COMMITTEE ON LANDS AND BUILDINGS

May 17, 2010 **4:30 PM**

Chairman Osborne called the meeting to order.

The Clerk called the roll.

Present: Aldermen Osborne, Lopez, Shea, Roy, Greazzo

Messrs: J. Minkarah, R. Danais, J. Burkush, D. Cornell, W. Sanders, T. Arnold, M. Castagna, L. LaFreniere, D. Beauchesne

Chairman Osborne addressed item 3 of the agenda:

3. Slope and Grading Easement over an area at the Manchester Transit Authority.
(Note: Referred by the Board of Mayor and Aldermen on 04/20/2010.)

On motion of Alderman Shea, duly seconded by Alderman Roy, it was voted to accept this item.

Chairman Osborne addressed item 4 of the agenda:

4. Request from the Highway Department to change the official street name of Betty Drive to Betty Lane.
(Note: Referred by the Board of Mayor and Aldermen on 04/20/2010.)

On motion of Alderman Lopez, duly seconded by Alderman Shea, it was voted to approve this item.

Chairman Osborne addressed item 5 of the agenda:

5. Communication from Jay Minkarah, Economic Development Director, regarding a proposal from the Danais Realty Group for the acquisition and development of the Northwest Business Park at Hackett Hill.

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

Mr. Jay Minkarah, Economic Development Director, stated if I may just give a little bit of background and overview. I thought that I would go back in time a little for the newer Aldermen and perhaps the audience who aren't familiar. This is a project that we have essentially been working on for 12 years. The City of Manchester originally acquired the Hackett Hill property in 1998. It was 121 acres approximately with the intention of developing the site. After a long series of plans and negotiations that went back and forth, we set aside 400 of those acres for conservation and over time purchased an additional 200 acres to add to over 600 acres of land that were dedicated to conservation in the area. In 2005, we engaged MHRA through a cooperation agreement to basically plan for the development of an industrial park on the remaining 400 acres. The property that we are looking at right now is phase one, which is proposed to be developed on approximately 130 acres. All of those approvals were finally realized last year. The plan was finally signed and recorded. We did transfer management of the site to MEDO in January and we issued a request for proposals to secure a developer for the site. This was a change in direction. Originally we did plan for the City to actually act as the developer and sell lots to end users, but given the overall history of the project and the time involved and several other factors, we decided instead to seek a private developer to acquire the site and put in all the infrastructure and develop it. That is the point where we are. We have received a proposal from the Danais Group. We have spent a couple of months reviewing it. We have discussed it at length and we think we have a good proposal to bring forward to the City. What I would like to do, if I may, is turn it over to the Danais Group to give you an overall of the presentation and then we can open it up to any questions.

Mr. Richard Danais, President of Danais Reality Group, stated here with me this evening is Mike Castagna, President of the Castagna Consulting Group, my construction consultant; my attorney, Jason Craven, who has been working hand in hand on the negotiations with Jay's office; and also my brother Romeo Danais who is my partner in all my real estate investments. What you have in front of you on the easel as well as a reduced plan that was in your package is our proposal to take phase one as Jay mentioned to you and develop it into a commercial/industrial research park, very similar to what we have to 1050 and 1070 Holt Avenue in Manchester. Those were the last two buildings that we built. We built the last one in 2008. You can see an example of it on the floor and that is going to be very similar to what we are proposing to build. We have been working with Jay's office for the last three months on different concepts and how to propose it to the City and in meeting with the Mayor, we came to an agreement that they need a fire station and if we build them the fire station they would deed

the land to us and we would be responsible for all the on site and off site improvements to make it a functional industrial business park. That's where we are right now. In front of you this evening is a purchase and sales agreement that we would like to have an approval on, stipulating those exact items, which will basically state that upon the construction of a fire station, subject to approval from Fire Chief Burkush as well as all of the City Fathers, we would go forward. Our time table on this is to have a few amendments to the zoning which will allow for distribution and warehousing that is not allowed right now. Other than that, the zoning is adequate for our needs. We are not going to change the zoning, but we want to amend a few things and we were going to go forward. We are anticipating an approval process of 60 to 90 days with the City through the Mayor and Aldermen and then having the fire station designed and at the same time, doing our due diligence and looking at all of the plans over the next 60 days and hopefully being in the ground, commencing the construction of the fire station sometime this fall. That is a realistic time schedule that we anticipate working with.

Chairman Osborne stated I would like to have Fire and the Assessor's Office come up over here. Mr. Arnold, I would like to have you speak if you have something to say.

