

COMMITTEE ON LANDS AND BUILDINGS

December 19, 2000

5:30 PM

Chairman Cashin called the meeting to order.

The Clerk called the roll.

Present: Aldermen Cashin, Gatsas, Levasseur, Shea, Thibault

Messrs: R. MacKenzie, A. Clark, F. Thomas

Chairman Cashin addressed Item 3 of the agenda:

Discussion relative to Senior Center.

- a) Communication from Robert MacKenzie, Planning Director, regarding a cost analysis of various scenarios of a Senior Center and a Human Services Facility.
- b) Communication from Robert MacKenzie, Planning Director, regarding the price of the Sears building.

Mr. MacKenzie stated if I could I would like to stand because I would like to present to the Committee some information on an overhead. Before I do that, I would just like to skip to the letter that we received from Allan Clark. There was some discussion, I know, at the Board level as to what the price was and what the difference was between the \$3.5 million and the \$4 million price tag. Allan Clark is available to answer detailed questions. He was the one working for the City, the real estate consultant as part of the process. He is the one who actually toured the building and made the estimate of the \$3.5 million. Just to reiterate what was in this letter, the owners have basically said that they are looking for \$4 million. The real estate consultant has said that for planning purposes looking at the building, at the facility, at the assessed valuation and at the revenue stream, that he would recommend we use for planning purposes a \$3.5 million price tag. So, those numbers to my knowledge have not changed. The owners, again, to my knowledge have not changed the number. The number has been by the owner apparently \$4 million throughout this process. So, Mr. Chairman I would be happy to answer any questions on this particular memo if there are any. The Committee previously and the Board discussed the issues of the costs and had asked me to do a quick financial analysis of what would be the cost of a senior center and what would be the cost implications if we included all of the agencies that are leasing. I have tried to put together different scenarios that showed

actually five alternatives to show you the different options and what the cost implications of those options are. Several of these have been discussed at various committees and I wanted to make as much as possible an apple to apple comparison. The Finance Department has also looked at the numbers. They did a more detailed evaluation. They would be available to answer questions. Their numbers are generally more conservative than mine, i.e. debt service for example as you will see on the detail sheets, not on this particular one, are higher than my estimates. Their leasing costs, however, are also higher. Generally, if you do look at that data you will see that the relative comparisons are about the same, but their cost estimates are more conservative than mine. I would like to run over the various scenarios. Currently, the City leases for a number of agencies. The first Scenario A here called Lease identifies the annual cost of leasing. We have several agencies – the Health Department, Office of Youth Services, and Welfare Department that currently lease. It is apparent that we are also going to have to lease in the near future for other City facilities. MCTV is looking for larger space. We need more room for archives and training facilities. Of course, we currently lease one of the two senior facilities here on the East Side. The costs currently are somewhat just under \$200,000, but when you factor in the additional needs of the City at five years out with escalating costs, I am projected that in five years the annual cost for gross leases will be almost \$600,000. That is in the first column. Extrapolating out, assuming a relatively low cost increase, after 20 years leasing costs could be approaching \$1 million. Again, if you look at the Finance Department numbers, I think they are actually a little over \$1 million in annual lease costs that the City may be facing. We also wanted to factor in, because it has been discussed quite a bit, the issue of property taxes. In my analysis, in order to compare apples with apples I immediately deducted that off of the lease amount. In other words, right now we get from the Sears site, which is one of the evaluation sites, a certain amount of taxes each year. We are assuming that if we purchase the building we will lose those taxes. To make a comparable number, at five years we have a number of roughly \$500,000 factoring in property taxes and at 20 years almost \$900,000 that the City will have to pay for leasing of various agencies. Now to compare those numbers, the other factor...

Alderman Shea interjected so that I might follow, you are saying in essence that the City itself would lose over five years \$498,000. Is that what you are saying in rent or leasing tax wise and over 20 years close to \$880,000? Is that correct?

Mr. MacKenzie replied let me phrase it differently then because I am not sure that is quite correct. If we just went out and simply looked at the leases, we would be paying \$600,000 in leases in five years. If we continued to lease, the Sears site would still be there paying property taxes so for a comparison it would be roughly \$100,000 a year that the Sears site is paying. If we did not take the Sears site off the tax roll, we could count that against the leases, in effect, and it would be \$100,000 less. The other factor on this chart that is important and it is the same idea as if you are renting a property for your primary residence right now and you

are considering buying a house. You do pay a mortgage for that property, but unlike renting, you develop equity. I did want to show as part of this analysis that over time instead of leasing if you owned property and you paid off the bond debt service, you would be building equity in a piece of property that the City would own and that is this line each at five years and twenty years. There is a line for each of the options that show the equity built. The first scenario is if we continued leasing for all of our various agencies. Then there were three scenarios for the Sears site. Let me go over each of those. Only one of the scenarios, Scenario B, came out of the Senior Center Committee Report. Tom Wallace, in that case, had identified putting roughly 24,000 square feet in the Sears building. That has certain implications and that would actually take up portions of three floors. The Tennant-Wallace proposal for the senior center in the Sears building would have taken all of one floor and portions of two of the other floors. Scenario C shows a slightly different revision. It assumes that rather than having 24,000 square feet of a senior center, you would have roughly one floor taken for a senior center at about 16,000 square feet. So, it is smaller. It is not quite an apples to apples comparison, but it would put the senior center all on one level. Scenario D assumes that the City purchase the Sears site but built a new senior center at the rear of the property out at Chestnut Street and there are different reasons why all of those scenarios were looked at. The problem with Scenario B, which is Tennant-Wallace, is that you could not fit the senior center in and all of the agencies that are now leasing so you would still be paying leasing costs in the first year and you would be paying leasing costs for the next 20 years. You will not have solved your leasing problems in the City. Scenario C, which cuts down the size of the senior center and puts it on one level primarily, and we have taken a quick look at that to see if that would fit how it would operate. It does not have all of the program area that was requested, but it could be made to work on one level. The problem with Scenario C is you can get all of the agencies in there the first day, but at the end of 20 years when you need additional space, not all of the agencies will fit. At some time during that 20-year period, you will have to find either additional lease space or you will have to put an addition on the Sears site. That is under Scenario C. Scenario D you would have room, if you built a new senior center on the other end of the site, in the 20 year planning period to put all of the agencies in there. You would have a little bit of extra room for growth in the beginning of the period and by the end of the 20 years you would basically be using the entire Sears building for various City Hall annex. That is the scenario that over the 20 year period would accommodate all of the current leasing agencies and all of those expecting to lease.

