

COMMITTEE ON LANDS AND BUILDINGS

April 8, 2008

5:30 PM

Chairman Smith called the meeting to order.

The Clerk called the roll.

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

Absent: Alderman J. Roy

Messrs.: H. McCarthy, T. Arnold, H. Ntapalis, D. Bush, K. Edwards, J. Minkarah, D. Connell

Chairman Smith addressed item 3 of the agenda:

3. Communication from Howard McCarthy requesting access to the power box in front of Radisson Hotel and Stanton Park.

On motion of Alderman Osborne, duly seconded by Alderman Gatsas, it was voted to discuss this item.

Mr. Howard McCarthy stated I brought this box along because it has a lot to do with the word 'liability.' I've been before this Land and Buildings Committee before and the truth of the matter is that they didn't give me a chance to really speak and explain myself and what I'm about and why I am asking what I'm asking. And it's not just a little bit of electricity, which is of course what I'm looking for, because the power is there. There are a number of power boxes along the street that have been there for a long time, and it cost the City a lot of money at one time to put them there. I understand that those power boxes were put mostly for decorating the City especially at Christmas, the Christmas lights, special events, possibly emergencies. So the reasons are good that they are there, but they are hardly ever used, with the exception of what I just said around Christmas time. I see another reason to use them. What I'm hoping that I can do here is to put positives instead of negatives. But before I do that, what I want to say is that a man does things for two reasons: the good reason and the real reason. Let me tell you about the real reason. Many years ago over in Goffstown, a fellow by the name of Louie Prince made a cart and he put it down on Mast Road in Waverly Street, I believe, and he sold popcorn. Later on, that cart was bought by a fellow called Charlie Prince. He moved it to its present location in Goffstown that's next

to Sully's grocery store. That cart has been there since 1930, and the fellow that ran it was Charlie Prince, and he became very popular when he used to yell out, "Hot buttered popcorn." People came to him for years, and he made his mark there. Today that cart is still there and has a lot to do with when people say, if you ever go to Goffstown and you are looking for any particular place to go to, anybody on the street will say, you know where the popcorn cart is. And most people do know, but they don't know the history of why that is there, and the thing is, it's there because it symbolizes something that occurred many years ago. And the town of Goffstown reveres that, and that will be there forever and ever. I became very fascinated with that cart and the history and the whole story. It seems to represent Goffstown, and I said to myself, why can't something be done similar to that? Not exactly, but why not something to represent Manchester? Outside of the buildings that people know about, and of course we now know about the Verizon and places like that that people come to in this City to get their entertainment. But something else, in my mind, is needed. I am a vendor at the Londonderry Flea Market, and I sell ice cream and many other articles, but mainly ice cream. And I'm getting to be somewhat popular, and I'm doing pretty good over there. And I enjoy it. And I enjoy meeting the people and speaking with them and having some fun. So now I applied to sell ice cream on Elm Street. I have already been given permission to do so. So that's a given. One way or the other, with or without the electricity, I will acquiesce, and I will do the City's bidding. I only ask that you just listen to me now and see if I can put some common sense into what I'm asking. I'm asking for electricity to power the freezer. Not much. My time on the street will be approximately noon to five, six or seven o'clock, depending on how I feel. So we're talking about...24 hours in a day...so I'll be on the street for let's say five or six hours. That's a total of 30 hours. We're talking money now. We're talking about the amount of time that I would be using that electricity, which would be approximately a little better than a day. Over in Londonderry the same equipment that I have over there runs 24 hours a day, seven days a week, because I'm not about to pick up the freezer and the refrigerator and whatever else I had there and bring it home every night. Now the rules are here that a cart can only stay on the street for so long and then it has to be removed. So the cart that I have is a homemade cart and not the final cart because I don't know how I'm going to do. I'm not going to put thousands of dollars into something, but I'm willing to, to get the proper cart that will represent this City. In the meantime I have a homemade cart and it passed all the inspections of Health and everybody else, and the Police and the Fire departments okayed it. I've been to Concord and got my licenses there, whatever they needed to sell ice cream. So everything is ready to go. I'm ready to go. The weather is breaking. The ice cream season is here. So, when I went before this Board two, three or four months ago, whenever it was, I was called. I sat here at this desk waiting to ask some questions. That didn't happen at all. The Aldermen started to discuss my case without really knowing anything about me, except that I just

