Authority. Alderman Clancy duly seconded the motion.

Chairman Reiniger called for a vote. There being none opposed, the motion carried.

Chairman Reiniger addressed the proposed project, Amoskeag Hydro.

Mr. Sherman stated this request is coming forward at the request of Mr. Davis. You will see that there is a letter in your packet from him. It also has the concurrence of the Mayor. We initially tried to get it included in the package and were running a little behind. Under deregulation, generation assets will be sold. The letter explains a lot of the ancillary benefits that you will get from this facility. Jeff Corder, of the SBVK Consulting Group, is here with me tonight and I will let

him explain some of the benefits that we may be seeing from such a facility if the City did own it.

Mr. Corder stated the Finance Department asked us to put together some preliminary numbers on what the hydro unit would be worth to the City if the City chose to purchase it. Aside from the economic development issues and other things that were laid out in the letter, one of the benefits from owning that unit would be that it will generate electricity that can be sold in the open market and lead to retail competition. It is generating electricity now and being sold by PSNH and bundled in the rates. In the open market, whoever owned that unit would generate the electricity and sell it to whoever they have contracted with. What deregulation has done is provide an opportunity for the City to come in and purchase this unit. It is a good opportunity because it is located within the City and there are other uses for that land. We have been asked to value that unit and give the City a preliminary estimate of what this unit would be worth. We didn't have a lot of the information you need to do that because we would have had to get it directly from PSNH, and would be unlikely to share it with this. We did go through some publicly available information and estimated that it is worth between \$10.5 million and \$19.5 million on a growing concern basis. In other words, if the City were to pay \$19.5 million for it under one scenario, it would be able to recover its money in the open market assuming that the market prices stay steady. You can see the report which was attached to your package. The \$10.5 to \$19.5 million range is a result of the uncertainty involved in relicensing the hydro unit. The Federal Energy Regulatory Commission requires these units to be licensed every so often. The license expires in the 2005 and because of American Indian concerns, fish and wildlife concerns, structural concerns and everything else, there have been some hydro plants that they have refused to relicense. If you look at only the eight year period between now and 2005 and say we can earn money over that eight years on selling the output of that unit, then the value of that unit would be \$10.5 million assuming it wouldn't go any further than that. We have estimated \$10.5 million based on the recent market price. If you were able to get the relicense and the unit were to operate for another 30 years, then the unit would be worth \$19.5 million. One of the things that is beneficial about a hydro unit is there is a lot of folks these days with deregulation saying that the environment is going to suffer because there will be a lot of plants popping up all over the place. One of the things that is becoming popular is green power. It is becoming popular even to an extent where people have said they will pay more money to know that their power is coming from renewable hydro power, or wind power or solar power. We have not done a full engineering analysis on the plant, but if it is operated and maintained, it is something that will be attractive for years to come subject to the licensing issue. Due to that attractiveness, what the City could actually do and I will let Mr. Sherman talk a little bit about the leasing

options but what the City can do is if they were to issue bonds to raise the capital to purchase this unit, they could turn around and lease the facility back to the supplier who is in the business of supplying electricity to the general public and is in the business of maintaining and operating hydroelectric plants and other power plants to the extent that that lease arrangement covered the debt service on those bonds then the cash out of pocket for the City could feasibly be nothing and actually you could see a gain under certain circumstances. That all depends on the price paid for the unit. Of course, the price paid for the unit is dependent on who is bidding on the unit. If the City wanted to buy the unit, they would put in a bid. When PSNH auctions off the unit, you might see 20 or 30 other bids from interested buyers and the bidding process will determine what price is paid.

Mr. Sherman stated it is not our intention to become an electric utility. This asset will be going up for sale. The question is whether the City wants to control that asset or not. Our intent would be to get an operating lease equal, at least, to the debt service so again there is no impact on the City's tax bonding status, and there would be no impact on property taxes. It is a valuable asset to the City. It is in the downtown area. You have seen some tremendous things like the Riverwalk Way that is going to go up and you have got the overview right now and whether you want to turn that asset over to somebody coming out of Houston or Oklahoma is really the question. Again, we think they are generating electricity down there for less than a half a cent right now and the market rate is somewhere around three and a half cents. There is value to it. We are asking that it be considered in the CIP.

Alderman Clancy asked are there any start up monies involved in this.

Mr. Sherman answered you are going to have to have cost of value plan and go through the whole process of the actual purchase, but no, I don't see that there will be any. It is currently operating and it is currently licensed. We will have to get the license transferred over to the new operator, but I don't think there is any additional maintenance or start-up type costs.

Alderman Clancy stated so it would be to our advantage to get on line right away.

Mr. Sherman replied we think so.

Mr. Corder stated there are always operation and maintenance costs that come up and occasionally you have to do a turbine overhaul and those kind of things cost money, but if you have the lease set-up properly assuming that you are going to lease it back to someone to operate the plant, then they could be responsible for those costs. Usually, the rates that you are recovering and Randy said that the

market rate is about three and a half cents right now, well that is the market rate but included in that you are always going to have some set aside that you put into a fund for renewals and replacements. There will be operation and maintenance costs and we can't predict what those will be, but normally you will have contingency for those in the rates of your program.