Alderman Thibault asked at this point, are you talking about us no longer getting taxes from this property.

Mr. MacKenzie answered yes. What I tried to do is the numbers that you would then compare, this number of \$498,000 factors in the taxes so you compare that against these numbers. Scenario B in five years is more expensive than leasing

and so is Scenario C and D. In that period when you are paying off debt service, it is a little bit more expensive to build than buy. However, the difference is at 20 years when you pay off the debt suddenly you are paying \$900,000 for leasing costs and the cost of owning the property is substantially less. It is on the same idea of buying a house. You go out and you buy a house that costs you maybe a little bit more for that 20 years you are paying that mortgage, but at the end of the 20 years you are paying significantly less money for your home than if you were renting. It is the same philosophy.

Alderman Levasseur asked the \$2.7 million for assessed valuation, did you consider any increases in valuation over the 20 years and did you also figure in any increase in the tax rate over those 20 years in your numbers.

Mr. MacKenzie answered I did assume that the tax rate would increase by 2% per year. I did not factor in any additional development at the site. It is possible that you could have some additional development, but that was not factored into the analysis.

Alderman Levasseur did you also figure out how many employees would be working in the building with all of these different agencies and how many parking spaces they would take up under both scenarios figuring that you would be cutting off that property with another building and making half the amount of parking if you built the senior center on that spot. Did you figure out how many employees you would be putting into that building?

Mr. MacKenzie replied I didn't calculate the actual number of employees. The bigger impact would be actually how many customers would be coming to that complex. Putting a new building on that site near Chestnut Street does take up some of the parking. In that scenario, I have suggested that there is some additional property that might have to be acquired.

Alderman Levasseur asked when you suggested that small property that had to be acquired, did you include that in your numbers and also the taxes that would be lost on that.

Mr. MacKenzie answered yes.

Alderman Levasseur asked where did you put that in.

Mr. MacKenzie answered if you look under the scenarios, you will see that the cost of acquisition is slightly higher under that scenario than under the other scenarios.

Alderman Levasseur asked how many employees did you figure for that building with the departments there without the senior center going in.

Mr. MacKenzie answered I don't have that number. I would have to go back to the agencies to calculate that.

Alderman Levasseur asked so you also don't have any idea how many people visit those agencies in one day or over a week or those kind of numbers either.

Mr. MacKenzie answered we do have those numbers. We don't have them in printed format. Most visits actually go to the Health Department. They have the highest annual visits. The Health Department has zero parking right now. The Welfare Department is the second highest number of visits. They also have zero parking spaces. In this scenario there would be a significantly higher number of parking spaces than any of the agencies currently have now.

Alderman Levasseur stated and this is also a very densely populated residential area. I know there are a lot of residents who live in that area so it would be impacting on the residents who live in that area also. There are a couple of apartment buildings actually within a stones throw of that building. There are 170 units in the block that is directly across the street. There are 28 units on Harrison Street and then there is another block with at least another 40 or 50 apartments in that area. Did you take that into consideration as far as the parking situation up there?

Mr. MacKenzie replied there are a number of existing businesses there and there is currently a drive-up. The drive-up does generate some activity. Under a couple of scenarios here, the drive-up would not be there. I haven't done a traffic impact study to determine what the net impact of this is. I can't say whether it would be positive or negative in terms of traffic impact. There are a number of existing businesses there. We could do a traffic impact study, but that would take some time.

Alderman Levasseur asked do you know how many parking spaces there are on that site at this time.

Mr. MacKenzie answered I think there is 166.

Alderman Levasseur asked if you built the additional building, how many parking spaces would you end up taking away. Do you figure half of that?

Mr. MacKenzie answered no. If you built that, I had estimated that it would take out roughly 25 to 30 spaces on the far easterly portion of the site. I had also been asked to factor in as another scenario what the Singer site situation would look like. Now what you have to remember on the Singer site is that it is satisfying the senior center situation, but it is not satisfying the other agencies so after 20 years, again, if you are looking at the annual cost when the debt service is paid off, the

Singer site would be cheaper than leasing, \$710,000 per year versus \$880,000. That is in essence only because the seniors are being taken care of. We would have to find, in order to make this a perfect apples to apples comparison, we would have to find and locate a facility to put the other departments in. I would note that we have not been able to do that. There used to be one human services building that was located at the Franklin Street School roughly 18 years ago. They were displaced when the Center of New Hampshire project came in so those agencies have been leasing for roughly 17 to 18 years. In general, it does not pay a City to lease for more than a couple of years. Generally, it is most cost effective for a City to own its own municipal building.

Alderman Shea asked, Bob, this is probably off the subject but if a site were found and it would accommodate the different departments, how much would it cost in order to accommodate the Health Department, Welfare Department and others. I know that it is difficult to get an exact figure, but \$2 million to build a place. Can you build a place big enough? \$1 million? \$5 million?

Mr. MacKenzie answered I would estimate, again, the Sears site is about 64,000 square feet gross. There is loss of space there for common area. Probably 46,000 to 48,000 square feet is net usable space. If you were going to make an apples to apples comparison, you would need some other space. A senior center roughly 18,000 to 24,000 square feet plus another 30,000 square foot building to make an exact comparison. A 30,000 square foot building would cost roughly \$110 per square foot to build so you are talking about \$3.2 million. That does not include land acquisition. If the City owned the right land to put that on there would be no land acquisition, but if they did not that would have to be added to that \$3.2 million to build a new human services building.

Alderman Shea asked so what you are saying is you could build a building to house the different departments that are in need of housing for about \$3 million or \$3.2 million and that is excluding what it would cost to build a senior center.

