

COMMITTEE ON COMMUNITY IMPROVEMENT

May 10, 1999

6:15 PM

Chairman Reiniger called the meeting to order.

The Clerk called the roll.

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

Messrs: R. Sidore, R. MacKenzie, J. Taylor, M. Farren

Chairman Reiniger addressed Item 3 of the agenda:

Communications and reports regarding One Dow Court's request to purchase property in the vicinity of Kidder/West Brook/Commercial Streets.

Chairman Reiniger recognized Mr. Sidore, the owner of the property.

Mr. Sidore stated the letter is self-explanatory. The land is currently...that space between Canal Street the railroad tracks, beyond the railroad right-of-way there is approximately 220' of width and what has been proposed by Moran Engineering would be to have two parallel lanes, one for travel and one for parking, parallel parking. We could fit approximately 62 spaces, which is the estimate with appropriate buffers to the north and south. It would be one way only. One way in at the Brook Street end and one way out at the Kidder Street end. This is the north end, Brook Street, Commercial Street, the yellow is the two lanes and this is a buffer. There would be travel here and parking here.

Alderman Clancy asked is that railroad being used.

Mr. Sidore answered absolutely. One of the things that we are looking for is to put up a fence so there would be no new crossing points on the tracks. Existing crossing points are at West Brook and Commercial Street. Walking points at Dow Street and driving space through here at Kidder Street.

Alderman Girard asked, Mr. Sidore, could we assume that you have contacted the railroad and they are willing to give you the right-of-way here or allow you to encroach on their right-of-way for this use.

Mr. Sidore answered I have in my hands an offer from them for purchase and sale. It has not been completely negotiated by us but they have offered to sell us the land on their conditions. We are going to discuss the conditions but I am not about to be responsibility for anything they have done, are doing or will do in the future. Other than that, we have a legal offer and we expect to negotiate that out given that we can also work things out with the City.

Alderman Girard stated I think that is important because the LDR report that came out a couple of years ago and for some time before that suggested that the City try to negotiate the purchase of that land or use of the right-of-way for additional parking. Have you had an opportunity to review the comments that the City departments have forwarded to the Committee regarding that matter?

Mr. Sidore replied not if they are new comments. The original comments were made before we met with the Mayor on this matter several months ago. Are there new comments that we haven't seen?

Mr. Taylor stated there are probably some that you haven't seen.

Alderman Girard stated with our packet of information we had written comments from the department dated May 3 and May 5.

Mr. Sidore replied I haven't seen those.

Alderman Wihby stated we have information from Highway and Planning. Both of them are glowing sales pitches for us to sell the property. I guess I am concerned with the railroad track that is there and the future and if by doing this we are causing a problem for ourselves. Can you discuss that? You didn't really give us your opinion.

Mr. MacKenzie stated we did not have much time given the deadline for our staff to put together a number of these sheets with concerns and questions. I think there are clearly some traffic issues to make sure that it will be safe to get into and out of this strip. It is a fairly high-speed section of the roadway, the Canal Street strip. I would want to make sure that the Highway Department looked at the safety factors to make sure it would work. I think the longer term questions are more to the effect of the strip that they are looking at for example also runs in front of the Myrna building and whether it is appropriate to allow the sale of this property to extend well beyond the front of a particular property. If you look at this particular site, West Brook, Mr. Sidore building really goes from here to here so a little less than half. The balance of West Brook Street is in front of the Myrna Building. Now they do actually have more parking. Myrna has more parking both in front

of the building and they have access to the Myrna Street lot and it is a much smaller building. Per square footage of office space, they probably have more parking than this program but you do have to recognize that you would be selling the property to another property owner that is, in effect, not in front of their building.

Alderman Wihby stated that doesn't sound fair. If I were this landowner I would be upset that people are buying the land in front of my place. Isn't there anything else we can do here? Is there anything else that we can anticipate doing there or that we could do there. We talked about revenue bonds and people securing leases and everything else. Is this one of the areas that we are talking about?

