

COMMITTEE ON LANDS & BUILDINGS

March 3, 2008

**Aldermen Smith, Gatsas,
Osborne, M. Roy, J. Roy**

6:30 P.M.

**Aldermanic Chambers
City Hall (3rd Floor)**

Chairman Smith called the meeting to order.

The Clerk called the roll.

Present: Aldermen Smith, Gatsas, Osborne,
J. Roy, M. Roy, Lopez

Messrs: F. Emiro, C. DePrima, T. Clark.
J. Minkarah, R. Tuttle, R. MacKenzie,
R. Wilson

Chairman Smith addressed item 3 of the agenda:

3. Communication from Chuck DePrima, Acting Director of Parks, Recreation and Cemetery, regarding placement of a bronze statue at Stanton Plaza. We did receive a communication from Mr. DePrima and that was passed out before the meeting tonight.

Alderman Osborne moved for discussion. The motion was duly seconded by Alderman J. Roy

The Clerk recognized the Honorable Frank Emiro.

Mr. Emiro stated I'm the New Hampshire House Representative from Londonderry and Auburn. I'm also a director of the New Hampshire Gold Star Mothers Memorial Association and also the National Vietnam Veterans and Gulf War Veterans Coalition. The idea of bringing the Gold Star Mothers statue to the State of New Hampshire happened in Washington, D.C. when the artist Andrew Chernak, who is a Vietnam veteran of the 199th Light Infantry Brigade, was giving a presentation and he said there were only going to be four statues and they didn't know where the statues were going to go. So, when I heard this I said, this would be great for the State of New Hampshire and I brought the concept to the State of New Hampshire. Naturally, this is before I was even elected to office. I met some people that I found to be exceptionally good-hearted; good-minded people who

can get things done. They formed a committee and they said we want the ball to roll. And what happened was, we started meeting with the City and the committee met and had lots of input from Boscawen Cemetery, Veterans Park here in Manchester, Victory Park here in Manchester, Stark Park here in Manchester, and someone, I'm not going to give his name, but a businessman in town wanted to give us an acre or two along the river. It came down to we thought Veterans Park would be a good place for the statue at the present time. We had a design architect go over there and look, we had the Parks and Recreation Commission come over, and we found out that with sugar maples and the roots, it would be a massive project, and it would not really fit in Veterans Park properly with all the money and construction that would need to be done, the salt from the plow trucks, and it went on and on and on. So, a recommendation was made by a gentleman from the Parks Department that we go to Stanton Plaza. We knew nothing about where Stanton Plaza was. We went and looked at it and we sat down and thought this would be probably the most excellent place for it in the City of Manchester and also in the State of New Hampshire. The reason is that we have people involved with Blue Star Mothers, which is a mother with a son or daughter serving in the military. They had some problems with some of the derelicts that are in the park and different concerns and, when they heard that Stanton Plaza was offered to us by the City of Manchester, they welcomed it all with open hearts and so did many Gold Star Mothers with whom we were in contact. So we went and we proceeded, our chairman, so you know who the people are on the committee it's myself, US Army 1967-1969, Armand Soucy, US Army same time, I think he served in Europe with me, the Honorable Connie Soucy, State Representative from Manchester, her son US Marines eight years, the Honorable Pam Coughlin, her husband is a Marine who later transferred to the New Hampshire National Guard and just came home from Iraq, I believe his second tour. We have Denise Dubow who is retired US Air Force, twenty-something years, the past Department State Commander for Disabled American Veterans and a National Service Officer now here in Manchester; Ed Blaisdell who is retired US Air Force, 23 years. He's also the national pastor for the Disabled American Veterans of America. As we move on, we have Debbie Murphy who works here in Manchester. She has also been with [unintelligible – possibly Relife for Life] and several organizations. Her father, Chuck Gagnon, is with Teamsters in Washington, D.C. Chuck is also related to Renee Gagnon and Chuck is a Korean War veteran with a couple of decorations. We had a Mr. Dick Paris here from Manchester. Dick Paris – twenty months in Vietnam. Fifth Special Forces, 173rd Airborne. Dick presently went on to other things, he's off the committee at the present time. The two other gentlemen are, and one is present here. Well, I left out Shelby Russell, Armed Forces connection, 23 years, US Air Force. The two gentlemen that are our Chairmen and now our Assistant Treasurer stepped up to the plate as Acting Chairman - who is in the audience - is Mr. Robert Wilson, Lt. Commander, US Navy, Vietnam combat veteran, and also a disabled veteran. Bill Truehart, our

Chairman, who is in the hospital right now, Ret. Lt. Col. US Army, 23 years, Vietnam and Korea era and in service over there, as well. His daughter is also a Colonel in the US Army. Bill has just completed successful surgery at 70 years old in the Elliot Hospital and I'm sure he'll be back here very shortly so we are hoping for his outcome. So these are the people on the committee. As you can see, everybody is either a veteran or can relate, or has supported a veteran. A Gold Star Mother. Many who have served or do serve do not know what a Gold Star Mother is. And I apologize, I was going to bring you a Gold Star flag that is very rare, that was given to our committee and the flag will probably be presented in Washington when the third memorial is there. And this flag comes from France. It's from the invasion of Normandy. When a general said to the free French people, I want to get your economy going, but I also want to send my troops back home with dignity with American flags. So the free French presented American flags for the coffins – I think there were approximately 100 of them made at the time. And when the troops got back here and they were put into burial, a general stopped it and the reason for stopping it is because of the flag. It is very rare, like I said. When it is draped over a coffin of a US military serviceman, it is a 48-star regular white flag with white stars. When you turn it, you do the ceremonial folds in recognition of the departed veteran for the next of kin and the stars are gold on the other side. So, being it was not regulation, the military or D.O.D., stopped it. So, we have one of those very rare flags and that, I believe, is going to go to Washington, D.C. for the national memorial. The Gold Star Mother actually started in 1937ish. During World War II, you'd put a white banner in your window, with a blue star, which meant a member of your family was in the US armed forces. If that person died while in service, you put in place of the blue star, a gold star. It means that you had a loved one that died in service. Gold Star Mothers have formed their own chapters and, as a Director with the National Vietnam and Gulf War Veterans Coalition, one of our many membership groups is the American Gold Star Mothers. And this is where I saw the program on how the statue came about and you'll see in the packet I gave you Howie Bruckner from Scarsdale, New York. I'm from Mt. Vernon, New York. And the whole statue concept came about upstate around Putnam County that they wanted to do something to pay respect to a mother and to those that lost their sons. So Andrew Chernak was asked to come up and when he found out what it was about, Andrew wanted to meet the mother. Andrew Chernak found out that he was Howie Bruckner's replacement a day after Mr. Bruckner was killed in action. And that's why in your packet, you'll see the Western Union. I thought it was relevant. And Andrew said, we're going to do this right. So Andrew designed this statue. And I can go into that, but our main thing you'll notice a necklace on the statue. The necklace has initials. When the committee put this together, they thought we want this to signify New Hampshire even though it's going to represent the New England states. So they thought NH for New Hampshire. And I made a call to the architect [sic] and I said to Andrew, we need something significant because NH

could be Northhampton, New Haven. Can you put on the medallion maybe the Old Man of the Mountain. Our sculptor said, yes - that would identify that statue significant to New Hampshire. When it came to Stanton Plaza, it's very heart wrenching to understand that this statue needs to be in this spot. On the DVD, you'll see there is also a letter from the Mayor, Mayor Guinta, that it is a reminder that when people come to the great city of Manchester, New Hampshire and they're walking around politicking for president, that they stop and see this statue and ask what is this about. There are two purposes for this statue. One is to recognize what a Gold Star Mother is. Two is to educate the general public. We are here today because someone's son or daughter or loved one is protecting us from any part of the world. When you put on the uniform of these United States of America, you don't know where you're called to go or serve, but you are there to protect us against all enemies, foreign and, yes, domestic. We spoke to some other Gold Star Mothers here in the state and they're very proud people. They're very polite. It's almost like a medal of honor recipient. They don't boast. But they lost a son or a daughter in service in the military and what they would like is that their sons or daughters be recognized. It's not about them. When you see a Gold Star Mother, like I said, they are proud people and they need the personal and private moments. Now, when some people say it should go in the cemetery, the landscape architect says no, members of the committee say no, and Gold Star Mothers say no. When you go to a cemetery, you're there to grieve for your loved one. This statue in the City of Manchester is the proper place to go. Stanton Plaza makes it genuinely better. Why? Because a Gold Star Mother is not a veteran. Veterans Park is for veterans. Victory Park. Stark Park, no. But, in front of the Radisson Hotel, in Stanton Plaza, is the proper place that a mother could come and sit and relate to the statue. Two weeks ago, one Gold Star Mother said, he captured everything regarding the sculpture. And, she said, he hits it right on target. Another Gold Star Mother from Pelham said if the statue is at the cemetery, I can't get to it. But if it is in Manchester, especially Stanton Plaza, it is safe and secure. I can take a bus. I can take a cab. Ladies and gentlemen, you have an airport here. You have a major bus terminal. And we at the statehouse are going to try to get you back a railroad station that will have commuter rail. This is the place for it to go. The main thing is that Manchester is the proper place. Stanton Plaza is the proper place. We had an estimate of \$250,000 that we'd have to raise for Veterans Park. That's come down to about \$150,000, with a full maintenance program. And that is something the Parks Department liked. If you go to Stanton Plaza today, it is there in high respect and regard for a Mayor of this great city, but you can't even walk through the park. There's snow piled up. To me, it's a disgrace.

Alderman Gatsas stated I wanted to stop you before you went any further in calling our city a disgrace.

Mr. Emiro stated I said the park.

Alderman Gatsas stated I guess normally the procedure here and I understand you are going to tell us where the Gold Star Mother monument should be, normally the request comes to this committee or the full Board to make that request and not telling us where it is going to go. There are studies that have been done in the City that show that Stanton Plaza would make a convention center. So those are the things that, outside of the city, you may not be familiar with in different sites. And I guess my question goes back to the young men and women that served, or the Gold Mothers perceive, they are not considered veterans?

Mr. Emiro stated a Gold Star Mother never served in the service.

Alderman Gatsas stated I understand that. But the child, the daughter or son –

Mr. Emiro stated the son or daughter would be a veteran. You can only be a Gold Star Mother if your son or daughter was killed.

Alderman Gatsas stated, I understand that. Why is it that you believe that Veterans Park is not the appropriate place for it to be?