wanted electricity. So they denied me for a couple of reasons. One is liability. It's okay. I understand things like that. Liability is a necessary thing to have here in this day and age. But sometimes liability can become a disability. So I have taken every possible precaution that if I go on the street and am able to just plug in to that power box, there will never be a liability question. Now, I've had this box to fit right over the power box. The cord going into it is about from the cart to here, about four inches. I don't think anybody is going to be able to stick their fingers or put their head in there and get electrocuted. This box will fit...If you're thinking of a cord that's going to go three, four, five, twenty feet, it's not going to happen. The cart will be placed right next to the power box, so there's no way that anybody could ever get hurt. What I am proposing is something innovative. It's good. It will be good for Manchester. I like to talk. I like to have fun. I like to talk with people. And yes, I think I could learn...yes, I am not adequately learned about the total history of the City. I will learn. I know some things. I do know it's called the Queen City, but now I'm wondering, if it's the Queen City, does it have a heart? I hope so. Another reason that I was denied...I have something that I'd like to read quickly for you. It's a matter of who will turn the power on and who will turn the power off? And I understand that a representative of Parks, Recreation & Cemeteries...Ironically enough, when I applied no one knew what to do with Howard McCarthy. But I was told to go to Parks, Recreation & Cemeteries. And there I went, and I met somebody who is no longer working for that department. His name was Ron Ludwig. Nice fellow, but when I told him what I was looking for, he said, I don't see why not. And I said, wow, this is golden. But he says, but I can't help you because I'm going to retire next week. So there went my golden opportunity, you might say. And since then, I've had nothing but the runaround for a year. One year I've been at this. So I'm irate. It even got to the point where I started to think that I was losing my civil rights. I happened to bump into the Mayor the other day. We just talked briefly. He said you are entitled to your civil rights, Howard. So this is my moment. This is my 15 minutes of fame. Andy Warhol said that in the 60's. He was somewhat of an enigma, but he was still a wonderful man. And he said that everyone will have 15 minutes of fame. Well, this is it. This is it for me. I did meet an Alderman who I admire, and he said, if you do go before this Board, can it be the end of you making requests? And the answer to that is yes. One way or the other, you win. Because if I go on the street, and I'm going on the street, and have to use a generator that's polluting and expensive to run. Don't kid yourself. Three dollars a gallon for gasoline. It's cumbersome. It's expensive. Because I have a friend of mine who uses a generator and it costs him eight dollars a day. It's ridiculous. My cost over in Londonderry for the month is \$20 and it runs 24 hours a day, seven days a week. My total time on the street will be approximately 90 to 100 hours. What's that? Three days or four days? So cost is not the issue here. The issue is that the power is there. It would be good for me because I don't have to worry about filling that generator up. It's a pest. Remember, it's also polluting.

Now everybody talks about...and their rhetoric goes in the vein of, 'save the earth, let's go green.' Well, if that is true and you sincerely feel that way, then you should allow me to use that electricity. It's safe; no problems there. There will never be a liability coming. And why would the liability come to you anyway? I don't understand that, because I have to get a half a million dollars in insurance. Every vendor has to have liability insurance. I don't know what more to say to you. I could go into my history. I'm 80 years old. Don't not give me the electricity because I'm 80 years old. I'm not dead, and I have a lot of things I'd like to accomplish in this life. You know, some of you people aren't 80, or close to it. I can't help it but I remember when I went to Florida a number of years ago and there were some elderly people there trimming some bushes. And we got into a conversation. I told them I had retired from Eastern Airlines after 32 years, and at this time I was 67. We were talking about something, and one of the fellows said to me, how old are you? I said 67, and he said, you're just a kid. And some of you people here, to me, except you Mr. Osborne, you're just kids. You're running the City. You people are doing a good job. I could never do it. What you're doing, you're doing a service for this City. And that's exactly what I will be doing. I am wanting to go on the street, not to make a lot of money. If I make a dollar more than my expenses, I'll be happy. I am willing to give ten percent of my profits after expenses to some deserving cause or person. No other vendor is offering that.

Chairman Smith stated excuse me. Would you address your presentation and not digress?

Mr. McCarthy responded I can't hear you sir.

Chairman Smith stated will you not digress and pay attention to what your concern is...what your electricity and power source is. And never mind age. I'm almost 80 myself. Age has nothing to do with it. Just get to the point.

Mr. McCarthy stated it's just something I threw in, that's all. I'm telling you that I'm not here begging you because I'm 80 years old. I'm not dead. What I'm trying to say is I want to do something for the City. And this is my way of doing it. And I think people need somebody like me. I'm going to wind this up by saying to you, I am the real thing, the real thing. When you look in the mirror at night, take the real test. Did I do anything that was decent for the City. Did I do something for somebody? I take it every night and I sleep very well. I don't think I need to say any more. I'm here to offer my services to this City, just like the people downstairs that volunteer. Those are wonderful people. You should get to know them. I guess that's it.

Alderman Osborne stated I guess you want a couple of questions, because I think a majority of us weren't here last time you came. That was the last committee. We're the new members of this Committee, so I don't remember everything that you're after. Mr. Arnold, the liabilities he was talking about...generally what are the liabilities to the City if he were to plug into this plug? I know myself that if he were to plug into this, every merchant on Elm Street would like to plug in too. So that's one of the things. So I don't know, anyways, the liabilities if something happens to you. Go ahead.

Mr. Tom Arnold, Deputy City Solicitor, stated the Risk Manager, and to a certain extent the Solicitor's office, had concerns about the risk of having power cords strung across Stanton Plaza. Now, tonight Mr. McCarthy has addressed some of those concerns, depending upon the placement of his cord. The other concern I understood was that these boxes are, of course, locked, which means that Parks & Recreation has to send someone down to unlock it and then someone back when Mr. McCarthy is done for the day to lock it again.

Mr. McCarthy asked is that a negative? You know what I mean, is he talking against me?

Chairman Smith responded please let him finish first before you interrupt him please.

Mr. Arnold stated that's basically it.

Chairman Smith addressed Harry Ntapalis, the City's Risk Manager. He stated I believe you talked with the Safety Manager and you also talked with several others. Can you summarize this for the second time? Because you were before us a month ago.