Mr. MacKenzie replied it would probably not be as good for Mr. Sidore. He would like to own the property then he can guarantee that he can give the parking spaces to his tenants. The other option is to do what he is doing and have the City provide the access into here, pave this entire area...there is actually a pedestrian crossing here and you would have to make sure that is properly done because there are quite a few people who walk back and forth. The City could do it and then lease those spaces perhaps on a long-term lease situation. In effect, with a long enough lease we could clearly pay for those parking spaces. That is the other option that we have.

Alderman Wihby asked if we had a long-term lease and we decided to do something in a couple of years, could we break the lease or would we have to wait until the lease is over.

Mr. MacKenzie answered you would probably have some financial damages if you broke the lease. It is doable but there are also liquidated damages if you break a lease. I don't see any other use for this strip. The only other use I would see for this strip would be if you wanted to put a green space in there as opposed to something else. There is no room for building.

Alderman Wihby asked how come you are not recommending that the City buy it, tar it and lease it.

Mr. MacKenzie answered again; we did not have time. We only had a few hours to prepare the other thing. The staff was working on it while I was working on some other things so I did not get a chance to make a formal recommendation.

Alderman Wihby stated at least that way you are sure this person is not going to get upset because they would have some rights to it to if they need it. Do they need it?

Mr. MacKenzie replied they are looking for additional spaces but again they technically have more parking per square footage of building space.

Alderman Wihby asked did the letter come from Mr. Lolicata or from Highway.

Mr. Lolicata answered the information I gave is basically from three days of looking at this and I saw it now for two minutes. I would probably have concerns if I looked into this because I am worried about the situation at Brook Street, Spring Street where the lights are and where the egress is going to be actually. I don't even know how they are going to get in here. This is the first time I have had a chance to look at this thing. I am basing it on a letter that I received just to give you a run down, I found out it was 1,500 feet long what the going price is and how long it would take. As far as the problems with traffic, I haven't even had a good look at this thing. We have some lights up there and a few other things in that area.

Alderman Wihby moved to table this item and let them come back with a recommendation from the departments – Highway, Planning, Assessor, Solicitor and something from the railroad saying that they are willing to go along with this. Alderman Pariseau duly seconded the motion.

Chairman Reiniger stated we do have a bunch of recommendations.

Alderman Wihby replied recommendations for what. They just talk about it. They don't recommend anything.

Chairman Reiniger asked, Mr. Sidore do you want to respond to this.

Mr. Sidore stated first of all this proposal is quite a way down the road but we have an agreement with a company called Tradepoint Systems of Nashua who is proposing to move to the 155 Dow Street building and we have an agreement with them and should they move to 155 Dow Street they would buy their share of the space and pay for their share of the costs. The people who own 155 Dow Street were given the opportunity to back them up on that so if they did not go through buying the property at 155 Dow then the 155 Dow Street people who had done this would and they declined it. So if the Tradepoint thing does not go through than 150 Dow Street would own and pay for the entire strip. That is the first thing I want to tell you. Secondly, we actually have slightly more than half because our space extends a few spaces north of the Dow Street walk over. I think when the engineers figured out spaces, they figured out 31 spaces a piece for the two buildings so it was just even. On the issue of long-term leasing, Mr. Wihby raised a key question and that is could we take it back if we wanted to. The interest for us and especially for Tradepoint Systems is that they want to insure long-term

parking for their people so we very much would prefer to buy and own space than to be in a position of leasing where there is a municipality involved that may have changing priorities in requirements. They want to be able to assure their people that they are going to have parking. They are talking about bringing in a significant number of high paying jobs at their building as we are hoping to do if we can develop parking for customers for our building. Short-term leasing issues are really of no benefit to us because we sign leases for extended periods of time and parking costs are more than the cost of the lease. If we don't have control of our parking costs within reason, we really have a difficult time signing a long-term lease. That is another reason why other possible solutions, such as other lots have been a problem for us. We have expressed this in the past in letters discussing things such as the Spring Street lot. We proposed a long-term lease for that and were turned down for that. As far as review, I know that when we first proposed this to the City which was four or five months ago, there was a review by the Highway Department and they raised some issues about the traffic concerns and the impression we had was that was something that could be worked out. We thought this was a good way all around for everybody.