Alderman Arnold stated I'd be happy to at this time, Mr. Chairman. First, I think it is appropriate to thank all the City departments that had a hand in the work sessions as we vetted proposals when we put the property out to bid. I of course thank Mr. Danais for bringing a proposal forward. As Mr. Minkarah mentioned, this property has been owned by the City for some time and has been giving us no return for some time. I'm glad to see a proposal brought forward. I have a couple comments about the proposal in general and then I also have a couple questions for Mr. Danais if that's okay, Mr. Chairman. I'll say that I have reviewed the proposal and I certainly had several meetings with yourself and your engineer and this is a significant project that I think you are undertaking. I think that we are beyond stop signs and pot holes. This project has the potential to affect Ward 12 in a significant way. That being said, I think that it has potential to be a great benefit to the Ward and to the City if it is done properly and I think thus far we have seen a good proposal, but I do have a couple questions specifically. On the proposed adjustments to the zoning, which is in the Committee's packet as 5-20, where it says that research park district is what exists, change to research park district…the last line here, which I'll read in case anyone doesn't have it in front of them, "incorporating sufficient buffers to insolate surrounding residential areas from adverse impacts." I think that is boiler plate language for most zoning districts, but it is very significant to me because I think that the first thing that the residents of Ward 12 are going to say when we take this to them is how are the residents, all of Hackett Hill, and individuals who live on Hackett Hill going to be

sufficiently protected? Could you comment on that first with the zoning change? What kind of changes can the residents expect up there if they were only anticipating research park stuff? What, if this change goes through, should they expect then?

Mr. Danais replied actually, the changes that we are asking for are to complement the designs that we have built in the past. If any resident of Ward 12 would like to go by, my latest two buildings at 1050 and 1070 Holt Avenue, which is located off of East Industrial Drive, across the street from the Airport, they will see what we have built and what we are anticipating building. One of the things that is going to benefit the residents is that we anticipate a much lower traffic density than what had been proposed and approved by the research park. The research park that was approved was 600,000 square feet of mostly office. If you do the calculations, that is going to produce, I believe, five cars per thousand or something similar. Our analysis shows that we are going to reduce the parking density coming in and out of that park by almost two thirds because we are going to do more of the types of buildings that you see on East Industrial Drive which is a lot of warehouse and distribution facilities and a lower density of office space where they have many people working in them. From that point of view, it is going to be less dense traffic wise. As far as the density that we are going for we're going for an increased density of square footage from 600,000 to approximately 1.1 million. Again, it is not going to affect the loss of any green area or the height restrictions, so it will be as sparsely as it has been basically with the research park. As you can see from that plan, and I have some examples that I would like to take with you that you can show your residents and constituents that there is an incredible amount of green area in this park. I don't believe from Hackett Hill that you are even going to be able to see the buildings because there is so much green area that we are not going to touch. They probably won't know the park is there by visually seeing a building. I hope that answers your question.

Alderman Arnold stated I certainly appreciated every thing you have to say. Ward 12 residents don't want to see more traffic than we already see of off Front Street and 3A. I guess as a follow up question…you mentioned distribution facilities. I'm not opposed to changing the zoning on principal. I would oppose the over industrialization of Hackett Hill. It doesn't sound like that's what you are proposing. Is that fair?

Mr. Danais replied as a matter of fact, Jay Minkarah and several people went through both of my buildings at 1050 and 1070. They are called industrial distribution buildings, but the front building of 100,000 square feet, it is a mixed use of occupants, one tenant being in distribution and the rest being office, light assembly and mostly finished space with central air conditioning so the word distribution might be a misnomer. It is a service type facility where they will

service Southern New Hampshire, Vermont, Maine, New England I should say, and Massachusetts. The reason that we have been so successful in building our buildings and having them occupied by tenants is that about ten or fifteen years ago when we started doing this, the employers started realizing that Southern New Hampshire is where their employees were living so instead of having the employees drive down to the congested areas of Massachusetts, they were better off coming up here and building buildings so their employees could live and work in the same environment. That has proved to be very successful for our facilities. If you look at East Industrial Drive as a whole, you see a varied amount of buildings. You see all of the national tenants like Verizon or Honeywell that are basically there because of the convenience to the highway system as well as the convenience to the employees. Hackett Hill will also complement that because of all of the residential construction that is there now and what is anticipated in the future. They will be able to go to work within five minutes so hopefully we will be able to complement those areas of residential areas and try to create working relationships with them. We anticipate that when this park is done, we will be able to employ approximately 2,500 people.

Alderman Arnold stated thank you for that clarification and it certainly addresses my major concern. To give the residents of Ward 12 the opportunity to give me feedback which in turn can be brought back to this Board, I have scheduled a public forum during the last week of May and I'm asking if we can count on your participation or representatives from your group.