Mr. Harry Ntapalis, Risk Manager, stated I think our concerns...and of course in listening to Mr. McCarthy, I think he has every good intention obviously, with his ice cream sales. Our charge with the City of Manchester, particularly in a day and age now where litigation is something that you have to be very much vigilant and concerned with, raise several issues that I submitted to this particular Committee relative to Mr. McCarthy's request. First and foremost had been the concern that we touched on just briefly, liability. Liability created by street vendors that are permitted by the City of Manchester keeps the City of Manchester in the loop. Now the City of Manchester has had a long-standing criteria by which in meeting the operations of a street vendor, you have to have something that's self-contained such as gas, a clean, well-maintained and quiet source of power if you're going to provide a food product or a drink product. If we were to deviate from that and make special exceptions, even though the cost may be minimal as with electricity,

as Mr. McCarthy had pointed out, our concerns are it's still powered and it's a source that's coming from the City. It's taxpayers' dollars. And more importantly, if you ever have a short or an electrical failure and there are products that spoil...I mean, there is a number of concerns. Or even a matter of pedestrians, or the public getting hurt. Or even Mr. McCarthy getting an electric charge during a rain storm. I mean, there's any myriad of things that we concern ourselves about. He did bring a box in tonight that showed that it could cover power outlets, but those power outlets that were designed for the City along Elm Street are for City events that take place that are City-sponsored, such as Christmas parades, etc. They're not for the vendor, as far as the permit process goes. The other real concern that we had in discussions with the City Solicitor's office, the Safety staff, and certainly Parks & Recreation is additional costs that could be borne by taxpayers that, if you're going to have a keyed box with electricity, then you're going to have to send an employee out at the start of the day, early in the morning, or even late at night. You're going to be more than likely looking at overtime expense. And we don't provide the key to any individuals other than officials of the City of Manchester, so those are just a rough number of reasons why I submitted the letter that I did to you over a month ago.

Mr. McCarthy stated when I get a chance, I'd like to answer those questions, or those statements. The thing is, I talked with Chuck DePrima. Chuck is for me. If you call him up here...I think I saw him...He said that he saw no opposition to what I was asking, and to rebut this gentleman here, he has also told me he will send a representative down to open and close that box. It's only a screw, a half-inch screw that any pair of pliers or wrench could open. Don't you think that I could take that responsibility upon myself to open a box and close it, especially if I'm responsible for it? First of all, it's someone ridiculous to have to send somebody down to open a box and close it. However, if those are some of the rules, I don't see any advancement in some of the reasoning and thinking of the City. I'm on television myself, on channel 23, and I call myself, Howard McCarthy, a little common sense. I think common sense is somewhat fleeting in these days. And I am all about common sense and I'll bring it back. Again, the liability...What do you think this box is? The cord is three inches away going into the box. And I could get electrocuted? I doubt it. And if I did, so what? I'm not going to sue myself.

Alderman Gatsas stated you made reference to a popcorn stand. I want to make sure I'm talking loud enough so you can hear me. You made reference to a popcorn stand in Goffstown. Have you been out there?

Mr. McCarthy responded yes.

Alderman Gatsas asked do they have a power facility there?

Mr. McCarthy responded yes.

Alderman Gatsas asked is there an electrical box that they plug into that they have a meter that they pay?

Mr. McCarthy responded it's powered by electricity.

Alderman Gatsas asked did you look? You made reference to it. I assume, being the professional that you are, you kind of walked around that popcorn stand, looked at it to see if there was an electrical box and a power meter.

Mr. McCarthy responded I can't answer that question because I'm not a professional. I'm an amateur. I'm telling you they have electricity. How they get it, it's now considered city property because the Lions Club runs it. They run it. They have all the reasons to do it.

Alderman Gatsas stated so you're not sure who pays for the electricity.

Mr. McCarthy stated it's there. It runs. They open up, I believe, on Mother's Day.

Alderman Gatsas asked are you a taxpayer in the City of Manchester?

Mr. McCarthy responded of course.

Alderman Gatsas asked do you think the taxpayers in the City of Manchester should be subsidizing private enterprise?

Mr. McCarthy responded first of all, you're making money.

Alderman Gatsas stated I asked you a question. Do you think the taxpayers of the City of Manchester...

Mr. McCarthy responded no.

Alderman Gatsas stated then you've answered my question. Thank you.

Alderman M. Roy stated Mr. McCarthy, I was here on the last committee that said no to you. And it had nothing to do with Howard McCarthy. It had nothing to do with ice cream. It had to do with the fact that if we give any vendor access to electricity anywhere in the City, then every vendor that comes in through that

door, no matter what the idea is, not matter what the product is, we have to give them the same consideration we gave you.

Mr. McCarthy stated I don't think for what I am proposing you're going to have any other vendor on the street doing it for the reasons that I'm doing it. Also, the other amount of boxes that are on the street in a lot of cases aren't adequate to put a vendor there. So just because it's there, let them prove what I'm trying to prove. They are there to make a profit. You know something, I really don't care if I make a dime. But I think I will make some money, and I'm willing to give it back. I'm sorry that something innovative comes along every so often and this is it. I'm being tested, but you know, you are too. And the people out there that I have talked with, some of them say you can't fight City Hall. Well I say you can, and sometimes you must if you have the right reason. I have the right reason. Any other vendor that wants what I want and can produce what I say, then for crying out loud, give it to them if they deserve it I am selfishly saying and what I have said is valid. I know who I am. I'm a pretty good guy. Every other vendor is on the street to make money, and not necessarily to get electricity. I could be the only one that will ever come before this Board and talk the way I talk. In other words, why not make an exception? Give me a chance. Put me on the street, see how it works out on a trial basis. If it doesn't work out, I go back 100 years and go to the generator. You want me to use the generator and yet you're going to spew out rhetoric as to, let's go green. Let's save the universe.

Chairman Smith stated Mr. McCarthy, we've heard this before, okay? And I think, I'm sorry, but we've been on this debate for a good forty minutes, and I'd like to ask the Committee, are they ready?

Alderman Osborne stated Mr. Chairman, seeing all the circumstances here, I can see where Mr. McCarthy is coming from. Believe me, I do. You probably don't think so, but it's just the way the City has to operate, that we cannot produce something like this for you. You'd have to get your own meter under your own name or something like that so the City wouldn't be liable for any kind of lawsuits whatsoever. That's our only thing. Your request right now, I guess the only thing we can do is receive and file. But at least we've got your knowledge and we've got your input. I really side with you, believe me, I do. But we can't do for one and not do for the others. I guess that's it in a nutshell.