Chairman Reiniger stated I think you are to be applauded for this. This is a creative solution. This land is wasted and no one has ever proposed using it like this. You would be going in and paying for that to be done and saving the City money.

Mr. Sidore replied and paying the City taxes.

Chairman Reiniger asked what kind of time frame do you have for this. There is discussion here about tabling it and postponing a decision and you are dealing with a potential tenant.

Mr. Sidore answered we are not dealing with a potential tenant in our building at this time. Tradepoint Systems is on the verge of trying to make a decision and they have said that unless they have a parking lot built, they are unlikely to go with that building. That is, in no way, putting pressure on you because the City has to do what the City has to do. That is a true statement of what they said. They are interested in resolving their own housing issues as soon as possible.

Mr. Taylor stated that is why we didn't look at trying to get the City to acquire the property and build the property itself. My guess is that if we were to try and do that ourselves we would still be talking about it a year from now and then it would go away. That is why we didn't propose that particular scenario to begin with. This seemed like a quicker and less cumbersome way of getting the project done by having the private sector do it, put their money into it and pay taxes. There are some issues that the Highway Department did bring up, one of them being their

concern about plowing snow onto this property from the west side for the southbound travel lane which is a legitimate issue. My view of that is that this property would have to be sold with the condition that that is going to happen and it would be the responsibility of the owner to deal with it and not the City. Some of these things, I think, are concerns. They should be pointed out, they were pointed out. Some of them, I think, should be able to be resolved. It may take a little more negotiation to do that. The other one is the access and egress in this area, which is going to be somewhat difficult. It will probably have to be one-way and we will have to work out the logistics of doing that. I am not sure that those are insurmountable. It just means that we will have to look at it in more detail and figure out the best way to do it without causing a horrendous traffic problem.

Alderman Girard stated as I look at this I think there are two separate sets of issues. I think there is a policy issue for this Committee and the Board to deal with and that policy issues surrounds what is the highest and best use of this space and in reading the assessment by a member of the Planning staff, they were concerned about how it would improve pedestrian access or a pedestrian friendly environment and what not in the area and after reading that, Mr. Chairman, I went down to the area and drove the entire length, took a look at the strip and to be honest with you I can't imagine what we could do to make that area any more pedestrian unfriendly than it is now. The fact of the matter is that access along that area is very limited as it is because of the rail tracks. It is all fenced off, there are mostly steep pitches and gullies and I just don't see anybody hurdling the guardrails to get into a ditch and a gully to cross over the track to go over another fence to get to the buildings that people are trying to go to. I think that putting a parking lot there, and I don't care if the parking lot runs from Granite Street to West Brook Street eventually but putting a parking lot there I don't think is going to make it any more pedestrian unfriendly and as you said I believe it will add functionality to land and space right now that has no purpose and no functionality. The other set of issues that we have deal with are logistical issues and the departments have rightly pointed out that there are some logistical issues but I don't see anything here that isn't beyond the City's ability to solve in conjunction with the property owners. There are risks, there are liabilities and if we want to condition the sale so that all of those liabilities and risks do in fact go onto the property owner then so be it. The fact is that for years we have been talking about getting easements or something from the B&M Railroad in order to do something with that space. We have a property owner on his own who has been able to do that. I see no reason why we can't give conceptual approval to this and ask the property owner to work with the City departments to address those statistical concerns and lets take what is now in my opinion what will always be dead space and put it to some practical use.

Chairman Reiniger asked is there any opposition from the Committee to the idea of turning this over to the departments.

Alderman Wihby answered my opposition is that I would like to see the whole picture. I would like to see the departments come back with a plan of what is going to happen over there and then approve it up or down, not conceptual. I mean Traffic wasn't even talked to and he has some concerns that we don't even know about and Highway had some concerns and Planning hasn't made a recommendation.

Alderman Clancy stated maybe we should just table this until we get more information.

Chairman Reiniger stated if we are going to table it we should identify the specific departments that we want to have look at this. Traffic, Planning, Highway and Solicitor.