Mr. Danais stated we will all be there that evening and we will have handouts as well for the boards so they will be able to take all of the information home with them and analyze it to see exactly what the park is going to look like. I'm happy to do that.

Alderman Arnold stated I appreciate that very much. Mr. Chairman, just for the Board's information, I have scheduled that forum at Northwest Elementary School on the evening of Thursday, May 27th, starting at 7:00 PM.

Chairman Osborne stated I was just informed about this three or four days ago so I don't know what was going on between Ward 12 and you and the Mayor or anything else. I think a lot of the Aldermen are in the same shoes so it is kind of hard when things come off the wall like this in order to make up your mind or what is going on. It is very hard. To settle this a little bit and bring things up to date for what I know, I guess the selling price is $2.8 million. Is that right?

Mr. Danais replied that's correct.

Chairman Osborne stated and this will generate approximately $1.6 million in taxes.

Mr. Danais stated we estimate that with full construction it will bring $1.6 million in annual taxes based on the 2010 tax rate.

Chairman Osborne stated I'd like to ask a couple questions. I would like to ask one of Chief Burkush and one of the Assessor's Office just for ground work. That's what I call it. Mr. Burkush, how many men would it take to man the trucks in this new station and what is the cost? You wouldn't have all that in front of you, but approximately. How many men will it take to man, as well as fire trucks, for the new fire station to be built?

Mr. James Burkush, Fire Chief, replied currently we do have three firefighters up there with one truck. There would be no additional Manchester personnel who need to be put into that station.

Chairman Osborne asked so we would be taking over a lease from Hooksett?

Mr. Burkush replied no, what we are proposing…

Chairman Osborne interjected you can have more than one stall I would presume.

Mr. Burkush stated we are proposing to build a facility with three gates or stalls for possible future expansion if the need arises to put an aerial device in there or ambulance device. One proposal is to lease some space to the Town of Hooksett. I talked to the town manager today and they haven't been able to commit yet, but going forward, they just completed a station location study and they need a fire station in that location. This year we completed a station location study, confirming the location of the Hackett Hill Station, Station 4, so the idea would be to have a facility with a Hooksett fire truck and a Manchester fire truck in the building with two wings: a wing for Manchester firefighters and a wing for Hooksett firefighters with some shared space in between.

Chairman Osborne asked approximately how many people do you think this will serve in that area, outside of the commercial part of it?

Mr. Burkush replied it is probably 6,000 at least. There are probably 9,000 people who we would be responsible for first response for and in addition to that, Engine 4 has other response duties, what we would call second and third duties, further down into the West Side area of the City. That station is desperately needed in that location due to the fact that it is over two and a half miles up into Woodland Estates and that area.

Chairman Osborne asked how much would that station cover…the station that is there is covering about the same as what you are talking about isn't it?

Mr. Burkush replied our current station was built in 1987 as a temporary station because it was a mobile home with a steel building. One proposal would be that if we had a fire in that area of Manchester or Hooksett, both vehicles would respond. It would be an added service to Manchester residents and added service for Hooksett residents in that area, which we currently do anyway. If there is a fire on Hackett Hill Road, Hooksett calls for our response and vice versa.

Chairman Osborne stated there wouldn't be any additions to what you have now unless you get a ladder in the future?

Mr. Burkush responded that's correct.

Chairman Osborne asked what is this property assessed for and what is it appraised for? What are those two figures?

Mr. David Cornell, City Assessor, replied the current assessment on the property is a tad over $5 million, but that does include the entire phase one and phase two so that would be a little over 425 acres for the total parcel. As far as appraisal, there was an appraisal done back in 2008 by Manchester Housing and essentially what that appraisal did was talk about a development scenario…

Chairman Osborne interjected what is it worth right now the way it is? What is that land assessed for if there is nothing on it?

Mr. Cornell replied like I said, the current assessment is a little over $5 million, but that includes the 425 acres. The appraisal that was done by Manchester Housing came in at $1.1 million.

Chairman Osborne stated the reason why I'm asking this is because I really don't know. I wasn't sitting there with anybody getting the information so I have to go over this being Chairman of this Committee and the members have to have a little knowledge of the background. What do you expect from us this evening?

Mr. Danais replied I would expect an approval so it could go before the full Board of Mayor and Aldermen and then we will have a full discussion at that time. That's what I'm looking for so we can move forward. We have two things to do: we have to get this purchase and sale agreement approved by this Committee and at that time, Jay is also going to take the zoning amendments to another Committee.