On motion of Alderman Gatsas, duly seconded by Alderman Osborne, it was voted to deny this request of access to the power box in front of Radisson Hotel and Stanton Park, due to the fact of liability and the fact that there should not be a subsidy of private enterprise by the taxpayers of the City of Manchester.

Mr. McCarthy stated thank you, but I disagree.

Chairman Smith addressed item 4 of the agenda:

4. Communication from Richard Marston on behalf of West Side Little League requesting to rename the Southwest Little League complex to Francis "Pat" Lally Memorial Complex, noting names of the four fields at the complex will not be changed.

On motion of Alderman M. Roy, duly seconded by Alderman Gatsas, it was voted to approve this item.

Chairman Smith addressed item 5 of the agenda:

5. Communication from Richard Marston on behalf of the West Side Little League requesting to name the major division field at Cullerot Park to the Joe Sullivan Field.

On motion of Alderman M. Roy, duly seconded by Alderman Gatsas, it was voted to approve this item.

Chairman Smith addressed item 6 of the agenda:

6. Communication from Mark Brewer requesting authorization for the Airport Director to negotiate and execute documents for the purchase of a 1.0 acre parcel of land.

On motion of Alderman M. Roy, duly seconded by Alderman Gatsas, it was voted to discuss this item.

Mr. David Bush introduced himself as an Assistant Airport Director at Manchester/Boston Regional Airport and stated that he was representing Mark Brewer, the Airport Director.

Alderman M. Roy stated Mark Brewer's correspondence mentioned that 80% would be paid in federal funds. The remaining 20% would come from where?

Mr. Bush responded the Airport's coffers.

Alderman M. Roy stated okay, so no taxpayer dollars would be used?

Mr. Bush responded no, sir.

Alderman M. Roy asked are these all fees that are collected at the airport or leases, tickets and prices?

Mr. Bush responded yes, that's right.

Alderman Osborne moved to approve this item. The motion was duly seconded by Alderman M. Roy.

Alderman Gatsas asked where is that, on Delta Drive?

Mr. Bush responded it's on Delta Drive in Londonderry. It's an acre, 4,500 square feet.

Alderman Gatsas asked isn't that part of the...Is that a piece of land that was redeveloped by the Manchester Housing Authority?

Mr. Bush responded no sir, I don't believe so.

Alderman Gatsas stated the Delta Drive piece, I thought that was a piece that was redeveloped by...

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

Chairman Smith addressed item 7 of the agenda:

7. Communication from Ken Edwards, Manchester Housing and Redevelopment Authority providing a status report on Northwest Business Park, requesting the transfer of \$2,595,879.16, in various funds to MHRC, and recommending approval of a \$1,000,000 line of credit from MDC to MHRC and the City of Manchester. .

On motion of Alderman Osborne, duly seconded by Alderman M. Roy, it was voted to discuss this item.

Mr. Ken Edwards, Manchester Housing and Redevelopment Authority, stated what we are asking is for you to approve the use of existing funding that could be put to continuation of development at the Northwest Business Park on Hackett Hill. We have, in our possession, proceeds from the sale of French Hall, and we have land sales from Manchester Air Park. We have revenue that we collected for interim uses and selvage of equipment at Jac Pac, and the City has antenna lease revenue generated from the water tank antenna leases at Hackett Hill. We're also suggesting that we accept, along with the City, an offer by the Manchester

Development Corporation to provide a one million dollar line of credit in order to fund the cost of infrastructure construction to support the development at the Park and other associated project costs.

Chairman Smith stated this was referred to this Committee from the full Board.

Alderman Gatsas stated there's roughly \$3.6 million in that account. Let's assume tomorrow somebody came up and wanted to buy the entire parcel. I think we were throwing around a number of \$7 million. That would be about...and let's assume we approved it. That's \$10.5 million that would be in an account somewhere. How much of that money would come back to the City and the taxpayers?

Mr. Edwards responded if we sold the land...are you suggesting that we...I don't think that the land is worth \$7 million if we haven't built the infrastructure.

Alderman Gatsas stated let's just take a wild guess and say that it is.

Mr. Edwards stated when all project expenses are met, everything that's left over is available for the City's use.

Alderman Gatsas stated when you say, the City's use, to come back to the General Fund, to come back to a special fund, to come back to the taxpayers, to come back how?

Mr. Edwards responded that's really the option of the City. All we do is carry out the project as we've contracted to do. The proceeds that we hold, we would wait for the City to give us direction as to what they would like us to do. In the past, we have done the same thing with Manchester Land Park proceeds from land sales, and the City would send a request to us, saying that we would like to have X number of dollars from that account for whatever project.

Alderman Gatsas asked do you know how many dollars are left in that account right now?

Mr. Edwards responded approximately \$650,000.

Alderman Gatsas asked is that part of the \$2.5 million?

Mr. Edwards responded yes.

Alderman Gatsas stated so what I'm looking at is to say, so the City said to you, you sold it for \$7 million and there was \$600,000 in expenses. That would leave \$10 million. So if the City said, send us the \$10 million, that could come back

here and we could buy fire trucks. We could buy whatever we wanted to buy without any restrictions?

Mr. Edwards responded yes.

Alderman Gatsas asked how long do you think it would take you to prepare an RFP to go out to the public with the conditions that are set forth in the agreement for development under the criteria we have set forward to the MHRA to go out to bid? So we could get someone that comes in and says, we'll follow all the criteria you have within the guidelines of square footage on the building, the lot sizes. It would have to be subdivided and it would have to be X amount of lots as we see them with the number of square footage that is before whatever we have for a plan.