Mr. Emiro stated we've spoken to some Gold Star Mothers and they feel they are not veterans and it's not proper. In the beginning we thought it was an excellent spot, to be honest with you. But to answer your question. We're not telling. I have a hard time with that being said that way. We asked to go to Veterans Park, we went through the Parks Department and Recreation were requested by them to go to Stanton Plaza. We didn't know anything about Stanton Plaza. They said that the City would like to do something with that plaza and they understood that there'd be a full maintenance contract and so understand, Mr. Gatsas, Senator, with us, you can always walk in Stanton Plaza and, if you want to respect the mayor, that's fine. I have a problem with it. My personal problem is that, if you want to do something, it's nice to do parks and memorials, but if you don't upkeep it, it doesn't look right and it takes away from those that you want to represent. With us, there will be a maintenance contract to cut the grass, plow the snow, and make it better. It's wheelchair accessible and we were going to do that with Veteran's Park, too. We did not decide, yes, we want Stanton Plaza, you're going to make it happen. So, please don't misunderstand that. It was suggested to us by the City of Manchester.

Alderman Gatsas asked but you wouldn't be opposed to go to Veterans Park?

Mr. Emiro stated at this point in time, yes, we would. And only because a landscape architect and the City had problems with the statue going there because of all the work and construction.

Chairman Smith recognized Chuck DePrima, Acting Director of Parks, Recreation and Cemetery Department.

Chairman Smith stated I imagine you're involved in this. Your degree is in landscaping, isn't it?

Mr. DePrima stated landscape architecture.

Chairman Smith stated yes. Did this group approach you and did you recommend Stanton Park.

Mr. DePrima stated yes. Several months ago, they approached us and, not being aware of what was being planned for the convention center study, we had suggested that, since there are so many monuments in Veterans Park and with the impending World War II memorial, we thought it might become kind of crowded in there if there was yet another statue, given all that there is existing in there and proposed.

Chairman Smith stated and were there any restrictions on a deed or anything with Stanton Park because I believe there are federal funds involved in that. I'm not quite sure.

Mr. DePrima stated none that I'm aware of that stipulate whether a statue can be placed there or not.

Chairman Smith then recognized Alderman Lopez.

Alderman Lopez stated I got dragged into this particular conversation with the gentleman speaking and others last Monday. Chuck DePrima came to me and said that some people were using my name and I knew nothing about this monument. First of all, I think it's a great monument; that's not the issue. And the reason the people are here tonight, so the Committee knows, is that I mentioned to the Director there is a Land and Buildings Committee and we should go with the right procedure and that's the paperwork you have tonight. We did have a meeting and this Committee is well aware of it and the conversation last Monday was with the people who are here and said that the Mayor did not endorse this. He supported the effort of the group. So an interpretation of the letter that the Mayor has you can read it either way. He supports it and the effort. But there's more to the story like I told the people who were there. Any time you do a monument - I'm

involved with two other and three other monuments right now - it's an emotional thing. I have all due respect for the Gold Star Mothers. I've helped the Gold Star Mothers in Manchester many times over my career. But what is noted here in your packet, I think, is very important - at the time that they're already starting to raise the money and saying the statue is going in Stanton Plaza. That part. I think it's the New Hampshire Review, correct me if I'm wrong, that had article and now the Union Leader had an article. I think it's the cart before the horse and should have come before this Committee before anything, plus the fact that we do have an Arts Commission in the City of Manchester that I think would have assisted this group 100%. Unfortunately, for some reason, nobody knew about this. I correct that - none of the Alderman knew about this - until last Monday. That's what I'm disappointed in. Because this Alderman had to go through procedures that we have set up in this City in Lands and Buildings to do things in our parks. I'm really disappointed in how far this got before somebody said - that's myself - you need approval because there is legality here, there is Harry Matalpoulis the Insurance individual, you're talking about a trust fund taking care of this, so I think there are a lot of procedures that are not being followed and that is the comment I want to make to bring the Committee up to date on my involvement.

Alderman Osborne said that is the big question I had at the beginning because I was in the dark about this myself. Why this particular location was chosen. Chuck, what are your feelings on this? Where do you think is the best location?

Mr. DePrima stated again, because of the nature of Veterans Park and since there are so many monuments there currently and with the imminent construction of the World War II monument, even as a designer, I felt that probably the better location would be Stanton Plaza since there isn't currently anything there.

Alderman Osborne stated I think it belongs in Veterans Park, myself. I think it would be nice on the forefront of that park. Seeing the mother with the tears in the forefront with the veterans in the background. I think that would be a very nice gesture. What about the liability on these things? I guess Mr. Clark could answer that on statute.

Chairman Smith addressed Mr. Clark.

Thomas Clark, City Solicitor, stated it would be the same as any other statute that we have in the City.

Alderman Osborne asked it falls under the same liability, is that what you said?

Mr. Clark said I assume it would be owned by the City.

Alderman Osborne stated yes, it's on our property, I guess it would be.

Chairman Smith recognized Alderman J. Roy.

Alderman J. Roy asked, Chuck, would it be possible to put this in Veterans Park?

Mr. DePrima stated it would.

Alderman J. Roy stated because I'm reading in the brochure that was handed out that that is exactly the place they put it in Kent, New York - a Veterans Park.

Mr. Emiro stated in a veterans park.

Alderman Roy stated in a veterans park, that's correct. So, it sounds like that would be the appropriate place to me. And it is feasible. We could put it there. There is nothing stopping us from allowing it to go there, is there?

Mr. DePrima stated no, there is not.

Chairman Smith recognized Alderman M. Roy.

Alderman M. Roy stated when I first heard about this, very recently with things handed out; I almost felt that it was disrespectful to the mothers that we were moving them across the street away from the monument celebrating their sons and daughters. So I'm very torn right now because I'm hearing that Stanton Park is the best location from the committee wanting to go forward and then it sounded more like City logistics kept it out of Veterans Park. Where I believe that the mothers, though they didn't serve, paid a very substantial price, so I'm torn. I believe it should be in the park where people come to honor our veterans and honor the family of those that paid the ultimate price. So, while I support the statue and I'll ultimately support whatever location, I would have liked the time to work on the best location in the City which I personally believe is next to statues of men and women that have served. So, I'll defer back to the Chairman with that statement.

Chairman Smith recognized Mr. Emiro.

Mr. Emiro stated just to touch on all the comments. Like I said, I thought Veterans Park would be an excellent spot when we first came up here and so did the committee. When we ran into the cost factor, please understand, it would not cost the city anything that we know of. We would have a maintenance contract all through Citizens Bank that this statue will be polished once a year, the grass will be cut, and the landscape architect we had at the time said you can't do this with

the grass in Veterans Park because of the sugar maples. I didn't know the difference from one tree to the other. And all kinds of things and that was all in the report. As far as letting you know at the last minute, please understand sincerely, and I have two members of the committee that are here and they can vouch for it. We didn't just pick a place. All we picked was Manchester, New Hampshire. And we tried to go through the proper Boards, Mr. Lopez, you're absolutely correct. The Mayor had assigned someone to us and I'm not here to blame somebody, but that person did not get in contact with us and this is where it led. I'll leave this DVD and you view it and then you'll have all your information right on this. This was done October 20 of last year, at Veterans Park, and you'll see several veterans groups. And I do apologize for our two Gold Star Mothers that wanted to be here, but they were invited to a dinner somewhere here in the state and they could not be here. They said if you want us to come speak, we'll not go to that dinner and I think it was more important for them to go to the dinner. And if we can't go on with the groundbreaking for March 30, then maybe we'll have to reschedule or do something, I don't know what to do at this time - for these Gold Star Mothers to approach you folks and then you'll understand from them why they don't believe their monument, reflecting on them, should go in Veterans Park. I, as a veteran, thought Veterans Park is the right place. But, after speaking to the Gold Star Mothers that have lost a son, they say, no, that's not the right place. So, I think the committee, the Gold Star Mothers we've spoken to, and some of the National Gold Star Mothers that are planning to be here for March 30 - and the reason March 30 came about is there is an RSA by then-Governor Jeanne Shaheen that made New Hampshire unique that Gold Star Mothers Day in the State of New Hampshire is the first Sunday after Easter Sunday. That's why March 30 was picked. And I also noticed that in Veterans Cemetery, there is going to be a ceremony with some Gold Star Mothers and some Blue Star Mothers and they understand now that March 30 is Gold Star Mothers Day in the State of New Hampshire. So, that's where some of the misinformation is. We were waiting to hear from people and, Mr. Lopez, you are absolutely 1000% correct, we knew we had to go to Boards, but we were also assured, Stanton Plaza, yes you can do this and yes you can do that and you do have to get approvals, but we're going to work to get that done for you. And somebody just dropped the ball on us and didn't keep us up to par with this and that's the only reason that we didn't come to you prior to this. As you see, we heard about this the other day; we're here. After the statute and the two other ones, the mold will be broken, the artist has monuments, you'll see in your literature, at the Normandy Invasion Museum, he's got two medals. He's given one to President Ronald Reagan and one to the President of France, Miterrand. He's got statues in Arlington National Cemetery, so this is a work of art worth well over \$250,000 and if it is in Stanton Plaza, as the committee would like and lots of Gold Star Mothers, as well, I have to tell you. You will see, after it's there. Mothers come up and sit there and it'd be their moment. But putting it in Stanton Park, the statue

will face Veterans Park. And by facing Veterans Park, that statue will face every single veteran that's been in our nation, including those that are coming home now, for future memorials. So, I would think that, even though I thought Veterans Park, I think, yes. Leave it for the Veterans. Because we never know which wars or conflicts our great nation will be in to protect our liberties and by being there, this statue will look upon all veterans.

Chairman Smith recognized Alderman Gatsas.

Alderman Gatsas stated I guess I need to ask the question. Who dropped the ball?

Mr. Emiro stated somebody in the Mayor's Office.

Alderman Gatsas stated do you have a name?

Mr. Emiro said yes, but I'm not here to embarrass people.

Alderman Gatsas stated I need a name because obviously you spent money on this brochure –

Mr. Emiro interjected oh yes, we did.

Alderman Gatsas continued and you stated somebody obviously promoted Stanton Park –

Mr. Emiro answered yes, we did.

Alderman Gatsas continued by stating so somebody told you Stanton Park was okay.

Mr. Emiro stated well you can see the Mayor's comments on here and the Mayor said he would do whatever it takes to help us with this. Okay. You want the name? The Mayor told us, a gentleman came in the Mayor's office and he was there with me and Mr. Dick Paris and the gentleman's name is Mark Liberty.

Chairman Smith asked for any further discussion.

Chairman Smith recognized Alderman Mark Roy.

