

**SPECIAL COMMITTEE ON RIVERFRONT ACTIVITIES
AND BASEBALL**

February 2, 2004

5:15 PM

Chairman Lopez called the meeting to order.

The Clerk called the roll.

Present: Aldermen Lopez, Gatsas, Guinta, DeVries, Smith

Messrs.: Solicitor Clark, F. Thomas, L. LaFreniere, W. Jabjiniak,
K. Clougherty, R. Sherman, W. McCabe, S. Hamilton, S. Tellier,
B. Brooks, C. Poelster, M. Westerhide, F. Catapano, S. Rodell,
E. Chinburg, S. Ashooh, J. Taylor, R. Pinard

Chairman Lopez advised that the first purpose of the meeting is organizational in nature, and requested the Clerk to provide a brief overview regarding typical issues addressed by the Committee.

Deputy Clerk Matthew Normand stated on a motion of Alderman O'Neil seconded by Alderman Forest on September 2, 2003 it was voted that for the purpose of keeping the Board of Mayor and Aldermen informed as to the progress of renovations to Gill Stadium and the construction of the riverfront baseball stadium and also for the purpose of providing for the Board of Mayor and Aldermen's input into and oversight of renovations to Gill Stadium and the construction of the riverfront baseball stadium, pursuant to Rule 13 of the Board of Mayor and Aldermen a special committee for baseball construction consisting of five aldermen be appointed. It was also voted that the Board of Mayor and Aldermen delegate to the special committee all the powers of the Board of Mayor and Aldermen that may be lawfully delegated and that consistent with this delegation of power the special committee act on behalf of, and have the power to bind, the Board of Mayor and Aldermen with respect to all matters pertaining to the renovation of Gill Stadium and the construction of the riverfront baseball stadium. The special committee shall periodically report to the Board of Mayor and Aldermen on the progress of renovations to Gill Stadium and the construction of the riverfront baseball stadium and shall report to the Board of Mayor and Aldermen upon completion of renovations to Gill Stadium and the completion of construction of the riverfront baseball stadium.

Chairman Lopez addressed Item 4 of the agenda:

Discussion relative to the elevator at Gill Stadium.

Chairman Lopez asked, Solicitor Clark, would you verify your response to the Committee in reference to the elevator.

Solicitor Clark replied the Committee had asked that our office review the documents and other materials to determine whether or not the elevator was within the original \$4.15 million budget for the renovation of Gill Stadium. We did review the agreements and documents. I also discussed the development of those documents with the individuals involved and was our conclusion that the elevator was not originally in that number.

Alderman Guinta asked can you expand a little bit on that. What are you basing that on? Is there specific language you can cite that excludes it?

Solicitor Clark responded it was not included in the original budget figures. It was not included in the Rule 58 matters. When the budget of \$3.15 million from the City and \$1 million from the developer was put together my understanding from discussions with staff was that the elevator was not included in that.

Alderman Guinta asked were there any documents where the payment of the elevator was discussed.

Solicitor Clark answered it is in a budget in one of Harvey's contracts as an alternate. It is outside of the \$4.15 million. It was listed down below after that.

Alderman Guinta asked that is the only place in all of the documents.

Solicitor Clark answered in the monetary documents that I found yes.

Alderman DeVries stated I guess my question is for Frank Thomas. The elevator if I understand it from past discussions with Alderman Smith is required under ADA and is not required under Rule 58 because the use by the professional team at Gill Stadium is short-term. It was because we are putting in an excessive amount of money that we triggered the ADA requirement for the long-term use of Gill Stadium. Is that correct?

Mr. Frank Thomas replied that is our position correct. Again as Tom mentioned the larger items that were contemplated for improvements to Gill Stadium were included in Exhibit B. When you are talking about a \$450,000 item you would have anticipated that that item would have been identified and budgeted for in the original Exhibit A and it never was.

Alderman DeVries stated I would assume that when we look for the ADA compliancy that it was examined to see if there was any alternative to an elevator to give a handicapped individual access to the press booth such as a ramp or the other facilities that we do provide wheelchair access to.

Mr. Thomas responded again this elevator is basically to provide ADA capabilities to the press box area. As far as the stadium itself goes, there is a ramping arrangement that meets ADA requirements.

Alderman DeVries asked we did look at the press booth for cheaper alternatives though to the elevator to see if there was a way that a ramp could gain access to that. Did we look for any other cheaper alternatives before we decided the elevator was necessary?

Mr. Thomas answered a ramp wasn't feasible to provide that capability to the press box area.

Alderman DeVries asked so is it your position that the elevator is the only means of getting ADA access to that and being in conformance.

Mr. Thomas answered that is correct.

Alderman Smith stated just to follow-up in Exhibit B originally it was to provide a new exterior metal stair and support case. There is no mention of an elevator. The elevator issues came up and we received a letter from Boston as you well know and I think that right now it is accessible to the press box and there are handicapped ramps to the east and west that are accessible to the bowl area so I think we meet all of the ADA issues.

Chairman Lopez stated so the ruling of the City Solicitor is that the elevator is not included so we can put that to bed.

Alderman Gatsas asked, Tom, has anybody applied to the ADA for a waiver.

Solicitor Clark answered not to my knowledge. I believe that Leon LaFreniere addressed this Committee at one time and stated that there was no waiver provision for this but you would have to ask Leon that.

Alderman Gatsas asked is there somebody here who can address that.

Mr. Leon LaFreniere stated if there is a waiver procedure it is not a procedure that I am familiar with and we did not initiate any request for a waiver from the

requirements as we interpreted them and as were confirmed by the Boston Architectural Center.

Alderman Gatsas asked is there a reason why we can't apply for a waiver. My understanding is that going to the State level we have the ability to at least request a waiver.

Mr. LaFreniere asked would that be from the State Barrier Free Design Code or from the provisions of the ADA.

Alderman Gatsas answered the provisions of the ADA.

Mr. LaFreniere stated it was not something that we were asked to pursue. I certainly could take a look at that, however, I am not familiar with any appeal or waiver procedure that is in place. We did have extensive discussions about the requirement with the Boston Architectural Center and that at no time indicated that there was any ability to request a waiver from those requirements.

Alderman Smith stated Alderman Gatsas I still have this letter here and it says "finally we reviewed your letter dated July 16, 2003, which included an assertion that if improvements to the press box at Gill Stadium were limited to maintenance an accessible route would not be required. We have contacted the New England ADA Technical Assistance Center in Boston for clarification and they made the following points" and it goes on to state "consists of renovation to an existing facility it would be acceptable to provide accessible route for wheelchair lift or an elevator."

Chairman Lopez stated I think we want to move on. The question was was it included and it has been answered by the City attorney and Frank Thomas. If it is an issue that you want to take up later on we can do that but for now the elevator issue is to put to bed as far as it is not part of the contractual agreement.

Chairman Lopez addressed Item 5 of the agenda:

Update on moving soccer field to Derryfield Park.

Mr. William Jabjiniak stated I am the Manchester Destination Coordinator. You have in front of you a piece of correspondence from Andrea Batchelder who is with Gallagher & Cavanaugh who is the attorney for the team providing an update on its progress to satisfy the obligation to relocate Singer Park. It cites various things but the bottom line is that they expect to have a little more detailed proposal to us by the end of next week. That is the latest. They are certainly acknowledging their responsibility and looking to move forward.

Alderman Gatsas stated Bill I noticed in here that there is some mention of bleachers being sold. How did Downtown Visions get control of selling bleachers and whatever else they may have sold?

Mr. Jabjiniak responded Manchester Downtown Visions has leased the entire facility and if you remember Manchester Downtown Visions in partnership with 6 to 4 to 3 was your stadium developer so the attorney has asked for some information directly from Manchester Downtown Visions in the correspondence and they are working towards that and they are trying to pull together all of the pieces of their proposal.

Alderman Gatsas asked and our legal counsel says...Tom can you respond to the fact that if we are looking for 6 to 4 to 3 for the Derryfield why wouldn't Downtown Visions also be included in an arms length transaction to be responsible for also a portion of that move.

Solicitor Clark answered it was 6 to 4 to 3 that made the commitment, not Downtown Visions, to relocate the facility. I believe that they have accepted responsibility for that and they are working toward it.

Alderman Gatsas stated the \$1.143 million that the City reimbursed somebody for...they reimbursed 6 to 4 to 3.

Solicitor Clark answered that is correct.

Alderman Gatsas asked and that would have been for all materials that were at Singer Park. I would assume that would include lights, that would include scoreboard and that would include bleachers and if they paid for it I would assume they own it. I guess how does somebody else get control of it and sell it.

Solicitor Clark answered I don't know exactly what has happened there yet. We are waiting for the details. As I understand from the letter and from talking to Attorney Batchelder if there was a sale the proceeds are going to be turned over to the City.

Alderman Gatsas stated my question is how can they be turned over to the City when somebody else owns them.

Solicitor Clark replied I am not sure they do own them but we are taking a look at that and we are working with the attorneys.

Chairman Lopez stated there will be an answer forthcoming on this. This is an update on the item at hand here. Until we get confirmation from the legal attorneys I think we can hold off. It is not going to go anywhere right now. What I would like to do at this time is as you get up to speak please identify yourself and who you represent. We have the entire staff of the City here. We have the Finance Officer, Kevin Clougherty; Destination Manchester Coordinator; Frank Thomas the Public Works Director; Tom Clark the City Solicitor, Atty. Walter McCabe from Ropes & Gray, Bond Counsel; Ron Ludwig from Parks and Recreation; Steve Tellier and we also have...is the appraiser here.

Mr. Jabjiniak stated no Mr. Fremeau is not going to be able to make it this evening.

Chairman Lopez addressed Item 6. First we will have the Finance Officer give us an update.

Mr. Kevin Clougherty stated you had asked me at a previous meeting to talk about three things. The first item that you wanted us to look into was a request from Alderman Gatsas regarding enforceability on the letters of credit. We have met with the attorneys from Ropes and Gray and Walter is here. It is their opinion that the letters of credit are in fact enforceable and that in the event the City should need to rely on them they are there for the City's use in accordance with the agreement. I believe we sent a letter to that effect to you. That was Item 1. Item 2 was you wanted to see a lay out of the flow of funds for the project in terms of what the debt service was and how the dollars might be coming in from the different aspects of the project in order to pay that. I am going to turn it over to Randy who has handed out a spreadsheet to you that he has worked on this afternoon to walk through that piece. Does everybody have a copy of the spreadsheet?

Mr. Randy Sherman referred to the handout stating in the first column what I have done is I have just taken the debt service numbers over the next 25 years. The schedule that you have is only dealing with the \$25 million portion of the \$27.5 million. It does not deal with that extra \$2.5 million because that is being paid 100% by the team. So if you take the debt service payments what I did in the center section that is shaded there is I showed you how much is coming from the team on an annual basis and then the balance is how much needs to come from the tax revenue. If you follow down on the team column you will notice in Year 11 the \$750,000 starts to increase because there is an escalator in there based on CPI. For this scenario I have just estimated that that is going to be 2%. The final column that I have is how much valuation is actually being required to cover the amount of tax revenue that is needed to cover the balance of the debt service once the team has made its payments. As you can see, it does ramp up from Year 1. It

actually peaks in Year 5 and based again on an estimated 2% increase in the property tax rate the maximum valuation that is required if all of these scenarios hold true and the debt service are final numbers is \$38.6 million and then it goes down from there. You will notice that there are a couple of reasons why the valuation goes down. The debt service actually tails off towards the end, which was done to save us some dollars over the long haul. The team revenues as I previously described do increase over the last part of the term, the last 15 years and again as the tax rate increases the valuation needed to cover that difference of the debt service payments also would decrease.

Chairman Lopez asked are there any questions on the letter of credit for the bonds.

Alderman Gatsas asked Walter can you tell me these letters of credit that you say are enforceable are they enforceable through implicit or explicit understanding.

Atty. Walter McCabe answered they are enforceable through explicit understanding.

Alderman Gatsas asked can you give me a reference as to where those explicit understandings are.

Atty. McCabe answered there are three letters of credit that have been issued to the City to support the stadium debt obligations. One was issued by Drew Weber for 6 to 4 to 3. That obligation is found within the management agreement.

Alderman Gatsas replied I agree with that one.

Atty. McCabe stated the other two letters of credit were ultimately issued...I believe the account parties in one case is Fred Rodell, Sr. That was issued by a bank at his request. He is involved as a principal with the entity that is working to be the hotel developer pursuant to arrangements that the Rodell Group had with Manchester Downtown Visions. The third letter of credit was issued with the account party of Eric Chinburg. He has been working again with Manchester Downtown Visions with regard to a residential portion of development of the land portion of the project.

Alderman Gatsas asked can you show me exactly where in the agreements those two letters of credit would be explicit.

Atty. McCabe answered the Master Lease Agreement requires that Manchester Downtown Visions provide letters of credit subject only to reduction for what is put up by the stadium developer. It does not indicate how they come up with the

letters of credit, merely that they do to secure the City with respect to the obligation.

Alderman Gatsas responded and you can show me case law that will show us that those two letters of credit are explicit and not implicit.

Atty. McCabe replied the letters of credit are very short, very succinct and very to the point. They grant the right to the City to draw upon the City's presentation and statement that they are in a position to draw on the letters of credit. The banks are required under that circumstance to make payments. The City's right to undertake that draw is governed by the various documents that the City has entered into with the land developer and the stadium developer. They were interwoven but effectively a default on the development and management agreement from the stadium where there would be costs that the City would incur it would be entitled after taking certain steps to draw on the letters of credit.