Alderman Clancy asked what is the market rate right now for electricity in New Hampshire.

Mr. Sherman answered it is about three and a half cents for the generation portion.

Alderman Clancy asked and we can get it for what if we have our own.

Mr. Sherman answered they are generating it over there for half a cent, but they are also selling it for three and a half. That is what Jeff's group has done. They have gone through and tried to come up with the values based on the future value that PSNH would think. The book value is only about \$5.5 million and that is what they are carrying it for. I doubt very much if it is assessed at \$5.5 million.

Alderman Girard asked does the City have any option with eminent domain rather than going into a competitive auction.

Mr. Sherman answered yes, what would happen is if we could move quickly enough, it is pretty much a matter of us calling them up and telling them we want it. Then you just go through a process where we make them an offer, they either accept it or deny it, then if they don't accept it we go up to the PUC. So we could actually step into the process prior to the bid if we move quickly enough.

Alderman Girard replied it is not eminent domain per say. You can just raise interest as a buyer to say we would like that property.

Mr. Sherman responded yes. It is specific to RSA 38 which allows the municipalities to go in and do that.

Alderman Girard asked would you be able to proceed under that premise if we were to give a consensual go ahead tonight.

Mr. Sherman answered I don't see why we couldn't.

Alderman Girard stated I would think that we would want to try to expedite this opportunity because I don't see something as unique as this with the potential benefits anywhere else in the City. I think if we are going to do this, we should move as quickly as we can.

Alderman Wihby asked can we go ahead and buy this property subject to us finding somebody or are we putting ourselves out there that we are not going to find someone who wants to operate it.

Mr. Sherman answered at the meeting we had back in January, we were talking about the EIQ that we were going to be issuing for the Aggregation Program. We have received back on that interest from 15 energy providers from here to Vancouver and I would say that most of them currently own and operate hydros. What we would do is as part of the RFP process we would make that a mandatory item that they would have to come in and put together a package for that. We will have an operator before we buy it.

Alderman Wihby made a motion to add \$20 million to Table 1-5 as an enterprise bond for the purchase of the Amoskeag Hydro Plant subject to having someone to operate and maintain it prior to the purchase. Alderman Pariseau duly seconded the motion.

Mr. Corder stated the \$10.5 to \$19.5 million range that I was talking about was the growing concern value and that is what it would be worth on the growing concern value not on other valuation or methodologies like replacement costs. Those kind of valuation methodologies come into play whenever you are trying to take over and force PSNH to sell you the hydro plant. If you went outside of the bidding process and tried to do it in a different way, you may end up paying a different price other than a negotiated price. We addressed that in the letter.

Alderman Pariseau stated you made reference in your letter that you are looking for anywhere from \$10.3 million to a high of \$26.6 million. Did you adjust that figure down to \$19.5 million?

Mr. Corder replied yes. If you look at the Table right above that, the 1996 figures, what we did was we took the growing concern value based on 1996 revenues to get the \$10.5 to \$19.5 million. In 1994, there were some excess revenues that would have been generated by the plant because the operating costs were lower if I recall. As a result, the growing concern value, if you base it on the 1994 dollars would be \$26.6 million. I am looking at the most recent data we have available which would tell us \$10.5 to \$19.5 million.

Alderman Girard stated I would assume that it would be to the City's advantage to try to proceed with some sort of a negotiated sale rather than going through an open auction.

Mr. Sherman replied I think so. I think you would be better off getting it in front of the Commission and doing it that way rather than opening yourself up. What we saw down in Massachusetts is they were going for two or two and a half times what their book value was.

Alderman Girard asked is it your understanding as part of Alderman Wihby's motion that we would proceed with the most expedient course of action. Do you need direction from us as to whether or not you should make an offer to PSNH and go through a negotiation process or are you looking for direction to say we want to go to the auction process.

Mr. Sherman answered we would want to go to PSNH and tell them the City is interested and start that process. Again, if we do go to the open bid process you have got no guarantee you are going to win and it opens it up to whoever to own it.

Chairman Reiniger called for a vote. There being none opposed, the motion carried.

On motion of Alderman Girard, duly seconded by Alderman Pariseau it was voted to request that the appropriate City officials contact PSNH and express the City's interest for a negotiated settlement.

Chairman Reiniger addressed Item 3 of the Agenda:

Communication from the Airport Director regarding extension of Runway 6-24, required as a result of planned extension and improvement of Runway 17-25; and requesting various actions in relation to the project.