Mr. MacKenzie answered yes. You have to recognize that is just off the top of my head. Every site is a little different. Some sites would be more costly to develop than others would. If you had a nice level site, that would be roughly the cost of the construction of the building. It wouldn't be the soft cost, the design cost, legal fees, title fees, etc. That is just to give you an approximation of what the construction cost would be.

Alderman Levasseur stated we talk a lot about costs and a lot of people are very interested in what the cost of this building and these sites are going to be but what we seem to not be talking about is the intrinsic and aesthetic placed on the person who will be put into this particular site. Of course, we are talking about the seniors. Aesthetically, when you compare one building to the other is there any kind of value that you can place on that when you tie in the fact that you will be

tying that building in with the Riverwalk and the fact that it would add to the healthy consciousness of the seniors that would be placed on this site? We seem to be focusing a lot on the monetary cost of all of these buildings, but when you look at the aesthetic value, I wonder if there is a cost you could place on that?

Mr. MacKenzie replied I can't really put a monetary value on that. The Committee asked that I do a financial evaluation. I had done more of a non-dollar related evaluation of the different project sites. The Singer site certainly has some very positive features to it. It also has a couple of negatives such as the railroad tracks adjacent to it and the potential cement facility nearby. Overall, it is positive, in terms of the Singer site, because of the river views, the landscape area, the potential of having the Riverwalk and the connection across the river. I can't really attach dollar numbers.

Alderman Levasseur asked, Mr. Clark, have you done buildings of this sort in other areas and but an aesthetic value on the location of the property and taken that into consideration when you decide on something like this.

Mr. Clark stated I am not the architect. I am the real estate guy. To answer your question, I think both sites have aesthetic qualities that would need to be considered. Unfortunately, it is very, very difficult to be able to put a dollar amount to what those might be. I have nothing to gain with whatever site the City chooses for the senior center, but I do think that the former site of the Sears building, as was said in the Tennant-Wallace report, I think is the best location for serving the City, for promoting activities downtown and it has a lot to offer. That was what was in our report. That was based upon really just looking at the two different locations and not analyzing in any great detail the costs that are associated with both properties. The Singer site certainly has some aesthetic qualities that go with it. Certainly the river views and the Riverwalk as has been discussed are part of those, but there clearly are negatives and I think you would have to look at the pros and the cons of both. Clearly, I am not certain that the Singer site would be an attractive place when a concert is taking place down in that vicinity or with the parking. So, there are pluses and minuses. Clearly, the senior center at Singer Park being a new building would be designed specifically for the use. The Sears building is a quality building. I happened to have had my office there back in the 1980's for about five years and found it a great location from that standpoint. I don't know if I answered your question. I tried to.

Alderman Levasseur stated I am wondering also, the proximity from the West Side to this Singer site. Are you saying that the seniors do not care for music? I mean a lot of these concerts are going to take place after 5 PM when most people get out of work. I know that the concerts that were in the park here before were on Saturdays and also in the afternoons and I think that actually adds vibrancy to the whole senior center because not every concert that is going to be down there is

going to be a Metallica concert. As a matter of fact, I hope none of them are Mr. O'Neil.

Alderman Gatsas stated Mr. Clark, maybe you can...I think Alderman Levasseur was just starting to get into...I believe you did some studies on the demographics of seniors. I remember being at one of the senior committee meetings. I don't know if you have those demographics here or if you can expound on what you found. Everybody should understand that you didn't just look at two sites. In your exploration of sites in the City, how many did you look at and evaluate?

Mr. Clark replied in our analysis, which was to locate the site and narrow it down to four so that Tom Wallace could provide some architectural options for those four sites, we looked at in excess of 50 sites, both on the west side and the east side. We narrowed those sites down to about 30 where we did a very detailed analysis and then narrowed that down to about 8 that had potential and required further analysis. It was through that process that we further narrowed that down to the four. Part of the process of determining what was a good site was looking at where was the population centered. I don't remember the numbers exactly, but it was close to 3-1. The senior population was located essentially in the Central Business District of the City or within very close proximity. It was a relatively small percentage that was located on the West Side. Part of that is the area on the West Side is relatively small. We also looked at access, accessibility both from a public transportation view as well as from those that may drive and safety concerns and such. We did include the Singer Park site as one of those possibilities, but we noted that when there is activity down there and being either at Singer Park or with the concerts, that traffic issues will be much more severe than when they are not. Elm Street is easily accessible from the West Side, but more importantly was easily accessible from where the majority of the seniors are located. We did, in our report, analyze that by census tract and by ward. Does that answer your question?

Alderman Gatsas replied yes, thank you.

Mr. MacKenzie stated I could just wrap up fairly quickly. I think what the analysis shows is what I had suspected before, that if...and what was requested of me was to look at the bigger picture not just the senior center, but all of the leasing agencies. I think it is clear from this evaluation that in the long-term it is more beneficial for the City to own a municipal space than it is to lease and that the lease cost over the next 20 years is going to get and I hate to use the term out-of-control, but they are going to significantly rise. We have not gone out in the rest of the City to look at sites for a human service building or City Hall annex. This particular analysis had gone through an evaluation for the senior center. Only the Sears site was really looked at for a human service building. To conclude, the numbers here show that there is benefit by putting all of the agencies into a municipally owned building. That could be at the Sears site or it could be at

another location, although various locations have been evaluated over the years and none of those have worked out. At this point, that concludes my discussion of the financial impact and the financial evaluation of these alternatives. I would be happy to answer any questions, Mr. Chairman.

Alderman Shea asked how often have we predicated building something on the impact that it would have on other City departments. In other words, when we construct and I don't mean this out of hand but a civic center, a Riverwalk project, a Hands Across the Merrimack, repairing Livingston Park, etc., when we have done that have we taken into consideration how the cost of leasing buildings has impacted the tax rate of Manchester or is this the first time we have done this to your knowledge.

Mr. MacKenzie answered to my knowledge the only time that happened was with the police station when it was determined at one point to build a new police station and use the existing police station to house the various agencies because it was felt...again we were asked to analyze what the lease costs were and I know in that particular case they had thought to bring together all of these agencies that were leasing into the old police station.

Alderman Shea asked how much money have we set aside for a freestanding building to your knowledge.