Alderman Gatsas asked do you have copies of those letters of credit.

Atty. McCabe answered yes I do have them with me.

Alderman Gatsas asked can you show me on Eric Chinburg's letter of credit other than saying that the beneficiary is the City of Manchester any agreement that Mr. Chinburg has with the City or any reference to an agreement.

Atty. McCabe answered the letter of credit would not be properly drawn if it has conditioned itself on other agreements. The proper way to have a letter of credit drawn if you do not want to be held up in presenting it to the bank and influenced by extraneous circumstances is to have it simply drawable and presentment of that is what it provides. There is no requirement that is spell out the terms under which it is being drawn, which is under another agreement here between the City and Manchester Downtown Visions and Mr. Chinburg chose in his arrangements with Manchester Downtown Visions to put this up effectively covering their obligation to the City effectively as a guarantor for them.

Alderman Gatsas asked so this letter of credit is really not an explicit letter of credit. It is more of an implicit letter of credit because we don't have a company letter that tells us what this letter of credit is for. I mean we couldn't as a City tomorrow go in and activate this letter of credit on some other item.

Atty. McCabe answered you could at any time that you are lawfully entitled to draw on it present it for a draw and it is payable by the bank. Whether you are lawfully entitled to draw on it depends upon the agreement under which that piece of paper, that letter of credit was provided to you. In this case it was provided to

you to support and as a response to the obligation of Manchester Downtown Visions under the Master Lease Agreement.

Alderman DeVries stated I don't want to interrupt because I am not looking to talk about the letters of credit. I would like to, in fact, take us back to Randy Sherman. Are we ready to go back to the bonding?

Chairman Lopez responded yes you can ask questions on the bonding.

Alderman DeVries stated Randy you are showing that in Year 2005 we need to have a valuation of \$8.5 million to get tax revenue of \$229,539.18.

Mr. Sherman responded that is correct.

Alderman DeVries stated I guess the Assessor's Office could answer for me...that valuation would have to show as of April 15, 2005.

Mr. Steve Hamilton responded the effective tax date for 2005 would be April 1, 2005.

Alderman DeVries asked so that would have to be close to 100% complete on April 1, 2005 in order for us to reap the full revenues of \$229,000.

Mr. Hamilton answered the value that is indicated for 2005 on the spreadsheet is \$8.524 million. That is about...

Alderman DeVries interjected about 90%.

Mr. Hamilton answered no. That is about 1/3 of the total value.

Alderman DeVries stated I guess I am referencing just the hotel property, which would be the first one coming on line which you show an assessed value of \$10 million or a market value of \$10 million.

Mr. Steve Tellier responded to answer that question I think the most appropriate party would be the developers who would be able to tell you their anticipated construction schedules. What we are here to attest to are opinions of value and we are fully prepared to do so. We have provided that information to you. However, the timing of when those come on line with respect to the April 1 taxation deadline would be more appropriately answered by the construction entities.

Alderman DeVries replied I understand that and I guess I am going under the assumption and I certainly plan on following it up with the developer who is

represented here but the hotel is going to be the first property that is developed on this.

Mr. Tellier responded that is our understanding as well as the townhouses. It is our understanding that the townhouses being constructed would facilitate themselves most easily for the developer to get some cash going and to get interest in the project. Certainly townhouses and small bundles would go up a lot quicker than the 60 or 75 unit garden style complexes.

Alderman DeVries asked Chairman did you wish to enter into a brief discussion on the construction progress to see if the timelines are going to be met.

Chairman Lopez replied I think you should just keep that question in mind because we are going to have a presentation as we go along on the construction process and that might come up. Also, regarding the document that the Assessors gave us...do you want to speak on this document at this time?

Mr. Tellier answered yes I think that would be appropriate. What Assessor Hamilton has put forward to you and I will turn over the microphone to him directly but I would like to note for all concerned though that the numbers are similar to what has been presented to you before. The only thing that has changed from time to time is the allocation and the number of the condo units. The hotel has been consistent and the value that we have placed on that as well and the per unit allocation. I will turn it over to Steve Hamilton.

Mr. Hamilton stated in this latest plan that we have reviewed there have been three changes. One is that the retail space has been reduced from 32,000 to 30,000 square feet. The garden style condominiums have changed from 100 units to 120 units and the townhouse units have been changed from 50 to 45 units so the values we have shown have been recalculated to reflect those changes in allocation for development.

Chairman Lopez asked in making your evaluation you have seen actual plans.

Mr. Hamilton answered we have reviewed the plans that are available yes.

Alderman Gatsas asked the plans that you have been privy to look at shows you a square footage cost of how much.

Mr. Hamilton answered we haven't had a cost breakdown presented to us. We have been shown site development plans and some sketches and some specifications but not an overall cost breakdown.

Alderman Gatsas asked if you haven't been shown a square footage breakdown or the total square feet within a unit how do you come up with average selling prices.

Mr. Hamilton answered in the last report we made, which was on November 17 we reported the average unit sizes and the details that were presented to us previously so perhaps it might be easier to read this having that previous memo as well. That memo detailed what was represented to us as the size of the units, etc.

Alderman Gatsas asked and what was that size.

Mr. Hamilton answered for the townhouse style it was represented to us that the units would contain three bedrooms and be approximately 2,200 square feet in size. The garden style units were reportedly an average of 1,500 square feet in size and two bedroom units.

Alderman Gatsas asked so my understanding is that the retail space is going to be located in the two mid-rise units. Is that correct?

Mr. Hamilton answered yes a portion of the retail space or 12,000 square feet is going to be located in the mid-rise towers as far as we know.

Alderman Gatsas asked are those the townhouse units.

Mr. Hamilton answered no those are the garden style.

Alderman Porter stated I have a question. You have on the spreadsheet and putting the numbers down and doing the math certainly they do come out and you are showing an increase of about \$6 million in the market value of the project correct.

Mr. Hamilton responded yes. The November 17 estimate had a total market value estimate of \$58 million and the current estimate is \$60.688 million so there is about a \$2 million change.

Alderman Porter stated the other question I have is in the event that there is not a revaluation in 2005, if your estimate of \$69.7 million and you don't know if that is right on or a little over or under because you don't have the figures yet from the state but what would you estimate might be a rough figure if there were no revaluation.

Mr. Hamilton responded it is problematic to estimate that far into the future what the ratio might be and what the tax rate might be but one way to try and predict that is to look at the equalized tax rate on Page 2 and the equalized value analysis

it will show you for Tax Year 2002, 2003 and then 2005 what our estimate of the equalized tax rate will be and on the line above that the net tax revenue is our estimate as to what the approximate taxes that that amount of value whether it is equalized at a lower ratio or a higher ratio will generate. The tax rate and the ratio are intertwined. The lower the ratio goes the higher the tax rate goes.

Alderman Porter stated a lot of that of course is dependent upon the budget appropriated by the Board of Aldermen. It is not necessarily a given fact.

Mr. Hamilton replied right and the real estate market. There are so many variables that it is difficult to say.

Alderman Porter stated the only concern I have and I think just looking at this and it is in 2002...I mean we can do a lot of things with numbers, magic things and these numbers generate apparently what is needed to meet requirements and agreements and so forth but my concern that I want to throw out is the fact that we are going to be paying this bond out of dollars generated by not just the taxes down there because to the best of my knowledge that is not a tax incremental financing district. Is that correct? So that money goes into the general fund so to say that that money is paying for it is skipping a step. It is the equivalent or could be the equivalent of paying for the bond but it isn't necessarily going directly to the bond. Would you agree to that?

Mr. Hamilton responded I have no knowledge of that. Perhaps Finance could answer that question.

Alderman Porter stated well you can't take the money from the hotel taxes and steer it directly to the bond unless it is a tax incremental financing district.

Chairman Lopez stated well let's have the Finance people answer that.

Mr. Clougherty responded that is right in general terms, Alderman, but also as you get increased valuation you are not going to take that and just restrict it to the project either. It is going to be available for the City's general fund use.

Alderman Porter replied correct. That is exactly what I said. Thank you very much.

Mr. Clougherty responded it is not quite what you said.

Alderman Porter stated one of the concerns I have is the amount of money. Here we have a project in 2002 that would have generated X and a project in 2005, which is probably more realistic in terms of timeframe and yet we are generating

fewer dollars. That is the only thing that I want to just throw out and caution everybody that this is a fact. Now I guess I would like to ask a couple of questions pertinent to the particular project itself. This is 2004. There are going to be zero out of there in terms of assessment. There is no taxable property in that district at this point correct. In that project?

Mr. Hamilton replied as of this date there is not. We are not sure what will be there on April 1 but we will be checking.

Alderman Porter responded well there won't be a building more than likely. I know they build them fast Steve, but not that fast.

Mr. Hamilton stated I guess the developers could probably answer that.

Chairman Lopez stated we will find out as we go along here and then there will be other questions pertaining to the assessment or whatever the case may be to verify so if there are no other questions...

Alderman Porter interjected I just want to say one thing. I don't think it is too far in advance to give some sort of an estimate. Over the years estimates based on reasonability...the past increase or inflation rate as depicted by the reduction of the equalized ratio from 76.6 to 69.7 would reflect a 9.9% inflation. Now the only way the ratio would stay the same is if there was no inflation or no appreciation in real estate and I believe there will be some. All I am saying is I think it should be considered and I guess I wish you would consider possibly for the next meeting or when this subject does come up what you anticipate it could be because it is not unreasonable for experts in real estate to at least have an idea if the trend continues what will it be and if the trend isn't going to continue show us why and that is all.

Mr. Hamilton stated if I might just to answer that quickly the trend is changing and that is the most problematic time to try and forecast anything. What would be a 9% or 10% change this year in the ratio was a 16% to 18% change in the ratio last year. So, trying to predict what that curve is or where the line is changing in terms of where the ratio is going when you only have two points on the curve is difficult. That is why I am reluctant to make that kind of a forecast. If there was a solid predictive trend where we could look at a modest 5% or 6% change per year over a long period of time then yes I would agree that it would be very simple to do.

Alderman Porter responded the only thing I will say is you see the sales as they come in. Certainly you could find out if there is a trend. Is property still appreciating, is it depreciating or is it staying level? I guess I will leave it there.

Chairman Lopez asked are there any other questions on the letters of credit or bond.

Alderman Gatsas asked, Steve, can you help me out with this. The commercial space, when was the first time that you were aware it was going underneath condominiums?

Mr. Tellier replied I can answer that, Alderman. We just learned several weeks ago...we have a set of plans here that was distributed to us...

Alderman Gatsas interjected what is the date of those plans.

Mr. Tellier responded January 2004 is the least recent. We just got a revision on Friday, which would be January 30. So it was just displayed to us recently that some of that retail was being allocated in the mid-rise unit.

Alderman Gatsas asked when you say some how much is some.

Mr. Tellier answered about 40%.

Mr. Hamilton stated 12,000 square feet is located on the first and second floor of the two mid-rise buildings according to this plan.

Alderman Gatsas asked and what kind of retail space...

Mr. Jabjiniak interjected the developer has indicated...

Chairman Lopez interjected we are going to wait until the developer comes forward on that. I don't want to get away from the format that has been laid out here so we get all confused. I think the questions on the LLC and the bond have been answered and we will get to your question when the developers come up.

Alderman Gatsas stated I have a few other questions unless you want to stop now. You said the first and second floor is what you said those plans show?

Mr. Tellier responded according to the information that we have on the mid-rise units, the allocation of the retail appears to say first floor only but we don't think that is accurate because in this legend that we have here it says 3,000 square feet of retail first floor only. They are attributing 12,000 feet of retail to the mid-rise, which would lend itself that you would have a couple of different locations within each of the mid-rise units and I guess at this point we would have to lend ourselves to the developer who could more accurately depict the distribution of that retail.

Chairman Lopez stated okay keep that in mind when we get to the developer.

Alderman Gatsas asked how could you possibly come up with value if you don't know if there is 12,000 square feet there or not.

Mr. Tellier answered we are looking to the developer to outline for us the allocation and the types of construction. They have demonstrated to us the range of the size of the units and the approximate retail. We can only go on what they have given us to date. As far as the exact location per floor we don't have that and we are waiting to hear that information as well. We have a total of 30,000 square feet where 18,000 is in one site and 12,000 has been allocated in the mid-rise units. That is the extent of what we have right now.

Alderman Gatsas asked do you have any other buildings that you would assume were even one story buildings that were 18,000 square feet that this City has assessed recently that is new construction.

Mr. Tellier asked for retail.

Alderman Gatsas answered yes.

Mr. Hamilton stated we have numerous retail properties that are in that size range.

Alderman Gatsas asked can you give me the approximate vicinity of one. South Willow Street maybe Shaws?

Mr. Hamilton answered Shaws is much larger.

Alderman Gatsas asked but don't they have additional retail next to it.

Mr. Tellier answered they have a little bit of retail. Some of those are industrial buildings that were replicated because of the loss that occurred before. The 80,000 square feet I believe of the Shaws will be office space as well.

Alderman Gatsas stated well give me something that is new construction that you gentlemen have just done recently.

Mr. Tellier responded I don't have an example.

Mr. Hamilton stated we are not prepared to show you an example right now but we can certainly bring you back examples of recently constructed retail buildings.

Alderman Gatsas asked what is retail space on South Willow Street going for at this point per square foot that you are looking at for assessed value.

Mr. Hamilton answered the assessed values range anywhere from \$100 to \$150 per square foot.