Alderman Pariseau stated I have a problem with Item 3.2 and 3.3. Item 3.2 to declare the highway road relocation project and the associated property acquisitions as a public need. The proposed project and the land acquisitions are shown on Attachments A and B. I don't know if that is true. I don't know the definition of public need. On Item 3.3 to authorize the use of eminent domain condemnation to acquire the necessary property rights in the event that good faith negotiations with the property owner fail. I have a problem with giving the Airport Authority that eminent domain power now before negotiations begin in

that they walk in to a property owner and say either you do this or we are going to take it by eminent domain anyhow. I don't think we should do that.

Mr. Testa replied the section of property that we are talking about is northeast of the airport. What you see here (map) was built in 1940. The two runways were built in 1940 and with 1940's construction. That means that these two pavements, both runways, are almost 60 years old. One of the things we have to do and if you remember, in 1991 just before I came on board, there was a DC-9 whose nose wheel went right through the runway at this end. What has happened here is that the pavement is of World War II construction. There are drainages right under the middle of the runway and as this drainage becomes older it sucks off all the vines and creates huge voids underneath the runway. After I came here, we found another void. Right here you see this black mark. We had to do an emergency operation to cut the whole runway open, go all the way down to repair the drains and start compacting all the way up and put patch into the runway and it closed this runway for a period of two weeks at which time we were using this runway which is inadequate. These runways are so old that we have to go in and reconstruct. That is the basis for the whole master plan. However, there is a problem. Safety standards have changed since 1940. We operate under waivers right now from the federal government. There should be a 1,000 foot safety overrun on the end of each runway in order to meet today's safety standards. In order to get any money or to get the Federal Commission to do what we propose to do, before we stick a shovel in the ground, we have to meet current standards. It is like when you want to add a room to your house and your electricity doesn't meet code, you have to bring your electricity up to code before they will allow you to add on to your home. It is the same difference. You have to meet today's safety standards. I can't add any space to this end of the runway because we have a major wetland through here and Pine Island Pond and the Merrimack River. So we are under edict by the federal government to go this way and add the 2,000 feet. If we add 2,000 feet here, we have some wetlands here that must be removed and put someplace else and rebuilt. However, in order to close this down for a year, this one has to be lengthened first. Hence, the reason we are doing the 6-24 project and going over this property. We already own all of this land. However, we did lease it out to public buildings. We have already had appraisals done. We have to go hire a check appraiser who checks the value of the first appraisal and then we reconcile those two numbers. We then take that number in. We don't try to low ball anybody because we can't do that under the federal government. We take the highest number we have and offer the property owner the highest number we have, plus they are eligible for relocation expenses. This includes, if it is a residence, finding them another place to live of the same quality and if you can't find a place within the same range we offered you we have to give you the difference in money. If you have a mortgage that is an old mortgage at 5% and

the only thing you can find now is a 7% mortgage, we have to pay the 2% difference. We wind up harming nobody understanding that this is a public need. This is a public facility of the City of Manchester and the surrounding region. There is a public need to expand where we have to because we have to meet those safety concerns. The properties we are talking about on the 6-24 are really land that we already own but are under lease to public storage facilities that were leased out in the 80's and we are paying them to relocate and paying them the value of their lease and the value of the move and the value of the buildings. There is no adversarial relationship between us and them. Another one is Standard Fence. They are out of business. We are looking at their property. We have a little difference of opinion here as to the value. We have gone with one value, their lawyers have come back to us with another value and what we are saying is that we can't just come up and say "oh, you want another \$20, here is another \$20". We have a process by which the federal government requires that we go through. Even though it is called eminent domain and conjures up all sorts of illegal government, it is really not. What it does is take the process out of our hands and the owners hands and goes to the Board of Land and Tax Appeals. We present our evidence, the business or home owner presents their evidence and they make a third party determination as to the actual value. That way we don't get involved in any kind of undernegotiations. The owner of the land usually gets a fair market value plus. We still have to pay them all the relocation expenses and the difference in the value of the relocated facility. Those things are all still there, but all we do by eminent domain and declaring a public need is we need the body politic to declare there is a public need because we can start that process at the same time we are going through the other process. If we come to an impasse on value, we have no hammer by which we can force them to sell it to us at a lesser price. It is probably fairer to go to eminent domain and say look we can't agree. We have two appraisals and you can't agree because you have it in your mind that this place is worth twice as much. Lets go to a third party. There is no third party. I don't know of anything in the federal regulations, or the State or the Ordinances of the City of Manchester that state we must go to third party arbitration. The process that is set up for City needs is the process of eminent domain. It is where the value is in dispute. That process was set-up by legislators well before us all sitting here saying this is the process you use. You declare a public need and you go to this third party and the third party hears evidence from your side and the other side and comes to a fair value. If I am not mistaken, if that value is not you can still take it to a higher court or you can both agree to give up any appeals. You are not precluding anybody's rights here. In fact, this is probably a fairer methodology to wind up with a value that both sides can live with and certainly the airport, if it decides to go in and say there is a property that someone wants \$1 million for and we say it is worth \$300,000 and our check appraiser says it is worth \$350,000. I think you guys would probably fire me if I went in and took \$1

million out of the airport's property and just paid them without somebody telling us to do that and you should because our process, the process we are held to by law, says we must go through these steps. Someone else asked me to go outside those processes and pay all the extra money. It is okay when it is done in a court of law or in the process set-up by the legislature, meaning the Board of Land and Tax Appeals. When the Board of Land and Tax Appeals says to us we think your appraisal is too low. You owe the person \$750,000 and then if we take the \$750,000 we have a decision by a body telling us that \$750,000 is the fair value. If the owner doesn't like it, he can still go to the courts and try to get a court determination.