Mr. MacKenzie answered to date \$2 million has been set aside for the senior center specifically.

Chairman Cashin asked Barbara Vigneault to come to a microphone.

Alderman Shea asked, Barbara, what hours is the senior center open presently. In your opinion, would there be a problem if there were evening concerts down at Singer Park?

Ms. Vigneault answered the senior centers are both open from 8 AM until 4 PM and the office is open until 5 PM.

Alderman Shea asked 8 AM until 4 PM is that correct.

Ms. Vigneault answered correct.

Alderman Shea asked so to your knowledge if there were evening concerts down at any facility, whether it be Singer Park or the senior center that would not impact directly on the senior activities to your knowledge.

Ms. Vigneault answered no, I don't believe so.

Alderman Gatsas stated Mr. MacKenzie I know there was some discussion on the number of parking spaces at the Sears site. Do you recollect the Board that voted 13-1 in using the old police station for consolidation along with the seniors? How many parking spaces were there? Do you remember roughly?

Mr. MacKenzie answered there was a relatively limited number of spaces in behind the existing police station.

Alderman Gatsas asked would you say less than 50.

Mr. MacKenzie answered yes, definitely less than 50.

Alderman Gatsas stated that never presented a problem in 1998 when they proposed that consolidation.

Mr. MacKenzie replied not to my knowledge. I don't think we investigated parking to a full extent. There was a parking lot across Merrimack Street, but again it was not a significant number. There might have been 50 in total between those two lots.

Alderman Gatsas asked, Ms. Vigneault, I am sure you have done tracking in the facilities for number of participants and number of expected participants. How many people right now participate at the two senior centers?

Ms. Vigneault answered we have about 120 a day for both.

Alderman Gatsas asked how many of those...do you have one activity that is overwhelmingly supported.

Ms. Vigneault answered the afternoon activities like bingo.

Alderman Gatsas asked how many people participate in bingo.

Ms. Vigneault answered we probably have an average of 75 and 45 sometimes.

Alderman Gatsas asked when you say 75 and 45, that is 120 so what you are saying is that 75...

Ms. Vigneault interjected are on one side and then the other on the other side.

Alderman Gatsas stated so of the 120 people that are there on an active basis, the afternoon activity of bingo has 120 of those people participating.

Ms. Vigneault replied right but they also do other things besides that. They can come and they can...

Alderman Gatsas interjected what time does that afternoon activity start.

Ms. Vigneault replied about 12:45 PM.

Alderman Gatsas asked how many participate in the program from 8 AM until 1 PM.

Ms. Vigneault answered they are not always the same people.

Alderman Gatsas stated I am just asking for a rough number between 8 AM and 1 PM how many people do you have at the centers.

Ms. Vigneault replied it depends on the day. In the morning sometimes we will have 75 or 85 for line dancing. It really depends.

Alderman Gatsas asked what would you call an average, if I said to you an average for a month the number of people that participate from 8 AM until 1 PM.

Ms. Vigneault answered I would have to do the figures, but on average from 8 AM until 1 PM you probably have 45.

Alderman Gatsas replied okay. So you are saying 45. Now the projection that I believe I remember in the senior committee study was 350 people that were going to participate in the senior center a day. That was over a projection of how many years worked out? That wasn't going to happen overnight.

Ms. Vigneault responded no it wasn't going to happen overnight. That was considering the growth factor and those are national figures that they used in the feasibility study for factoring in the growth of the population.

Alderman Gatsas stated so that 350 people was a growth factor on, I believe, 20 years out.

Ms. Vigneault replied I don't believe it had a year factor. It was just the way the figures worked out was the building was utilized by X number of people a day so it had to be this large. It was based on usage, not a period of time.

Alderman Gatsas asked not current usage but it would be a usage some time out into the future.

Ms. Vigneault answered well if you are serving 120 people a day then you would need X amount of space, but if you served 350 people a day you would need the 24,000 square foot building and that is how that figure was...

Alderman Gatsas interjected but I believe that was a futuristic figure. It was beyond 15 years.

Ms. Vigneault stated because we are serving 120 now, then that is factored in growth for whenever.

Alderman Gatsas stated I hear what you are saying and I appreciate that, but what I am saying is that for you to reach the optimum figure of 350 that wasn't going to happen in Year 1, it wasn't going to happen in Year 5, it wasn't going to happen in Year 10, it was based on the senior population and the growth of that population.

Ms. Vigneault replied right, but also you have to consider if you are building a building you might be attracting other people that don't come now so you have some growth in there too.

Alderman Thibault stated, Barbara, my question is more or less in line with what Alderman Gatsas is asking. On the East Side of Manchester, what is the projected daily amount of seniors who come on an average? Can you give me an average of how many people come to Hanover Street per week or per day or whatever?

Ms. Vigneault replied we have an average of 45 a day.

Alderman Thibault asked how about on the West Side of Manchester. How many people go there per day on average?

Ms. Vigneault answered 75 to 85.

Alderman Levasseur stated the river is supposed to be used for all of our citizens and to be honest with everybody here I wouldn't take the Sears building for a senior center if you gave it to me for free. We had an opportunity, I think, to buy the Bedford block, which is a really solid, heavy duty nice looking brick building for \$950,000 that was just bought within the last couple of months and to pay \$4 million for this other building I don't think is in the best interest of the seniors and the whole development of the Riverwalk area. In order to have the whole community involved in this Riverwalk development, I think the seniors should be included so, therefore, I would like to move this question.

Alderman Shea asked, Barbara, is there some problem now at the West Side because of limited space in terms of people participating. I have heard that if you don't get there early enough and get a parking space you can't get in and so forth. Is that correct?

Ms. Vigneault answered yes. There are a limited number of parking spaces in the back and we try to squeeze in as many cars as we can, but people do complain

about the parking availability. In the summer, we try to utilize the church next door but it is very difficult during the school year because they have other activities at the church and they need their parking. Parking is at a premium.

Alderman Shea asked in your judgment and I am not trying to put you on the spot as the department head, but in your judgment do the seniors want their own free-standing building or do they want some integration with other departments or is that an unfair question. If you don't want to answer it, that is fine.