Mr. Edwards responded again, are we talking with or without infrastructure? That's a big part of...

Alderman Gatsas stated just the raw land.

Mr. Edwards asked the raw land without having the developer install the infrastructure?

Alderman Gatsas responded that's correct.

Mr. Edwards stated an RFP could be developed in thirty days, roughly.

Alderman Gatsas stated and if we didn't get any consensus back on the RFP, or if somebody submitted a bid that said, here's the price but we want the infrastructure done at that price, that's certainly something that somebody could submit if they wanted to. Or if they just wanted to buy the raw land with the conditions that are set forth in the development of the area, meeting the DES criteria that we've just about completed now.

Mr. Edwards stated the packages to respond to all of the issues that were raised in last fall's correspondence from DES will be submitted to DES this Friday, for both alteration of terrain permitting and wetlands permitting.

Chairman Smith asked how long would it take if it goes to DES, to get a reply one way or the other?

Mr. Edwards stated we've been told it will probably be 30 to 45 days because these are not new applications. These are responses to or enhancement of the existing applications that were already filed.

Chairman Smith stated I know that Mr. Gove made his presentation, and what does he speculate? Does he think that the DES will come in a favorable position?

Mr. Edwards responded we are thinking that they will have a couple of additional questions based on what we've proposed, but there won't be anything significant or major.

Alderman M. Roy asked when did French Hall close?

Mr. Edwards responded I want to say 2004.

Alderman M. Roy stated no, I mean not that it closed; the most recent sale.

Mr. Edwards stated yes, 2004.

Alderman M. Roy asked so MHRA was paid out of closing \$1.156 million?

Mr. Edwards responded no. We sold the building for \$1.3 million. Attached to the contract that we have with the City for the sale of French Hall were items that were deducted from the sale price to pay expenses, such as the commission to the broker who sold the property and our administrative costs. Some construction costs were in that budget. So the net that we really expected from French Hall after the expenses was I think close to one million, but we actually didn't expend all of that. We have \$1,156, 879.

Alderman M. Roy asked when was that money received? Give me a month and a year when that \$1.3 million was received.

Mr. Edwards responded that was obviously at the closing date and I don't have that closing date with me, but we can provide it. I think it was 2004.

Alderman M. Roy stated the reason I ask that question is that, if it was 2004...and like Alderman Gatsas just mentioned, I thought it was closer to the end of 2005...my concern is, and I appreciate where Alderman Gatsas is going about getting anything out there that's marketable to the most amount of potential buyers...if it was 2004/2005, at a minimum we've talked about two to two and a half years that I don't think we've had a lot of marketing. We've been looking to build it and let people come, instead of putting it out there and let other people take the roll of MHRA, take the roll of the City in financing it or MDC in financing it. My concern is that we should be marketing this as we go forward at almost every step. I support the process of MHRA developing it or getting the property developed, but I don't like the fact that it sits stagnant for long periods of

time in between the small gains that we make. Selling French Hall, we knew that those proceeds would go to future development costs. They are obviously higher now because back then we weren't talking about MDC and Jac Pac lands, revenue and sales and power leases. We were talking about it paying for itself. My problem with all of this is that we're not marketing anything. We've got a great asset and it's sitting there. Correct me if I'm wrong, but in the past we've asked for that marketing effort to be accelerated, either through an RFP for brokerage or an RFP to get someone in. Can you educate me as to what is being done to get this property sold and on the tax rate.

Mr. Edwards responded sure. First, French Hall was marketed prior to the contract that we have for the rest of the property. Those were two separate contracts and two separate timeframes. We did not start developing the land at Hackett Hill until later than French Hall. We started marketing French Hall in 2003, I believe. We began the development process of Phase One of Northwest Business Park in early 2005. So there were two separate tracks. After the last Board meeting, we did finish up the RFP for brokerage services and published that. Proposals were due today. We will evaluate those and then move forward with that. We have been hesitant to market because we don't have any land that we can sell. Well, there is one lot that we can sell because it's outside the DES application area, but all of the remaining land will require wetlands permitting and alteration of terrain in order to move forward with. And of course, everything except those lots that are directly on Hackett Hill Road will require infrastructure to support development. We don't have adequate water and sewer and gas and electric to those areas yet. In dealing with...and again, our process is that we're looking for end users to develop on these sites. We're not looking for a developer to purchase two or three lots and then decide in the future what he would like to do with those lots. We want to make sure there is full approval and commitment to build on the lot when we actually turn it over to the end user. When you're talking with those types of purchasers, when they're looking, they're ready to go. They are not going to sit around for a year while we finish up permitting and build the infrastructure that they need in order to begin development. We do agree that we're at that stage now where the permitting is almost in hand. With the approval of the funding that we've proposed, as soon as the plans and specifications are completed, we can bid the infrastructure and move forward.

Alderman M. Roy stated through what you just said I found where we have a basic difference. You made the statement that you really have no land to sell at this point. I appreciate that through the planning process you're trying to get end users to go ahead and take possession of one lot for one company, one building, one set of jobs, and maximize the use of the whole park. From my standpoint, we're looking at budget crunches and tax base and putting something on the tax rolls, so when I look at it, from day one there was something to sell that was just

somewhere in the development process, a process that you've been following and keeps moving forward, but in my viewpoint, at any point, somebody could have come in and bought the ability to do what you're doing now with a potentially quicker speed or potentially different end result. And that's where I would have liked to see it have a broader scope so that someone could have come in and stepped into MHRA's place, gone through the process, had their own funding, do their own infrastructure. And I think that's somewhat what Alderman Gatsas was getting at is that that may have a benefit by selling quicker or the larger package than us waiting till every road was built, every gutter is in, every piece of curbing is in place, and then putting out the for sale sign then, because there is a cost of those dollars the longer we wait. So I do see our difference, but I respect your position. I'm just looking at it from a tax base position, and I do agree that you're following the master plan.