Alderman Pariseau stated the two words I have a problem with is public need. If we were to say we don't need any further expansion of the airport, would that eliminate public need.

Mr. Testa replied your finding public need meaning...

Alderman Pariseau interjected because you want to expand the airport, no.

Mr. Testa replied because I want to add safety areas, yes.

Alderman Pariseau responded for airport expansion.

Mr. Testa replied for safety. We can't continue to operate this way because I have to rebuild the runways. We cannot continue to operate the runways and take poundings from 300,000 pound aircraft and expect that pavement...you can tell the Highway Department we are not going to fund your pothole repairs because we don't have the money this year. You can maybe do it next year. Unfortunately, we can't have potholes on runways. While a car can slow down and go over it, an aircraft can't land. We still have seven years ahead of us of reconstruction. This is not something that we are going to do tomorrow. This is a long process.

Alderman Pariseau asked in addition to safety, wasn't the purpose of the expansion of the runways to bring in other aircraft to enable patrons to fly further. If we didn't go along with that, if I as an individual don't feel that further expansion of the airport is warranted, would that eliminate your public need?

Mr. Testa answered if the Board of Mayor and Aldermen finds there is no public need, I cannot go and buy those bonds.

Alderman Wihby asked when we took eminent domain before, what happened. Were we right or were we wrong?

Mr. Testa answered we were right. There was a property out on Harvey Road that we were taking because they were in the runway protection zone. They wanted to build a warehouse and we went there and said we would like to buy that land because the warehouse will stick up in our approach zone and we can't have that. The plane has to land there. We made an offer after two appraisals and they said we don't believe in the offer. We went to the Board of Land and Tax Appeals...

Alderman Wihby interjected before you made the offer, did you already have condemnation procedures already done. You made an offer to them first and they didn't take the offer. So when did you...

Mr. Testa answered right after that we filed an action with the Board of Land and Tax Appeals.

Alderman Wihby asked did we do what we are doing here.

Mr. Testa answered no.

Alderman Wihby stated I thought I heard you say that we did.

Mr. Testa replied no, not you. We agreed to a friendly condemnation, both the owner and us.

Alderman Wihby asked where have we used this before.

Mr. Testa answered the City has used it many, many times.

Alderman Wihby asked in the airport area.

Mr. Testa answered not since I have been there.

Alderman Wihby asked did you already talk to all these people and give them prices. Did some say okay and some say no?

Mr. Testa answered yes. The difference is some have said yes and some have said we think the land is worth more.

Alderman Wihby stated so instead of coming up with a friendly thing like we did before, we are doing it this way and forcing the issue.

Mr. Testa replied right. What we have said is I don't have the ability or the power under federal law to take more money than 10%-15%. If you want \$400,000 more than I am able to give, I can't do it. This is the best way for us to go forward and find some third party that will tell us what the fair market value is after everybody submits their evidence.

Alderman Wihby asked about Cotter & Co. What are we doing to them?

Mr. Testa answered we are spending \$1.5 million to knock down this granite hill for them so we can build them a parking lot. In addition, they had the choice of staying here or moving to Westfield. We are trying to build them a space big enough so that they can add their addition here. We are doing everything we can to work with all of the businesses in the area. One of the things we have to do is build a go around on Harvey Road. This is all on airport property (pointing to map) except a little strip right here which we have already talked to the owners about. The D.O.T. has asked us to go a little further and make the intersection of South Willow better and the intersection at North River Road better and they would join us in that part of the project.

Alderman Wihby asked why can't we do what we did with the first one. Why can't we ask and have both sides agree that we are going to go forward? Obviously the parties feel that they are not getting enough. If it is to their benefit, we should proceed this way. Why wouldn't they say okay, lets do it together?

Mr. Testa answered one of the problems here is when you have a buyer and seller that are not anywhere close, because the seller has a different methodology of figuring the value of the property, it could hold up the property and the airport from doing the construction work it does for a long period of time. That costs money and it also stops development of the airport. Because the airport is developing in this way, we are adding a \$6.5 million facility in Manchester that is supposed to be cutting ground this year right here. On top of that you got three new hotels in Manchester being built because this airport is developing. We force the rental car companies to register 1,600 cars locally twice a year. Think of how much revenue that is. There are some benefits to this. If we slow down the development of this airport, what is a 7 year project becomes 10, 12 or 15 years.

Alderman Clancy asked are you that far apart with the seller. Why don't we do something to have a little more communication?

Mr. Testa answered we have.