Mr. Minkarah stated there are two actions. One is on the purchase and sale and we would of course hope that that would be approved. We would anticipate, unless the Committee felt that it needed to deliberate longer, that that would be reported out for June 1st. We would like to request that the Board recommend that the zoning changes be reported out tomorrow evening so that the Board could set a public hearing date. The reason for that is that we need to set a public hearing date and then it goes through the Committee process, which takes some time, so we were hoping that that would move a little faster. We would, of course, anticipate that any approval or recommendation that the Committee made with regard to the purchase and sale would be subject to approval of the City Solicitor.

Chairman Osborne asked how much do you feel that this will cost, this fire station, to construct?

Mr. Danais replied we are allocating $2.8 million. We anticipate that if it is identical to the station that you have on East Industrial Drive. That is the latest station that you built. That was built in 2007. We sat down with the architect that the City hired for that and looking at his files and with all the soft costs and everything I believe it was at $2.1 or $2.3 million. We anticipate that with today's economy and the aggressiveness of the bidding that we can come in at about $2.1 million.

Chairman Osborne asked $2.1 then or $2.3? Is that what you are saying?

Mr. Danais replied $2.1 million right now if it was identical…

Chairman Osborne interjected but what was it back then?

Mr. Danais replied $2.1 to $2.3 million.

Chairman Osborne asked how can it be the same cost today as it was back then?

Mr. Danais replied because the economy is such that people have been retrenching their bids and they are building today for the same price that they build for six years ago.

Chairman Osborne asked usually though when you build something isn't there always a 10% or 15% leeway?

Mr. Danais replied that's why we used $2.1 to $2.3 million. I'm telling you $2.1 and if it is $2.1 million, we are going to write a check to the City of Manchester for $700,000. Whatever we can get it for and we are going to go out to the low

bid. I'm not going to just tell you tonight that Danais Construction Company is going to build it for X amount of dollars. We will go out to low bid. The City of Manchester will be participating with us in those low bids and it will be a joint effort to get the best price for the City. We will build it for the lowest price that we can. We anticipate $2.1 million.

Chairman Osborne asked so you will be the general contractor as well?

Mr. Danais replied yes, I will be.

Chairman Osborne asked the difference between if is it $2.1 and $2.8 goes back to the City?

Mr. Danais replied that's correct.

Alderman Lopez stated I have a couple things I want to set straight for the record so people understand something. Jay, you can help me out in a minute. About three months ago, I appointed Alderman Patrick Arnold to represent the Aldermen at the bidding process. Could you tell us a little more about the bidding process? How many people were there? What was the process? Just so the public understands that this didn't happen yesterday.

Mr. Minkarah replied we put this out to bid in January. We received our proposals February 5th. We did have conversations with about four or five developers who were interested in perhaps putting in a proposal. In the end, we received one complete proposal and one letter of intent, which fell short of a full proposal. We elected to move forward with the proposal that we had. We spent, as has been referenced, a couple months reviewing it at the committee level. To back up even a little further, I think the process of getting towards issuing that RFP was a fairly public one. We had a fair number of discussions going back into the fall as to where we should go with Hackett Hill and what direction to take with it. Building up to that point was a fairly lengthy time. I will add that this is the second time that we have put out a RFP seeking a developer to acquire and develop the site. The last time was two years ago and at that time we didn't receive any proposals.

Alderman Lopez asked Mr. Sanders, could you come up and take a seat at one of the microphones. I have a question for you. As far as building the station, you said similar to the one on East Industrial Drive and the Chief will decide with the architect what he is looking for. Is that correct, Chief?

Mr. Burkush replied I have met with Mr. Danais and his engineer. My understanding is that we will build a station that is functional to us and meets our needs. We talked to Mr. Matuszewski who did the East Industrial Park Drive. We

expressed our concern that we want City Facilities to be involved as an oversight to help us out and Mr. Danais has agreed to everything we have asked for.

Alderman Lopez stated Mr. Sanders, the question I have for you, if you can follow my line of thinking, if we were to bond $2.8 million for how many years what it would cost us and looking at the $1.6 million and the $2.8 million as has been proposed, what type of money would we be talking if the City had to do all of this?

Mr. William Sanders, Finance Officer, replied if we bonded $2.8 million for 20 years, that would cost the City about $180,000 a year in debt service to pay that off. To construct the fire station would be a portion of that. The $2.1 million would be about $120,000 a year of that money. I'm not sure I remember the second part of the question, Alderman.

Alderman Lopez asked what it would save us in the long run? I presume that the question would be do you sanction this particular program as presented financially? I know it is a tough question, but I know you're a tough man.

Mr. Sanders replied we did go through a RFP process. There was only one proposal that came forward. Certainly, to me and to the members of the committee, it is a desirable piece of real estate. We believe it does have high value. The Assessor mentioned a value of, I'm sure I followed it entirely there, but I'll say $3 million or $2 to $5 million. I think it is an arms length transaction certainly and I think we are getting value for the property. I suppose that in my position I would always hope that we could get more, but I understand the realities of negotiation.