Alderman Gatsas responded on South Willow Street. So when I am looking at \$210 a square foot down at Singer Park I guess I am supposed to be looking at a 50% differential from South Willow Street for retail space at Singer Park?

Mr. Hamilton stated well some of our retail on South Willow Street is under assessed at this point. The market value exceeds the ratio.

Alderman Gatsas responded let's assume it is and let's assume it is under assessed by 50%. Do you want me to believe that this location is at the same square footage basis as South Willow Street?

Mr. Hamilton stated I don't believe that it is. In fact we have sales of retail condo units on South Willow Street that are in the \$300/square foot range.

Alderman Gatsas stated I have some questions on the bonds. Walter can you...again I am back to...have you seen any agreements with Downtown Visions and either Mr. Rodell or Mr. Chinburg?

Atty. McCabe responded I have seen drafts of agreements between both. I am not sure that I have seen the signed versions of the agreements between Downtown Visions and either of the sub-developer parties.

Alderman Gatsas asked wouldn't these letters of credit be explicit if there was mention in those agreements of this letter of credit.

Atty. McCabe answered it is actually in our experience preferable to have what is called a clean letter of credit which has no conditions other than the ability to present and draw for the City so that there is no impediment to your doing so and no ability of a party to run into court seeking to adjoin the drawing on a letter of credit from a third party since the City presumably would not do that except when it believed it had the right. It would presumably prevent entanglement. If you add excess verbiage to a letter of credit talking about various conditions, the question can always arise and be presented to a court whether those conditions have been satisfied. On our advice, these letters of credit have been made clean and did not discuss the background of the documents pursuant to which they were posted.

Alderman Gatsas replied I agree with what you are saying but have you seen any cover letters with these letters of credit.

Atty. McCabe stated as drafts of them were being negotiated, yes, I saw various letters from the respective parties who were presenting them to the City.

Alderman Gatsas asked do you have copies that we could have.

Atty. McCabe answered I don't believe I have them with me. If I still have the drafts from the time they were presenting the drafts I could check in the files. I may have those.

Alderman Gatsas asked do those cover letters specifically talk about this project.

Atty. McCabe answered yes. In addition there were numerous conversations among the parties meaning Finance, other representatives of the City, Manchester Downtown Visions, the 6 to 4 to 3 representatives and representatives for Mr. Chinburg and Mr. Rodell in regard to these matters.

Alderman Gatsas asked so you have cover letters and you will present those to us.

Atty. McCabe answered I will look in my files and see if I still have them with regard to presentation of drafts of letter of credit yes.

Alderman Gatsas stated I have a question for Mr. Sherman. Randy, do you have agreements from Mr. Chinburg to Downtown Visions?

Mr. Sherman answered no.

Alderman Gatsas asked do you have an agreement from Mr. Rodell to Downtown Visions.

Mr. Sherman answered no. Again, I have seen a draft of the lease but I haven't seen any agreements.

Chairman Lopez stated I think we are going to move on here. At this time what I want to do is go to Gill Stadium and the new stadium and call Mr. Frank Thomas and Mr. Bob Brooks forward.

Mr. Thomas stated I am the Public Works Director. To give you a brief update on the Gill Stadium project first of all hopefully by now you have been handed a colored picture status report in pictorial form with little write-ups on the progress as of January 26. I am happy to say that progress is going well on Gill Stadium.

Harvey Construction has stated to us again that they feel comfortable that the stadium will be in a position to play minor league baseball come April. That is not to say that there may not be some punchlist items that aren't completed. There may be some additional work going on at the stadium but it won't interfere with minor league play. The second thing that I wanted to talk about was that at the last meeting we were authorized to spend up to \$850,000 to address some of the alternatives being the elevator and improvements to the existing locker room areas. We have been working with Harvey Construction refining those numbers and I am confident that the funds that were allocated for the identified work are sufficient. Gill Stadium is moving along very nicely. Part of the Gill Stadium status report was a spreadsheet that basically notes expenditures to date for the entire project. You should have been handed out a separate attachment tonight that notes the commitments or the authorizations I guess that the City has made for payments as of tonight. What was added on that status report was requisition #7 that notes pending on it. What we have done is we reviewed it and we are asking for some additional back-up information from Parsons Brinckerhoff. So we are processing the requisition but quite frankly we will be holding the check until we get the requested information that is noted in the letter that is attached to the status report. Those are the funds that have been committed to the City to date. If you look at the top of that spreadsheet you will see Agreement Budget. The budget that was on the top of this sheet was pretty much what was identified in the development agreement that was executed by the Board of Mayor and Aldermen and 6 to 4 to 3. There is one area of concern that we have right now. It appears that engineering costs are going over what was budgeted. We are working with Parsons Brinckerhoff to identify the earlier commitments that are raising a concern to me. Again, if you take a look at it it is all part of that one budget package of \$27.5 million plus the additional \$1 million so it will be an issue that will be coming back and given a little bit more detail at a later meeting. Unless someone has questions specifically on Gill Stadium I would like to introduce Mr. Bob Brooks who is sitting at the table. He works for Parsons Brinckerhoff. Parsons Brinckerhoff if you remember correctly was under contract with the City to provide technical assistance to City staff on this project. When there was a change in construction managers by 6 to 4 to 3, 6 to 4 to 3 and Mr. Weber engaged the services of Parsons Brinckerhoff. We cancelled our contract because it was our opinion that in order to continue the momentum going on the project it would be good if Mr. Weber was able to pick up with a new construction manager that had experience on the project where they were working for us. Having said that, if there is a question on Gill Stadium I would be glad to try to answer it.

Alderman Smith stated here we are in February and progress is very, very good at Gill Stadium but when are you going to get the decking and seats available. Right now it is just a shell and here we are in the middle of February?

Mr. Thomas replied the decking and seats have been ordered. That will go in in early spring. Again, I do have a detailed construction over here from Harvey Construction that was updated in the middle of January and I will be glad to share that with you later on but I have been assured again that the biggest concern is that ordering the seats and the decking material is a fairly long lead time item. That has been done and it is scheduled to come in and be installed, again, to meet the deadline. In addition, it is my understanding that both the chairs and the decking will be installed by the same sub-contractor.

Alderman Smith asked, Frank, can you give me any assurances right now...I know that April 15 is the opening day. Outside of cosmetic and some painting and so forth, everything like the decks and locker rooms and stuff will be accessible?

Mr. Thomas answered I think my biggest concern may be on having the elevator completely up and running at that time because again the elevator itself is a long lead time item. That was the subject of quite a bit of discussions. Harvey in their schedule chose an early completion and a late completion and quite frankly the elevator under the late completion scenario passes that April 15 date. Again, now that they have a clear understanding that the elevator is moving forward...quite frankly we don't have a signed agreement with Harvey on this additional \$850,000 worth of work. We hope to have some type of agreement in writing with 6 to 4 to 3 by the end of this week or the beginning of next week. However, that hasn't held Harvey up. Harvey on their own initiative under their own risk has been proceeding on all of these alternative items. Again, it is the lead-time and if there is any one big component that may not be 100% complete it could possibly be the elevator.

Alderman Gatsas asked, Mr. Brooks, in your past experience...

Chairman Lopez interjected we haven't got to him yet. We are just talking about Gill Stadium.

Alderman Gatsas stated that is where I was going. In your past experience give me a rough estimate of what you would assume engineering costs on a percentage of a project would be.

Mr. Bob Brooks asked for rehab for Gill Stadium.

Alderman Gatsas answered you pick.

Mr. Brooks stated for Gill Stadium it is really hard to say because you are rehabbing an existing facility and depending on whether you have a Single-A, Double-A or Triple-A facility each one of them has different criteria according to

major league baseball. So to give you an exact figure depending on the condition of the existing facility versus a new facility and whether it be Single A, Double A or Triple A is very hard. When we first came on board and took a look at what was required at Gill Stadium and the estimated construction costs we naturally took a look right off the bat at whether it is reasonable or not. I would say right now the costs do appear to be reasonable. One of the major things along that line is the field. Normally there is a grass field. All of the sudden we have now an artificial turf field with costs of \$800,000 to \$900,000, which wouldn't ordinarily happen in a temporary minor league facility if you will. So when you take a look at the perspective of the \$4.1 million you are really talking \$3.1 million because of the artificial turf.

Alderman Gatsas responded that wasn't my question so I will try it again.

Mr. Brooks replied sorry.

Alderman Gatsas stated the cost of the project is one item. What would you assume that the percentage of the engineering costs for a \$4.1 million project would be?

Mr. Brooks responded again that depends on the condition...rehab costs are far higher a percentage than new costs.

Alderman Gatsas asked give me a range.

Mr. Brooks answered I can't give you a range because it varies per the condition of the existing facility. Some facilities you basically have to almost scrap from the beginning and it requires a lot more engineering work – sometime in the 15% to 20% range of the engineering costs whereas if you have a fairly clean facility you could easily be in the 10% range of engineering costs. Now the question also begs itself what is engineering cost? Does that include all of the field survey that is required or are there existing construction plans, say as-builts, already done? You can spend 1% to 2% just on an existing survey of the whole facility, which will add to the cost. So there are a lot of costs built in. I am not trying to be evasive. This is a fact. This is the way it is.

Alderman Gatsas asked what would you say the engineering costs would be on the new facility, brand-new.

Mr. Brooks answered it depends on your soil conditions. That varies on your soil conditions. Whether you are in a sandy area, a rock area, an area that we have down here on the site, which contains six different types of contaminant. It varies in location and in area of the country. Again, it is unique. You may be into the

water table a foot down or you may be into the water table six feet down. It varies...it is site specific. It really is.

Alderman Gatsas stated with everything that you have just told us if we are not using 15% just on engineering because of the soil contaminants and all of the things that you just said, we could run into some serious overruns.

Mr. Brooks replied I didn't say that. You asked me about rehabbing existing facilities and I told you it was about 15% to 20%. It varies upon the condition of the existing facility.

Chairman Lopez asked would you proceed on the new stadium please.

Mr. Brooks stated I am very happy to be here today even though...I have a brief presentation and I have actually arranged for the architects from Kansas City to come in. We are going to be having coordination meetings all week and I will go through that with you. I would like to review the schedule with you and then also have the architects give you a presentation. This will be the first presentation to the City, I believe, in over a year and we will also be giving a separate presentation to the planning and engineering staff this Wednesday morning. As you know, Parsons Brinckerhoff has taken over as the construction manager for the project. Just to give you a quick overview myself, I am the National Design Manager of PB Sports and Entertainment, which is a group within Parsons Brinckerhoff that deals with sports facilities, convention centers and the like. I personally have been involved in multiple projects and I would like to just give you a list to give you a level of comfort that basically our management and the staff I have working with me has dealt in many issues across the country whether it be soil conditions, rehabbing of existing facilities and the like. I will just read off a quick list. St. Louis Cardinals. We are currently under contract with the St. Louis Cardinals and on call services for Busch Stadium. The Seattle Mariners, Cleveland Indians, Oakland A's, Pittsburgh Pirates, Philadelphia Phillies, Cincinnati Reds...some football – the Pittsburgh Steelers, New Orleans Saints, Seattle Seahawks, Cincinnati Bengals, Pittsburgh Penguins which is an arena project. Cleveland Cavaliers is another arena. Cleveland Browns, Tennessee Titans, New Jersey Nets, Carolina Panthers and the World Champion New England Patriots. So I think we bring a level of credibility in taking a look of all different types of projects whether they be rehab projects such as our Cincinnati ballpark where we actually had to tear down Synergy Field in sections while we built a new ballpark around it to clean projects such as the Bengals project, which was right beside it which was a clean site right at the riverfront where we had to deal with not only high water tables but we had to deal with the overflowing of the banks of the river. There are certain aspects of the project that are on a critical path and I think in going through them it will give you an idea of our current

schedule. First of all there is permitting. As I mentioned, the site is contaminated. In coming on the project we have identified that and actually permitting was on a critical path and what type of foundation and soil conditions we were dealing with. We submitted a recommended procedure for driving piles on the site. That was submitted to DES within the week. I might add that this technique will also be used by the other developers so it is in assistance to the other developers in developing their site. That is underway and we expect a resolution from them by the end of February if not sooner. We were told that there would be a very fast turn around in regards to that. So that is your checklist. I mentioned City Planning. We will be having a meeting on Wednesday morning with City Planning and basically the presentation that you will see in a little bit will be given to the City Planning Department. Utilities. The major utility on the site is Public Service of NH. Overhead power lines. That is on a critical path. We have come up with a design where we relocate the utilities – the ones overhead. We have been working with Frank Thomas in taking a look at where we could put those utilities and it appears we can put the overhead power lines in basically the north side of the roadway in a landscape strip. Earlier proposals had proposed that the power lines needed to get relocated once and then again underground. We have taken a look at different techniques and we are working with Public Service to come to a resolution on that issue. As I mentioned we are working with Frank Thomas and I believe Frank Thomas will be at our meeting with Public Service of NH to finalize the design. We are looking at an early construction package. An early construction package for piles, foundation and also the site work. Our goal is to get this all designed by the end of February and put out construction packages for these three site elements. We envision there will be a two-week advertising period. One week to respond and one week to make a decision. Therefore, our schedule is to start construction April 1 or somewhere within a week or two of April 1. This is a 12-month project. This isn't a complicated ballpark. Let me skip ahead to...before we get into the ballpark I will also mention about the developer coordination. We have been having weekly coordination meetings with both the Chinburgs and the Rodells and Downtown Visions in regards to coordinating site issues. Those site issues include utilities, adjoining property lines, and shared costs for different infrastructure improvements required on the 25-acre site. The subdivision plans. We have reviewed the subdivision plans and made comments to the Planning Department dealing with access and circulation around the ballpark. As mentioned earlier we are taking a look right now at the cost associated with the relocation of Singer Park to Derryfield Park and we plan on having those numbers or a report as the letter from Andrea Batchelder indicated by the end of next week. So things are looking good. Things are really looking good. Since we have come on board we sort of tied everything together. There were a lot of loose ends. I think we have been able to tie them together. Everybody has been very, very cooperative. The utility company, the City, the developers and we believe that the April 1 date is a reality. I know there has been

rumor out there that is hasn't been but right now everything looks very good. With that, I would like to now ask the architect to come up and give you a presentation on what the new ballpark looks like. They have prepared an excellent presentation with perspectives and detailed explanations on what happens on each level. I think after the presentation we would be happy to answer any questions for you.