Alderman Girard asked could we ask Mr. Sidore and Mr. Taylor for a time frame when we need to get back to them so that we have a possibility of pulling in this major tenant to downtown. Is there a drop-dead date by which all things go by the doors?

Mr. Taylor answered I haven't been told a drop dead date but I have been told that they are willing to do something in the way of expanding their business and are looking outside of town. Within reason, I think they are looking to make a decision and clearly this parking issue is one which they are not going to walk away from. If they are buying space on Dow Street and that building as you know is a condominium and they are going to be owning their space if they go in there and their issue clearly is being able to own and control the parking that goes with it so they can make sure that they have control of the parking during the time that they own the property. They are going to be leasing some parking because we can't provide enough ownership parking but from their point of view the more that they can own and control, the better they like it and without that being on the table they are not going to go into that building period. It is as simple as that.

Alderman Girard stated the upshot is that they are looking to do something now so the longer we wait, the less likely the City of Manchester is.

Mr. Taylor replied there is some time sensitivity here but I am not going to tell you that if we don't do it tonight it is going to blow up but I would like to see at least a response in a reasonable amount of time so that we can get this done.

Chairman Reiniger stated why don't we ask Jay to quarterback this issue and get the information from the departments maybe within 20 days or something.

Alderman Wihby replied we could meet as soon as they get the information. One more thing that I would like to see is something from the Myrna Building saying that they don't want the space in front of their building so that we don't get in a fight later.

Alderman Pariseau stated there was a note attached to the agenda that the Finance Department receives copies of information to analyze on May 7. I wonder if they have that financial report.

Mr. Clougherty replied in order for us to do a report we have to get the information from the other departments. We got it on Friday, we started it and we have some issues with respect to exemption and tax exemption and we are talking to the Bond Council about that.

Alderman Pariseau stated it wouldn't be available to the next meeting then.

Alderman Girard stated there have been some in this government who have criticized the Millyard for coming to the City to look for parking so that they can develop their buildings. We have a situation now where a property owner is coming to us asking to buy property so they can provide their own property. I think that consistency would say that we support this.

Alderman Wihby stated I heard someone say that we have been working on this for four months. This is dated April 20. What happened to the three months before that? Where was this?

Mr. Taylor replied we had several meetings with the potential tenant or occupant and I guess it went dormant for awhile because I didn't hear anything about it for a number of months and then it resurfaced about a month ago.

Mr. Sidore stated we met with the Mayor three or four months ago and several City personnel. I know some of you were there from Highway and after that we understood that the City was interested in having us pursue this. It took us until this length of time to get the railroad to address the situation. It is a very tiny strip of land from their point of view and it is a minor transaction. Their priority on this is less so just getting anything out of them took an enormous effort on the part of Mr. Snively who represents us. Without him, this wouldn't happen at all. That is what took so long. We saw no point in coming to the City until we had an agreement with the railroad because we didn't want to waste the City's time.

Alderman Clancy asked of all this land here now, how many other tenants own property here beside yourself.

Mr. Sidore answered I don't know what you mean.

Alderman Clancy stated well the McDonoughs own Fratellos. Are they interested in the land or not?

Mr. Sidore replied the McDonoughs have said that they would not go into this.

Alderman Clancy asked how many other tenants are interested in this land.

Mr. Sidore answered none that I am aware of. Just us and Tradepoint. Those are the only people that I am aware of at this time. Fratello's building is here and my building is here. We are four times the size of them. They are interested in these spaces, 31 spaces which is the estimate for their building and we are estimating 31 spaces for our building. However, if they don't go through with it, we are going to develop the whole thing and then the space would belong to us.

Alderman Clancy asked what would you do, lease it out or something.

Mr. Sidore answered no; we would tie them to leases in our buildings. We are not looking to lease to anyone else; we are looking to tie down some parking for our building because that is what we need. We have 315,000 square feet of space in the building and I have about 35,000 empty right now. It is prime space in the building and we will lease it but anybody who comes in wants to know about parking. That is the first question they ask and we are not just getting the warehouse uses we used to get. Now we are getting...we have a company with 60 engineers and 20,000 square feet. That is three spaces per thousand. My actual parking is something on the order of one space for every 1,600 square feet so I have to do anything I can to come up with more parking if I want to bring more people into the building and have more tenants which brings more jobs into the City.