Alderman M. Roy stated looking to go forward with this, with the time and effort that has been put into it, the cooperation of the committee, I think at the minimum, we should leave this meeting with some sort of agreement that it will be in Veterans or Stanton Plaza and that they can go ahead with their schedule and fund

raising and offer them our support. Mistakes have been made, but I don't want to see that stop the process of recognizing the people that this is meant to recognize. At a minimum, I'd like to see us go forward. We may not have the square patch of ground that it's going on, but I think at this point, we should offer our support and settle that over the next 30 days.

Chairman Smith recognized Alderman Osborne.

Alderman Osborne asked sir, would you have a problem with that? With what Alderman Roy just said? Would you go ahead with your fund raising if you know you're going to go to either one or the other?

Mr. Emiro stated yes, but so you understand, there are Gold Star Mothers in the United States that know there are only going to be four statues. This state doesn't have a chapter but the Gold Star Mothers chapters of Massachusetts and Rhode Island are begging for this statue. And we said it's New Hampshire's for Stanton Plaza. So, I would think, if we can do the groundbreaking, the Mayor's been invited, the Governor's been invited, two dignitaries, one from the State Representatives, not myself, and one from the State Senate, are going to be there to walk a Gold Star Mother out, and we would like to at least have the ceremonial groundbreaking at Stanton Plaza and, if things have to change, things have to change. But if we could do that, that would help us and we can move forward. On April 3, we have a foundation, a business, that's going to have the Air Force Singing Sergeants, and I'm from the Army so I'm going to see how good the Air Force can sing, and they're going to have a full event for the Gold Star Mothers memorial up there so we were led to believe that this was our park for this statue. So, if we can do the groundbreaking, have the Mayor in the ceremony, and I have somebody that's going to give us six gold shovels, because at the ceremony, there's going to be the Governor, the Mayor, our chairman or acting chairman, a past president of the National or American Gold Star Mothers, a New Hampshire Gold Star Mother, and probably the architect himself, the sculptor. If it snows or whatever, we would like to ask, maybe you can get a front-end loader there, that can just touch the ground, spray the bucket gold or something, so we can do the ceremony, and then if things change, it changes. But, we apologize for not coming sooner but, again, we did whatever we had to do to make this work. And so you understand –

Chairman Smith stated excuse me, Frank, they don't want to cut you off, but we have a long evening tonight and I'd like to have the committee members sum this up before we take a vote.

Alderman Osborne stated seeing as this is the first I've looked at this this evening, isn't there some way that this Committee itself or any other Alderman would like

to view this situation and go to Veterans Park and Stanton Plaza and take a look, with their own eyes, to see what would be a nicer thing to do or a better thing to do? If we could do this tomorrow or whenever, as soon as possible, I don't see what the delay would be. At least in my own mind, I'd like to take a look at where they had planned on putting this in Stanton Plaza or maybe there's a better spot in front of Veterans Park. I'm still in the dark a little bit here.

Chairman Smith stated we have a communication from the Parks and Recreation Director regarding a place for the bronze statue at Stanton Plaza. So this is what we should address either yes or no and if it goes no then they are going to have to find an alternative site.

Alderman Osborne moved to table Item 3 of the agenda.

Chairman Smith continued the letter was sent by Chuck DePrima, there's an architectural landscape with the stars and everything on there. I think the biggest is the letter from Mayor that said in meeting with your committee – they met in June – with Frank. I don't know what happened since June, but apparently, I would say I agree with you, we were the last people to know because as Chairman of this Committee, I found out on Thursday afternoon and I had to try to schedule a meeting. I knew I was having a very important meeting in regard to the Millyard afterward and I thought we might be able to get through this nice and easy. But I can see that's not going to happen. I would like to have some direction from the Committee which way they'd like to go.

Alderman Osborne stated I gave you my opinion, Mr. Chairman.

Chairman Smith announced the motion to table.

Alderman Osborne stated so we could view this particular situation. If you feel you can picture it in your own mind.

Alderman Osborne's motion to table was defeated.

Chairman Smith recognized Alderman Gatsas.

Alderman Gatsas stated this letter was dated January 9 to the Committee on Lands & Buildings. Is there a reason why, and I know that you're very good at scheduling meetings, is there a reason why we haven't seen this long before now?

Chairman Smith stated there's a lot of reasons. Apparently, we're the last ones to know.

Alderman Gatsas stated I know, but this obviously must have come to the Clerk's Office is what I'm saying. The January 9 date.

Chairman Smith stated yes and I can tell you right now and Chuck DePrima will tell you that I didn't find out until Thursday afternoon because I had to go down and talk with Matt Normand to schedule this meeting. I thought we could put it first on the agenda and get to the Millyard right afterwards. And I didn't think there was going to be a controversy, but apparently there is in regard to the site.

Alderman Gatsas stated no, I'm not saying that you did it, Mr. Chairman. I'm just saying you're pretty good at scheduling meetings and obviously this must have fallen in a crack somewhere in the Clerk's Office.

Alderman J. Roy asked is there any way we can move this along and give them the okay as Alderman M. Roy said earlier – we can just decide which location it would be at a future date? Is that possible?

Chairman Smith stated whatever your wishes are.

Alderman M. Roy stated, as I said before, I don't want to delay this process. Just looking at our schedule for either Veterans or Stanton Plaza, the St. Patrick's Day Parade will be going through that neighborhood at some point on the 30th. I don't know if that is earlier or later than your event.

Mr. Emiro stated we were going to do it at 11:00 o'clock. But being there's going to be a ceremony up at Boscawen and we're going to have National Gold Star Mothers here and from other states for the 30th, we're going to move it up to like 10:00 o'clock in the morning because of the parade, as well, so the Governor and the Mayor and anybody from the City of Manchester is welcome to come. We're not sure if it's going to 10:00 or 11:00. If we do it 10:00, we can get the Gold Star Mothers in and out or they can watch the parade.

Alderman M. Roy moved to approve subject to the Committee on Lands & Buildings viewing and finalizing the location, to approve the placement of the bronze statue at Stanton Plaza or Veterans Park and that the New Hampshire Gold Star Mothers Memorial Association follow through with their schedule. Alderman Osborne seconded the motion.

Alderman Gatsas stated I feel very uncomfortable about sending the wrong message tonight that either location is good because, in three weeks, if we come back and say, Stanton Plaza is not something that the full Board wants to go with, I'm not sure that this committee may want to do it in Manchester anymore. And I don't think it's fair to them to think for one second that that monument may be in

Stanton Plaza and we have a dedication March 30 and June 30 comes and we move it to Veterans Park. I don't think that's fair to the Gold Star Mothers, I don't think it's fair to that committee, and I don't think it's fair to this Board, because I'm sure I can tell you the pressure that will be coming in the lingering days. I think we should be making a decision based on what we think is the appropriate spot and not just an assumption. Again, as I said in the beginning, Alderman O'Neil is the one that brought it to my attention that the convention center has talked about Stanton Plaza as a place to build the convention center. And I'd hate to tell somebody we're going to put a Gold Star Mothers monument there and eight months later come back and tell them – it's kind of like the parking garage that was going to be built in center field of the baseball stadium that nobody told the designers that the State had acquired federal dollars to build a 600-car parking garage before they designed the baseball stadium. So, I think it's only appropriate that we give them an answer. And, I don't know, Frank, if that's an issue you want to address this evening or not.

Mr. Emiro stated well, I kind of agree with you Senator and also with the other counselors here, the Aldermen, if we can do the groundbreaking and then we know progress must go on within the City, we certainly understand that, but if we can get it that it's Stanton Plaza as we were promised, and we understand things will change, we're not going to hold anybody accountable. But if we could go ahead with the groundbreaking there at Stanton Plaza and, if things change, I'm sure we can talk to the Gold Star Mothers or, if you folks would like to set up a meeting, we'd be glad to have them come and chat with you. This way you can feel them out and see how they feel and it's not me speaking on their behalf because that's one thing in the committee we do not do. We do not speak for Gold Star Mothers. We're only a committee to do something to recognize them and educate the public. I don't know if the chairman from our committee would like to address you.

Chairman Smith stated not at this time, sir.

Alderman Osborne stated just one more thing. Seeing we have a full Board meeting tomorrow evening, why wouldn't it be advisable to bring him before the full Board tomorrow evening and get it over with once and forever?

Mr. Emiro stated and I can leave this with you to review –

Alderman Osborne continued bring it under new business or something tomorrow evening through the full Board and let everybody decide so the Committee itself here is not responsible for referring something that we don't want to refer to the full Board with. That's all. I thought that would be easier, seeing as tomorrow is not that far away.

Chairman Smith stated what you wish is you seconded the motion and Mark Roy made the motion.

Alderman Osborne stated do you want to withdraw that one and move it to the full Board? It's even faster and a little easier.

Alderman M. Roy rescinded the motion, subject to the Committee on Lands & Buildings viewing and finalizing the location, to approve the placement of the bronze statue at Stanton Plaza or Veterans Park and that the New Hampshire Gold Star Mothers Memorial Association follow through with their schedule.

Alderman Osborne rescinded his second.

Alderman Gatsas stated Chairman, I don't think it has to come under new business. I think it would be Committee recommendations. It has to be reported out anyway. So, we'll bring it to the full Board.

Alderman M. Roy stated question Mr. Chairman. Is that without a recommendation just to keep it moving?

Alderman Osborne stated right, exactly.

Chairman Smith stated I want to thank you, Frank, for coming. And, hopefully, we'll get this resolved tomorrow night.

Alderman Osborne moved that the issue of approving the placement of the bronze statue at Stanton Plaza or Veterans Park be forwarded to the full Board of Mayor and Aldermen. Alderman Gatsas duly seconded the motion. There being none opposed, the motion carried.

The Chairman addressed Item 4 of the Agenda:

4. Requests regarding disposition of the Seal Tanning Lot, Granite Street Lot, and Phillippe Cote Way submitted by the Mayor. Communication from Jay Minkarah, Director of the Economic Development Office, regarding proposals submitted in response to the Request for Proposals issued on December 7, 2007, for the Seal Tanning and Granite Street lots. Communication from Linda Ray Wilson, Deputy State Historic Preservation Officer of the New Hampshire Division of Historical Resources. Communication from Aurore Eaton, Interim Executive Director of the Manchester Historic Association. Communication from Kathleen Mirabile, Chairperson of the City of Manchester Heritage Commission.

On motion of Alderman Gatsas, seconded by Alderman Osborne, it was voted to remove this item from the table.