Ms. Vigneault answered from the feedback that I get from the senior population that we serve, they would like a stand alone building because of the identity of having their own building and because if you ask them if they would like a brand-new facility that they can use, they of course would say yes because that is the optimum dream. The answer to your question is yes, that is the feedback I get.

Alderman Shea stated I know that Meals on Wheels presently is operated out of the Congregational Church...

Ms. Vigneault replied on the East Side.

Alderman Shea stated now there are provisions that will be made so that particular activity would be able to be utilized or they would utilize or be able to utilize a senior center and that would obviously have a positive impact on the community of people who are getting Meals on Wheels. If the Sears building were utilized would it be possible in your opinion to have a kitchen area there or anything like that. Maybe this should be directed at Bob? Are there provisions for a kitchen and so forth?

Mr. MacKenzie replied it depends on which Sears scenario you would be looking at.

Alderman Shea asked would that add cost to the scenario you gave us here.

Mr. MacKenzie answered two of the scenarios included a kitchen - the new construction at the other end of the site and the Tennant-Wallace proposal included a scenario for a kitchen. We are still looking to see if there would be room to include a kitchen facility if you just used the one level of the Sears building. We would have to look more closely to see if we could do that.

Alderman Thibault asked, Barbara, at present doesn't the West Side Center handle the Meals on Wheels.

Ms. Vigneault answered we host the Meals on Wheels program through St. Joseph's Community Services on the West Side.

Alderman Thibault asked at the West Side Senior Center.

Ms. Vigneault answered right. For Meals on Wheels, there are 100 to 150 meals going out to the homebound a day.

Chairman Cashin stated, Barbara, back 17 years ago we tried to combine the centers into one and it didn't work out. What makes you think it is going to work now?

Ms. Vigneault replied if you ask the seniors if they want one building, they will say yes, but they want it in their area so that it is easily accessible and accessibility is the key and that is what I have been saying is that it needs to be accessible to the senior community. If you put it on the West Side, the West Side folks really like it and if you put it on the East Side, the East Side folks really like it. It depends on where the individuals are living and that is the feedback that you get. It is a difficult decision so it needs to be accessible for both sides for everyone to be happy.

Chairman Cashin stated in talking to the people on the West Side, they tell me that if they had adequate parking they are perfectly happy right where they are. Is that a fair statement to make?

Ms. Vigneault replied the individuals that I talk to say that they would like a larger space because it is crowded and they are having a problem with the parking. There are parking wars in the alley. Space is needed so the individuals that I hear...you know because space is needed they would be willing to have another place elsewhere.

Chairman Cashin stated if we could divide the space and the parking, am I right in assuming that they would like to stay where they are.

Ms. Vigneault asked the people on the West Side.

Chairman Cashin answered yes.

Ms. Vigneault stated yes. If they had the space and the parking that would be optimum for those folks.

Alderman Gatsas asked, Barbara, you are talking about accessibility. The 75 people that go to the West Side, would you call them predominantly more drivers that are driving to the facility probably doubling up in cars? How do the people get to the facility?

Ms. Vigneault answered most of the people are driving. We do have people who take buses and who are walkers. We have done surveys in the past but most of

them are driving. Some are sharing and carpooling, but most are driving and that is why the parking is so necessary.

Alderman Gatsas asked how about the people that are going to the Hanover Street location. Are they driving or are they walkers or people taking the bus?

Ms. Vigneault answered they are mostly walkers and people taking the bus because we don't have any parking.

Alderman Gatsas stated let me just ask you a generality question. The Singer Park location obviously is for more drivers than walkers or people taking the bus. Would you agree?

Ms. Vigneault replied because of the parking issue being so strong for folks, parking is one of the I would say main criteria of utilizing the center.

Alderman Gatsas stated but the 45 people that you have going to Hanover Street would you say they predominantly come from the Gallen complex.

Ms. Vigneault answered no. Actually the people don't come as much from the high rises because there are some activities at the high rises but they are people who are living in their own apartments and homes in the area.

Alderman Gatsas asked so they are inner City people who are walking.

Ms. Vigneault answered yes.

Alderman Gatsas stated so the proximity of the Sears building to continue walking is probably more of a gravitational point than what Singer Park would be.

Ms. Vigneault replied I think the importance for the bus people is that it is on the bus line.

Alderman Lopez stated one of the things I do want to correct is the letter that you received from Jane Beaulieu indicating that she was informed of wetlands on the site. The question was are there any wetlands on the site. That was not the question that I informed her that there was. I don't know that there was. I would just like to comment, Mr. Chairman, in reference to Alderman Gatsas' numbers of 45 people and all of that that during the feasibility study a lot of people did not go to the Hanover Street Center because there is no parking, there is no transportation to go there. They have very little and all of the statistical data and the feasibility study that everybody received is there to include the survey. Am I correct, Barbara?

Ms. Vigneault replied I believe the survey is in the feasibility study and it does include some of the transportation issues.

Alderman Lopez stated I have a question for Mr. MacKenzie if I may. You have indicated that after five years we are going to have an increase of \$394,000 gross lease is that correct?

Mr. MacKenzie replied yes. That is our best guess.

Alderman Lopez asked what have you had in the last five years as an increase. We have I think \$187,000 in leases right now. Did you calculate back five years? Was it increased \$300,000?

Mr. MacKenzie answered no.

Alderman Lopez asked what would you say it was increased from five years ago until now.

Mr. MacKenzie answered I don't have those numbers.

Alderman Lopez stated the other thing I wanted to ask you, and I think Alderman Levasseur hit on it, but I want to be clear in my own mind. We based this on \$2.7 million for the Sears building. Is that correct? We are going through a revaluation right now and if it is going to be \$4 million to buy now, I think that it is probably going to go up a few more million after the revaluation. Was that factor ever considered in all of these numbers that are being thrown out?

Mr. MacKenzie replied I was hesitant to guess at what the new assessment was going to be. That is up to the Assessors to do and that process is not completed. It could go up but it could also stay the same. I cannot guess. My guess would be that there would be some increase in the assessed valuation of that Sears building and that is not in the numbers that you see here.

Alderman Lopez asked so these numbers are anybody's numbers at best guess.