Alderman Wihby asked what have you done exactly.

Mr. Testa answered we have gone and gotten an appraisal and then gone and gotten a second appraisal. In some cases we ask the land owner to get an appraisal and the land owner hasn't gotten an appraisal.

Alderman Clancy asked why not.

Mr. Testa answered I don't know why not. They haven't gotten an appraisal. They are saying no my property is worth \$400,000 and they have got a lawyer. We got two local appraisals. I cannot force a land owner to get another appraisal. If the land owner won't get an appraisal then what am I going to do then.

Alderman Wihby asked what will happen if we say we are going to hold this up until our meeting next week and we expect an appraisal to be done and if he doesn't then at least we gave him a shot to do it.

Mr. Testa answered you have to force the issue somehow.

Alderman Wihby replied well that is forcing the issue because next week we vote and if he hasn't agreed to get an appraisal then you can come back to us and say the guy didn't come forward then we will look at it in a different light.

Mr. D'Orsi stated the appraisal will take at least 30 days to do and considering the market conditions now, these guys are very busy. It isn't a matter of us getting it in a week, it is going to take more than that. They have to get off the dime. They can't just sit there and say your appraisal isn't enough, I want \$2 million. You can't expect to have an appraisal done in a week but you can certainly get a commitment out of them to have an appraisal done on the property.

Alderman Pariseau stated I just want to make sure that if this was granted that the Airport Authority or airport manager wouldn't be going to these abutters like loose in a china closet.

Mr. Testa replied no we don't. We use that as a last resort and those are only used as a last resort because we would rather have a negotiated settlement with the owner and some of those owners are getting closer and some are not. Some are telling Mr. Dorsey, "not enough go back again." By federal rules I can't keep going back and finding more money because if an audit was held of my department and under the new Charter I am responsible for how we spend all that money, every time they come to a property because I wanted to hurry up and by the property we offered them \$1 million more than the valuation, you would be asking for an investigation of me.

Alderman Wihby asked how far apart are you.

Mr. Testa answered a couple of hundred thousand dollars for each property.

Mr. D'Orsi replied \$200,000 for each property. With Standard Fence, we are at \$275,000 and they are at \$425,000.

Mr. Testa reminded everyone that we are in an open session discussing dollars and cents on property. We are far enough apart that it is almost difficult to come to a negotiated settlement.

Alderman Girard made a motion to approve the various actions regarding the Runway 6-24 and planned extension and improvement of Runway 17-25. Alderman Pariseau duly seconded the motion.

Chairman Reiniger called for a vote. There being none opposed, the motion carried.

Chairman Reiniger addressed Item 4 of the Agenda:

Communication from Airport Director requesting a finding by the Board that the Airport's Wetland Mitigation Project is a "Public Need"; and further requesting the Board to grant permission to acquire a fee simple interest in 56.652 acres of land described as Parcel "C" and Parcel "G" from its owners for Airport purposes using eminent domain pursuant to RSA 423:1 and RSA 498-A.

Alderman Wihby made a motion to table this item subject to the land owner getting an appraisal done. Alderman Pariseau duly seconded the motion.

Mr. Testa stated originally when the Army Corp. who has jurisdiction over all the wetlands, we had to build 10 or 11 acres of wetland, they specifically pointed us and said go here and that is this land right here (pointing to map) that is between Trolley Crossing I and II, the old sand pit. Now right in here there is a pond and wetlands. They wanted us to grab this piece because it is all wetland and right here there is high ground, headlands, but they are all pointed so they said grab this. So we went to the owner one day, myself, Mr. Fixler my Assistant Director and Mr. Dorsey who was the property consultant. We went there and told him that we needed to buy it. He said no problem we want to see the airport grow. We asked to buy it all so that we wouldn't landlock him. The owner said okay. We came up

with a plan that included a lot of property. Mr. Dorsey then went back to the family and they said it would make it a lot easier and it would be a real go and we could have this approved by next week if you give up this piece here so we wouldn't be landlocked. We said okay, we give up that piece all we want is this 56 acres and you can see it is all wetlands. Now we went back and said this is the appraised value of it and they came back and said no we want to swap land. We want a piece of your property instead of cash. Now, there are 37 acres right here that the airport has owned well before it was given as part of the federal program. He wants to swap this piece of property for 56 acres. Under federal law, I cannot swap land. I must hand him a check for his and he must hand me a check for this land if the federal government allows it and as you will notice on your information packet there are some leases. They will not allow you to sell property that they give you for the support of property so I cannot swap land. Also, by the City's own rules I can't swap land. That is the genesis of this.

Alderman Pariseau asked initially wasn't this family told that they would be paid somewhere in the vicinity of \$700,000.

Mr. Testa answered no. The original appraisal for all the property was \$690,000. We took out this land because they wanted to keep this land and we narrowed it down to this property.

Alderman Wihby asked if you could get the whole piece for \$690,000 would you go back to the original deal.

Mr. Testa answered sure.