Mr. Chad Poelster and Mr. Mike Westerhide of HNTB Corporation conducted a Powerpoint presentation.

Mr. Westerhide stated this first slide is a rendering of the ballpark. Looking to the northeast you see the base of the hotel up at the top of the sheet, the river to your left, railroad tracks to the right and at the bottom in the foreground you see some parking off to the right, homeplate and then of course the field covering the most of the view. This perspective is nearing a month old and being a work-in-progress minor details do continue to change but we still feel this is fairly reflective of the aesthetic and architectural goal of our design to date. Note the face of the building facing the river to the left. This next slide will begin to show that. This is what would be the west elevation of the ballpark. You are looking east from the river or from 293. The mass of the building on the right part of the screen shows a three-story building that includes a lower level a concourse level and a suite level. Off to the left there is a one-story building that would house the administrative services, team store, tickets and it would be the main entrance. I will cover all of those in a little bit more detail. This material is a mix of metal panels and masonry. We haven't decided exactly on any of those yet but a mix of materials as the budget allows. You can also begin to see some of the large light towers that we are proposing. There will be a total of six. There you see the two larger ones. This is the site plan. North is up and downtown is up. The river is to your left and the railroad to your right. This is just a few of the basic elements of the site plan. A drop-off circle on the north end adjacent to the road that leads to the boat ramp. Entry plaza. Paved area at the existing grade level now, where the ticket windows would be and entrance to the team store would be and then gate doors that would lead you up to stairs and then to the concourse level. This is the proposed hotel site. There is the boat ramp. Those three dashed lines are the location of the existing sewer line and roughly the riverwalk above them. Notice how we are avoiding those. New road over to the east. There is the outfall structure that many of you I am sure are familiar with relating to Cemetery Brook. A much more minor south entry along the proposed road, which will serve more as an exit but it could be a small entry for a minority of the attendees. Loading dock and field access to the south as well as the parking lot for the team administrative staff. Here is a playground incorporated into this area. There is the field level or the lower level. You can start to make out the baseball field, the four bases, and the outfield area. Again, the river is to your left and railroad to your right. Up at the

top, ticket booths and ticket windows facing north and an elevator to bring disabled attendees up to the concourse level. The team store is that larger yellow area. Administrative staff area is the light blue. The purple area is both the home clubhouse and below that will be the visiting clubhouse. Maintenance areas near the dock, as well as the main food service kitchen area also to the south. On the concourse level which is sort of elevated with the field being at existing grade so now we are up around 16'. The main entrance down below from which people will arrive. A pantry serving the picnic area and the outfield. There is the picnic terrace serving roughly 500 people at picnic tables. There is the batter's eye, which is a large screen that is in the field of vision of the batter. The main concourse. A nice wide concourse for the attendees to circulate between their seats and the restrooms and concession. The scoreboard is in the right field area. Concessions. There will be three of them shown. There is an elevator that once you are on the concourse level it takes you up to the suite level. The public elevator. Various toilets that are shown in green around the concourse level. There is the south entrance, again, a minor entrance. Concessions and fan services, security, first aid, novelties. Another concession stand. Dimensions of the field are 400' in center, 306' on the right field line, 326' on the left field line and 353' in the right field power alley and 380' in the left field power alley. It is a somewhat asymmetrical field due to the tight restrictions between the sewer line and the proposed road. On the suite level we have a north party deck, suites totaling 32. I will get to that in a little more detail. Suite elevator bringing people up from the concourse level. Press box area. An east party deck. A club deck facing the river and a pantry serving the suite level. I am going to start talking about capacities within the ballpark. There is the proposed seat that we are going to be using. The main seating bowl capacity is roughly 6,000. Probably a hair less but final design will determine the exact number. The picnic terrace will hold roughly 500 at picnic tables. Bleacher seating capacity is around 520. Suite level consists of 32 suites with a capacity of 18 in each totaling 576. If you just look at the fixed seats that are actually 10 each totaling 320. We assume that 8 occupants will stay within the suite while 10 will have fixed seats out in front of each suite. The north party deck has a capacity of 5,100. Actual fixed seats are 24 and the same for the east party deck. The club deck depending on how it is set up whether it is picnic tables or just standing people is somewhere between 200 and 450. That is the three levels and the site plan and I would be happy to answer any questions.

Chairman Lopez stated I want to go over just to make sure of the timeframe here...once again Mr. Brooks could you elaborate on that.

Mr. Brooks responded we are going to have three early site packages in order to get construction under way in April. Those site packages will be the pile driving for the foundations that will go on top of the piles and also the site preparation work. That site preparation work will include relocating the power lines. Those

three site packages we envision getting contractors on board during the month of March for an April start. That means that during the month of February the design and all of the permitting will be complete during the current month of February.

Chairman Lopez stated there is no other part of this development that stops you from moving forward and putting the baseball stadium down there. Is that correct? Nothing? You are ready to go.

Mr. Brooks answered yes.

Alderman Smith stated I happen to be a left handed hitter so it is a good park for me. Mr. Brooks, I notice that you told me or you told the Committee that it will be built in 12 months. We were previously told it would be 16 to 18 months. The reason why I am asking is it is very critical to youth baseball in Manchester and in the agreement I know that the developer, 6 to 4 to 3 has an option to pay a penalty of \$10,000 each week after April 1 of next year. Is there any guarantee...I know I have some problems. I don't know if the site has been recommended by the baseball team. I don't know if the environmental has been taken care of. You said there were soil tests and DES is going to come down. There are a lot of problems associated with this. What I am trying to do is I am trying to pin down right now are we going to go in April. If it is April I am certainly satisfied because I have been for this baseball project but we have been detailed and detailed and things have changed and I realize that things change and there are challenges but we have to get started and we have to get started fast because we have youth leagues in Manchester that tend to lose \$2,000 to \$3,000 a year by not playing at Gill Stadium because they can't charge admission and I hate to see this go on for two years.

Mr. Brooks responded I agree with you that there have been rumors in the past about various schedules and schedule slippages. Permitting has taken a long time. Earlier schedules indicated that actually construction should have begun last fall. We came on board. We sat down with Harvey Construction who was selected before us and took a look at their schedule and pointed to some areas where we could expedite the design. These early construction packages are one. We took a look at the permitting, which has taken an inordinate amount of time and met with DES and stressed the importance of being in the ground. A special report was prepared and submitted to DES dealing with the pile foundation design, which they had an issue with. I would say that after taking over we basically have expedited everything and talked to Harvey about how they can cut down their construction timeframes. There is the need to open in April 2005, not only from the City's perspective but from major league baseball. We have been in contact with or the Toronto Blue Jays have been in contact with us stressing the importance because they on a major league level will also be marketing their

minor league facilities around the country. So it is very, very important that we do open the ballpark in April 2005 and that is our intent.

Alderman Smith stated that is your intent but you can't give me any assurances. Like I said you are an expert and you are a consultant for the City. Would you say that May would be the latest that you would be able to get started on this project?

Mr. Brooks responded I hope to get started in April. We have talked to the contractor and they said April is the start date. There are no ifs, ands or buts. You need to mobilize right now and contact the people, the steel suppliers for example and let them know that these bids are coming up so it isn't going to be a surprise. We are mobilizing right now behind the scenes contacting the people who will be starting the construction and preparing them to bid for the projects.

Alderman DeVries stated you had quite a lengthy list of other stadiums that you have been involved with. Would you say that it is unusual to have the expectation of this being completed in 12 months based on your experience?

Mr. Brooks responded no this is a very simple ballpark.

Alderman Gatsas stated I apologize for skipping around but listening to the...I am back to this sheet that you gave us, Frank. The total bonding on this project is \$27.5 million. Is that correct?

Mr. Thomas answered yes.

Alderman Gatsas stated well if the bonding is \$27.5 million and the project is going to cost us \$28.5 million...

Mr. Thomas interjected it is noted as \$28.5 million to identify the \$1 million that 6 to 4 to 3 put into Gill Stadium. I am trying to show total project costs. There is ultimately \$28.5 million available.

Alderman Gatsas asked can you give us a breakdown...you have engineering and you have it lumped into one line item or actually one line going down. Can you tell us of that engineering of \$503,000 how much was allocated to Gill Stadium and how much was allocated to the new stadium?

Mr. Thomas answered I don't have that information in front of me, however, from my recollection I believe that requisition #1 was pretty much...I don't have an answer for you. I would think that a majority of that \$500,000 was for Gill Stadium.

Alderman Gatsas asked and how about the next \$514,000.

Mr. Thomas answered no that would be a combination or mostly for the new stadium.

Chairman Lopez asked can anyone else answer that question – Finance or Jane Hills.

Mr. Thomas answered I can assure you that requisition #3 focused in on work that was done down in the new stadium area, both civil, soil and architectural.

Alderman Gatsas asked were those requisitions done when we had a project in hand or were those requisitions for work that was done prior to an agreement.

Mr. Thomas answered keep in mind that when the agreements were signed, HNTB was noted as the architect that was already selected. Also, Harvey Construction I believe was also identified. At that time, 6 to 4 to 3 had a contract with HNTB for a lumpsum to provide the design for both the new stadium and Gill Stadium. Did I answer your question?

Alderman Gatsas asked can you provide us with when the billings were...when the work was actually performed.

Mr. Thomas answered yes. We have all of the invoices that back up all of these requisitions.

Chairman Lopez asked could you provide a breakdown in maybe one page on the cost of this whether it was for Gill or the new stadium.

Mr. Thomas answered yes I can do that.

Alderman Gatsas asked so the number 7 pending the \$354,000, \$236,000 of that was for the new stadium.

Mr. Thomas answered requisition #7 is 100% for the new stadium site. What goes into that number or what makes up that number would be HNTB architectural charges and also soil costs to design the piles.

Alderman Gatsas asked can you look at Page 2 of what you gave us because I don't think that is accurate.

Mr. Thomas answered I think it is. You are correct. That is the breakdown of those numbers. The new stadium is a majority of the costs. Some of that HNTB

charge was for construction administration for Gill Stadium as noted and some reimbursable costs so out of that total of \$354,000 \$326,000 was for HNTB.

Alderman Gatsas stated of which only \$236,000 of that is really engineering. It is not all engineering.

Mr. Thomas stated the \$236,000 was architectural design for the new stadium. The \$58,000 is what was paid to have HNTB to come up to the progress meetings on Gill Stadium and review potential design changes as we were going through the process of identifying correctly Exhibit B.

Alderman Gatsas asked can you give me an idea of what those reimbursable expenses are.

Mr. Thomas answered their room and board while they are out here, airline flights out, duplicating services...we have those all detailed. If you noticed in my correspondence, one of the request that I am making before I release the payment of their requisition is to have Parsons Brinckerhoff give me some assurances in writing that they have reviewed those expenses and that they are adequate. We spot checked them but where they are being submitted through Parsons Brinckerhoff as construction manager for 6 to 4 to 3 we want his assurances that those expenses are proper. If you remember there was a wrong posting on one of the expenses on an earlier invoice. That I assured myself was addressed and subtracted from this particular requisition.

Alderman Gatsas asked have you been receiving certified payrolls on the work at Gill Stadium.

Mr. Thomas answered no we don't receive certified payrolls.

Alderman Gatsas asked have you requested them.

Mr. Thomas answered no we haven't requested them. We have a GMP for Gill Stadium. Basically as you know GMP is basically a lumpsum. There will be an audit at the end of the contract to make sure that the proper charges have been made.

Alderman Roy stated on slide 2 you came up with a location of the baseball park retail. What is the square footage of that retail? Do you have that?

Mr. Westerhide responded I don't think I showed retail on there but I can pull it back up. There is retail within the baseball stadium. You mean like the team store/ticket area?

Alderman Roy stated right I think you referred to it as the team store in your comments and then retail on the slide. I was wondering...where I am going is is that part of the 32,000 or 30,000 required of the other?

Mr. Westerhide answered no.

Alderman Roy asked so that is part of the team store, which will be located within the ballpark.

Mr. Westerhide answered yes.

Chairman Lopez stated at this time I would like to have Shawn Smith, the President and General Manager of the NH Fisher Cats come forward.