Alderman Lopez stated Jay, my last question is about the Manchester Housing Authority. Did they play a part in this?

Mr. Minkarah replied they were not on the review committee, no. We have of course spoken with them, but they were not on the review committee.

Alderman Lopez stated under item 11-1, am I reading it wrong? Is the Authority selling it?

Mr. Minkarah replied the authority is the seller, yes. They currently own the property.

Alderman Shea stated thank you very much for investing in the City. I did discuss it with you. My points are very minor and probably a little bit from the point of view of trying to get a few little details. One is for the Fire Chief and when the

station is built, hopefully there won't be a problem with the roof. I think that that is a concern that we have addressed and I think you will do that. The second is, in the development that is taking place and this goes to Jay, will there be allowances for further development? In other words, further development will not be impeded in any shape, manner or form?

Mr. Minkarah replied no, it will not. That was a point that was important to the review committee to make sure that the access road would be a public road and would go all the way through so that it could continue into the remaining 300 acres that we would still own.

Alderman Shea stated the hours of operation…is it going to be a 12 hours situation? I'm speaking as if I were a resident there.

Mr. Danais replied it is going to be very similar to what you see on East Industrial Drive. It will be a 24 hour operation, but if you look at East Industrial Drive, that is an example that I continue to fall back on because it is an example of what happened to the City 25 years ago. Let me put it this way: Of the 335,000 square feet that I currently have on Holt Avenue, there are probably one or two trucks that come in there during the night to service their clients or their tenants. In any industrial facility, you do have to have access seven days a week, 24 hours a day in order to accommodate the needs of any of the tenants or owners of the park. So yes, it will be open seven days a week, 24 hours a day, but the super majority of the access and business will be done during business hours.

Alderman Shea stated you did indicate that there will not be a parking problem, but you did indicate that you ultimately hope to hire more people. I'm wondering if the people there would expect an increase in traffic as your program develops. In other words, initially you don't think that there are going to be any parking density situations. In other words, your reasoning is that they are not going to have as many people there as they would have had if there was another type of operation. However, you did indicate that the provision states that you would have more people employed.

Mr. Danais stated what I stated was that in reviewing the approvals that have been approved and reviewing the traffic studies that the City has taken in the past couple of years, they anticipated a much higher density than 2,500 when it was completed. My estimate of 2,500 people will be when the entire phase that we are buying, phase one, is completed. That will still be many fewer people or employees than was anticipated with the approvals that are now in place.

Alderman Shea asked would the people be employed at the facility or other than at the facility? In other words, would there be 2,500 people physically there at one time?

Mr. Danais replied no. They would have sales people, truck drivers, engineers and different people. Again, I'll fall back on my facilities on Holt Avenue. If you drive by either of those buildings during the day, you would think that the building was 50% vacant. We have never come close to using the parking ratios that are required under the zoning, which is fine. I don't have any issues with that. The buildings and the tenants that we are going to attract will not have a high density of employees based at the building for eight or ten hours a day.

Alderman Shea stated I think this is always a concern of people. How many trucks do you anticipate will be using Hackett Hill during the course of a day?

Mr. Danais replied I have no idea, but again I will go back to using East Industrial Drive. If you took all of the East Industrial Park itself, there is approximately 400 million square feet of space there. East Industrial Drive is still a one lane road. If you sat there at any time during the day, there is never any congestion or a backup now that they have two lanes at the corner of Candia Road and East Industrial Drive, but if you sat in any of the parking lots of East Industrial Drive from six in the morning until six at night, there is traffic, but there is never a bottleneck or bumper to bumper traffic. That facility or park is about 400 million feet so we're not going to even approach that. Number two, when phase one and phase two are completed in this particular Hackett Hill development, the State of New Hampshire has already approved a new exit, exit seven. That is in their Master Plan and all they are waiting for is for construction to commence. Hopefully they will start that exit. If exit seven is completed, and I have no reason to believe that it would not be, people are not only going to be able to access the Northwest Business Park from Hackett Hill, but they will have direct access from the new exit on the Everett Turnpike off of Dunbarton Road. That is already in the Master Plan and if you look at the overall plan of the park, it shows the exit in there. That is going to be an additional benefit when phase one and phase two are completed.

Alderman Shea asked how would the traffic compare with the traffic, not on Industrial Park Road, but your facility on Industrial Park Drive…how many trucks do you have there now per day, 20, 50, 100?

Mr. Danais replied fewer than 20.

Alderman Shea stated so what you are saying in essence is that when your project at Hackett Hill is developed, the people there are going to ask you this question I'm sure…you are indicating that there are going to be about 20 trucks per day when you start the operation? It could increase if business is better to approximately double that amount.