Mr. MacKenzie answered the evaluation assumed a constant \$2.7 million assessed value.

Alderman Gatsas stated Mr. MacKenzie I know that you have spent an awful lot of time doing different scenarios and doing the chart on the back page. Obviously, you have looked into it in a more in-depth scenario than any one of us or anybody else. What would your recommendation as the Planning Director be?

Mr. MacKenzie replied I had done an evaluation before, a matrix of the various sites and comparing them. In that evaluation, the highest point site came out as

the Sears site with new construction of a senior center. Geographically it is a good location. It has been my understanding that the preference has been for a new building so that came out the highest rated and that came out above Singer Park, which came in second. I didn't, in that evaluation, factor in the cost though. It is the highest cost option. It is close to \$7.5 million and I guess before I made my recommendation on that I would have to see how much, since the City has in the next fiscal year roughly \$14 million to bond and that would be slightly over half, I guess I would want to work with the Board to see what the Board's other priorities are before I gave a final commitment on the most expensive option.

Alderman Shea stated, Bob, we have discussed in recent times zoning but we also have discussed the Master Plan. Is that correct?

Mr. MacKenzie replied yes.

Alderman Shea stated and in the Master Plan I believe, if I can, under stated goals and objectives and I don't want to read the whole scenario here but it says we want to provide for traffic, public safety, suitable environment, civic design, efficient public expenditure, public utilities and other public requirements. Don't you think that this is an "other public requirement" on the part of the City towards its seniors? This is in our Master Plan. If we decide as a community to place the seniors with two, three or four other departments, are we really doing justice to our Master Plan in your judgment

Mr. MacKenzie responded again I have followed the preference from the surveys that have been done and the surveys indicate that they would prefer a stand-alone facility. I factored that in.

Alderman Shea asked so when you make a decision as a City Planner, you are somewhat and I don't want to put words into your mouth but you are somewhat predicating your judgments on the cost analysis. In other words, how much is it going to cost the City for this particular scenario, what impact will it have on the tax rate, what impact will it have on the future tax rates, etc.?

Mr. MacKenzie interjected yes. That is a fair statement.

Chairman Cashin asked Mr. Thomas to come to the microphone.

Alderman Thibault stated, Bob, there are a lot of things that have been going on in the paper as far as cost of the building or if it is for sale or if it is not for sale. What I would like to know is by whose authority and who in fact was contacted as far as owners of the Sears building as if it was for sale or as if it was not for sale? It has come to light to me in the last few weeks or maybe the last month...I know two of the major principals of that building. There are four. Everything that they have read in the paper, they were flabbergasted because they were never

approached by anyone under any circumstances for any costs or whether anything was for sale. Yet, they read all of these things in the paper and they called me. Two of them happen to be very close friends of mine. I never even knew they owned that. They called me and told me about it and it was quite surprising to me that there was all of that stuff in the paper regarding the City having been negotiating with these people and here are two of the principal owners of this building who knew nothing about what was going on. I can't understand how the City got to talk to someone without everyone that owned this building knowing. I can't figure that one out.

Mr. MacKenzie stated again, I would probably defer to Allan Clark. He was the point person that toured the building and had discussions with a potential developer. I am not sure if Allan wants to...he did provide answers to much of that in his correspondence to the Board.

Mr. Clark stated concerning the Sears building and whether or not it is available for sale, as I had explained earlier we had analyzed perhaps 50 sites. Those sites were brought to our attention from a number of different sources, including people who worked with Alderman Shea and his senior center committee, the general public, our office and others. Through that process, we had identified...one of the items in the scope of work that we were charged with from the Planning Department was to locate a building that could be...an existing building that could be rehabilitated into a senior center. In our analysis, we looked at a number of different buildings without knowing whether or not they were available. That included the NH Insurance Tower and several other buildings. One of those was the Sears building because we were familiar with the Sears building and our offices were there for years. Through some effort, we realized that Dick Anagost from Future Realty was representing or indicated to us that he was representing the owners. Nobody negotiated with anyone concerning the sale of the property. What was discussed was the property for sale. The answer was it was not listed but at the right...if the City was interested and made an offer they would consider it. Based upon that, it was indicated to us that they were looking at \$4 million. We used, in our analysis \$3.5 million as explained in our letter. In essence, if the City or anybody else for that matter was interested in pursuing that as an option then they would have to sit down and negotiate. It would be our best analysis that the actual sales price would be somewhere in the range of \$3.5 million to \$4 million.

Alderman Thibault stated I guess my question is really two of the principal owners of this building were never even contacted regarding the fact that someone was looking to buy that building. I guess that is where my concern is. I guess it was their concern and that is why they called me and asked how come we don't even know about it and somebody is merchandising our building. We have certainly not said that we would sell and we aren't saying that we wouldn't, but how did it

ever get to this without us as owners not even knowing. That, I guess is what surprised them and surprises me.

Mr. Clark replied I can't answer that other than it was represented that the person we were dealing with was representing the owners. It is a partnership made up of a lot of different people.

Alderman Thibault stated there are four owners of that property.

Chairman Cashin stated, Frank, you have given us a footprint here about the layout. Can you just go over it for us?

Mr. Thomas replied I would be glad to. Just to orient you, the Merrimack River is to the top of the plan. The main line of the Boston & Maine Railroad is to the south. To the right hand side of the plan you will see the existing South Commercial Street parking lot noted on there. The green is noted as Singer Field. To the left of the field itself there is a green, more or less rectangular shaped building. That is the stage that is under construction now. To the bottom of the stage you will see a concession stand. What we did was superimpose option layout A onto this plan. Now keep in mind that we had good control, based on aerial photographs or aerial mapping to locate the field and the stage and whatnot, but we didn't have exact control on the layout of the senior center. The way we located the senior center on this plan was the distance between the end of the field and the parking lot. As a result, you can see that there is a little overlap in the parking and the existing concession stand and that is the best we can do from a horizontal alignment point of view. The report does not show that overlap. To the left of the green, as I mentioned, is the layout of the senior center Option A. The gray area is the parking area that is proposed. The tan is the building itself. Down towards the bottom of the plan, east of the senior center site you will see a gray strip that runs the length of the plan. It is my understanding that if the senior center is built in this location that there is a desire to have an existing roadway isolated from the Rubenstein parking lot. That is shown in here as a 24' roadway. Going down the plan again towards the bottom where you see all of the little lines, that is the Rubenstein parking lot. Allowing for a road into the senior center site, we are losing approximately 75 to 77 parking spaces that would be on the West Side of this area. Now if you add up the totals, you will see that that only adds up to 65. The reason being that we are losing 75 to 77 in that area, but through some reconfigurations we have made some additional parking to the right hand side of the north side of the parking lot.