Mr. Minkarah stated this evening we are bringing a recommendation forward to you for the disposition of the Seal Tanning, Granite Street Lots, and Phillippe Cote Street. It is a recommendation that we, being the members of the committee that review the proposals, believe is in the best interests of the City. Just by way of a little bit of background, I think, as most of you know, this is an issue that's been pending for about 2-1/2, 3 years, at this point. Last September, I forwarded a letter to the Lands & Buildings Committee recommending that a request for a proposal be issued due to our inability to reach a mutually agreeable disposition on the properties or a resolution to these properties. Among the recommendations or key to that were certain conditions. Namely among those was that the lots not simply just be sold, but be sold in a way that would facilitate the substantial rehabilitation of space within historic or potentially historic buildings within the vicinity, as well as provide additional parking and other considerations, of course, such as cost. That recommendation was approved by the Land & Buildings Committee on November 7, as well as by the full Board later that evening. We issued the request for proposals on December 7 with a return date of January 25. Over the course of that period, we received inquiries from four property owners in the Millyard who would qualify, being within a quarter mile of either of the lots. Ultimately, by the closing date, we received proposals from two of them: Brady Sullivan and 1848 Associates and 1850 Associates. The review committee was comprised of myself, Robert McKenzie, Planning and Economic Development Director, William Sanders, Finance Director, Sean Thomas from the Mayor's Office, Brandy Stanley, Parking Manager, and Alderman Mark Roy. We reviewed the proposals; we interviewed both of the proponents, and spent a substantial amount of time deliberating on what really would be the best resolution – which would be the best outcome. Of course, we also consulted with other staff, as appropriate, before coming to this recommendation. The essence of the recommendation is to convey Phillippe Cote Street, as well as the Granite Street Lot and the Seal Tanning Lot, to 1848 and 1850 Associates. Those are the owners of the existing Gateway buildings that are on Phillippe Cote, as well as the owners of the Pandora Building. The Pandora Building would then be sold to CSM, LLC, which was formerly known as College Street, LLC. Those are the owners who are currently redeveloping 300 Bedford Street. The Pandora Building would be restored in a historically appropriate manner, which was a consideration that was important to the review committee, and converted into approximately 100 residential units, depending on zoning. That proposal, we think, not only saves a landmark building which, again, was viewed as very important, but it also added to the mix of uses, another criterion in the RFP in the area which, again, we felt was important. It would help to offset parking demands because the demand for

residential parking and the demand for office parking complement each other. In addition, a parking deck would be built on the Seal Tanning Lot which would add to the total parking capacity within the area. Also, improvements would be made to Phillippe Cote Street and to the Granite Street Lot, which would also add parking capacity. That additional parking capacity would, in part, help to facilitate restoration of the Pandora Building. It would, very importantly, preserve parking for existing buildings and tenants in existing buildings in the Gateway Complex, namely Autodesk and Texas Instruments. It would also facilitate the expansion of those tenants and the full utilization of existing underutilized space within the three Gateway buildings. In addition, we recommend that 92 spaces be made available for purchase to Brady Sullivan to allow for some parking to be made available for the approximately 92,000 vacant square feet within the Waumbec Mill and the 70,000 square feet of underutilized space within that mill. Overall, the effect of this proposal would be to create, basically, a campus-like environment for the three Gateway buildings in the Pandora Building, allowing for a share of parking within that space and, we believe, a more efficient utilization of the space within it, because all the property involved, including the two lots in Phillippe Cote street are all contiguous to each other. In total, there will be approximately just over 500 parking spaces made available in that area and we do think it is a positive resolution of this issue. In saying that, I think we recognize very well that this proposal would not provide adequate parking to meet all of the needs of the adjacent properties or this area of the Millyard. It is our sincere hope, though, that through this disposition of these properties, and, hopefully, by issuing an RFP to the Bedford Street Lot and other improvements to parking within the area and the management of parking within the area, we can go a lot farther or a lot closer toward meeting those overall parking needs so the Millyard, generally, can live up to its highest potential. I'd be happy to answer any questions you may have.

Alderman Gatsas stated I'd like to talk about process first. Because I think that's important when you have the public trust in mind. What was the original offer that was made by 1848 Associates?

Mr. Minkarah stated I believe it was \$465,000. I'll doublecheck that.

Alderman Gatsas asked so with your understanding and the committee's best understanding, what was the best interest for the taxpayers in the City of Manchester? We decided to negotiate with somebody that offered \$1.1 million less than the higher bidder?

Mr. Minkarah stated correct.

Alderman Gatsas asked that makes sense to you?

Mr. Minkarah stated yes, it does, for a few reasons.

Alderman Gatsas asked does it make sense for the taxpayers?

Mr. Minkarah stated I think it does. In the long term interest of the taxpayers, yes.

Alderman Gatsas stated next question. I have a few of them. Are you familiar with the appraisal that was done in 2006? Have you looked at it?

Mr. Minkarah stated yes, I have.

Alderman Gatsas asked you have looked at the appraisal?

Mr. Minkarah stated yes, I have.

Alderman Gatsas asked what did the appraisal call for a price?

Mr. Minkarah stated again, I don't have all the –

Alderman Gatsas interjected want me to help you out?

Mr. Minkarah continued I believe that the last recommendation that the Lands & Buildings Committee made was, I think, it was –

Alderman Gatsas interjected that wasn't my question. My question to you was what did the appraisal say?

Mr. Minkarah stated I don't have that figure.

Alderman Gatsas stated \$1.9 million was the appraisal. Then, with offsets of \$1.2 million because the site improvements that were going to be dealt with at the project were different. We found out, during that time, because I can read through the questioning of May 16, that I asked questions of Mr. Thomas about the retaining wall. The City spent an additional \$200,000 on the retaining wall. That wasn't part of it. The appraisal said that \$330,000 was going to be fixed to the resurfacing of the parking lot and I questioned why we would be paying for the resurfacing of the parking lot to improve the cost. I think it broke down back then at about \$3 a space. Now, I don't think you were telling me, as the Economic Developer of the City of Manchester, that we should be selling spaces, parking lot spaces, at \$3.

Mr. Minkarah stated I would not. But in reference to the appraisal that was done, and I have seen the calculations that were done to arrive at the purchase price, certainly a lot of that took into consideration savings that were going to be generated as a result of the Granite Street improvement project - some of which have happened, some of which have not. But, I think it's also important to stress that the properties at issue here could not have been sold to anyone on the open market. You could only submit a proposal if you were the owner of at least 120,000 square feet of space that could be rehabilitated within an existing historic or potentially historic building located within a quarter mile of the sites. So, I think that would be a significant limitation on the number of individuals who could potentially submit a proposal and, ultimately, make an offer on the property.

Alderman Gatsas stated correct me if I'm wrong – wasn't there discussion less than a week ago or maybe two weeks ago about parking in the Millyard and how vital it was to make sure that all the mills were being able to be developed to their fullest? And the City was looking to subsidize or people were coming to us to ask us, the taxpayers of the City, to subsidize rents in other parking garages?

Mr. Minkarah stated I'm not aware of the specific conversation you're referring to. If it was at the last Board meeting, I wasn't –

Alderman Gatsas stated you were sitting in the second row of that – about parking with – moving people in the Canal Street and the City subsidizing those parking lots from 40 to 70?

Mr. Minkarah stated I was aware of that conversation, absolutely. We've had a number of discussions on the importance of parking in the Millyard and I absolutely would agree it is very important that we provide adequate parking.

Alderman Gatsas asked how many additional parking spaces or, in the garage, were offered by the Brady Sullivan deal?

Mr. Minkarah stated the Brady Sullivan deal offered 300 spaces that would be initially constructed with the possibility of expanding that to 570.

Alderman Gatsas asked so the 570 was not on the table?

Mr. Minkarah stated 570 was the potential future phase. It was a future expansion. But the proposal was 300 that could be expanded to 570.

Alderman Gatsas asked so that's an additional 275 spaces over and above what the deal is before us?

Mr. Minkarah stated if that additional 270 spaces were added, yes. But, the proposal, as it stood at 300 spaces, no, it would not have been 270 more. The proposal as recommended for the 1848 Associates would provide 256 additional spaces of what were there and the Brady Sullivan proposal, without the addition –

Alderman Gatsas asked did you ever talk to the higher bidder to ask them if they'd go to 570?

Mr. Minkarah stated I did not ask them whether they would go to 570. We did have conversations about that possibility and I do believe, although I don't want to speak for them, that they would have been willing to go to the larger parking structure. But I can't say for sure.

Alderman Gatsas stated knowing that parking is a vital cog to the Millyard, why wouldn't you have asked them to put that as a mandatory, as you put some other mandatory letters of credit, things like that, into that proposal? And gone back to them and said \$1.5 million isn't enough, we want \$2 million, and we want you to put in 570 spaces.

Mr. Minkarah replied because, in the opinion of the committee, that wasn't the criterion that was necessarily the most important. We were looking at the overall benefits and impacts of the proposal. The proposal to restore the Pandora Building and to convert that into approximately 100 units weighed very, very heavily on the minds of the committee, so that was a key factor. Secondly, the preservation of parking spaces for existing businesses such as Autodesk and Texas Instruments was a very important criteria. So, yes, absolutely, the possibility of adding 570 spaces was most definitely looked at. It was considered and it was very important. But, on balance, the proposal of 1848 Associates and 1850 Associates, with the recommended changes, we felt was in the best interest, overall, of the development of the area and of the City.

Alderman Gatsas stated that's in your opinion?

Mr. Minkarah stated that's in my opinion and the opinion of all the members of the committee, yes.

Chairman Smith recognized Alderman J. Roy.

Alderman J. Roy stated I'm looking at this proposal and, if we go with what you're suggesting, we're losing \$550,000, \$600,000 in this year or if we're looking at a \$1.6 million deficit, how am I going to justify this in my own mind that this is what's best for the taxpayer? I need a little help on that.

Mr. Minkarah stated I think, from the point of view of the committee, the value is in the added tax value of the restored Pandora Building, primarily, as well as the preservation of the businesses and the jobs within them. I think the concern would be, if we lose the Pandora Building, we lose that potential tax value whereas, if we bring it onto the tax rolls in a restored form, it is an added benefit. And of course, right now, we're looking at underutilized space in the Waumbec Mill that doesn't meet its full tax potential and it would certainly be more so if it had additional parking spaces. However, by taking those away from existing buildings that are using them, we risk those buildings becoming underutilized. So, yes, it's absolutely an issue. There is a substantially higher price offered in the Brady Sullivan proposal, no question.