Mr. D'Orsi replied the \$690,000 didn't include the 15 acres for the roadway but it also paid for damages because a lot of that 100 acre parcel is landlocked.

Alderman Wihby asked is that still a proposal if they want to sell the whole thing for the \$690,000 you will take the whole thing.

Mr. Testa answered if they want to give us the whole thing we will pay \$690,000. No problem. We are willing to put it to a third party. That is what we wanted to do on this particular process.

Alderman Girard asked so it went from \$690,000 for the whole thing to...

Mr. D'Orsi interjected we went from \$690,000 to \$250,000 when we took out the 15 acres that they asked us to take out.

Mr. Testa stated this is where you can build. This is desirable, buildable property. That is why this is worth some \$40,000 an acre and this is worth \$10,000 an acre.

Alderman Girard stated so they are trying to get the whole price for the wetlands.

Mr. Testa replied either that or give them the 37 acres of developable land. I am asking the Committee to let me continue and go through the process. We are going to meet with them. We will negotiate with them right down to the last minute. The one problem I have is the Army Corp. gave us a 404 Permit upon which all our other permits are built. The Army wrote to us and said you have until December 31 to get an interest in land. We started these negotiations last March. We have already been through a year and we haven't got anywhere. In December, we told the Army that we can't get an interest in the property by December 31 could you possibly give us an extension. They gave us until March 31. An interest in property is merely you guys saying it is a public need. It doesn't mean that we are going to go through condemnation proceedings.

Alderman Wihby stated March, 1997 you started on this and you didn't offer him until January of 1998. This says that the appraised market value was formerly offered in January, 1998.

Mr. Testa answered we started in July of 1997.

Alderman Wihby stated you started in July of 1997 and made an offer on January 14, 1998.

Mr. D'Orsi replied there was engineering that had to be done.

Alderman Wihby stated so six weeks later you are in front of us telling us that you have until March 31. I would like to see a copy of that letter saying they would not give us an extension past March 31, 1998.

Mr. Testa responded I am not sure. I am saying that they have already given us one extension and told us...

Alderman Wihby interjected well can you ask them if they are going to give us another extension or not and if they don't I would like to see it in writing.

Mr. Testa replied can you get a letter in four days from the Army Corp. You are going to meet on Monday. We could try. I am trying to impress upon you that we are not out to use it as a hammer. We tried to do what the owner wanted.

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Alderman Pariseau asked if there was a representative of the owner here this evening.

Mr. Testa answered we told him we were coming here, but I think he is in Florida.

Alderman Clancy asked what is the next step.

Mr. Testa answered the next step is just declaring the public need and continuing the negotiations with the family, but we always have that ability to tell the family look you don't agree on the price and we don't agree on the price so lets go to a third party and have them make a decision.

Chairman Reiniger stated we have a tabling motion on the floor, does anyone want to amend that motion.

Alderman Pariseau stated we should have the property owner get back to this Committee no later than March 16 because of our commitment.

Mr. Testa stated it was not part of the process, based upon the appraisals. He went over it point by point and told him how the land was valued, why it was valued, such and such, and he (Mr. King) doesn't have an appraisal.

Alderman Wihby asked if he had seen the actual appraisal, the number on the sheet or did he just tell him.

Mr. D'Orsi responded it was a written offer, there was an explanation that was attached to the written offer, and then I went into a more detailed explanation. There are four different zonings on the properties. There are two in Manchester and two different ones in Londonderry, and I had to go and explain each one of them as to how it affected that particular zone.

Alderman Wihby asked if he had shown him a number from a sheet of paper that they had gotten from an appraiser, or did they just tell him. It was like here's a number trust me.

Alderman Pariseau asked or did you show him the letter you got from Thompson or Fremeau appraisers.

Mr. D'Orsi responded they had given him a written offer of \$690,000. the first time, and then after when they asked them to take that property out we sent it back to the appraisers - give us another number - that was reviewed. I sent them another written offer.

Alderman Wihby stated that was not the question. The question was did they see or not the appraisal. Mr. Testa responded no. Alderman Wihby stated you are sending them an offer that's equal to the appraisal I assume. Mr. Testa responded affirmatively. Alderman Wihby asked if they (the owner) knew that was for sure. He commented, I'm sitting on the other side selling you my land and you're going to say here trust me here is the number that the appraiser gave me, or did you show them the number.

Mr. Testa stated no, we don't show appraisals, that's the one thing that we are not supposed to do. We don't show the appraisals, but if we wanted to show them the number we could do that tomorrow.

Mr. D'Orsi noted that he was not talking with the owner he was talking with his children because the owner was in Florida.

Alderman Pariseau asked if there was also proposals in the past for a 48 unit building here. Mr. Testa stated no, not on the property we are buying, noting that the property that they were looking at was all wetlands, and there has been no formal subdivision that he knew of.

Alderman Pariseau stated he was of the understanding that there were plans submitted for a 48 unit housing on this property somewhere, whether done Friday or Saturday he did not know.