Alderman Levasseur stated the superimposed brown spot that you have placed on this map. What is the square footage of that?

Mr. Thomas replied it would be what was in the report and the report noted a two-story building. Quite frankly, I don't know. 24,000 square feet totally for the two floors. The same footprint that was in the report.

Alderman Levasseur asked how many people did you estimate could fit in that building, Bob. I always thought we were going to build a one-story by the way.

Mr. MacKenzie answered it was hoped to be a one-story building but again the different sites...there was no ideal site in the City that was flat and you could put a one-story so I think the intent was to primarily put administrative offices on a separate level, but most of the senior center programs would be on a main level.

Alderman Levasseur asked what do you have for square footage total on the other two sites combined. I want to say...does anybody know? You have your West Side and your East Side center and I was wondering what the combined square footage was.

Ms. Vigneault answered 7,500 total square feet.

Alderman Levasseur stated I never got the impression that the Aldermen were thinking about a 24,000 square foot building, Mr. MacKenzie, and I think that would lower the cost quite dramatically. I thought we were looking at something around 15,000 or 16,000 square feet. This is a site recommendation and I don't think we have to go with the size of the building that has been decided on. I think we are going to have to discuss that some other time. Wouldn't that be so?

Chairman Cashin replied I don't have an answer for you.

Alderman Levasseur stated just because we are recommending a site doesn't mean that we are recommending or making a decision on the size of the building or the cost of the building. We haven't gone to design yet. I mean those are things that are much further down the road so I think these numbers are not actual numbers. I think the numbers at the Sears site are not abstract numbers. I would imagine those are more cemented in but if you were to take a stand-alone building you could do a lot more configuration and a lot more design differences and I would imagine that the estimation could go down if we wanted it to.

Mr. Thomas stated the one thing I forgot to mention when I was reviewing this plan was if you take a look at the proposed stage area you will see some dark rectangles. Those are supposed to indicate tractor-trailers. When there is a concert and the Singer Park Foundation has a lease on this facility and they are proposing potentially up to 10 concerts a year, the reason why the stage was located to the south end of the field was in order to provide access. When concerts come in, they typically come in with anywhere from two to five tractor trailers so that dark area there is supposed to indicate four or five tractor trailers that would

be parked there during concert periods so I just wanted to make that clear to everyone.

Mayor Baines stated on Friday, Alderman Cashin, Bob MacKenzie and I did sort of a tour of the City to see what is available out there. We went down to this site and there were some concerns mentioned about the ravine. The ravine that is on the proposed site. What kind of challenges does that present to construction in that area that you have blocked off?

Mr. Thomas answered there is a watercourse at the bottom of that ravine. There is a large culvert of outlets into that ravine. Any time that you are dealing next to a water body like that, you have to go through a fairly rigorous permitting process and again it depends on the scope of what you are doing there. If you are going to be disturbing the embankment area, that is one level of permitting. If you are proposing to pipe a section of that, obviously, the more you do in that area the more difficult the permitting process becomes. So, it is a permitting issue. It is a concern. When we built the Riverwalk in this area we had obtained numerous different types of permits from the State agencies.

Mayor Baines stated the other issue, and I think most people are aware of this, we have an issue with the Riverfront Foundation. They have a lease on this property that we are talking about that extends for 49 years or something. Am I correct on that?

Mr. MacKenzie replied yes I believe that is correct.

Mayor Baines stated let's say that this comes out as a preference then we would have to enter into some kind of negotiations with them right.

Mr. MacKenzie replied correct. The senior center would have to co-exist with the Park Foundation more so than the other way.

Chairman Cashin asked has anyone talked to the Park Foundation. Do we know how they feel? Did we get a letter or anything?

Mr. MacKenzie answered I have been trying to contact the president of the Riverfront Park Foundation. I would note that while the senior center committee was going, the founder and one of the board members did attend one of those meetings and were aware of the project and were interested in the project. I am aware that they would like me to attend their board meeting and I would be happy to do that to see how they react to that.

Mayor Baines stated I have met with the Chairman of the Foundation and I forget who was in attendance with me, were you there, Frank.

Mr. Thomas replied yes, Mr. Provencher.

Mayor Baines responded no. I was with...

Mr. MacKenzie interjected Peter Ramsey was one of the founders. Mark Campbell is the President.

Mayor Baines stated I met with Mark Campbell and I can't remember who was at the meeting with us. Obviously, they are willing to sit down and talk to the City but they do have their own interests that they are concerned about in terms of what they are planning to do in that area and I know that we would have to have a conversation with them and address the issues of compatibility. It is another challenge...sort of like the ravine is there we don't have control of the land and people need to understand that. If, in fact, we are going to do something on this property, we are going to have to sit down with those we have given this lease to. I just wanted to make that clear.

Mr. Thomas replied that is correct and some of the staff has had discussions and that is basically what we walked away with. They could co-exist with a senior center, however, they did make it clear that they would have to have access to the back of that stage area during concerts with these tractor trailers and that during the design process we would have to make sure that turning radius' were adequate to provide access to that area.

Alderman Wihby stated I have a few questions. At the last meeting, I brought this up because I wanted to see the numbers and there was a chart that we were given that says Scenario Summary. Can someone explain or is someone going to explain what those numbers mean? It looks like, if I read this right, on that first page under totals that you would save over \$2 million with Scenario D, which is a single unit for the senior center on the Sears site. Is that what I am looking at Bob? Is that what that tells me?

Mr. MacKenzie asked are you looking at the information that the Finance Department had put together.

Alderman Wihby answered yes.