Mr. Danais stated I'm guessing. Before I have the meeting on the 27th, I might park myself at my building and count them in a day and I'll have a better idea. No one has ever asked me that question.

Alderman Shea stated they will ask you.

Mr. Danais stated I'll have an answer for them.

Alderman Shea stated I think that is important.

Alderman Greazzo asked do you have an estimated cost of the infrastructure that would be put in the new park?

Mr. Danais replied yes, we have. Based on the analysis and the engineering that we had looked at, the worse case scenario, we think that we are going to have to invest about $5 million in infrastructure costs.

Alderman Greazzo stated that's $5 million that the City wouldn't have to pay to put that in. Correct?

Mr. Danais replied correct.

Alderman Greazzo asked will that tie into the phase two area?

Mr. Danais replied yes, it will. We are going to bring water, sewer and natural gas and PSNH is going to bring all new wiring into phase one which will be available for phase two.

Alderman Greazzo asked Chief, do you have an estimate what the lease would be to Hooksett for the space in that fire station?

Mr. Burkush replied no, we don't. One of the numbers that the Mayor talked about was about $100,000 a year, but we haven't been to negotiations with Hooksett yet.

Alderman Greazzo stated so we have the potential to get $100,000 a year to lease to Hooksett. We would get something back above and beyond your construction costs if it came in below $2.8 million. It would generate $1.6 million per year in taxes and you are putting in $5 million in infrastructure improvements. Is that right?

Mr. Danais replied those are all accurate numbers, yes.

Alderman Long stated I have a couple questions about article three, the payment and purchase price. I wonder if the Solicitor could verify that this follows the procurement procedure as a special procurement.

Mr. Tom Arnold, Deputy City Solicitor, stated it is hybrid, I think, because of course it is mixed up with the sale of the property. This is apparently part of the purchase price of the property as opposed to a procurement where the City is going out and paying.

Alderman Long stated the general contractor is building the City a fire station. Does that follow procurement process with respect to special procurements?

Mr. Arnold replied it would not outside the purchase of land. If we were just going out and procuring the building of a fire station, of course that would fall within procurement code, but what we have here is a situation where the fire station is basically payment for the City's land.

Alderman Long asked so this process, in your opinion, is okay because the purchaser is the general contractor and that is all involved with the purchase of the property and building the fire station?

Mr. Arnold replied I guess it is something that we would want to look at. Though some of it has been clarified here tonight, within the office we had a number of questions over what was being designed, what was being built in terms of the fire station and what input the City was going to have into those designs and construction. We have a number of questions along those lines. I couldn't say at this point that the City Solicitor's Office is okay, for lack of a better term, with this proposed project.

Alderman Long stated there are questions with respect to the procurement process and section three. Are those the questions that you need to ask?

Mr. Arnold replied among others.

Alderman Long stated so that is still grey and we need to secure that. There is a cap at $2.8 million. I'm hearing Mr. Danais say that he is expecting about $2.1 million. He can't give hard numbers and that is not expected. With respect to designs and plans associated with East Industrial Park Drive, I'm not sure if we got those designs, if we are allowed to give them to another contractor to build a similar fire station. Is there a cost associated with designs that the City has? Let's say we build fire station A on the West Side and we want to build the same thing on the east side. As a City, giving it to another contractor, can we do that with respect to plans and designs or is there a cost associated with it?

Mr. Arnold replied it would depend on the agreement with the original architect and builder. Generally, I think we could do that, but any particular agreement may have special provisions dealing with the use of such plans.

Alderman Long asked so in your opinion, these plans and designs can go to Danais Construction and there is no cost associated with that?

Mr. Arnold replied as a general rule. I haven't looked into the specifics of the agreement with the station that was erected on East Industrial Drive.

Alderman Long stated I don't see any oversight of the City with respect to the construction. Let's say the cost comes in at $2.2 million. How do we know that that cost came in at $2.2 million?

Mr. Arnold asked that is what you are asking me?

Alderman Long replied yes.

Mr. Arnold stated those were some of the questions that we had.

Alderman Long stated I'm assuming that you looked over the contract, the purchase and sale agreement.

Mr. Arnold stated we have reviewed it briefly. As I said, we have a number of questions about its provisions, some of which have been answered tonight, but as I said prior, we had questions about what is actually being constructed, what control the City was going to have or what input the City was going to have and what input the various staff would have. For instance, tonight I have heard that the Fire Department is going to have input and Facilities will have input, but that isn't documented in this agreement anyplace.