Alderman J. Roy stated to follow that up, Jay, you said that the development of the Pandora Building – are you saying that, if this isn't awarded to the 1850 Associates that they are not going to develop the Pandora Building?

Mr. Minkarah stated I don't think I would be in the position to speak for them, but as I understand it –

Alderman Gatsas asked are they here tonight?

Mr. Minkarah stated yes.

Alderman J. Roy stated because I guess my question is, if it's worth developing, why wouldn't you develop it – whoever owned the parking lots on each side?

Mr. Minkarah stated primarily because of the lack of parking. Because without additional parking – 1848 Associates' proposal would add parking capacity in the area sufficient to meet the needs of the Pandora Building, as well as the businesses in the Gateway buildings.

Alderman J. Roy stated but the Brady Sullivan proposal was for more parking spaces.

Mr. Minkarah stated the Brady Sullivan proposal was for more parking spaces, some of which could be made available to residential uses in the Pandora Building. But not necessarily for the business uses in the Gateway buildings. That proposal did not offer that alternative.

Alderman J. Roy stated but, on the 1850 proposal, you said that they had to hold out 50-some odd slots –

Mr. Minkarah stated 92.

Alderman J. Roy stated 92 slots for Brady Sullivan. Why couldn't you have asked Brady Sullivan to hold out spots for 1850?

Mr. Minkarah stated we did look at that possibility and I do believe that, although again I don't want to speak for them, but I do believe that Brady Sullivan would be willing to have made spaces available for 1848 Associates. In speaking, however, with 1848 Associates, the additional cost of those spaces would make it prohibitive for their purposes. That would really be the problem. Right now, you have 142 spaces on the Seal Tanning Lot that are being used exclusively by Autodesk. So, they would have to replace those spaces, in other words, purchase the spaces probably at \$20,000 or more per spacing cost, and then, they would have to purchase the additional spaces that they need to allow for any potential expansion of those businesses. And there is at least one of which we believe would expand. Also, right now, on the Pandora Building site, that parking is being utilized primarily, I believe, for Texas Instruments. So, that's part of the mix, as well. So, we did look at that possibility. It was our understanding that that would be prohibitive cost-wise.

Alderman J. Roy stated Jay, on line 3, it says the line of credit's going to be increased to \$750,000 to cover three years of taxes from a renovated Pandora Building. If they decided, for some reason, once they got the parking areas going, that they didn't want to renovate the Pandora Building, would we still get that money?

Mr. Minkarah stated that \$750,000, that letter of credit, would exist specifically as a guarantee toward them completing the building. So, in other words, the reason why that letter of credit is there is that, in the event they failed to rehabilitate that building and occupy that building within the timeframe, that being by 2010, then that's when that kicks in. That's why that's there. It's as an inducement or as a guarantee that they'll move forward with the rehab.

Chairman Smith stated Jay, I have quite a few questions. Going way back, I can tell you that this started in the fall of 2004. And, I've been following right along and, on the Fremeau appraisal, it was \$1.925 million. And he broke it down into \$440,000 for the Granite Street Lot, \$850,000 for Seal Tanning, and \$630,000 for Cote Street. Now, I'm asking you, I know one of the proposals is discontinued for Phillippe Cote Street and the appraisal was \$630,000. The assessed value I don't know because we own the street right at this time. What's your summation on that?

Mr. Minkarah stated as I think I kind of alluded to earlier, these are not properties that were simply put up to anybody for bid. There are only certain purchasers who

were allowed to bid on this proposal - potential purchasers. So, I think that's what impacts the value. We got two proposals. One for \$1.5 million and the one for, I think it was \$465,000. Is it possible that they are worth more? Sure. It is. But I think it's a very, very limited buyer who could really put in a proposal on those. Phillippe Cote even more so because Phillippe Cote Street is the sole access to two of the three Gateway buildings. So, whoever would purchase Phillippe Cote other than 1848 Associates or 1850 Associates would have to accommodate access to those buildings in some way. So that really further limits a potential buyer of the street.

Chairman Smith stated and what I get from your presentation tonight, one avenue is more money, one is more space, but the other one, or the carrot, is the Pandora Building which is a historic building. And it was unanimous on your committee or was it divided on the six members of your committee?

Mr. Minkarah stated it was unanimous. Yes, without question, the Pandora Building we view as a landmark building in this City, really in this State. And the building is endangered, I think we all know that. The preservation of that building weighed very, very heavily on the minds of the people on the committee. The opportunity to restore that building, I should say. And that was a very, very large factor. Another very significant factor, though, was that all of the parking spaces that we're talking about are parking spaces that are being used by existing businesses in the Gateway buildings. Or were, in the case of the Granite Street Lot. That was also a very important factor. Businesses like Autodesk and Texas Instruments are the kinds of businesses that communities strive to attract into their city. We've succeeded in doing that. These are parking spaces that 1848 Associates has been leasing, as I understand it, since 1989. That was a factor that was considered. So, yes. It was the impact of the existing businesses and the importance of the Pandora Building that ultimately made the decision. I don't want to imply that it was an easy decision. It took the committee a long time to reach this conclusion and a number of deliberations. But, in the end, yes. Those are the factors that weighed most heavily.

Chairman Smith stated I certainly agree in preserving the historic because I don't want us to go down the road we did with the railroad station which was right across the street. And I understand with Autodesk, Texas Instruments - they're direct abutters to this 1848, 1850, but can you give me more in detail why I should go one way or the other in my decision? I'm only the Chairman, but I think that you were general on your comments. What would stand out in the mind - the real main difference between the two proposals?

Mr. Minkarah stated one proposal, we believe, would result, in very short order, in the restoration of the Pandora Building. And converting it into a use that, the residential use, which we believe best adds to the mix of the area. The bottom line is that there is not enough parking in the Millyard to convert all of that space to Class A Office. Class A Office is one of the highest demands. So, by providing for a greater mix of uses in the area, we believe that best facilitates the overall development of the area. On balance, you have existing high quality businesses and jobs that we will preserve and a landmark building that we have the opportunity to preserve. Those are really the primary reasons. In the alternative, we will see additional parking provided and space rehabbed into Class A Office space within the Waumbec Mill, but to the best of my knowledge, we have no potential tenant, we have no business that's waiting in the wings to move into that space. Again, I say, to the best of my knowledge. Perhaps there is. So, we have existing businesses on the one hand and the opportunity to preserve a landmark building. And on the other hand, we do have the opportunity to increase parking spaces and Class A Office space. But, on balance, between the two, I think the existing jobs and the existing businesses outweigh prospective businesses and the opportunity to preserve a landmark building absolutely weighs very heavily. The Waumbec Mill is an important building and it's an important part of the Millyard. But, to the best of my knowledge, it's not currently endangered. And I do believe the Pandora Building has a very, very short life if something isn't done very, very soon. I don't believe that building will survive.

Chairman Smith stated and one question for me, Jay. You've got College Street, whatever their name is, they're going to be managing, apparently, the Pandora Building. How long have they been in business, where are they from, and I know they are going to work on 300 Bedford Street, but I'd like to know if they're going to follow it up. Because it seems like we had this discussion before at Riverfront. Everybody promises you a carrot and a cake but, when it comes down to the end, it's not there.

Mr. Minkarah stated they have been in business, I believe, for about 15, 18 years. They have substantial experience in restoring buildings generally, primarily into residential uses, historic mill buildings, in particular. Doing historic rehabs is kind of a niche of theirs which was something else that we found attractive in their proposal. They've done buildings in Lowell, they have a major project in Lawrence, they've done projects in Connecticut, as well as Pennsylvania. If it is of particular interest, I do have a packet with me that does provide some information on the company and some examples of the projects that they've done.

Alderman J. Roy stated one more question about the Pandora Building. CSM – that's the company that's –

Mr. Minkarah stated yes.

Alderman J. Roy asked have they actually gone into the building and done any research whatsoever? If not, that thing is salvageable?

Mr. Minkarah stated yes, they have. That was important to us. They have gone inside the building. Given that they are experienced in restoring mill buildings, including in Manchester, they have a knowledge of the codes because of what they have done on 300 Bedford Street, and they have gone in the building and done an assessment of it. They are confident that they can restore the building despite the damage, which is extensive at this point.

Alderman Gatsas asked did you have an opportunity to read any of the minutes from the May 16 meeting of 2006?

Mr. Minkarah stated I have read some of the minutes of the prior meetings, but I'm not sure if I read those in particular.

Alderman Gatsas stated that was the whole discussion about this sale once before.

Mr. Minkarah stated again, I've read some, I'm just not sure exactly –

Alderman Gatsas interjected well, let me kind of help you out, because there was a discussion that was a pretty long time. I just happen to have them here. And the line of questioning was very similar to what I've given you. And three times this evening, in your discussion, I've heard you talk about how it was imperative for the development of the Millyard that we have parking. I've heard you say that at least three times, if not more. However, your recommendation and that committee's recommendation, as for 300 less parking spaces. That's the recommendation. But I keep hearing how we need parking. And the other thing that really bothers me is that, if we don't do this deal, then Pandora's not developed. But, I look at this deal very similar, if you were here – I think you were one of the six that was sitting there with the baseball transaction – and how we were told by a group of six once before that the taxpayers wouldn't be at risk. If I merely took the \$750,000 or \$250,000 a year and added it to the \$900,000, we'd be at \$1.6 million once that Letter of Credit is depleted and maybe no building ever renovated. Now, maybe we should put in there, as a caveat, because – and I'll take you back to the minutes of the meeting. Mr. Tuttle came in and said that the \$390,000 was in error in the original appraisal. So that took the deal from \$635,000 to \$1.25 million. And then I said, well the additional \$200,000 that was supposed to be for the retaining wall brought the deal to \$1.225. And then we were doing resurfacing for \$330,000 and that brought the deal to \$1.555 million. So the offer we have before us is less than an offer of two years ago. With 300

less parking spaces. I find it very difficult to believe that we are doing the best thing for the taxpayers of this City when we're sitting here saying, here's a Letter of Credit when we heard the letters of credit 7 or 8 years ago when we built the baseball stadium would take care of the taxpayers and there would be no risk to them. I see the taxpayers right at risk again. And I look at this deal and say I'm appalled that we didn't at least sit down with the high bidder and say here are our concerns, this is what we have on the table, and we should talk to you and say are you going to build 570 spaces? Will you make those available to Autodesk because Autodesk was here once before and I asked him to enter into a public, private partnership with a parking garage. Because they have a pretty good balance sheet. And we can borrow money pretty cheaply as a City. So, those questions were all here before, Mr. Minkarah. Those are things you should have looked at and been prepared to answer questions on. Not that you just read them, but you should have been very familiar with the facts. I find it very shorthanded that you are not familiar with those facts and you stated three times that we need parking and you're not looking at an additional 300 parking spaces. I'm really upset by that and the taxpayers in this City should be upset by it.