Alderman Gatsas asked how is it subdivided?

Mr. Edwards responded there is a separate lot. It remains on the land that is in Phase Two, which is not subdivided for development at this point. If you recall, we've got 425 acres that's been designated for development. The first 125 acres is in Phase One, which is the land from Hackett Hill Road, basically up to the water tower. That's been subdivided into twelve marketable parcels. The water tank is beyond that subdivision.

Alderman Gatsas stated to the next 175 acres is the second phase. How long do you think it would take to go through subdivision for that?

Mr. Edwards responded I would say probably eight months, somewhere in that vicinity. The development of Phase Two, based on the master plan, was contingent on a new interchange at Exit 7 on 293. The traffic studies that we undertook indicated that the existing infrastructure on Hackett Hill Road could handle the development that we planned for Phase One but that when we get into Phase Two, we really need that interchange to support the additional traffic that would be generated by development in Phase Two.

Alderman Gatsas stated the twelve lots in Phase One, what would you say that is worth, unimproved – no streets, no nothing as it stands today?

Mr. Edwards responded I really don't know. We're expecting that the construction contract is going to run about \$3.6 million to build the infrastructure, and we have an end use appraisal that runs about \$7 million for the 125 acres.

Alderman Gatsas stated so basically we're investing...

Mr. Edwards stated I would think the most that it would be worth would be \$7 million, minus the \$3.8 million.

Alderman Gatsas stated so if we could find...so basically we're putting in \$3.5 million to make \$3.5 million. If we did nothing and could get...I think that with...those were...they're basically about ten acre lots?

Mr. Edwards responded they vary between three acres and about 26 acres. There is quite a range.

Alderman Gatsas stated well, the normal cost of industrial land is about \$50,000 an acre, ballpark. So if we took the 125 acres times \$50,000...and I just know that that's \$6 million, and that's on a raw land cost. So, the ten million that I was talking about is not too far away. So I would think it would behoove us to at least for Phase One to put an RFP out to see if a developer wants to come in and follow the guidelines that we've instituted on the number of square feet they have to build on a lot, the setbacks and everything else. And if somebody comes in and says, I'll give you five and put the roads in, I guess that would be up to this Board to decide if we want to do it that way.

Mr. Edwards stated with the restrictions that are placed on the property, the design criteria that we've established, the site utilization criteria, I just don't know if there's a developer out there that would tie himself or herself to that kind of a process and consider that the land as it exists has any value. Our approach is just completely different than a private development approach. The motives are completely different. To go through that exercise, I'm not sure it would produce anything valuable.

Alderman Lopez asked Jay, what would your economic experience opinion be?

Mr. Jay Minkarah, Economic Development Director, responded if we were to take the approach that the Alderman suggested, putting out a request for proposals, I guess I'd just back up very quickly to just make a couple of notes if I could. The property that we're talking about is really not raw land. We have a twelve lot subdivision that was approved by the Planning Board in March of 2007. We are very close to meeting the final conditions of that plan, so if I could just go down that logical train, if we get these wetlands approvals, and we do believe that we will, most likely by the end of May, we will have an approved subdivision plan for twelve lots with wetlands approvals and site specific approval. There are some infrastructure improvements out there already, so I wouldn't characterize this as just raw land. The street needs to be improved. The utilities need to be improved. But there are some improvements out there. Certainly I think if it were the wish of the Board, it would be possible to put out a request for proposals. It is true, some

of the requirements, as Mr. Edwards alluded to, are somewhat onerous. The wetlands approvals...but we do have a master plan. It is approved. I think if it were your wish, you could put out a request for proposals, based on those requirements. I do believe it would be salable. We know that we are in difficult market times right now, so it may be more of a challenge to convey this as a whole, as a twelve-lot subdivision versus on a lot by lot basis. But if it were your wish I think the RFP could be prepared. I think there very well could be a market. We've certainly seen some interest in individual lots. It has been expressed. So I think there would be potential to market the site.

Alderman Gatsas asked if it's not raw land, then what would you assume the per acre cost or availability to the City would be?

Mr. Minkarah responded I would hesitate to say. I think we probably have somebody in the room...I don't know if I want to put him on the spot, who's probably better able to say that than I am.

Alderman Gatsas stated sure, I can ask him that question. I don't have a problem putting anybody on the spot.

Mr. David Cornell, City Assessor, stated I believe there has been an appraisal done on the property, but I believe it was a John Crafts appraisal.

Mr. Edwards stated they are still working on the appraisal. They haven't finalized because we don't have the terms and the conditions of the DES approval which will impact the value. The preliminary number is about \$15 per square foot of building area on each of the lots. And we've estimated the capacity of the first phase to be 500,000 square feet. The market value, as I said, was between seven and eight million dollars.

Alderman Gatsas asked that's with improvements or without?

Mr. Edwards responded that's with the infrastructure improvements, yes.

Alderman Gatsas asked can you give me an idea what a twelve lot subdivision with 125 acres would be assessed at?

Mr. Cornell stated doing the quick math in my head as far as the 500,000 square feet times \$15, that's about \$7.5 million of value at the end. One thing you have to consider when you're dealing with large parcels of land is not all of that land is usable. There are considerable wetlands on the property, so there's a considerable chunk of the property that can't be used or really sold.

Alderman Gatsas stated right, but in this \$15 a foot, what was he contemplating to use for land portion of that \$15.

Mr. Edwards responded he didn't indicate.

Chairman Smith asked Jay, are you going to be doing the marketing for this or is development going to do it?