Alderman Long stated within that section three also, there is a…if the seller deviates from East Industrial Park design and the cost exceeds the cap, the seller will reimburse the buyer for all costs associated with that. The perception I got tonight from listening to Chief Burkush is that the…it is not too clear to me that it is going to be the same design as the East Industrial Park Drive station. If that is the case, what is the associated cost for changing those designs? I'm looking to give the taxpayer the best dollar amount. Granted, we are getting a fire station and that is in the interest of the taxpayer, but in the best case scenario, I would like to get some money for this project. I'm sure we all would. The estimate from Mr. Danais is $2.1 million. We have a cap of $2.8 million. I don't know how many acres are associated with lots one through ten and twelve and thirteen. Jay, do you know?

Mr. Minkarah replied about 2.8 acres would be the parcel that we are looking to put the station on.

Alderman Long stated this purchase and sale is for lots one through ten and twelve through thirteen. Do we know what the acreage is on that?

Mr. Minkarah replied the total area of the site is about 124 acres.

Alderman Long asked and phase one, Mr. Danais, is that 124 acres? How many acres is phase one?

Mr. Danais replied yes. Alderman Long, I think we have a little more input regarding the no cost to the City on the architect. I'll allow Mr. Castagna to answer that. He has been working directly with Fred Matuszewski at the CMK.

Mr. Mike Castagna, President of the Castagna Consulting Group, stated basically, what we have done is met with Chief Burkush and a few of the other City officials. We also met with Fred Matuszewski at CMK who designed Station 8 project. We were just using Station 8 as a guide as far as size, how many vehicles, beds and the ancillary uses for that site as a basis for design in order for us to come up with a budget number that we could use in putting this deal together. We met with Chief Burkush and a few other officials last week. The size and number of bays seemed to fit; however, the design is not free. We are going to have to go and design it specifically for the site at Hackett Hill. That would be part of the cost. That is why we have engaged with CMK to give us a proposal and take a look at exact costs for design with what we know now. We fully intend to engage with the Fire Department in programming and designing this building as well as other City departments which need to be involved. This is going to be your facility. You are going to own it when we are done so we are not going to all of a

sudden go build this based on sketchy information and then turn it over to the City. The City and the pertinent departments will be fully involved in designing and building this project.

Alderman Long asked so the design is going to be site specific, of course, but is it the basic East Industrial Park Drive station structure or is that going to change too?

Mr. Castagna replied it could change. We are going to have to go through and base it on programming. With Hooksett being a potential player in this down the road, that is going to have to be taken under consideration. Space requirements and how the town and City interact is going to be part of the design. In talking to Chief Burkush, we would certainly entertain Hooksett being part of this if that is in the best interest of the City. We want to make sure we do this once and we do it right and it fits within the programming that we have and the dollar amount that we have.

Chairman Osborne stated we don't have much time left, but I'm sure there will be plenty of questions in the future. What is your pleasure?

Alderman Lopez stated the way I understand from the conversation that went on here, there will be the opportunity for some questions that some other Aldermen might have or the City Solicitor has as we move forward on this project and not delay it. In talking with Alderman Arnold, he is having that public hearing which he stated and we would have to report out for a zoning date tomorrow night at the Board so that gives us plenty of time. I understand after having a conversation with the City Clerk that he wants to comment on the earliest possible zoning date.

City Clerk Matt Normand stated the earliest possible, if we can get the legal notice into the paper for Friday, the 21st, if the Board directs tomorrow night that the zoning ordinance be amended and sent to a public hearing, we could have a hearing as early as May 31st. If it cannot get into the Union Leader until Monday the 24th, then that brings us out to probably June 7th, the following Monday.

Alderman Lopez moved to accept this item and pass it to the full Board with the recommendation that a public hearing date be set and that the zoning date be established by the Board of Mayor and Aldermen at their next meeting. The motion was duly seconded by Alderman Shea.

Chairman Osborne called for a vote on the motion. The motion carried, with Alderman Osborne voting in opposition.

TABLED ITEMS

6. Communication from Jack Baringer, Site Acquisition Manager for Goodman Networks, submitting a proposal for Clearwire to Lease City Property.
(Note: Tabled 1/19/10; Leon LaFreniere, Director of Planning & Community Development, to work with staff and provide a recommendation.)

On motion of Alderman Lopez, duly seconded by Alderman Roy, it was voted to remove this item from the table.

Chairman Osborne asked Mr. LaFreniere, do you have any response on this or item 7? Do you want to leave them on the table?

Mr. Leon LaFreniere, Director of Planning & Community Development, replied we could provide additional information, but we are still waiting for information. We are not ready to make a recommendation.

On motion of Alderman Lopez, duly seconded by Alderman Roy, it was voted to retable this item.