Mr. Taylor stated if we could look at this as an, if you will, test case and keep in mind that this similar strip of land runs the whole length of the Millyard. I am not sure we can do this all the way down, however, how this works out and if this works out to be reasonable and it is a workable solution, it seems to me we would want to take a look at doing some more further down south and we can pick up whatever parking we can pick up. If this land continues all the way down to say Pleasant Street, it might be worthwhile taking a look at it subsequent to seeing how this goes. I am not suggesting we do it now, but if this works we might want to take a look at that as well.

Mr. Lolicata stated if it is any help, Alderman, I saw this track of land for the first time. If it is nowhere near the lights and Jay and I can get together for a half an hour...I have no concerns and I have been down there. All I am concerned about is the egress of where they are going to put this thing in. I have concerns of the splitting near the intersection where there are lights. I guess that is the bottom line. It all depends what is going to go in.

Chairman Reiniger called for a vote on the motion to table this pending recommendations from the Highway, Traffic, Planning and Solicitor's Office. The motion carried with Alderman Girard being duly recorded in opposition.

Chairman Reiniger addressed Item 4 of the agenda:

Resolutions and budget authorizations for airport activities submitted as follows:

“Amending the 1998 and 1999 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Thirty One Million, Two Hundred Sixty Five Thousand Dollars, (\$31,265,000) for Various MAA Projects.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Eleven Million, Seven Hundred Sixty Thousand Dollars (\$11,760,000) for the 1998 CIP Project 730286 Runway 6/24 Expansion Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Six Hundred Thirty Five Thousand Dollars (\$635,000) for the 1998 CIP Project 730281 Terminal Expansion Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Twenty Thousand Dollars (\$220,000) for the 1999 CIP Project 730399 Ammon Center Parking Lot Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Five Million, One Hundred Eighty Five Thousand Dollars (\$5,185,000) for the 1999 CIP Project 731299 Property Acquisitions Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of Seven Million, Four Hundred Ten Thousand Dollars (\$7,410,000) for the 1999 CIP Project 730499 Airport Parking Garage Project.”

“Authorizing Bonds, Notes or Lease Purchases in the amount of One Million Dollars (\$1,000,000) for the 1999 CIP Project 731399 Runway 17/35 Airside Project.”

1998 and 1999 Budget Authorizations:

7.30286 1998 Runway 6/24 Expansion
7.30281 1998 Terminal Expansion
7.30282 1998 Construct Interim Parking
730499 1999 Airport Parking Garage
730399 1999 Ammon Center Parking Lot
731299 1999 Property Acquisitions
731399 1999 Runway 17/35 Airside

Alderman Wihby moved to approve the amended resolutions and budget authorizations. Alderman Girard duly seconded the motion for discussion.

Alderman Clancy stated I have a handout here and I notice that the figures are different on every one of these. They are all higher. From \$31 million to \$33 million, from \$11 million to \$12 million. What is the reason?

Mr. Farren stated financing costs were left out.

Alderman Clancy asked on every one of them. From \$220,000 to \$240,000.

Chairman Reiniger answered I think Mr. Farren will explain these changes.

Mr. Farren stated I am the interim Airport Director. I have with me a distinguished cast, including our Chairman, Patrick Duffy from the Manchester Airport Authority, Rich Fixler who is our Assistant Airport Director for Planning & Engineering, Leo Smith who is our Project Manager from Edwards & Kelsey, plus John Bodie and Tammy Parsons. I would like to briefly discuss the Master Plan as was originally developed between 1995 and 1997. The plan has been divided into short-range, intermediate range and long-range phases with certain projects allocated to each one of these phases. The Runway 624 improvements which are a major part of what we will be discussing tonight, are scheduled for the short-range from 1995–2000, along with associated property acquisitions, certain roadway additions and Phase I of the parking garage. Runway 17/35 improvements were slated for the intermediate range of 2001-2005, along with the terminal expansion and Phase II and III of the parking garage. Just to let you know, the terminal expansion is almost near completion right now and the parking garage is going along as we speak. However, the introduction of low fare airline service to Manchester in 1998 by Southwest and Metro Jet accelerated the terminal expansion and the parking garage, thus we are managing the multiple