Mr. Shawn Smith stated Alderman Lopez asked me to come by this evening just to give you all and update as to where we are with things. We are actually ahead of schedule and ahead of budget on what we projected for this year with ticket sales. Year-to-date we have sold over 90,000 tickets. Our internet sales went on sale this morning. We sold this morning between internet sales and group sales another 800 tickets this morning. So the fan base is certainly growing daily as we speak and this is a ripe market as we had hoped for. Our season ticket base if you include half seasons and full seasons...if you take the half seasons and multiply it by two meaning if you have two half season holders that becomes one full season ticket we have just over 1,000 full season ticket holders. We do not count mini plan holders as season ticket holders, only the full number. Advertising sales has been going very smoothly. Everyone certainly is asking us a lot of questions as you guys are about the new facilities and where we are going with that. The Toronto Blue Jays are very excited and will be arriving here on April 5. We just found that out this morning and then we hit the road on April 7 to open up on April 8 down in New Briton, CT. We have been working very well with different City departments and state agencies regarding signage and traffic patterns and parking patterns and so on trying to ingratiate ourselves into the fabric of the community and understanding how the community operates to make sure that we fit in as good neighbors as smoothly and as diligently as possible.

Chairman Lopez stated we will go now to the riverfront development and Mr. Frank Catapano.

Alderman Roy asked will the Powerpoint presentation be available to the Aldermen in paper form.

Chairman Lopez asked can you make that into a hard copy for the Aldermen.

Mr. Westerhide answered yes.

Mr. Frank Catapano stated we haven't prepared any presentation. You just wanted me to tell you where we are at. Maybe we should have David Rodell and Eric Chinburg come up too.

Chairman Lopez responded that is fine and if you want them to sit beside you that is fine. Please identify yourself and who you represent.

Mr. Catapano stated I can lead it off. Basically where we are at is we have been waiting to get a final site plan, which hopefully we can have sometime this week regarding the retail in front of the stadium. We have not made any plan on that yet until we agree to a final site plan in the front. We have a discussion going on with the stadium people. Eric Chinburg goes in front of the Planning Board on February 12 with his project and I am not sure about David's timing. We have been waiting on the finalization of the road closure and he can fill you in on where he is at. Basically the retail we will not make any plans until we know exactly what the layout in front of the stadium is going to be and we have to agree on that with the stadium. Hopefully this week we will do that.

Chairman Lopez asked and the hotel.

Mr. David Rodell stated we are the hotel developer. As Frank stated we were waiting for the road closure, which we got and needed and also the easement language completed between the City and Downtown Visions and Mr. Blouin. As far as I know, that easement language has been going back and forth for about two weeks. I think it is just about there if not done and completed. Assuming that is completed already or just about done what we are trying to do is shoot for a month of April Planning Board meeting, which means that we have about four weeks now to get all of our civil site work done to get in front of them.

Alderman Smith stated my understanding in previous conversations is that the hold up on the hotel might be the baseball construction and the outfield fence. Is that still a problem?

Mr. Rodell answered we don't believe so. I think Mr. Brooks mentioned earlier that we have been having weekly development meetings with both the private developers and the baseball team and I think we will be able to work on that together. I think with them starting in April that is obviously a very good sign so I think our site work will have to go hand in hand with them in order to get the site work done by the retaining wall and at some point build that retaining wall but we will work with the baseball team and I don't see any problems.

Alderman DeVries asked what is your planned completion date.

Mr. Rodell answered well depending on when we actually get to start here...

Alderman DeVries interjected and you are hoping for April 1 to start.

Mr. Rodell stated we are hoping for an April Planning Board appearance. Basically if we started today, meaning release all the engineers, once the easement language is done that will trigger that and we have roughly six months of design and planning. You know designing the hotel and getting it approved. Not just through the City of Manchester but also through our franchise affiliate, which is Hilton. They also have to review and approve these plans. That all being said, if we start by August 1 leaving a maximum amount of about 10 months to build you are looking at a June 1 opening.

Alderman Gatsas asked do you have an agreement with Downtown Visions.

Mr. Rodell asked what type of agreement.

Alderman Gatsas asked do you have any agreements with them.

Mr. Rodell answered yes. We have the business terms of a sublease, which we are working with the City Finance Department on right now to get that completed. In fact we have been meeting with Finance and Walter McCabe to complete that. That is probably the main agreement that we have with them.

Mr. Catapano stated the City has to approve the lease.

Alderman Gatsas asked so you have no other agreement with Downtown Visions in regards to letters of credit or anything else.

Mr. Catapano answered we do have agreements with the Rodells...Manchester Downtown Visions yes.

Alderman Gatsas asked with regards to the letters of credit.

Mr. Catapano answered yes.

Alderman Gatsas asked has anybody on City staff seen those agreements.

Mr. Catapano answered I am not sure.

Atty. McCabe stated at one point during the discussion about the providing of the letters of credit drafts of certain agreements between the Rodells' and Manchester Downtown Visions were provided to the City. There was not an intent to review those agreements as the arrangement between those two parties under which the Rodell's would agree to put up the letter of credit required by Manchester Downtown Vision was not an issue for the City merely the providing of the letter of credit as collateral.

Mr. Clougherty stated as we said earlier, Alderman, I think you are under the assumption that you need to have some type of an agreement and the City has to be part of that to have our letters of credit enforceable and as Walter said to you that is not the case. The documents that we have and the letters of credit are enforceable as they exist.

Alderman Gatsas responded well Mr. Clougherty Mr. Rodell is a very successful businessman. I would never expect him to get into an agreement to provide a letter of credit unless all of the T's were crossed and the I's were dotted because he may be wealthy but just to throw a \$1 million line of credit to the City of Manchester if something happens in the agreement that is not his fault, I am sure he doesn't want the City looking to recover losses against his line of credit. Now correct me if I am wrong, Mr. Rodell. I give you a lot of respect. I don't know if that is where you are at.

Mr. Rodell replied as we said we do have an agreement with Downtown Visions and we provided a letter of credit.

Alderman Gatsas asked they are signed agreements.

Mr. Rodell answered yes.

Alderman Gatsas asked Mr. McCabe have you seen any signed agreement.

Atty. McCabe answered no I have not but as I have repeatedly said it is not relevant to the City provided you have the letter of credit collateral, which is what the City does have. The arrangements between Manchester Downtown Visions and the parties that it has arranged to provide the letters of credit isn't relevant to the City's ability to collect on the letter of credit.

Alderman Gatsas responded it is if there is something in that agreement that stipulates that Mr. Rodell is not at risk for that \$1 million.

Atty. McCabe stated a letter of credit is an independent obligation from a bank provided by the bank at the request of the account party to the beneficiary. It

doesn't depend upon whatever other arrangements may exist outside of that particular document. That is the whole basis of a letter of credit. That is why the City wanted it. That is why it is better than a guarantee and why it is better than cash. That is in this instance why the City Finance Department came up with that particular obligation and the background behind the arrangements under which Manchester Downtown Visions arranged for that and the particulars of whatever business dealings they may have made with the Rodells' or with Eric Chinburg are between those parties. We understand that there are some business arrangements but the particulars of those arrangements aren't known to the Finance Department nor are they relevant to the City.

Alderman Porter asked at what point will that property and perhaps one of the Assessors can answer without moving...at what point is that going to become taxable to either Mr. Catapano or to the hotel.

Mr. Rodell answered I believe when it is open.

Alderman Porter asked the land. What I am trying to get at is it is a matter of timing on a cash flow issue because at some point I would like to ask Kevin...I am kind of making two questions here. At what point does the bond start having to be paid and if there is a shortfall does that come out of any of the letters of credit and the third thing is I would like to know primarily when will that land become taxable? I think if you are presently leasing it or someone is presently leasing it then the tax consideration should be considered because April 1 is coming upon us and that could be taxable land for April 1.

Mr. Clougherty responded you have the schedule in front of you that was handed out. That is the debt service. Bonds are issued. That is the obligation. The valuation numbers are listed there in the event that there aren't sufficient dollars from the tax process if you will. Then there are a number of different remedies that we could get into to make sure that the City is made hold depending on what the circumstances are at the time. Trying to speculate on all of those I don't think would be productive.

Alderman Porter stated okay I will save that for another time. My initial question wasn't answered about at what point in time will it become taxable if the developer is leasing it from the City.

Chairman Lopez asked who are you addressing the question to, the Assessors.

Alderman Porter answered yes they make the determination.

Mr. Hamilton stated generally the portion of the property that exists as of April 1 of any tax year is taxable. The question comes down to property that is leased by a municipality. It is our understanding that when construction begins on the property it will be considered to be used and occupied so that we would be looking to assess what is there physically on April 1 of the tax year that they are constructing the property.

Alderman Roy stated to follow-up on Alderman Porter's question given the timeframe of not only the ballpark but the hotel there will be no groundbreaking until April 1 of this year. Looking at the 2005 you would then assess not only the land but what improvements they have made?

Mr. Hamilton answered correct.

Alderman Roy stated I just want absolute clarity as to when the tax dollars start being generated.

Mr. Hamilton responded there is actually a question pending about whether or not there is any taxability of the land that has been leased in 2004, which the City Solicitor and I will be meeting on later on this week.

Alderman Roy asked when that decision is reached by the Solicitor's Office could you forward it to the Board of Mayor and Aldermen.

Mr. Hamilton answered certainly.

Alderman Porter asked what does construction have to do with taxability. I think if they control the land and I just think maybe this should be pursued further but I don't know that it has anything to do with construction. Mr. Catapano do you control that portion of land at this point in terms of leasing it from the City?

Mr. Catapano answered it is a good question. I don't know myself because we have never really settled on a final site.

Alderman Porter asked have you paid the City the dollar.

Mr. Catapano answered yes.

Alderman Porter stated then you control it and you are leasing it. The City can't do anything else with it because we are under contract with you. Is that not accurate?

Mr. Catapano responded you may be right but that is not a question that I can answer.

Mr. Hamilton stated there are two issues. One is property that is leased by a municipality to a private entity is generally taxable. The statute requires that that property be used and occupied. It is difficult for us to understand that vacant land to which nothing has occurred is in any way used or occupied. Even if the lessee has consented to taxation as they have under this Master Lease Agreement, it is unclear as to whether the City has the right to collect taxes on it.

Alderman Porter stated I would like to have that referred to the Solicitor's Office for an opinion.

Solicitor Clark responded that is what we are meeting on this week. The Assessors have already asked us that question and we are meeting this week and we will get an answer to this Committee and we will also talk to the developers.

Mr. Eric Chinburg stated I am with Chinburg Builders in Durham. Our process is going very well. In conjunction with the other developers we have been working weekly as you have heard. We will be before the Planning Board on February 12 with our application for our 45 townhouses at the southern end of the property and the two mid-rise towers comprised of 120 units on the northern part of our parcel just south of the stadium. Those two mid-rises have the retail attached to them that you were assessing earlier. We are moving forward quickly. The architects are on board designing the townhouses now. We are working with Lavalley-Brensinger right here in Manchester on the towers. We are in the schematic phase of those. We anticipate starting the townhouses provided that we can get all of our permitting approvals in place some time in April and the first tower could be started as soon as October and that is the current schedule.

Alderman DeVries stated so your permits are pending at this point. Have you already gone through DES and other permits that might be required?

Mr. Chinburg responded we have all of the permits in conjunction moving forward right now. None are obtained. DES is being very cooperative as well as the process with the City.

Alderman DeVries asked and you were hoping that you would have that by the end of April. Is that what I just heard?

Mr. Chinburg answered we were actually hoping by the end of March.

Alderman DeVries asked and you said that you were hoping to start construction on the towers October 1. Do you have any guesstimate on those townhouses?

Mr. Chinburg answered mid-April.

Alderman DeVries asked mid-April of 2004.

Mr. Chinburg answered yes.

Alderman Roy stated I have a couple of questions regarding the tower and the retail usage. There have been a lot of conversations about what actually could be in those types of spaces and what do you envision out of the retail there?

Mr. Chinburg responded we have commissioned a market study to see what sort of retail user would be interested in that space. We are doing our best to meet the terms of the Master Lease, which require 30,000 square feet on this parcel with some final maneuvering and machinations of the site plan to provide space for baseball and us and the hotel and retail and frankly it is very difficult to get the 30,000 feet on the site. We made an agreement with Downtown Visions to take 12,000 of that because the remaining parcel they are dealing with could only handle about 18,000 so we are doing our best to fit it in and find a use for it.

Alderman Roy stated our Assessors Department has come up with a number of values as the plans have progressed. Looking at the values that they have put forward and I am not sure if you have that information but they are looking at for the garden style units \$200,000 to \$350,000 averaging \$241,000 and in the townhouses \$300,000 to \$450,000 with an average market of \$344,00. Could you touch upon your experience...I have looked at a number of your properties, which are very nicely designed if I could add to the Committee...could you elaborate on what you feel those sales values would be and then also the impact? Some of the rumors out there are not only the railroad tracks but the steel trestle that will be in front of the building. Just fill us in on what you have gone through so it is on record as to your process of coming up with values.

Mr. Chinburg responded I think that those are conservative numbers. I believe that we are going to create a destination residential amenity here. I think the steel trestle bridge will be an amenity. The railroad tracks we will direct the tenant way from. It has been our experience and in working with equity partners and lenders I need to come in with very realistic numbers. We hope to add value and create a market where those numbers go up. That has yet to be determined as we establish a market but I think they are conservative.

Alderman Gatsas stated the 12,000 square feet that you said you were stuck with...I guess I am looking because that 12,000 square feet has a value of \$2.5 million. Now either you have a...

Mr. Catapano interjected are you sure that is the right number for 12,000 square feet.

Alderman Gatsas stated at \$210/square foot times 12,000 square feet that is \$2.520 million, which is what I have from a sheet that was supplied to us by the Assessors.