Mr. Minkarah stated if I may respond. Parking, absolutely - I've said it before and I would say it again - is vital to the Millyard. But parking isn't the only issue that's important to the Millyard. Preservation of the buildings, themselves, that are the essence of the Millyard, I believe is also very important. The overall mixture of land uses in the Millyard is important. There are many issues that are important, parking being absolutely one of them. The issues that you're raising, I am aware of -

Alderman Gatsas asked did the Brady Sullivan proposal talk about tearing buildings down? Not preserving?

Mr. Minkarah stated no. But, in the recommendation that we made, as I said before, the fact that we have the opportunity with this proposal to preserve that building was important. And the overall mixture of land uses in the Millyard and in this portion of the Millyard was important. The issues that you're raising that were discussed previously I am aware of. The members of the committee were also aware of. Some of them were present and participated in those previous discussions. Those issues were absolutely considered and they were debated by the members of the committee. And at the conclusion of our process, considering all of the different factors that are out there, we reached a recommendation that we felt was in the best interests of the City, all things considered. And that's been proposed to you.

Alderman O'Neil stated Jay, there's been a lot of numbers thrown around tonight and I just want to make sure I completely understand. The offer from Brady Sullivan was how much?

Mr. Minkarah stated just over \$1.5 million.

Alderman O'Neil stated and the offer from 1848, 1850 Associates –

Mr. Minkarah stated initially was at \$465.

Alderman O'Neil asked and what is it now?

Mr. Minkarah stated we recommended \$950,000.

Alderman O'Neil stated the net number of new spaces in the Brady Sullivan proposal was how many?

Mr. Minkarah stated in the proposal I submitted was 276 with the potential to add another 270 in the future.

Alderman O'Neil asked and in the 1848, I wrote down 256 from an earlier comment.

Mr. Minkarah stated correct.

Alderman O'Neil asked any idea what the build out of Brady Sullivan would be at max and the build out of 1848 would be at max? What the assessed values would be?

Mr. Minkarah stated no, frankly, if I could, I would defer to David Cornell, the Assessor who I believe is here this evening.

Chairman Smith called David Cornell, City of Manchester Tax Assessor, to the microphone.

Alderman O'Neil stated David, based on the old build out, if I have the numbers right, 1848 was an additional 256 spaces; Brady Sullivan, at the max, was 540, do I have that number right, Jay?

Mr. Minkarah I believe it would be 546 if the additional 270 were added.

Alderman O'Neil stated David, based on those numbers, 546 versus 256, what would be the assessed value on that garage? And then, in turn, the follow-up question will be what are the potential taxes paid to the City on those?

Mr. Cornell stated as far as if the entire garage is built, there have been some costs thrown around, but for a round figure, it's about \$20,000 per space. At 546, it would be a little under \$11 million.

Alderman O'Neil asked and how about at 256?

Mr. Cornell stated at 256, for the smaller structure, they're actually cheaper to build, you start to get into the greater costs with a bigger garage because there's more infrastructure cost. At \$12,000 a space, you're looking at roughly a little over \$3 million.

Alderman O'Neil asked and can you roll that to actual property taxes on each one then?

Mr. Cornell stated at the little over \$3 million, using the current tax rate, it's roughly \$51,000 in taxes and I believe, just using round figures, at \$10 million, it equates to about \$165,700.

Chairman Smith recognized Alderman Lopez.

Alderman Lopez stated two or three questions have already been answered. Just one. What if the apartment building, David, as was indicated, was 100, 104 apartments, before you answer that question – Jay, that's authorized for that many apartments in that building is that correct?

Mr. Minkarah stated I believe if you went to the 104, you may need zoning approval. The 90 you could do but, if you go higher than that, I believe you'd need some zoning action. Approximately 100, I think, would be reasonable.

Alderman Lopez stated so David, two questions. In comparison to the numbers you just gave Alderman O'Neil, I was going to add, the other garages that we have, is that in comparison to the other garages we have in the City of Manchester? And the second question is what is the total asset, the assessed value of the Pandora Building with 100 or whatever number you're using.

Mr. Cornell stated the other garages in the City are assessed below that but, keep in mind, most of the garages in the City are much older. There has been no new construction of a garage for quite some time. As far as the value of the Pandora Building when it's completed, if you look at the proposal, they're proposing a tax

payment of \$250,000 a year. If not, the Letter of Credit kicks in. So, if you convert that into what type of an assessment would that generate, it's roughly about a \$15 million assessment that would be needed to generate the \$250,000 in taxes.

Alderman Lopez stated that \$250,000, which includes the \$27,000 that we're getting now in taxes – correct?

Mr. Cornell stated that's correct. Because the current assessment on the building is about \$1.6 million.

Alderman Lopez stated so, therefore, as you move along, just walk me through this, Jay, the \$250,000 that you negotiated or Letter of Credit. In the year 2010, the building, and David, you can help out, 1/3 and it doesn't come up to \$250,000, we still get the \$250,000?

Mr. Minkarah stated we haven't put all the terms together, yet, but, as I understand it, if the building does not complete by 2010, then we would kick it in as proposed. It would be a month to month payment so that \$250,000 would be broken up on a monthly basis and they would start monthly payments. The whole purpose of that letter of credit is to get that building restored. That would be my opinion. If that building is not completed, that restoration is not completed, those payments kick in.

Alderman Lopez stated this is just a comment. It's a very tough decision all the way around for the simple reason that that thing has already been mentioned at the Riverfront project.

Alderman M. Roy stated I have too many hours and too much knowledge now about Millyard parking to abstain. This basically boils down to the one question to me. And it's who gets hurt and for how long. As we go into selling off public lands. The only way no one would get hurt in this endeavor would be for us as Aldermen to go ahead and convince the Mayor's Office to go ahead and bond the garage and build it and do it the way Frank Thomas had talked about three or four years ago. A parking deck on Granite Street, a garage on the Seal Tanning Lot, put public monies into solving what is a business problem for every Millyard owner. So, my decision on this committee and the work of Jay and the other committee members, in my opinion, came down to who gets damaged the least out of going forward with either of these proposals. Looking at the Brady Sullivan proposal – it's beautiful, it's wonderful. I've commended them and their real estate department for putting together a great proposal. But it doesn't solve the problem for other Millyard owners. Demographically, the way the south end of Commercial Street sets up, you have the opportunity, as we did a couple years

ago, to put together a campus-like atmosphere, solve one of the major parking problems, maintain businesses that are already there, and not go forward with a very nice proposal, but go forward with what is also a good proposal that solves a problem for south end Millyard owners. We then have the opportunity by not hurting Brady Sullivan to go ahead and work further north to solve their problem. Which is not only the Waumbec Mill, the Jefferson Mill, Ralph Sidore's in the audience today. Every Millyard owner has a problem in the Millyard because the mills were not created for the type of uses they have today. So, as I look at this proposal, yes the numbers are different. But what it does is it gets the Pandora Building back on the market or back on the tax rolls at a \$10-\$15 million value which, unlike the baseball where there is a debt service that we're paying with letters of credit, there is no City debt service. The City is washing its hands of any payments. So, unlike baseball and that reference, we're not buying into something, we're not leaving the taxpayers on the hook for something, we're getting a building back on the tax rolls at its highest and best value. What that does in damage to Brady Sullivan, we can correct further north. It's not allowing them the opportunity to develop or fully develop the 90,000 square feet of vacant space in the Waumbec Mill. We're not hurting them anymore than they've been hurt just by the time, ownership, and location of that building which they purchased a number of years ago. One thing I did tell a constituent I would do this evening and, with your indulgence Mr. Chairman, I'd like to ask everyone that is here for the preservation of the Pandora Building just to stand so we can see why people are here. So, if there are people here just regarding Pandora preservation, please stand. There are many familiar faces in this audience and I think almost every conservation group and most of the building owners in the Millyard are here and standing.

Alderman Gatsas interjected why aren't the people from college standing?

Alderman Roy stated well, we don't –

Alderman Gatsas stated I was just checking – I didn't know if they were opposed to that.

Alderman M. Roy stated they feel it's a conflict of interest (laughing). With that said, Mr. Chairman, there is a difference in sales price, there is a difference in the parking spaces. What I came down to in looking at this is Brady Sullivan offered 276 spaces today and, when it was economically feasible, to build another 270. So, in front of us today, as Alderman Gatsas has said many times, a bird in the hand – I looked at that as 276 versus 256. And I would much rather go ahead and get a building on the tax rolls for \$15 million and work to solve other Millyard owners' problems with other City-owned land further north so we can go ahead and solve every problem, not just one.

Alderman Gatsas stated I guess I have a question for Alderman Roy. I guess he drew me into it so I thank you for opening the door. Did you ever negotiate with Brady Sullivan and ask them the question if they would build out the 520.

Alderman M. Roy stated I did ask them that question.

Alderman Gatsas asked and what was their answer?

Alderman M. Roy stated no. They said when it was economically feasible, they would do the second phase of their development which is the additional 270 –

Alderman Gatsas asked did you ask them that in writing or how did you ask them for it?

Alderman M. Roy stated the interview with the committee.

Alderman Gatsas asked they came before the full committee?

Alderman M. Roy stated they came before the full committee.

Alderman Gatsas asked that was on their first presentation and not a renegotiation?

Alderman M. Roy stated that was the only presentation I believe either –

Alderman Gatsas stated so there was no re-negotiation saying will you build it out now?

Alderman M. Roy stated no, you're right.

Alderman Gatsas asked did the committee talk about a reverted clause? Let's assume in three years, we're stuck in the same position as we are with baseball. That the letters of credit have expired. Would the Pandora Building revert back to the City for the same price we sold it for?

Alderman M. Roy stated we don't own it so we can't revert it.

Alderman Gatsas state no, no. I asked you a question. This whole premise is based on the development and the preservation of the Pandora Building. That's what I've heard, that's what I've listened to. Why wouldn't one of the stipulations be in here that, at the end of three years, if it was not done, then it would revert back to the City. Or maybe we should take it as a blighted building under Eminent Domain. That might be a thing. Because it is blighted. Because I understand

there are a lot of developers around that would start a development on it tomorrow. Did you ever discuss that conduit?