Mr. MacKenzie noted that the land they were pointing to (on an illustration) was in Londonderry, he was not aware of any projects in Manchester.

Alderman Pariseau stated let's wait until the 16th and hear from them and if not he would support the airport.

Alderman Wihby stated they were going to show them the number so they could see the number. Second of all they were going to get them to do an appraisal. Mr. Testa noted that was if they could reach the owner. Alderman Wihby stated he should document the attempts. Alderman Wihby stated they would come back on the 16th.

Alderman Girard stated that he did not support tabling the motion, obviously the owner and some agents of the owner had a problem with this they've contacted various aldermen but not others, if they really have a problem they should be here, before this committee.

Alderman Pariseau stated he had moved to table at the request of Alderman Cashin, who had questions relative to that.

Alderman Girard stated Alderman Cashin or the owner should be here to discuss it with the committee, they were on a timeline that the Airport Director has advised us of, we've heard that we can't get an appraisal done within 30 days, this process has been going on since July of last year. Alderman Pariseau commented on waiting so long to bring it to the committee. Mr. Testa stated they had tried as much as they could before and had waited to the very last minute.

Alderman Girard commented that the Airport Director had brought it before the committee now because he was worried about getting another extension past March 31. They were not going to get anything resolved within the next four days, unless the owner of the property is going to agree to the airport's numbers whether we show them or not, it sounds like the number in the appraisal has been forwarded to them. He could not support

Chairman Reiniger noted that he had a tabling motion on the floor and had taken some liberties in allowing discussion, but they should move on.

Alderman Wihby stated we want to make sure that they are aware of the number; that they are aware that we have some concerns that they haven't got an appraisal, this is one of our keys. We want to know how far apart we are, we don't know because they just through out a number that he didn't think they would act on that. We want to see some number that shows that we are far apart. We will be meeting on the 16th and we will take it up on the 16th.

Chairman Reiniger advised that there was a motion to table made by Alderman Wihby, seconded by Alderman Pariseau to table and called for a vote. The motion carried with Alderman Girard duly recorded in opposition.

Alderman Wihby stated he wanted them here at the next meeting and requested the Clerk forward a letter.

Mr. Testa stated could we clarify. The Committee wanted him to approach him (the owner), show him a number on the appraisal.

Alderman Wihby asked who was going to notify him (the owner) that they wanted an appraisal done.

Mr. Testa stated that the clerk could send him a letter or they could tell him tomorrow that 'you are going to have to do an appraisal, you have to come before the committee next Monday.'

Alderman Wihby stated what we are looking for, we want to see is that what he is saying is true, if there is no legitimate building they can put on there, if there is no legitimate number that he can come up with.

Mr. Testa stated at this point if we find out that even if the higher number, it's really still a dispute over value, and how you resolve disputes over value is go before the Board of Land and Tax Appeals. So if we offer him \$2.00 or \$500,000. and he wants a million or 5 million it really makes no difference. If we are apart we are apart, so the only thing we can establish in the next few days is whether we can get closer together. And if we have a final decision from him, so he doesn't appraisal, a final decision ...fine I'm not doing it.... then.

Alderman Wihby stated if he comes in and doesn't want to do an appraisal...

Alderman Pariseau interjected they would take it by eminent domain.

Chairman Reinger addressed Item 5 of the Agenda:

Communication from Airport Director requesting approval of a ground lease between the City and Cargex Manchester III Limited Partnership, for a multi-purpose cargo facility located adjacent to the lessee's affiliate air cargo facilities through agreement dated December 1995; and further requesting approval of an operating agreement with National Garages, Inc. for management of the Airport parking facilities from September 1997 through June 2002.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau, it was voted to approve the request of the ground lease and operating agreement.

Chairman Reiniger returned discussion to the 1999 CIP Budget Resolution noting that Deputy Clerk Johnson wished to clarify some items.

Deputy Clerk Johnson stated there were actions that were taken on this resolution and I just want to walk through everything that was done and tell you what was not done and coming back to make sure we are on the same plane. What the Committee did approve was to amend Table 1-1 for the Building Improvement

Program and the School Capital Program. You moved and approved to amend Table 1-5 for the Airport projects and also for the Amoskeag Hydro which was a \$20 million project under the enterprise bond. That was subject to having an operating agency for it. There was a motion to amend Table 1-3 City Cash by adding \$110,000 to 5.10180 for those separate park projects and deducting \$60,000 from Table 1-4 which was your General Obligations Bonds under the MER account for the MTA portion. You also added \$1.5 million for the riverwalk as a bond project subject to \$500,000 in other private donations. Those are the physical actions that you took. In addition, on the following there were no physical motions taken unless you want to do something else tonight. You wanted to look at the VNA Childcare. You wanted to look at a city priority list from the Traffic Department in relation to signalization. You want to change the I&R Program to reflect Southern NH Services.

Alderman Wihby stated that was done.

Deputy Clerk Johnson replied that was not done.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau, it was voted to change the I&R Program to reflect Southern NH Services.