Chairman Lopez stated let's have the Assessors come forward. Are you clarifying that on the sheet? Is that correct that it is 12,000 square feet multiplied by \$210 for \$2.5 million?

Mr. Hamilton answered yes it is.

Alderman Gatsas stated now that 12,000 square feet I assume when you are talking condominium units for the two towers above that this space is going to be condominiumized and you are going to be looking for somebody to be purchasing that square footage. Is that correct?

Mr. Chinburg answered that is likely yes.

Alderman Gatsas asked how many floors is that 12,000 square feet situated on.

Mr. Chinburg answered on two.

Alderman Gatsas asked 6,000 per floor.

Mr. Chinburg answered yes.

Alderman Gatsas asked so the two towers that you are building look like it is going to have somewhere in the vicinity of four units per floor.

Mr. Chinburg answered no the retail space that is comprised is a 6,000-foot footprint that acts as a gateway between the two towers. It is actually a knuckle as the architect calls it sticking out from the footprint of the towers. The tower footprints are...I can't recall but something like 20,000 square feet per floor.

Alderman Gatsas stated I know that you are very good at the residential end. Have you done any retail space?

Mr. Chinburg replied a small amount yes.

Alderman Gatsas asked when you say small have you done anything 12,000 square feet.

Mr. Chinburg answered I have done more than that.

Alderman Gatsas asked and the \$210/square foot retail for a knuckle.

Mr. Chinburg answered that number surprises me. That didn't come from my market analysis. I would be happily surprised if that were true.

Alderman Gatsas asked what would you use for a number.

Mr. Chinburg answered I would guess \$150/square foot. Frankly I think that footage is worth \$210 to \$220/square foot if it were residential.

Chairman Lopez asked Mr. Hamilton do you want to clarify that.

Mr. Hamilton stated I am not sure what the question is at this point.

Chairman Lopez asked how did you come up with \$210,000.

Mr. Hamilton answered we looked at other sales of properties of retail condominium units and tried to make adjustments for differences in location. Obviously they may have a different opinion as to the estimate of value of that property and ultimately the market will bear out what the value is. It may be that our estimates are high on that but in the scheme of the overall valuation for the development it won't make that much of a significant difference in the numbers.

Alderman Gatsas stated just using the average market value for the townhouse units and the average market value for the garden style units can you explain to me why the garden style units have a higher square footage cost than the townhouse units.

Mr. Chinburg responded it is our experience that as the square footage gets larger your costs per square feet...the price for square foot diminishes because there is a certain lid to what the general family can pay for a home whether it is flat or a townhouse. So when we do condominium flats it is easy to say that you can have a 25% difference more or less between that and something that is 2,300 or 2,500 square feet where you have applied those same dollars per square foot these things would be up at \$500,000 and there is not much market for that.

Alderman Gatsas stated the parking obviously is very tight there.

Mr. Chinburg answered yes.

Alderman Gatsas asked Mr. MacKenzie can you tell me what 12,000 square feet would require for parking.

Chairman Lopez stated Mr. MacKenzie had to go to another appointment. Bill or Jane do you know?

Mr. Jabjiniak responded I am not sure I am in a good position to. I was looking for the Deputy City Planner. She was here but she left. Why don't we take the question and try to get you an answer?

Alderman Gatsas stated in the marketing of these units being adjacent to the ballpark I would assume there is going to have to be some sort of policing of the parking for both the residential and the hotel because 6,000 people are going to look for the closest place to park and I would think that somebody's driveway may not be the best place.

Mr. Catapano responded the hotel will be an issue. I don't think the condominium portion would be an issue for parking. That is going to be sort of gated at the back end of the stadium and I don't think it is an access point for people who are going to the stadium. So I think the hotel probably will have policing issues but I don't think the condominiums will.

Mr. Chinburg stated to clarify the gated it is just our intent that...we thought about this issue and we thought we may have a gate that we would give all of the residents a key or a button to push but it would just be closed during game time so that people didn't try to park up and down the residential roadway.

Alderman Gatsas stated that makes sense but what would you tell the retail person there when you have a closed gate.

Mr. Chinburg responded that is a good question. These are marketing issues that we are really working toward. The retail is such a small component of the overall thing. We recognize that it has problems but we don't have all the answers yet. It is certainly stuff we are looking into.

Mr. Jabjiniak stated in talking to the Building Commissioner and the engineer on the site they reminded me that parking for units is not required in the Central Business District so there are no parking requirements so it is technically zero for retail. Certainly they are going to have to look at adjusting for visitors and people

who are going to be coming in to use the units so there will be some allowances there.

Chairman Lopez asked let me see if I understood that. You are going to have no parking for the retail. In the Central Business District you do not require parking?

Mr. Jabjiniak answered that is correct. It is not required however I think he is showing some visitor spaces on the site plan. Is that correct Mr. Chinburg?

Mr. Chinburg responded yes. One question that I have because I am so late into this game. I have only been involved in this project for about three months and we are trying to honor the terms of the agreement that required the 30,000 feet of retail...the site no longer lends itself to 30,000 feet of retail so we are doing our best to fit it in. I would just throw out that if I could put the residential units in that same 12,000 square feet the City would get a better deal and have better taxable valuation and the tax revenues would be better so I don't know if...I assume that mix was created out of the tax reason for the City and not a desire for some sort of mixed use but I would just put that out there. We are working hard with some constraints that may or may not need to be permanent.

Chairman Lopez stated I think one of the things was to come up with \$40 million of assessed value and that is probably how the retail got there in the first place.

Mr. Chinburg responded I think we could do a better job of that if it were all residential in my section.

Chairman Lopez stated well I think if there is an opportunity for you to make some changes you should present those to the staff and we will go from there as to whether or not we want to accept them. As long as we have the \$40 million of assessed value to move forward with this project because I know that is a prime concern of the Committee and all of the Aldermen who approved this.

Alderman Gatsas asked Mr. Chinburg do you have an agreement with Downtown Visions.

Mr. Chinburg answered yes.

Alderman Gatsas asked a signed agreement.

Mr. Chinburg answered yes.

Alderman Gatsas asked have the City staff seen that agreement.

Mr. Chinburg answered not that I am aware of. Actually we have asked that my sublease get approved and I believe it was approved by somebody.

Mr. Clougherty responded I am not sure that is true. We will have to go back and look at your response on that.

Alderman Gatsas asked Mr. Chinburg is that true.

Mr. Chinburg answered that was my understanding. There was a lot of paperwork going back and forth. We have a signed sublease that is available to them to review. I can get it to them. It was a requirement of the Master Lease that any sub-lessees have their sublease agreed to by the City.

Mr. Catapano stated it was also given to the appraiser who has a copy of it.

Alderman Gatsas asked so your understanding is that the Master Lease has a requirement that the sublease is approved by the City.

Mr. Chinburg answered yes.

Alderman Gatsas asked has the City approved those subleases.

Atty. McCabe answered to my knowledge I don't believe we have seen Mr. Chinburg's sublease.

Alderman Gatsas stated well Mr. Catapano just told me right now that the City is required to approve the subleases in that agreement.

Mr. Catapano stated Mr. Chinburg is telling you that. I didn't say that. I said that the appraiser has a copy of Mr. Chinburg's agreement with Manchester Downtown Visions.

Chairman Lopez asked Mr. Chinburg I guess the question would be could you provide the necessary documents...any agreement that you have provide that to our staff.

Mr. Chinburg answered yes.

Alderman Porter asked Mr. Chinburg have you started paying on your sublease.

Mr. Chinburg answered I have not. The terms of the sublease do not require it for a period of time. I don't recall but it is months away.

Alderman Porter stated I am just trying to get some taxable land done.

Mr. Catapano stated nobody is paying anything yet.

Alderman Roy stated I think it is obvious that our taxpayers are looking for the best bang for their buck out of their Aldermen. This is directed to the Assessors. As we move forward capitalizing on what Mr. Chinburg said can we do a very quick analysis and get a report to the Board of Mayor and Aldermen as to whether or not it would be wise to move residential into that 12,000 square feet and what the impact would be?

Mr. Hamilton responded yes we could do that pretty quickly.

Alderman Roy stated if it is okay with the Chair I would like to request that.

Chairman Lopez stated I think that we should follow...I would rather have staff look at it. If they have some type of proposal for staff to look at I would like them to present it and then have staff look at it and make a recommendation to this Committee. We still have the \$40 million of assessed value and unless Bill you want to say something in reference to this.

Mr. Jabjiniak responded I think the best thing to solve the question is Mr. Chinburg you can you make a proposal to staff and direct it to my attention and we will certainly work it through the City staff and get it off to the Committee.

Alderman Porter asked Mr. Chinburg have you done a feasibility study on the pricing of your condominium units and what type of absorption rate are you anticipating. If you do have a study is it formalized and could we see it?

Mr. Chinburg stated we do not have one done. We have ordered one done and it is in process. We don't have a financial model done yet. Based on other markets we have been in that are similar to this we are assuming an absorption that would allow us to get through the project in four years if the market remained good.

Alderman Porter asked so there will be something coming forward. Do you have any idea what kind of a timeframe? I think just adding more units is simply extending X number of dollars per unit times another percentage to come up with an assessment and then back out to retail. I guess I would just like to have some idea of the feasibility of that project given those prices and given some of the concerns that Alderman Roy has expressed and traffic on a ballgame evening. I would like to see some sort of feasibility study performed and when would that be forthcoming?

Mr. Chinburg answered we are in the process of doing one now. I know without getting the study back that it is clearly more feasible to do residential there than retail. We have ordered the study.

Mr. Catapano stated there is one thing I would like to add. You mentioned the traffic. There isn't any parking in that area for baseball so I don't think traffic is really an issue with the condos. I think the railroad and the trestle Eric can address but I don't think traffic is an issue.

Alderman Gatsas stated with the assistance of my colleague rather than me having to look through the lease, Mr. Catapano you are absolutely right because I am just looking at the Executive Summary of the proposed Master Lease. Have you gentlemen taken a look at that?

Atty. McCabe answered yes I have.

Alderman Gatsas asked doesn't it say there that without the consent of the City that all approvals of the leases must be approved by the City.

Atty. McCabe answered the subleases are subject to certain conditions including if they meet those conditions the review and approval of the City. I believe without looking that it also requires the City to be reasonable and consenting if the conditions have been satisfied.

Alderman Gatsas stated you haven't seen them so how do you know what is in there.

Atty. McCabe responded I have seen a draft of Mr. Rodell's lease. It has actually gone through, I believe, two or three turns. There are some comments in terms of a couple of final requirements that we had provided about a week and a half ago to his attorney. It was very close in its business summary but there are a couple of technical legal issues. As I said earlier I do not believe we have seen whatever Mr. Chinburg has proposed as a sublease. It sounds like that may have fallen somewhere through the cracks. Certainly the City is prepared as I understand it to take a look at that as soon as it can be made available.

Alderman Gatsas stated well I think with the contentious nature of this transaction that everybody would have been on top of whatever leases because again as I said I certainly respect Mr. Chinburg's ability as a business man and Mr. Rodell as a business man that they aren't going enter into agreements that nobody has seen. So nobody has said that your agreements are approved by the City? Are you approving them or does this Committee approve them?

Mr. Catapano stated I would like to add something here. Any lease that we signed has a codicil in it that states that nothing in the lease in any way can be opposed to any conditions in the Master Lease as a way of clarification. Believe me there is nothing in any lease with Mr. Chinburg that in any way goes against what the Master Lease allows. I just want you to know that.

Alderman Gatsas responded I wouldn't assume that but I would assume that this Committee going forward should at least see those agreements because we must approve them.

Mr. Chinburg stated they are not giving themselves enough credit. They simply don't remember. They did see it. I have done some silly things but putting up a \$1.6 million letter of credit before my lease was approved is not something I would do. It was reviewed and signed and I have a letter that says so and I can get that to you folks.

Chairman Lopez stated let's just clarify that whatever agreements you have that our staff will get copies.

Alderman Gatsas asked can I have staff answer the question. Do they approve it or do we get to see it in this Committee? I think it says the City and I am not sure...

Mr. Clougherty interjected first of all I wouldn't characterize the project as contentious. Second of all, I would say that we are working with the developers on a regular basis to try to bring the project forward and I think a lot has been done in that regard. As Walter said there are a lot of drafts moving forward. We have plans over the next couple of weeks to be meeting with the development team to bring forward to the Committee any types of changes or any types of recommendations that the developers would like to have entertained. So in that regard I think progress has been made. With respect to the specific documents that Eric is talking about we may, in fact, have seen it. We would have to go back and take a look at it. We are just not recollecting it on the spur of the moment. We will give you at the next meeting as we said in two weeks a detailed breakdown of all of those items. With respect to the documents and the approvals it is our understanding, as Walter stated, that we will not reasonably withhold the approvals of the City as they are moving forward on these documents. When they come forward they will come forward, it is my understanding, to the Committee but over the next two weeks we will work with the Solicitor to make sure that it is a clear path for decision making whether that starts at the Committee or goes to the full Board. There may be some items that have to go to the full Board and there may be some that have been delegated to Committee. We will make sure that that is clear at the next meeting and present those to you. That has been the

path that we have been on, as you know, to have these things clarified over the next two weeks.

Alderman Gatsas stated I guess Mr. Chairman that I have a problem that Mr. Chinburg has a signed agreement that as far as I know no elected official has been seen and it has been approved and I am a little confused by how anybody on City staff without this Committee or the entire Board having the ability to look at anything...I think that is where we went astray when we were looking at four locker rooms versus two and people making those decisions. I would hope that some elected City official and I don't know if the City Solicitor has looked at the agreements or if he has seen them but I would think that somebody would have seen those documents.