Alderman M. Roy stated first of all, we can't revert something we don't own. The Pandora Building is a privately-owned building. So to answer Alderman Gatsas' question, neither the City Solicitor nor prudent business would allow you to revert something that the City does not own. That being said, to make it about what we can sell, which is the Seal Tanning Lot and the Granite Street Lot and the roadway, I have asked. In part of the ongoing purchase and sale would be that, if this doesn't go forward, i.e., they don't develop the building, we would not go through with the sale. The deeds would be held or a lien would be placed on that in order to accomplish the development. So, we're not going to be sold a bill of goods today and nothing happen three years from now. As part of that, we've also asked for the letters of credit to go ahead and secure three years' worth of payment should this real estate market drag out and they not develop the building in a timely manner. So, those discussions have happened and the questions have been asked and this is a one-page letter in front of a committee, not the hopefully 30-pages long purchase and sale agreement that the parties will go through.

Chairman Smith stated I'd just like to ask one question, Jay. In regard to the two proposals, you met with each proponent once?

Mr. Minkarah stated yes.

Chairman Smith asked just once?

Mr. Minkarah stated just once.

Chairman Smith asked everybody was given equal chance to give their opportunities to the start.

Mr. Minkarah stated yes.

Alderman Gatsas asked you never spoke with 1848 Associates after that first time?

Mr. Minkarah stated I spoke with both parties after the first time.

Alderman Gatsas asked did you negotiate with Brady Sullivan and did you negotiate with 1848?

Mr. Minkarah stated no. I did ask some additional questions and absolutely did propose some different scenarios, did talk about some different issues, but –

Alderman Gatsas interjected make it very specific who you did that with, please.

Mr. Minkarah stated with both parties. We did not, however, negotiate. What we did was meet as a committee and decided what the conditions were that we felt were prudent and we put those forward in a recommendation. So, it was not necessarily a back and forth or a real negotiation. Based on our conversations, based on (inaudible due to interruption). That's what we did and we brought it forward to you.

Alderman Gatsas interjected is it normal business –

Alderman O'Neil asked Jay, do you know, is there an agreement between 1848, 1850 with College Street?

Mr. Minkarah stated it is our understanding that they have a purchase and sale agreement for the sale of the building. I believe this is a condition of that sale.

Alderman O'Neil asked and do we know – has anybody from city staff seen the requirements for parking related to that?

Mr. Minkarah stated as I understand it, in part, that's going to be driven by how many units they have. As I understand it, there are 119 spaces on site and that would be adequate to meet their needs but, the way it's going to be proposed –

Alderman O'Neil stated let me stop you right there. You're saying 119 spaces on site at Pandora meets their needs but, we're being told tonight, the sale – contradicts everything you've said.

Mr. Minkarah stated what I was trying to say is that there's a parking sharing agreement that is proposed as a part of this. Some of the parking needs for the Pandora Building evenings would be on Seal Tanning or Granite Street Lots. During the day, parking on the Pandora side would continue to be available to Gateway tenants. So, I misspoke. It's a shared parking arrangement that's proposed for this project.

Alderman O'Neil asked would you agree that if the City decided to build out a parking facility of whatever level, whatever number of spaces, it could work for the Waumbec Mill, could work for Gateway, with Texas Instruments, Autodesk, it could work for Pandora, could work for what I'll call the Jillian's Building? Is that a true statement I made?

Mr. Minkarah stated I believe that, if the City were to build a parking facility in the Seal Tanning Lot, it could, depending on what we ultimately charge, if we

were to charge market rate, not necessarily cost, but market rate for those spaces, it would go a long way toward meeting those needs. I would honestly be concerned that a structure the size that was proposed in the Brady Sullivan proposal of 570 spaces – I would be concerned as to what the impact of that might be on the surrounding buildings or whether that, in particular, is feasible. We had hired an engineering firm last fall to do a study of a proposed parking garage on that site. My recall is that the most we thought we could really put there, economically, was about 450. But I do believe, absolutely, if the City were to invest in a parking garage on that site and perhaps some other sites in the vicinity, some other improvements, and make those spaces available at market rate, that could benefit both parties.

Alderman O'Neil asked and would you agree that it would make a level playing field for all developers in the area, 1848, 1850 Associates, College Street, Brady Sullivan?

Mr. Minkarah stated yes, I do.

Alderman O'Neil stated and any others in that area. It would make a level playing field so we would not be pitting developer against developer which is what's going on here.

Mr. Minkarah stated I would agree, with the one caveat that market rate for structured parking would be about double the current rate for surface parking. So, I can't say that there would be no adverse impact, because that would represent a significant increase in the cost of parking to exist in businesses in the area. But, if you were to create such structured parking and it would be offered to anyone at the market price, that would be a level playing field, yes.

Alderman O'Neil asked do you think that is in the best interest of all parties?

Mr. Minkarah stated I'm not sure that I could say it's in the best interest of all parties. I think potentially it is a fair resolution of the situation. I'm not sure I have the confidence that the City will move forward to make that kind of investment, because it hasn't appeared to me, in the time that I've been here, that there has been a willingness to make significant investments in structured parking. But, certainly, if that were the will of the Board, we would be very happy to work on such a proposal.

Alderman O'Neil stated I hate to keep using this phrase, would you agree that we have made some changes in our structure of the operation and management and financing of parking in the last two years – one of which is a staff person, or many staff people, that work for you, but you now have a direct report that is the Parking

Manager that a year and a half ago didn't exist in the City of Manchester? And that an enterprise system did not exist in the City of Manchester.

Mr. Minkarah stated definitely.

Alderman O'Neil stated so we haven't really gone through that formal process of what it would take on our end to get this done and what agreements would need to be worked out with all the parties I listed earlier, including College Street with this Pandora deal. So, I think, regarding parking, we need to make sure that we create level playing fields. This, Jay, in all honesty, is all about Pandora. And it may have been why the Anagnost Company didn't submit. It's interesting that College Street has an agreement with 1848, 1850. That left one man standing or one company standing, Brady Sullivan. I'm not sure that was the intent out of the box. That certainly was not where I thought this thing was going, but it's all about Pandora. If you look at your ratings sheet, it's all about Pandora. Pandora, Pandora, residential, residential. That's what this whole thing's about. I wish we would have had that discussion that that's where this was going. We might have been able to save a lot of staff time and save a lot of time for the developers.

Alderman Gatsas stated I think Alderman O'Neil is down the right path. I think this comes right back to what I talked about at the Center of New Hampshire. And that was condominiumizing the spaces that were there. It certainly would make sense and behoove us that we have a private developer build the garage, condominiumize the space because it would add a tax base to the City and we wouldn't be in the garage business. But I think Alderman O'Neil is on the right road. That the 520 spaces be condominiumized and we, as a City, can control price as we go out for an RFP to say, whoever wants to buy one, it's at cost, \$20,000 - you buy as many as you want to buy. So, if you want to buy 100 spaces, you buy 100. So, I think that's the viable way of doing it. That way, the tax base is increased in the City, we don't get back into the parking garage business and, in 10 years, another Board sells them for 50 cents on the dollar like some of us did here. I think that's an important issue. I think it's paramount that we get parking in the Millyard. We've heard that from the economic developers saying that's the ideal thing. And you're right, Alderman. For some reason, this talks about only Pandora and I know that there are a ton of people that would step up to the plate to develop Pandora. There is no question. And this proposal was never just about developing Pandora. Because I don't see anything in it that says if you don't, something reverts back. Because we saw what happened with the baseball stadium. It's very clear this is going down that same road.

Alderman Lopez stated I would like to ask Mr. Mackenzie, who's been here for a long time, his opinion of this whole situation. I know he's on the committee, but I do know there's history of the 1848 Associates. I do know that, when there was

nobody in the Millyard - but I'd rather hear him speak because I think he has his heart in the City of Manchester. But, I'm trying to make a decision here and everybody has some very good points. Is this in the best interest of the City, Mr. Mackenzie?

Chairman Smith recognized Robert Mackenzie, City of Manchester Planning Director.

Mr. Mackenzie stated I'll answer that and I did have another comment if I could, Mr. Chairman. I did sit through the committee meetings. I believe that the recommendation is good. I think that Jay has hit upon the primary topics. I don't think it's just about the Pandora Building because there are other really important factors at play, in my opinion. So, I believe that this particular proposal is in the best interest of the City. The other factors that are at play that weren't discussed too much are that I'm concerned about any structure that would go over a certain height. I think if you have a 520-space garage, it will block the front to the Gateway 3 Building where Autodesk is. I think that will have a negative impact on the assessed value of that building. I think it will have a negative impact on the tenants, which is Autodesk. They have, in the past, expressed their concern about the height of that and blocking their façade from Commercial Street. So I think even if the City were to build a facility, I think there's a cap on the number of spaces without negatively impacting Gateway 3 Building or Autodesk. So, I look at this and say we have some important businesses at hand that many competing cities that compete against us would love to have. And that's Texas Instruments, that is Autodesk. Autodesk is one of the premiere CAD companies in the world. They have a significant number of employees. And these are high end; I call them manufacturing jobs. So, I think one of my concerns is not just Pandora, but preserving businesses and preserving the value of that Gateway 3 Building. And I think that certain - I know that Randy and the staff did look at a building facility there but, again, I continue to have reservations that we might shoot ourselves in the foot by building a building that is too high, block the view of that building and diminish the value and potentially, at some point, lose that valued tenant.

Alderman O'Neil stated Bob, I remember both Texas Instruments and Autodesk here two and half years ago, three years ago, maybe, two separate nights, and both talked about the need for spaces, the need for spaces. Are we saying now there's a need, but we also need to be concerned about how high we can go? And that outweighs the need for spaces?

Mr. Mackenzie stated I think it is a balancing act where, yes, you cannot block one of the largest buildings and one of the largest manufacturers in the City without affecting the value and potentially affecting their tenancy. It is a balancing act that I think, in this case, where they're proposing residential, that is actually a good

mix for the Millyard because you do not create additional daytime need. The need is at night and that's when the offices are vacant. So you bring in a mix that's good for the Millyard and has the plus of businesses who want to relocate their workers there. And we've had that concern expressed by companies like Riverstone. They wanted to find a place in the Millyard for their employees and they could not find them a place to live there. So residential has a potential benefit for the Millyard businesses and it has a benefit for parking because you add a use, a taxable use in the Pandora Building, but you do not add more daytime parking and compete against the offices.

Alderman O'Neil asked was residential use in items such as height or aesthetics of the garage, size of the garage, was that a qualifying factor in the rating for the selection of –

Mr. Mackenzie stated I know it factored into my personal observations on the committee, but I'm not sure –

Alderman O'Neil asked did the RFP clearly say that?