Deputy Clerk Johnson stated there was a request to break out the parks, Livingston and West Memorial. Livingston at \$560,000 and West Memorial at \$250,000. There was no motion taken on that.

On motion of Alderman Wihby, duly seconded by Alderman Pariseau, it was voted to separate Livingston and West Memorial parks on the CIP budget. Alderman Girard was recorded in opposition.

Alderman Wihby moved on the acceptance of the \$500,000 donation for Livingston with the understanding that we are going to pay the debt service. Alderman Pariseau duly seconded the motion.

Deputy Clerk Johnson asked that this item wait until Monday because there is no number for the motion to be made.

On motion of Alderman Wihby, duly seconded by Alderman Girard, it was voted to table the resolution until Monday evening.

Chairman Reiniger addressed Item 10 of the Agenda:

Communication from Ronald Ludwig requesting to utilize bond balances

from the department aerial bucket truck, and trade-in allowance from two fixed plows, for the purchase of two power angle plow units.

On motion of Alderman Pariseau, duly seconded by Alderman Girard, it was voted to approve the request.

Chairman Reiniger addressed Item 9 of the Agenda:

Communication from the Industrial Agent advising that the current lease for the MEDO space at 889 Elm Street is due to expire June 30, 1998, and requesting approval of the proposed tenant-at-will arrangement.

On motion of Alderman Wihby, duly seconded by Alderman Girard, it was voted to approve the request.

Chairman Reiniger addressed Item 8 of the Agenda:

Communication from Alderman Shea regarding the accountability of whose responsibility it is for proper maintenance in the schools and asking what measures should be taken.

On motion of Alderman Pariseau, duly seconded by Alderman Girard, it was voted to receive and file this item.

Chairman Reiniger addressed items 12 and 13 together:

Petition for Discontinuance of a portion of North Elm Street (adjacent to 25 Ridge Road).

Petition for Discontinuance of a portion of Mapleton Road (Mack Avenue to Ross Avenue).

On motion of Alderman Clancy, duly seconded by Alderman Wihby, it was voted to find that the areas of the petitions presented were released and discharged from public servitude in accordance with RSA 231:51. It is noted that private rights which may exist are not considered within this motion.

Chairman Reiniger addressed Item 14:

Petition for Discontinuance of a portion of Pellerin Lane.

On motion of Alderman Pariseau, duly seconded by Alderman Girard, it was voted to recommend referral of the petition to the next road hearing.

Chairman Reiniger addressed Item 15 of the Agenda:

Communication from 42 New England Square & Round Dane Convention requesting the use of Stark Landing parking lot, or other area lots, for parking of about 30 self-contained campers during their 2000 and 2001 conventions (Thursday through Sunday afternoons).

On motion of Alderman Girard, duly seconded by Alderman Pariseau, it was voted to refer the request to the Parks Director, Planning Director and Traffic Director (potential use of garage roofs), for review and recommendation in terms of a potential area that could be utilized.

CONSENT AGENDA

Chairman Reiniger advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Informational to be Received and Filed

- A. Communication from the Director of Planning advising that the Manchester Water Works will apply for State Revolving Loan Funds for 1998 projects.

Recommend approval to BMA

- B. An amending resolution allowing for the acceptance of grant funds for the Technology Literacy Challenge Fund Phase II in the amount of \$100,000.00 from the NH Department of Education.
- C. An amending resolution and budget authorization allowing for acceptance and expenditure of additional grant funds for the 1998 2.10606 Cultural Diversity Task Force in the amount of \$500.00.
- D. An amending resolution and budget authorization allowing for the acceptance and expenditure of funds donated for the 1998 Historic Preservation Fund in the amount of \$5,000.00.
- E. An amending resolution and budget authorization allowing for the acceptance and expenditure of a donation in the amount of \$7,500.00 to be added to the 1998 8.30305 Library Renovation Project.

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN GIRARD, DULY SECONDED BY ALDERMAN PARISEAU, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

TABLED ITEM

17. Communication from the Director of Planning seeking the Committee's acceptance of the assignment of promissory notes and mortgages from the Manchester Housing and Redevelopment Authority of various Housing Rehabilitation Programs.
(Note: Re-tabled 2/17/98, pending Planning recommendation - attachments previously forwarded to Committee.)

This item remained on the table.

NEW BUSINESS

Resolution and start up presented providing for transfer of \$105,000 in CDBG funds to the Downtown Parks Rehabilitation Program for improvements to Bronstein and Sheridan Emmett Parks.

On motion of Alderman Clancy, duly seconded by Alderman Wihby, it was voted to recommend approval of the requested transfer and budget authorization.

Resolution and start up presented relative to adding a 1998 CIP project for the relocation of Harvey Road at Rte. 28 in the amount of \$1,782,500.

On motion of Alderman Wihby, duly seconded by Alderman Girard, it was voted to recommend approval of the requested resolution and budget authorization.

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

A True Record. Attest.

Clerk of Committee