Mr. Clougherty responded and that may be Alderman. As I stated to you we will go back and we will research that. We are not prepared to answer on the spur of the moment. There are a lot of documents going back and forth between the parties and have been for some time. We have already said we will clarify that at the next meeting.

Chairman Lopez stated I think this Committee is ready to meet any time to solve some of these problems. You might be right, Alderman, but at this stage of the game they have been directed to give all agreements to the staff. If there are going to be changes, the staff is going to make those recommendations. Otherwise we have a Master Agreement and we have the MOU's that we are following. If there are going to be changes I am sure we will see those changes and any leases.

Alderman Gatsas responded I am not questioning any changes, Mr. Chairman. It is very specific in that lease that says the City will agree to any sublease. Now I don't know who you consider the City but I would assume that either the Committee that sat before us or us making that decision.

Chairman Lopez stated I agree with you wholeheartedly and that is another problem that we have within the City but that is our particular problem. From this day forward things will be on line.

Alderman Gatsas stated I have a question for Bond Counsel. Mr. McCabe, the bonds were executed with a maturity date with serial numbers is that correct?

Atty. McCabe replied yes I believe that is correct.

Alderman Gatsas asked and the delivery date or the execution date of payment on the bonds was in the agreement that was given to us.

Atty. McCabe replied I am not sure which agreement you are referring to.

Alderman Gatsas stated in other words we just saw a bond payment schedule. The bond payment schedule that we as a Board voted on and looked at and approved said that the first maturity date of the first payment would be August 15, 2004 of \$790,000.

Atty. McCabe replied I believe the schedule that you were presented was prepared by Randy Sherman based on the bonds that were issued back in November. I just received it myself this evening. I didn't match it up. I didn't check the numbers but it does sound roughly correct based on my understanding of the bond financing taken in November. Randy, I assume you ran the numbers. You could indicate where they came from.

Alderman Gatsas stated I am looking at a document that was given to us on June 10, 2003. It was prepared by PFM. That shows a payment on the bonds due 8/15/2004 for \$790,000. The schedule that you just gave us shows us the first payment not due until 2005.

Mr. Sherman responded it all depends on when you are selling the bonds as far as when that first payment comes due. We didn't take the cash in on those bonds until December. When they ran those debt schedules back in June they ran it as if it was going to happen over the summer. That was the initial plan. When we actually hired underwriters the original schedule was to issue those bonds in August. It is just a timing thing.

Alderman Gatsas asked when were those bonds issued.

Mr. Sherman answered we sold them in November and got the cash in in December. It was shortly after we got the letters of credit.

Alderman Roy stated Randy we had a conversation earlier regarding the payment schedule. Could you clarify for everyone here the team portion and the dates that that revenue is due?

Mr. Sherman responded the team pays that \$750,000 in two equal payments. The first payment is due February 1. The second payment comes in on July 1 and it starts in 2005.

Chairman Lopez stated first of all let me thank everybody for being here and clearing the air on a lot of things that have been going around. Everybody does have a schedule of our meetings that was passed out by the City Clerk. Now there might be times when we have special meetings like Kevin has indicated as soon as

they get some information and whatever agreements might be changed is going to come before this Committee. The Committee is here and available to help staff and to help anybody that is in the development aspect of this whole project. It is very important that we be involved. If there is a problem between A and B party then that has to come to the City staff so there is a resolution. We have four principal staff members or five actually with Bob MacKenzie. We have Finance, the Solicitor, and then the development aspect of it which I am going to ask the Committee to talk to in a few minutes but it has nothing to do with the rest of you gentlemen. So at any time this Committee is available. We just have to make a public notice of the meeting and we can meet. I would ask that all principals contact staff if you have a problem because I think what happens here in the political world when we call individuals is if you call me I am going to staff because they are the ones that we are paying to make sure that this project goes through and this Committee is charged by the full Board to make sure that happens. I do want to proceed in that way. If the meeting is scheduled for the month and we have a special meeting you will be notified whether the meeting has been cancelled because there is nothing to report instead of taking everybody's time or it might be that one individual wants to come in like let's say the hotel because he is having problems. We will bring him in so we can help solve the problems. I think every Committee member here wants this project to work. The Board of Mayor and Aldermen approved this project and have given the marching orders to move forward and make sure the Master Agreement and the MOU's and everything has been agreed to. So whatever paperwork you gentlemen have, please give it to staff so that those questions and those recommendations can be brought to this Committee.

Alderman Gatsas asked Mr. Chinburg have you ever done condominium development on a land lease.

Mr. Chinburg answered no and I would need to exercise our option to purchase the property to do this deal.

Alderman Gatsas asked can you give me an idea of what you have been looking at for land costs on a condominium project.

Mr. Chinburg asked land costs.

Alderman Gatsas answered yes per unit.

Mr. Chinburg stated they vary greatly from zero to \$5,000 or \$10,000 depending on how polluted the site is.

Alderman Gatsas asked zero to \$5,000 or \$10,000 per unit.

Mr. Chinburg answered yes on urban infill sites or sites like this with all of the problems.

Mr. Catapano stated why don't you tell him about your Laconia project. I think that is pretty near this.

Mr. Chinburg stated I recently purchased a similar site in downtown Laconia. It is a similar number of acres along the river with existing mill buildings. There are structures that actually have value totaling about 200,000 square feet of structure, which we will be able to do adaptive reuse into condominiums and apartments and we bought that entire parcel for \$450,000. That boils down to with the 90 or so units we are putting there to be about \$5,000 a unit but that is with existing structures in place that we can use. I did an infill site in Somersworth where the City gave it to me because I mitigated all of the pollution and put in the condominiums. So it really does vary depending on the site and the level of the pollution and the cost to clean up and permit.

Alderman Gatsas asked but you understand that this project doesn't have any caveats of contamination that falls back on to the City or anybody's else's buying so you are really buying something...from what I understand that are some people at risk for the contaminants and the clean up so that would increase your value.

Mr. Chinburg answered well we will be responsible for some of the clean up as well. Yes, Keyspan is working well with DES but we will be responsible for some of it.

Alderman Porter asked Mr. Chinburg do you know of any other condominium developments that are on leased land. What I have in mind is the distribution of common area interest. That is a cloud if you will on the percentage of interest in the common area. Has that been addressed? Have you pursued that from a legal point of view?

Mr. Chinburg answered well I wouldn't be doing the project if I couldn't purchase the property.

Alderman Gatsas asked can I have a clarification of that please. Can you clarify that for me?

Mr. Chinburg answered yes. The Master Lease allows a process for the developer to purchase the property. That process is underway. We are hoping for a good outcome of that process at which time we will be able to purchase the property and

then I can do my development. So we are proceeding in good faith that it will occur.

Chairman Lopez stated I need staff to clarify that so that we all understand or at least I do.

Solicitor Clark stated presently the appraisal that the City has retained Mr. Fremeau to do is underway. I believe it is going to be in on February 13 and then subject to the Committee's actions there will be a review appraisal done, which I believe will take one to two weeks at which time we will come back to the Committee with the appraised value of the land as set forth by the appraisers. The City will then make a recommendation to the Board on a purchase price that the developer can exercise. If the developer does not agree with the purchase price there is a process in the Master Agreement, which allows for and I am not sure if it is mediation or arbitration but...

Alderman Gatsas interjected so if you are telling me that you are looking at zero to \$10,000 and they come in at \$30,000 a unit.

Mr. Chinburg replied it won't work.

Alderman Gatsas asked and if it comes in at \$20,000 a unit that won't work either. So I think that...

Mr. Catapano interjected it should come in at what the valuation of the property is. You are dealing with a contaminated site. You are dealing with a lot of issues so we are not expecting a \$20,000 per unit appraisal since the appraisal is an "as is" appraisal, which states that there are no permits on the property and maybe Mr. McCabe could clarify that for you.

Atty. McCabe stated the appraisal condition in the Master Lease provides that at the time the request is made for determination of value by the City that the purchase price be determined presuming that there are no leases in place taking account of the then existing improvements and the then existing permits.

Alderman Gatsas stated so I guess what you are saying to me is if that was zoned for 200 units...if the zoning there was zoned for 200 residential units and the cost on a land per basis just on something I think we sold a couple of weeks ago on Wellington Road was 90 units for and Mr. Jabjiniak maybe you can help me how much was the sale price.

Mr. Jabjiniak stated \$1.1 to \$1.25 million or somewhere in that ballpark.

Alderman Gatsas stated let's use \$1.1 million and divide that by 90 units. That is somewhere around \$12,000 per unit cost.

Atty. McCabe stated it depends on the status of permitting for the project and the permits that are necessary and the appraiser has to take account of the then existing situation. If it hasn't yet been permitted, it hasn't yet been permitted. If it has been permitted, it has and the impact of those permits on value is what is supposed to go into the value determination.

Alderman Gatsas stated that is very convoluting from what you just said because if that property has the ability to have 400 units on it because of the zoning changes that we did as a full Board to accommodate this project and to change the density as we did for that project, that I think is going to add value. That is exactly what we did at this Board level. We increased the value of that property and if that is the case then just to say it is a raw piece of land that somebody can't put 400 units on because I am sure Mr. Chinburg if you told him he could put 400 units there he would be tickled to death.

Atty. McCabe replied it depends upon the timing of when the permitting took place as opposed to the timing of when this process was triggered. I don't know the details of where the permitting process is exactly. I have not participated in that against the exact timing of the request for determination.

Chairman Lopez stated I think we have to also wait until we get the appraisal back and we will go from there. Those are very good questions but we can't answer any of them right now.

Mayor Baines asked can I have a personal privilege Mr. Chairman because I do want to get to Tom Murphy's wake, which is at 8 PM. First of all I want to thank all of the participants who are here this evening for the confidence that they are showing in the City of Manchester. I think from what we have seen outlined that we have credible developers who are putting their personal money on the line to invest in the City because they have confidence in the City and a lot of the problems that have been outlined can be overcome if there is a will of this Board to insure that this project is going to move forward. Our staff and our office has been committed to this project and the Board voted to proceed with this project. The people that are before you this evening I think have that kind of confidence and investment in our City that I sincerely appreciate and I think the citizens of Manchester appreciate it. I realize there are some questions to ask and we can't answer all of the questions but these people have put their personal money, their investment on the line to help do something very positive for the City and as Mayor of the City I am very appreciative of that confidence and the credibility that each of you brings to this process. Secondly, you have a letter before you from

Manchester Development Corporation. I went and approached Mr. Ashooh and Jay Taylor and Ray Pinard, three well respected people in our community, in their capacity with the mission of the Manchester Development Corporation to ask if they would consider acting as advisors to me and my staff and your staff here at City Hall and to the various entities that are involved in the development of this parcel and at the request of the special committee to act as advisors to us. Not to have any decision-making authority at all but to bring their expertise and I don't think I need to explain the expertise. Just mentioning these gentlemen's names is sufficient but I believe it is important because not only are we talking about this development but because of what we are doing here there is also interest...additional ancillary development associated with this project. I am asking the Board to support that request so we can move this project forward and a lot of these issues that were raised tonight I think can be helped with the assistance of these three well respected gentlemen. Thank you Mr. Chairman.

Chairman Lopez stated I want to thank everyone for coming this evening. If you want to wait around fine but I have one further piece of business with staff and the Manchester Development Corporation. Thank you very much and continue to move forward. At this time I would like to call the Manchester Development Corporation to the front please – Ray Pinard, Jay Taylor and Skip Ashooh. The Mayor has already made his pitch for you. I was privileged to sit it on the meeting with the Mayor when he asked MDC to consider being involved in this. After primarily working on this project for a few weeks I can tell you that there are a lot of development questions that should have been asked and somebody has to advise us. The way this project is developed is by four staff people or five with Bob MacKenzie. I don't know if any of them ever made a development project like this in their lifetime and if anybody has they can raise their hand. Seeing none and at the present time we because we don't have somebody in the City who is an economic coordinator for the City of Manchester I believe we need to know a lot about this project, a lot of ins and outs and we need a lot of help from people who are in the development area such as the Manchester Development Corporation. With that, I would call upon Skip to give us your spiel here so to speak as to why you think that you should be involved.

Mr. Skip Ashooh stated over the last few weeks we have had a number of discussions with the Mayor and Chairman Lopez and there has been a general recognition that there is a gap in the City. There is a large menu of economic development items that the City is either currently underway with or will be undertaking, the impacts of which will create other issues for the City. At this time there is no individual charge with the oversight of administration or if you will the City view on a daily basis. I know this Committee is trying very hard to provide that view but there is no individual with the necessary skill set to do it. The thought was that when we were asked that we may represent a combination of

those skills in the short-term to get this project to at least an execution point and try to act as a resource to this Committee, to the Mayor's Office and to staff and try to bring to bear whatever we can to resolve issues, answer questions and the like. The longer-term situation is where the MDC really comes in and that is that we have already had discussions and as a matter of fact if you are not aware on February 20 the MDC is having its strategic planning meeting. Each year we sit down and look at the issues before the City as far as economic development and we lay out a set of priorities and then we adopt those priorities and try to execute during the course of the year. One of the issues that has come to the front is the issue of business dislocation, relocation and retention in Manchester as a result of some of these projects. We are looking at a tremendous opportunity with the riverfront but we are also looking at what may come after that and the fact that this should attract additional development needs a long term view, which is what the MDC is concerned with at that point. We would like to have the ability to come into this process as advisors and observers, not with any authority to execute or undertaken any type of separate plan or development. We would be there in representation of this Committee, the Mayor's Office and City staff to try to put more arms and legs into the process. We are familiar with some of the common experience in the past five or six years of the development of business documents of a similar nature – sports business documents, naming rights and contractually obligated income. We do bring that expertise. We were also able to bring back at no cost Jay Taylor who has 40 years of economic development experience for the City and we would like to think that we would be a resource and an asset to this Committee, to the City and to the Mayor's Office.