Mr. Minkarah stated the RFP did say that uses and how the proposal would contribute to the balance of the uses in the Millyard was the criteria. And yes, design and compatibility with the surrounding area, those were also criteria.

Alderman O'Neil stated but, Jay, those are pretty broad conditions you just listed. They're very broad, subject to a lot of different interpretations. Maybe we should have been a little more specific?

Mr. Minkarah stated perhaps. But those were, in fact, factors that were listed in the RFP.

Alderman Osborne stated Mr. Mackenzie; I guess I'll address it to you a little bit. I've always felt as an Alderman, maybe I'm on the wrong committee here, but as far as garages, I think [they] should be the private sector. I think that the private sector can take its course. All the time relying on the City or the taxpayers for bonds or whatever it might be – I know and, of course, Mr. Gatsas knows that we couldn't even sell a couple of our garages for hardly anything. And here we are, and we put up the Bridge and Elm, which I voted against anyway, because I didn't feel like bonding another \$5 million garage, when we couldn't sell two of ours for \$3. I've said this a few times, I realize this. But, I think the best way for this whole thing is to just be to the private sector. I think, let it take its course instead of us beating our heads to the wall and deciding how many floor there's going to be and everything else. I think whatever property is out there, if they buy it, they can do all the venturing with the planning and zoning and whoever they want to

and come up to the City here for any purchase of the properties and this is what we're interested in. What they build and how many parking spaces, we can't really put our hands on everything. That's almost impossible. Let the private sector take its course.

Mr. Mackenzie stated I would agree with Alderman Osborne in this particular situation. This is a location where we have major investors nearby. It is a site that can be left to the private sector without the City having to come up with \$18 million, let's say, in bond money. There may be other places I would disagree with you, Alderman, but in this location, I think this is a place that should be left up to private investors for providing that parking.

Chairman Smith stated excuse me, Bob, while I have you here. Do you know right offhand how many employees Autodesk has at this time and how they've expanded throughout the years or Texas Instruments, because this is a major concern for one of the proposals here because all of these properties abut 1848.

Mr. Mackenzie stated I do think that Jay maybe has some of those numbers. I do know that Autodesk is wanting to expand here in Manchester.

Chairman Smith recognized Robert Tuttle

Mr. Tuttle stated I am Bob Tuttle, one of the general partners of 1848 Associates. I am one of the proponents. Autodesk and Texas Instruments are tenants of 1848 Associates. Autodesk right now has approximately 400 employees, looking to expand to about 500. Texas Instruments has about 200 employees. Kana software has additional employees and Freudenberg has additional employees. Obviously, Jillian's, in the same building, employs people, as well.

Chairman Smith stated if I could ask you one question. How long have you been utilizing the Seal Tanning Lot? How many years?

Mr. Tuttle stated we paid for that parking lot for five years, never using it because it was explained to us by the City that the only way for us to be assured that we would continue to have access to that parking lot was to rent it. So, we rented it from 1989 to about the mid-1990's without utilizing the space. And we have leased it continuously since 1989.

Alderman Gatsas stated what are you paying for rent per space there?

Mr. Tuttle stated I would call it an economical \$40 per month. The same as the other service lots in the City.

Alderman Gatsas stated so it's the same price?

Mr. Tuttle stated correct.

Alderman Gatsas asked so, if I went back and did a capitalization rate based on the parking spaces, the 66 that are in the Granite Street Lot and the 104 that are in the Seal Tanning Lot –

Mr. Tuttle stated 142, sir.

Alderman Gatsas continued 142 – that's 208. If I did a cap rate, what should I use as a cap rate to come up with a reasonable sales price for those two lots, just based on income? And then I'm going to ask you to do the same thing as if it were a rate that should be charged that's probably closer to \$70, because the City does give away its space so we can incorporate tenants in the buildings. But that cap rate would be at 10, 9?

Mr. Tuttle stated on that order of magnitude, yes.

Alderman Gatsas stated so if I did a 10 rate –

Mr. Tuttle stated you would get \$1 million.

Alderman Gatsas stated see, I guess you've done this before or knew what road I was going down.

Mr. Tuttle stated I just tried to calculate it.

Alderman Gatsas stated you did it very well. So you're really offering less than what the cap rate is and certainly less money than when you were before us in May of 2006 when you stated in the audience that the \$390 was the wrong number. That is should be included at the \$635 number.

Mr. Tuttle stated I think I honestly concurred with you that you had detected a flaw in the logic that had been used at that time.

Alderman Gatsas stated obviously the committee never read the minutes of that meeting which have got you to somewhere over \$1 million or close to \$1.1 million.

Mr. Tuttle stated I agreed with you on the \$390,000 issue that you raised, sir. I think there were a couple of places where I wouldn't, but –

Alderman Gatsas stated but the other \$200,000 for the retaining wall would be another one that everybody agreed to.

Mr. Tuttle stated we were planning to pay for it. That \$200,000 never was spent. They never made that wall deeper, sir. They were going to make the wall deeper at the time. We were proposing decks over the Granite Street Lot.

Alderman Gatsas stated I think this discussion was – you will find that that wall was made deeper and City paid for it in the testimony from Frank Thomas.

Mr. Tuttle stated they intended to, sir. I believe they did not. When that plan was not approved, sir.

Alderman Gatsas stated well, I guess that's a discussion for another day. But the offer is less than you had offered two years ago.

Mr. Tuttle stated I believe the number that was proposed by the committee was \$950,000 which, I believe, is \$300,000 more than what was on the table two years ago.

Alderman Gatsas stated well, no. Not after you said that there was a disagreement.

Mr. Tuttle stated if you add the \$390 –

Alderman Gatsas stated that you had already agreed to.

Mr. Tuttle stated it's almost the same number, sir.

Alderman Gatsas stated it's less.

Chairman Smith stated I think we have had a lot of discussion and unless anybody else wants to put any input into this. Would anybody from the staff or recommendations or anybody from the board like to speak before we address it? The way I look at it, it comes down to the committee recommends that the proposal 1848 Associates and 1850 Associates be accepted with the following conditions which are listed in these memorandum and there is about 5 of them. What are your wishes?

Alderman M. Roy stated I appreciate that we've had some discussion and I would say that the committee has looked at every alternative and this is just the beginning of the solving of the parking process in the Millyard so I would make the motion that we accept the committee's report and pass it along to the full Board tomorrow evening.

Chairman Smith asked is there a second?

Alderman Gatsas stated I'll make another motion. I make a motion that that committee goes back and negotiates with both prospective purchasers to obtain a right deal for the Millyard, the entire Millyard, because I have some concerns that the parking there – we haven't even talked about additional revenue from either the Verizon Center parking on an evening basis or the baseball stadium additional parking. So I make that as a recommendation; that you go back and negotiate with both and come up with a deal before this Committee that makes sense for the taxpayers of the City.

Alderman Osborne stated a deal – what is the deal at the end? Is the City still going to have any City money in it, as far as the bonding, or is this all going to be private?

Mr. Minkarah stated this would all be private. The properties would be sold under the recommendation to 1848 and 1850 Associates and we would no longer have any participation once the deal is concluded.

Alderman Gatsas stated that's not the motion I made.

Alderman M. Roy stated that's the motion I made.

Chairman Smith stated it wasn't seconded. As Chairman, I really think that we have to step up to the plate and make a decision and this has been going on for years. The Pandora Building, which I think highly of, it's been in disrepair. I don't know when the City turned it over. Maybe, ten years ago. Bob, do you know when we turned it over?

Mr. MacKenzie asked the Pandora Building?

Chairman Smith answered yes.

Mr. MacKenzie stated the City never owned it. It was offered to give it to the City for a dollar and that was probably on the order of 20 years ago.

Chairman Smith stated so it's been deteriorating for 20 years.

Mr. MacKenzie stated yes.

Chairman Smith stated gentlemen, I think that we should come to some type of conclusion tonight and I'd like to see this move along. My own personal opinion is that we had a committee put together and they voted unanimously to pick 1848

Associates, 1850 and we had both parties in. It's too bad, because I think parking is definitely essential to the whole Millyard. There's no ands, ifs and buts, and that's why I would propose working with the developer for the Bedford Street Parking Lot to help out. Here or there, I really think we have to make a decision. We've been sitting here and we knew this going on. The committee's worked hard and some people agree, some people might not agree, there are two fine proposals from two prominent people and it's just too bad that we have to pick one or the other and I don't know if we can make a decision here tonight. But, if that's the case, then so be it.

Alderman Gatsas moved to accept the proposal of the highest bidder, seconded by Alderman Osborne.

Alderman M. Roy stated while I see that that comment plays well, that we're taking the highest and most money today, I think that does a disservice in the long run to both property owners. Not only does the Waumbec Mill owner, who is the high bidder price wise and who this would directly benefit, have to build a large garage that solves some of the Millyard problems but not all, but we don't look at the long term effect of the tax base. If we go with the recommendation of the committee, we have the opportunity to put the Pandora Building back on the tax base and get a historical asset refurbished. By a company that's not currently a developer in the City, but working hard to come to the City, and doing a great job at 300 Bedford Street and is committed to our Millyard. If we go with the recommendation, we take less money today, but in the long run, when we have the opportunity of preserving the Pandora Building, which is a historical asset, bringing all of that square footage back on the tax base and then still working with the owners of the Waumbec Mill who would not be the recipient of these lots to solve their problems on other City land. So we have the opportunity to solve most of the problems in the Millyard on two pieces of property – the Seal Tanning/Granite project and the Bedford Street project. And with aligning ourselves with nothing other than the high bidder or the highest dollar value in order to accomplish this goal. I think, as I've said to Alderman Gatsas before, I would much rather get \$350,000 in taxes every year, than take \$550,000 today. I think over the long run we're doing the taxpayer a disservice. And that is one of the main reasons that we came to this conclusion. We can solve the Millyard problems with parking. We just have to recognize them and work through them and, politically, go ahead and potentially bond something.

A roll call vote was taken at the request of the Chairman. Aldermen Gatsas, Osborne, and J. Roy voted yea. Aldermen M. Roy and Smith voted nay. The motion carried.

Alderman M. Roy stated Mr. Chairman, with that motion passing, I would ask that the committee report be forwarded to the full Board for their information for tomorrow evening as I believe the motion will be coming out tomorrow evening. So we can continue this discussion tomorrow evening at the full Board level.

The Chairman asked do you want to file a minority report?

Alderman M. Roy stated yes, sir.

There being no further business, on motion of Alderman Gatsas, duly seconded by Alderman J. Roy, it was voted to adjourn.

A True Record. Attest.

City Clerk