aspects of the 624 improvements, as well as the terminal expansion and the parking garage construction simultaneously in a short period. With this in mind, I would like to go into some of the various project requests before you tonight. Clearly the scope of the overall project has changed and expanded, particularly in the short-range phases. The 624 project has several new sub elements which add complexity and cost. Additionally, the original 1995 cost estimates did not include a premium, which we are facing right now. Thus, actual bids received were in many cases higher than the original estimate. The actual parking garage at a \$40 million estimated cost has not changed, however a new pedestrian bridge which many of you have heard about in the past has been added which will span from the garage to the terminal. It will improve passenger walkways and I am sure that many of you have seen them in other airports. This is approximately a \$7 million project to be funded by our Special Facility Project charge on Airport rental cars. The property acquisition project was increased with the higher appraisal than anticipated and again new sub elements including the purchase of land for a fuel farm which has been occasioned by the fact that we developed all of this increased airline activity and related additional parking capacity expansion. The 1999 Runway 17/35 Airside project is a new start-up occasioned by a discretionary grant offer that we received from the FAA for \$3 million this year and an anticipated \$2 million next year. We have until the end of this month to accept that grant otherwise we will lose it. By starting at this time rather than later to move fill to the 35 end, fiscal economies will be achieved and fuel placement can be carried out without interruption. The start-up aspect alone will move 1 million cubic yards of fill. If we waited to start moving that fill, we could not do it in time. Projects would overlap. Although we are only asking for start-up revenues for 17/35, the overall cost of the project is significant in the \$60 million range, but entirely in line with the original cost estimates for this project. It will be funded through a combination of FAA grants and Airport capital. Approximately 40% from the FAA and the State and 60% from the Airport. All of the requests before you this evening are authorization and appropriation reports. The actual bond issues are subject to the Airport's feasibility to generate the funds and a feasibility analysis is currently underway by our consultant. I think it is important that we state that none of these costs or funds used to pay back bonds come from the general fund. All funds will be Airport generated. In summary, the Airport Master Plan originally cost us in the \$200 million range over an 8 year period. Current estimates are now in the \$225 million range.

Alderman Clancy asked out of all of the improvements that you are going to be making down there, how much is going to be in Manchester and how much in Londonderry.

Mr. Farren answered some are in Manchester and some are in Londonderry. I can't give you a breakdown.

Alderman Clancy asked what about the fuel farm. Where is that going to be?

Mr. Farren answered in Londonderry, I think.

Alderman Clancy stated that is right because Manchester won't let you put above ground tanks.

Mr. Farren replied the issue is where we have space for it. I don't think we have a location for it on the airport in Manchester. The only location we have is in Londonderry.

Alderman Clancy stated I am interested in acquiring some of these properties down there on Brown Avenue. They came to us at the last meeting. What is the story there?

Mr. Farren replied some of the properties will be acquired through the RPZ Program, in other words if the residents live within the runway protection zone and we have programs underway to acquire those properties. If you are referring to the four properties between Tessier Avenue and Goffs Falls Road, we have received some communication and have looked at that. Those properties don't qualify for airport funds for purchase right now and I don't anticipate that they will.

Alderman Clancy asked what do you intend to do.

Mr. Farren answered what I plan to do is help facilitate the project as much as I can and to explain the limitations and constraints that we have in purchasing properties with airport funds and do the best we can with what we have.

Alderman Clancy asked have you talked to these people recently as of today.

Mr. Farren answered I have talked to folks on Brown Avenue and Hazelton, but not these four specific folks. I believe that is a subject for next Monday night.

Alderman Pariseau stated those four people that you are talking about were concerned with the widening of Brown Avenue. There was individuals here also last Tuesday or whatever, the Hudons I believe.