Mr. Minkarah stated at this point our role is really a supportive one. MHRA is responsible for managing the property and they would be engaging the broker who would actually market the lots. We certainly will do everything that we can to help, but our role is purely supportive.

Chairman Smith stated and Ken, getting back to you, in 45 days you said you'd be getting a notice from DES in regards to the wetlands.

Mr. Edwards stated that's what they have indicated, yes.

Alderman Gatsas stated Mr. Chairman, I guess I'm doing some simple math here. If we went out and said to a developer, meet the criteria and give us an abstract number at the end of \$2 million with no cost up front. You need to put the roads in, you need to put the infrastructure in, and you have three years to do the deal. We're in the same financial position by taking the \$3.5 million that's in the bank now, because we're going to invest \$3.5 million and the most we're going to see out is \$3.5 million. So if we said to a developer, come in and take the 125 acres and move according to plan, and you have three years, and at the end of three years we either want \$2 million or the land back, there are many different ways to get to the point of \$3.5 million without us investing \$3.5 million and waiting maybe 15 years for a return. So if I understand that the most we have to win is \$3.5 million, that's what I'm understanding, we already have that in the bank. The rest is tax base.

Mr. Edwards stated our process doesn't consider just the monetary value of what we're doing. We're developing a business park to assure the City that this land gets fully utilized, provides quality employment opportunities and increases tax base. That's why we do, and have done in the past, these projects for the City. There's an assurance that the result will be consistent with the development plan that's been approved by the Board for the park.

Alderman Gatsas stated and I don't disagree with what you're saying. There's only one problem, only one big problem, as I've always said. What do you have to gain in doing the project? What is your financial gain?

Mr. Edwards responded we feel as though we're an integral part of the City.

Alderman Gatsas asked what is your financial gain?

Mr. Edwards responded none.

Alderman Gatsas stated and I understand that and I can appreciate that. And I'm not putting that down. But if somebody steps up and said, I can make \$3 million by investing \$3 million, there's a big difference on what the financial gain to that person is and why they're going to accelerate trying to market the park. So, that's just my position of, if you don't have any skin in the game, as they say, it's not that you're not working hard, but maybe you're just not working as if it was your money invested in the game.

Alderman Lopez stated I just want to clarify in my own mind...Alderman Gatsas used \$3.5 million. You're including the \$1 million from MDC, right?

Alderman Gatsas responded no. What I'm including is the proceeds from French Hall, which is \$1.156 million; the Manchester Air Park sales, which is \$650,000; the Keyspan lease; the CMC parking and Jac Pac, which is \$314,000; and the water tower antenna lease revenues, which is \$4,475,000.

Alderman Lopez stated okay, I just wanted to...

Alderman Gatsas stated that's \$3.5 million that we have in the bank already.

Alderman Lopez stated and the million dollars from MDC...

Alderman Gatsas interjected has nothing to do with it.

Alderman Lopez stated the other question I have, if the Board goes along with...whatever the Committee decides or make a recommendation, how does that change the agreement that we have? Would we have to make an amendment to that agreement or do we take it from you or what?

Mr. Edwards responded that is up to the Board. Our contract and scope of services do not include developing an RFP for private development. If that's something the Board would want us to consider then we would have to discuss it in-house with our board of commissioners and then get back to the City. I don't know what the impact of that might be on our existing contract without some thought.

Alderman Lopez asked is that a 30-day or a 90-day notice of cancellation of the agreement? You'll want to bring that to the Board's attention.

Alderman Gatsas stated it's in the Civic Center Committee, Mr. Chairman. I don't know how it got there but that's where it is.

Mr. Edwards stated that's where it was when the contract was executed.

Chairman Smith stated yes, I have the contract right here, and we did as the Board of Mayor and Aldermen give you exclusive rights to do it. I would suggest to my colleagues that we just table it for the time being and bring it up after you get a report from DES, or how would that go, Ken? Then we would know what lots are available, what the acreage was and so forth like that. Or do you think that would delay the project?

Mr. Edwards responded regardless of how it proceeds the permitting needs to be acquired, so we will continue on that road. Once the supplemental applications are filed this Friday, the clock is ticking on DES. We certainly wouldn't want to do anything to change that schedule.

Alderman M. Roy stated Mr. Chairman, I appreciate what some of the other Aldermen are looking to do, and I'm not in the slightest bit opposed to maybe going some other directions, but I don't think we should be doing anything to slow down the efforts that we have waited so patiently to get underway, so I would look that we either report something out to the full Board and await more information from Ken as to what he would like to do, but we need to move forward with the funding of this if that's the direction the Board so chooses, or we need to move forward with directing him to go out for an RFP for a bulk land sale. So one way or the other, I'd like to see this moving forward instead of sitting on our tabled agenda.

Chairman Smith stated to follow up, if that's the case then we're going to have to refer to the full Board for funding at the next meeting. This Committee would have to make a decision tonight.

Alderman Gatsas stated the agreement calls for a 90-day written notice from either side, so I'm sure that if it was the wish of the Board we could ask our economic development department head to prepare an RFP and to put that RFP out. I'm sure that if the right RFP came in I'm sure that the Manchester Housing Authority would probably waive the termination agreement if the City so chose. It's only a written...I think that we ought to go out there and find out if somebody is willing to come in and do something, because I'm looking at the investment dollars that we have the ability to achieve and what we already have in hand. And if we're

looking to invest \$3.5 million to make \$3.5 million, we already have the \$3.5 in hand, maybe somebody else will give us some other ideas or have something as an end product to participate with the City. So I would like to make a recommendation coming out of this Committee that we...because it's going to take 30 days I assume to prepare an RFP. By that time in hand we will have where DES is, not slowing down anything that's going forward. And again, as I said, if there's no RFP's that come forward that make sense, nothing lost, nothing gained other than the department having to put some time and effort into putting an RFP out.