Mr. MacKenzie stated Randy is here. I had seen that information this afternoon. He did put a total number.

Alderman Wihby asked is the first column saying that the net present value under \$9 million for Scenario D yet if we chose the Singer site it is over \$11 million so if we chose the Sears site with a new building on it you would save over \$2 million. Is that what I am reading here?

Mr. Sherman answered on a net present value you would save about \$2.2 million if you went with Scenario D, which is the Sears site with the additional building in the back.

Alderman Wihby stated I am not on the Committee and I have sat in on some of the meetings, but I heard that the seniors wanted their own individual building, stand-alone building and Scenario D solves that problem giving them what Alderman Levasseur had said, 18,000 square feet, a little bigger than what he had proposed. What is wrong with a stand-alone site that saves the taxpayers \$2 million over 20 years?

Alderman Levasseur stated I would like to make a point here because that is going towards my question and if you are going from 18,000 square feet on D and you are at 24,000 square feet at Singer Park then you are changing the values and you are changing the numbers. If you drop that down to 18,000 square feet on Singer Park you probably saved the \$2 million or you lowered the value on that anyway. By saying that you are going to make a smaller building at the Sears site and save \$2 million is disingenuous because what is the savings going to be if we do an 18,000 square foot instead of a 24,000 square foot? As far as the ravine goes, wasn't that taken into consideration when the plans were drawn up for this site?

Alderman Cashin stated this is a different site.

Alderman Levasseur asked what is the difference in the price if we go to 18,000 square feet in a stand-alone over in Singer Park compared to the one over there.

Mr. MacKenzie answered generally speaking and this relates back to your question previously, generally speaking it was my impression that we should be looking at a facility anywhere from 17,000 to 24,000 square feet. If we had the funds we could go to the full build, but it was my impression that you could build 17,000 to 18,000 square feet if you had room for expansion later and that could satisfy the program. We could certainly look at an 18,000 square foot facility at Singer and perhaps reduce the parking. You would then have an exact apples to apples comparison. You are not likely going to save \$2 million though. Perhaps more on the order of something under \$1 million savings by going from 24,000 to 18,000 square feet.

Alderman Levasseur stated so \$1 million savings and you have a much better site. Let me add one other thing. Is there room for increasing the size in Scenario D? How much more room are you going to be able to move over in that lot compared to if you went with 18,000 square feet in Singer Park and you have got 24,000 you could always expand much better over in Singer Park than you could at the Sears site because that is a definite size over there. Would I be correct in making that statement?

Mr. MacKenzie answered yes. We did see how we could expand at Sears but expanding at Sears would be more difficult than expanding at Singer.

Alderman Wihby stated we are talking about taking something off the tax role, but we are also taking a nice chunk of property that could be used later on for something else in the future and that is at Singer Park. We could put a baseball field there, we could put a 20 story hotel, we could do the same things there...that is my feeling that there is lost opportunity that nobody is talking about by moving something over at Singer Park.

Alderman Shea stated my understanding is that Singer Foundation is actually, in relationship to the City, we in other words control them. They don't control us. We lease that property to them so if the need were to exist that we needed to make specific judgments concerning how that property should be used, aren't we in control of the situation rather than them, Frank? In other words, although we want to work with them, we do not have to...am I correct in that?

Mr. Thomas replied I haven't seen the lease, however, in order for them to make an investment down there in that area I would have to guess that the lease does give them certain powers over that area. That is probably a question that you would have to ask the Solicitor.

Alderman Shea asked aren't taxpayers paying for that stage.

Mr. Thomas answered the taxpayers are paying for a portion of that stage.

Chairman Cashin stated the City Solicitor is here and he can probably answer your question.

Alderman Shea replied well I have a couple of more and maybe he can answer it in a minute, but the other question is when the civic center was built didn't we run into certain problems there concerning permits as well as other types of problems, Frank.

Mr. Thomas stated any time you do any type of construction there are issues with permits.

Alderman Shea responded the answer then is yes, we had certain problems with environmental factors and so forth isn't that correct.

Mr. Thomas replied that is correct.

Alderman O'Neil stated, Mr. Chairman, I applaud the senior center committee that Alderman Shea and Alderman Lopez worked on. They have taken it from 50 sites to 4 sites and now we are at 2 sites. I hear, tonight, a lot of unanswered questions

and I have been kind of making notes as the discussion has gone on. Wouldn't it be in the best interest of the seniors and of the City in general to take these two sites, compare apples to apples, size of what the senior center is going to be...Alderman Levasseur made a very good point. We are talking 17,000 square feet at one site and 24,000 square feet at the other. Compare apples to apples. What are the pros? What are the cons? I have heard at Singer concerns with losing parking spaces, the stage, Singer Park events, the lease with the Park Foundation, the condition of the site. We have a letter tonight from the Conservation Commission regarding permitting. We have heard with the old Sears site problems with price. We heard \$3 million, \$3.5 million and \$4 million. What other City tenants? At one point Mr. MacKenzie mentioned four or five City departments going in. I have heard other discussions saying it was limited to two other City departments. What about existing leases that are in that building? What is the time frame on those? Renovation costs? Is this a turnkey operation where we would buy the building and it would be fitted first or are we going to buy it and do the fit-up ourselves? I think there are still some unanswered questions. Again, I applaud the Committee for getting it down to this point, but I would suggest that the Committee move and I am not a member of the Committee and don't have the vote, but the Committee move forward asking City staff to compare apples to apples and what are the pros and cons of each site. I think the Committee and the full Board could then make a decision.

Alderman Shea stated in the words of Dan O'Neil, "let's get it done."

Alderman Levasseur moved the question. The original vote that this Committee took a month ago and in deference to questions that were concerning this issue, I second the motion to bring it back down to this Committee and I would suggest that we continue with that first question and take the same vote on which site we would prefer. I would make the motion that we move forward with the original motion that was made to go forward with the Singer site.

Alderman Shea duly seconded the motion to recommend the Singer site. Chairman Cashin called for a vote on the motion. The motion carried with Alderman Gatsas and Alderman Cashin duly recorded in opposition.

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

A True Record. Attest.

Clerk of Committee