Mr. Farren replied I spoke to that woman specifically this afternoon.

Alderman Pariseau asked is this increase in this property acquisition project...

Mr. Farren answered she does qualify to be acquired. I think her dispute is the appraisal. That is a process that they must go through and I asked her to send in what she thinks her dispute is and I would make sure that the appropriate people get a copy of her rationale.

Alderman Clancy stated my main concern is to work with the people on Brown Avenue, especially if you are going to be widening the road. It is going to shorten the frontage of their house.

Mr. Farren replied I promise you that I will work with them within all the powers that I have, but I am not optimistic that we can purchase those four homes.

Alderman Clancy responded that is fair with me as long as you talk with them and try to get them to understand that.

Alderman Pariseau stated I see no funding for additional soundproofing.

Mr. Farren replied that will be coming. We already have requests into the FAA and I will talk to that if you would like right now. The current Federal funding airport improvement program is on hold. They have authorized the program through May 31. The Senate Conference and House Committee is meeting today and this week as we speak to resolve their differences. If they resolve, everything should break loose for the rest of the fiscal year and we are anticipating having some soundproofing money.

Alderman Pariseau asked relative to the neighborhood meeting that was promised those residents that attended the one in October or whenever it was, when can we go ahead and do that.

Mr. Farren answered I would hope to do that as soon as we can gather all the information. I would be happy to work with you on trying to schedule a meeting.

Alderman Wihby stated you were asked some tough questions and you have given the answers that Aldermen wanted and I appreciate your candidness. What we are looking for is an answer and if it is yes it is yes and if it is no it is no. We don't want to be dragged through things. I appreciate your responses.

Alderman Girard asked you are \$25 million over what was anticipated. How much of that is attributed to the economy. You were saying contractors ran a premium.

Mr. Farren answered of the \$25 million I think you are in the 5% to 10% range. It is actually the economy.

Alderman Girard asked so roughly \$2 million.

Mr. Farren answered no; you are talking a \$200 million project so 10% of that.

Alderman Girard asked so you are saying 10% of the whole program.

Mr. Farren answered you have to realize that you are spreading it out over eight years.

Alderman Girard asked so the simple answer is that most of that \$25 million is attributable to the economy.

Mr. Farren answered most of it is at this point. Later one, you may see it go the other way. I think some of it is due to some of the estimates on the projects. Obviously they were done in 1995 and are not valid. Also, the dynamic of the program changes. You find that your needs change. It is like going and designing a two-bedroom house and all of the sudden you have a three-bedroom house.

Alderman Girard stated so about half of the increase is due to the economy and the other half is the bridge and new acquisitions or higher costs for acquisitions.

Mr. Farren replied that would be new acquisitions.

Alderman Girard stated and that is to buy people's houses.

Mr. Farren replied that is for the fuel farm and expanded parking. We are already having to look ahead a year from now when we feel that the garage may not be adequate.

Alderman Girard asked when you buy that property for the fuel farm or whatever else it becomes airport property and therefore is not taxable by either the City or the Town of Londonderry, right.

Mr. Farren answered the property is not but the facilities on it are.

Alderman Clancy asked when was the last time that people had a chance to talk to you or your Board of Directors if they are not satisfied with what is going on.

Mr. Farren answered I talk with people all the time. Prior to being the interim direction, I was the noise and still am the noise person so I get all the calls directly. I get all the complaints with reference to anything going on that people are not happy with. I invite them to the office. I think for the most part I have dealt more directly with the individuals who have concerns about the airport than

perhaps anybody in this room. I haven't had too many complaints. Their issues are the complaints, but complaints about the airport not listening are certainly not there. I ride the shuttle buses every day to make sure that our customers are being served and don't have any specific complaints about timeliness or friendliness or those kinds of things. I have done that and I will continue to do that. For the most part, I think that people are very happy with our responses. Now, when they don't get the answer that they like, that is another case.

Chairman Reiniger called for a vote on the motion to approve the amended resolutions and budget authorizations. There being none opposed, the motion carried.

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

A True Record. Attest.

Clerk of Committee