Chairman Smith asked Ken, do you have any problem with that? I know Jay had no problem with it. Am I correct?

Mr. Minkarah stated if that's the wish of the Board, I would be able to prepare the RFP, yes.

Chairman Smith stated well this is just...if it does come out of the Committee it has to go to full Board anyway.

Alderman Gatsas stated I want to make a motion to have the Economic Development office prepare an RFP with the guidelines to go out for the 125 acres or Phase One of the Hackett Hill project for interested developers to come forward and offer what they think would be a reasonable situation for them in development of that, according to the development plan for Northwest Business Park, so that they couldn't take 125 acres and put one building on it. They would have to follow the business park plan.

Chairman Smith stated and you would be administrating the master plan until...if there are no bids, it's in your hands. We're not slowing you down; we're not tying you down.

Mr. Edwards stated if that's the wish of the City, I would...

Chairman Smith interjected you know, Ken, not to interrupt but I know you put a lot of time into...I'm asking questions because I know as an Alderman back a few years ago we gave you exclusive rights to manage this for us. And I want to get your thoughts first before I make a decision. There's two proposals really from this Committee right now.

Mr. Edwards stated I don't see a problem with the City exploring an alternate way of developing the park. I think I've made clear what we feel is the process that we have successfully used to create quality industrial parks in the City with quality employment opportunities and added significantly to the tax base. That's our

process, but if the City elects to go in a different direction, that's really up to them, up to you.

Alderman Osborne seconded the motion made by Alderman Gatsas to instruct the Economic Development office to prepare an RFP to go out for Phase One of the Hackett Hill project for interested developers according to the development plan for Northwest Business Park.

Alderman M. Roy stated Ken, no action by this Committee is going to stop what you're doing for the next ten or fifteen days till our full Board meets, correct?

Mr. Edwards responded no, absolutely not.

Alderman M. Roy stated so it will be status quo moving forward, opening the broker bids, analyzing those.

Chairman Smith called for a vote on the motion on the floor. There being none opposed, the motion carried.

Alderman M. Roy asked Ken, what type of...I don't think you've opened them yet, but what type of response did you get for the brokerage services?

Mr. Edwards responded when I left the office there were two proposals, CB Richard Ellis and there was one coming in from Verani, I believe.

Chairman Smith addressed item 8 of the agenda:

8. Update from Brandy Stanley, Parking Manager on negotiations with Wall Street Towers, if available.

Chairman Smith asked is there anything available, Brandy, at this time? Okay, there isn't. Thank you very much.

Alderman Gatsas stated I've got a couple of things. Jay, I guess I have a question. The Board took a vote for an RFP for a parking garage at the Bedford Lot. Where are we at with that RFP?

Mr. Minkarah responded that is still in process. We had some background work that we needed to do before we sent out that RFP. I've got one more meeting I'm having tomorrow with an interested party, and then on the basis of that I expect we'll see a draft coming out in the next couple of weeks.

Alderman Gatsas asked what do you mean by an interested party?

Mr. Minkarah responded there's at least one party who has expressed some interest and concerns in bidding and perhaps putting in a proposal on an RFP. I am going to be meeting with them tomorrow to discuss those. We've had a few other issues too that we've looked at, including some physical constraints on the property which we wanted to see what the scope of those were. There is apparently a sewer overflow structure under the property, so we've looked at that as well. But we do expect that we will be able to put a draft out within the next couple of weeks.

Alderman Gatsas asked can I understand why we're talking to somebody that's interested in bidding to prepare an RFP to go out so that it meets their specifications?

Mr. Minkarah responded no, not at all.

Alderman Gatsas asked why would we even have conversation with them?

Mr. Minkarah responded because there were concerns expressed about the property and about our process and what it was that we were looking to accomplish, so I felt that it was appropriate to have that meeting.

Alderman Gatsas stated I think it is very inappropriate.

TABLED ITEMS

8. Communication from Jerry and Mary Derepentigny requesting to purchase property known as Tax Map 440, Lot 9 off Westland Avenue as abutters to the property.

(Tabled 2007.)

Assessors – awaiting report.

Planning – report enclosed recommending determined surplus and dispose to abutter at fee to be established by the Board of Assessors and possible consideration of taxes due.

Tax Collector – awaiting report.

Deputy City Clerk Norman stated Mr. Chairman, despite the planning report here, the City does not actually own this parcel, which is located off Westland Avenue, so a motion would be in order at this time to take it off the table and receive and file it.

On motion of Alderman M. Roy, duly seconded by Alderman Osborne, it was voted to take this item off the table and to receive and file it.

9. Communication from Mayor Guinta requesting staff prepare recommendations relating to placing out to competitive/sealed bid parcels located on Granite Street, Phillippe Cote Way and Seal Tanning parking lot as requested by David Brady of Brady-Sullivan.
(Tabled 08/22/2006; *additional updates received in 2007; awaiting further details from MEDO.*)

Deputy City Clerk Normand stated this item, as you know, may be there for sentimental reasons but it should not have been placed on the table. It's before the Board at this point.

On motion of Alderman M. Roy, duly seconded by Alderman Osborne, it was voted to receive and file this item.

NEW BUSINESS

Alderman Gatsas asked Mr. Minkarah, will that RFP be ready for the next Aldermanic meeting? And then I'd like to see a copy of it. And then I'll ask you at the Aldermanic Board who that person was that might have asked you about the RFP process.

Mr. Minkarah stated as you wish, sir.

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

A True Record. Attest.

Clerk of Committee