7. Request to obtain lot number 611-4A Island Pond Road.
(Note: Attached is a memo from Joan Porter regarding the Tax-Deeded property; appraisal from the Board of Assessors, if available. Tabled 9/1/09, additional information submitted by the Director of Planning & Community Development. Re-tabled 1/19/10; Leon LaFreniere, Director of Planning & Community Development to work with the City Solicitor and provide a recommendation.)

On motion of Alderman Shea, duly seconded by Alderman Roy, it was voted to remove this item from the table.

Mr. David Beauchesne, Senior Planner, stated this is a situation that has been essentially approved by the Board and the Committee. It needed a little bit of ironing out as to how we would process it. You asked us to consult with the City Solicitor. We did that and we came to an agreement of how it should be handled. We specified this in items one through five of the April 9th letter that we submitted to you, which I think is page 7-1. It essentially directs the Office of the Tax Collector to solicit from two direct abutters, the only two direct abutters, the highest offer sealed bid that would be subject to further review from this Committee as well as the Board of Mayor and Aldermen. Aside from that, because it is tax deeded land, you would have to show that justice would prevail for certain causes which are listed here. You would also have to find, as in item

one, that the lot that is owned by the City would have to be deemed surplus in order to be processed. The condition of any sale would be that whoever would acquire the property, presuming that it reach that end, Mr. Chairman, would merge it with their existing lot to satisfy certain matters less than the minimum lot side yard set back. Lastly, the full Board of Aldermen would need to pass an Ordinance that authorizes the disposition and that relates to the fact that this is a tax deeded property that would be disposed in the end.

Chairman Osborne asked so move this along to the full Board?

Mr. Beauchesne replied yes.

City Clerk Normand asked the Committee has deemed this property surplus? Is that what the motion is?

Mr. Beauchesne replied it is the five items that are in the letter; item one finds it surplus.

City Clerk Normand asked the Committee has agreed to all five of those items?

Chairman Osborne replied yes.

On motion of Alderman Shea, duly seconded by Alderman Greazzo, it was voted to move this item to the full Board and approve the five stipulations in the letter submitted by the Planning Department.

8. Report of the Board of Mayor and Aldermen advising that is has requested staff to prepare documents to provide that the City agree to extend the term on the 2nd mortgage relating to Lowell Terrace Associates property located at the northwest corner of Lowell and Chestnut Streets to coincide with the expiration of the existing first mortgage in 2013.
(Note: The Committee has requested clarification from Finance as to whether financials from 1984 – 2001 have been provided; Solicitor to provide a fair market value for the property as established by the Superior Court in October; Tabled 8/04/08; The Committee requests the Solicitor to provide an updated Certificate of Insurance for the property; Re-tabled 12/2/08. Information to be provided by the Assessor. Re-tabled 7/07/09 waiting for disposition letter. Re-tabled 9/1/09, Finance Officer and City Solicitor to provide a final disposition letter.). Re-tabled 1/19/10, Mayor, Finance Officer and City Solicitor to provide a final disposition letter.)
On file for viewing with Office of the City Clerk, One City Hall Plaza.

This item remained on the table.

NEW BUSINESS

Alderman Shea asked what about the dog park?

Alderman Greazzo replied I spoke with the City Solicitor on Wednesday and it wasn't able to be included on the agenda, but we have had the agreement on the table for the previous month so I would move to accept the agreement so they can move forward.

Alderman Lopez stated I ask that this be tabled right now for the simple reason that no one is here from Parks to discuss this. In the letter that we received from Jessica, and you have to remember that…

Alderman Shea interjected Tim is here though.

Alderman Lopez stated we don't have time to discuss it. In reference to the letter in Lands and Buildings, this whole thing, as far as another site, is in the Riverfront Committee. The Board of Mayor and Aldermen has given the Riverfront Committee…the way you read this, if you pass this, is that Lands and Building is to determine and that's not totally true.

Alderman Greazzo stated if I may, Alderman Lopez. This is just specifically on the Bass Island Park that has already been approved.

Alderman Lopez stated if you are looking for the agreement on Bass Island Park and not the letter from Jessica Fleming. That is what Alderman Shea was referring to.

Alderman Greazzo stated the dog park agreement that we have before us and that we have had before us for the last six months has been for the Bass Island location. At the last Board meeting, we approved that it would be Bass Island as long as they provided the insurance. They would like to move forward.

Alderman Lopez stated I will go along with the agreement, but I will not go along with the letter. We are not talking about the letter.

Alderman Greazzo stated no, we are not talking about the letter.

Alderman Lopez stated okay, I'll go along with the agreement for Bass Island.

On motion of Alderman Greazzo, duly seconded by Alderman Shea, it was voted to approve the agreement for Bass Island.

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

A True Record. Attest.

Clerk of Committee