Alderman DeVries stated I think as everybody on this Committee is well aware we really don't have any kind of a contract administrator in this City and it comes back to haunt us repeatedly. Not even just on a project of this scale but in our smaller leases that we have individually with small entities. We have all felt the frustration of maintaining the oversight of this project and the high expectations that we have on staff for maintaining oversight of this project. I don't know about the rest of the Committee but I would welcome having the advantage of additional expertise working with staff and thus working in turn with us to maintain that oversight. I think we have had several items here tonight that what we have bounced around for hours we could have come to a conclusion sooner if we had proper information and additional people saying before you come to the Aldermen or to the Committee that you need to have X, Y and Z. I hope you can get us there.

Mr. Ashooh responded we will and I would like to reiterate at the strategic planning meeting on February 20 you are all invited because issues like this are expected to come up. When MDC has projects that come before it one of the issues that we have to deal with is if we put a mortgage in place or any kind of

financing in place we need to find somebody in the City who can then administer those payments as they come in. It is difficult. Thank you very much for your confidence.

Alderman Gatsas stated with no disrespect to you gentlemen because I certainly have high regard for all three of you, I think certainly that this would have been the approach from Day 1 but I feel a little miffed because it seems as though because there is a new Riverfront Development Committee that we might not be able to carry the water of the last one and we need some help to get us there.

Mr. Ashooh replied let me stop you...

Alderman Gatsas interjected let me finish. I certainly don't have a problem because I think that this might have been the position that we should have taken in the beginning because I don't know with any of the questions that were asked this evening with documents agreed to and signed whether you gentlemen being in the forefront would have changed any of that because obviously we hear now that we will get them when we get them and they are already executed. So I think that we have documents that we have talked about with elevators...we are $\frac{3}{4}$ of the way down the stretch. There is no much changing on this project. We certainly need to make sure that we protect the interest of the taxpayers in this City, which I am sure you gentlemen did when you did the Verizon Arena so with that I will give you that respect and say that you did a great job there. I think that if you were in the forefront of this project in the beginning from retail space that has gone from 200,000 square feet to 30,000 square feet with 12,000 square feet being located in a knuckle I don't know how much of that changes. I just think that certainly your expertise is there. I think if we have questions we have that availability to ask those questions. I think that the more people that enter this conversation now when the horse is out of the barn I don't know what position that gets us to because there are already agreements and supposedly the T's have been crossed and the I's have been dotted so for you gentlemen to just be sitting there saying okay I think we can do this or no I don't think the road should be closed because there is retail in there, I certainly think you gentlemen have much more important things for MDC and the likes to be looking at instead of worrying about whether the gate is closed and the retail is waiting on.

Mr. Ashooh responded you are right. We have much more important things to deal with and unfortunately the things we are going to be looking at are going to be direct results of this project but we came in not because your Committee or this Committee could not handle the load. The assessment was that we are at a very critical time in this project. There are a lot of things going on and there are still a lot of outstanding issues and if working parallel to this Committee trying to resolve some of these issues so that when they come before you there is a clearer

picture, that is all we are really trying to do. After this critical period of getting construction started, MDC's view really changes more along the lines of our ability and our need to do planning for the rest of the City for what we hope will be other investors who would come in to the City and want to take a look at opportunities. That is a two-prong strategy. The MDC has to do it and we also need to have an individual in there in the City who we could then refer these things to whether it is a coordinator or whatever. The process is what the process is. We didn't have a hand in it but we were asked to come in and see if we can just continue to resolve issues before they came to a public forum. If we can just do research and help out and be an asset to the process then that is all we are really trying to do.

Chairman Lopez asked Jay Taylor if he had any comments.

Mr. Jay Taylor stated yes. Tonight was the first time I was told I was doing this for nothing. Frankly, I think given our experience on the arena project in particular, which is not totally dissimilar to the process we are in here I think we can maybe be helpful in keeping the road smooth. I think I can speak for myself and I assume for the other two gentlemen that you are right Alderman. We do have other things we could be doing, however, for my own sake I have spent probably 2/3 of my life working towards the betterment of the City and I figure if I can help make this project successful I would like to do that so that is my motivation. I can't speak for the other two.

Mr. Ray Pinard stated I thought when Skip took over as Chairman of MDC that I would be able to do other things with my time but duty called. I as the others am very happy to be able to participate and lend expertise but probably most importantly is to look towards the future of what this project means for the City of Manchester. As we all knew when we undertook the civic center project that that would eventually be one of the major projects of the City. This is another one. The Bridge and Elm Street development is another one. The MDC has made various investments downtown. There are a lot of other projects that people are discussing at this time and unfortunately the City staff is understaffed and needs additional resources to be able to push those projects forward and I would be happy to help in any way that I can.

Chairman Lopez stated I would just like to note that this is a mission of your organization, the Manchester Development Corporation.

Alderman Smith stated I would like to know who is going to coordinate this. We have staff involved, the Committee involved, MDC and who are they going to report to?

Chairman Lopez responded my understanding is that MDC would sit it on some of the staff conversations with some of the developers and lend their expertise as to some of the directions that the staff should go in because we don't have that. We have financial and we have attorneys...I don't think this in any way will slow down the project. It is still the Committee and the staff's responsibility to make sure everything moves forward but I think that MDC in my viewpoint could play a pivotal role if there is some type of disagreement and maybe tell them to go in another direction that they haven't looked at. I think that is what I have found in this project is that we have four principal people but Finance people are not developers with all due respect to them. The attorney is not a development person. He can read contracts and stuff like that. That is the avenue that I believe the staff of MDC would lend to our Committee and also to the City staff and the Mayor.

Mr. Ashooh stated if I might more pointedly everything that happens that we would do still has to come through this Committee. You have been endowed with powers by the Board of Mayor and Aldermen to execute this project so what we would be doing is helping create the work project that you would then receive. If we can smooth it out and clarify issues and things like that...it is not that we would negotiate anything. We would simply try to help staff bring issues to you that are more clear and it still would always end up here. Where else?

Alderman DeVries stated I want to clarify my earlier comments because this project has evolved and it has become more complex and complicated especially as we have had a split in the primary partners involved in that process. We have seen at prior meetings as we have seen again tonight that there will be opposing comments that will come forward to us where we have to make critical decisions. What I want to know is that I am making the right decision for the City of Manchester, not for one developer or another developer. I want to make sure that my decisions are right for the City of Manchester and the future development that will take place, as you said, not just on this parcel but on other parcels abutting and in the surrounding area. That is the expertise that I think you can help assist us with and I am looking forward to your assistance.

Alderman Gatsas stated I certainly respect that these gentlemen would be invited to sit in on meetings. I would hope that people on this Committee would be extended the same courtesy because obviously and I don't know how you feel about that.

Chairman Lopez responded the answer is yes but let me clarify that. I do sit it on staff meetings. They have set-up a staff meeting every two weeks to bring us up-to-date and tell us what the problems are and if we have to have a special meeting then I will call a special meeting. I do intend to bring in one other Aldermen because if we have three the City Solicitor says we can't do that. We can never

meet as a body of more than two Aldermen in a staff meeting and if we did it any other way it would have to a public meeting and the City Solicitor can verify that.

Solicitor Clark stated any time a quorum gets together to discuss City business it has to be posted and it is a public meeting.

Alderman Gatsas asked when was the last staff meeting.

Chairman Lopez answered last Friday at 8:30 AM and I was there with staff to prepare the agenda and make sure that some of the questions from our previous meeting were going to be answered at this meeting.

Alderman Gatsas asked was any other member of this Committee invited to that meeting.

Chairman Lopez answered no and let me clarify that. Only for the simple reason that at the time of the communication between staff and you as to whether you were going to be in the Senate or whether you were going to be available I did not invite any other person to that meeting. I made a couple of phone calls, one to Alderman Guinta and one to Alderman DeVries.

Alderman Roy stated I would like to just make note and thank the three gentlemen for their expertise and for coming in front of us and commend the Mayor's Office for being proactive in getting them involved but it does make me think that we have this expertise now in front of us but in the future these three gentlemen may be off doing other projects or other things and we may be left with a void in the City. Through our budget process now and in the future we should look at filling that void so that we don't run into some of the problems we have run into that has brought this to a head of having this expertise brought in front of us. I commend them for being here and thank them because they all bring special attributes to the City but we do have to look at the future and discuss if these three gentlemen and MDC did not have a strong participation in the City what would we be looking at and what can we do to avoid that in the future.

Chairman Lopez responded to answer your question on that I think you have received some correspondence on my recommendation to the Mayor as to how we should proceed for the economic development division and having a qualified coordinator for the City of Manchester who could be working with MDC directly. Since we do not have that person in the City I want to thank them for the opportunity and I hope this Committee allows them to advise our staff and be observers to this process because I think it is very important no matter what we do on the budget moving forward come the first of July as to whether we are going to be putting a qualified individual in the position of City Coordinator if that is the

direction we decide to go in or what we are going to do with the Economic Development Division because that is very crucial. I don't want to get into that tonight but my sole thing is to ask the Committee to go along and have MDC be observers and advisors to the Mayor, the staff and this Committee. I would hope that we would do that.

Alderman Smith asked who do they report to. To all three?

Chairman Lopez answered they will report to this Committee.

Alderman Smith asked they will ignore the City staff.

Chairman Lopez answered no they will meet with staff and sit it on meetings and advise staff as to some of the directions that they may take. At the time when we have committees and correct me Skip but I have seen in the past where you have reported to committees with the civic center and told them what you would do versus what some staff would do and I think that is the input that we need from experts.

Mr. Ashooh replied the MDC is an organization responsible directly to the Board of Mayor and Aldermen. We cannot enter into any agreements, make any substantial expenditures, or bind the City in any fashion. We do our work and then in matters outside of the riverfront development we will come to the full Board of Mayor and Aldermen and make a request for permission to either make an expenditure or do something. In this case in this particular development this body is the governing body so to speak of the process. Anything we do will either come through City staff to this Committee or come directly to this Committee. You can call on us to answer your questions if you wish but it goes nowhere else.

Alderman Guinta asked so any of your recommendations or suggestions would come to this Committee under separate cover from...I guess I want to make sure that whatever is coming to us I know where it is coming from whether it would be coming from the MDC sub-committee or from City staff.

Mr. Ashooh answered most everything that we do is going to end up in a work product that will come through City staff because we are going to be participants to the extent that we will advise and if asked a question if we see an opportunity we will present it to City staff. If this Committee, your Committee, in its work wants to have us involved in playing devil's advocate on an issue we will do that for you but we are not there to create a separate work product for this Committee. We are here to work with staff and with the Mayor's Office. If the Mayor gets a question and he wants to ask us about it along with City staff we will do that. We

are going to be as flexible as we would like but it all ends up in one place and that ends up here.

Alderman Shea stated this is directed to the Committee. I want to thank the Committee for their hard work and I want to compliment you, Mike Lopez, for taking a leadership role. When you assumed the Chairmanship little did you realize what you were getting into but for the first time at least I think that like you said before things are on the right course and I am hoping that in future meetings obviously a lot of the questions that have not been answered will be answered. There is no obvious easy process here. I think that it is a very complicated situation and there are many different scenarios involved but so far things are working out well and I certainly thank you for accepting the Chairmanship of this special committee and I want to compliment other members of the Committee for asking questions and trying to get things resolved because in the final analysis we are all working for the taxpayers to make sure that they get the right kind of answers for what the investment of the City is going to be as well as other people involved. I do want to thank you very much.

Chairman Lopez responded I appreciate that very much. For the Committee members I am asking you to allow MDC to be the observers and advisors to the Mayor, City staff and this Committee. I don't believe other than maybe Alderman Gatsas that anybody here has done any development. I am surely seeking out advice from experts and I think it is healthy to have two-way communication so that if expert staff see something on our staff side that they advise them that maybe this is not the way to go and without rehashing everything tonight we have seen some of that. They are more familiar with development documents and stuff like that in having gone through the civic center. I don't think it is going to hold up anything. I do not think...as indicated they are not a spokesman for this Committee. They don't go to the newspapers. They are just not in that category. They will report to this Committee when there is an issue and they will go to staff and if we need to have a special meeting on something that is going to fall through the loops that is what we need to do. I am asking this Committee to accept MDC as advisors to this Committee and staff.

Alderman Gatsas stated with all due respect as I said in the beginning I respect these gentlemen a lot. I think if they were brought in from Day 1 maybe we wouldn't have these problems. I feel a little slighted that all of the sudden because there are three new members on this Committee that all of the sudden we need help.

Chairman Lopez responded they didn't create that.

Alderman Gatsas stated well there are three new members and I think my colleague and dear friend Mr. Wihby if he were an Aldermen here and somebody brought this forward if he was the Chairman of this Committee I think would have hit the roof already. So I guess I will leave it at that and I don't know who we are supposed to ask a question of. If we have a question do we ask it of these gentlemen, do we go to staff, where do we go to ask a question and how do we get something resolved?

Chairman Lopez stated I just want to sort of...Alderman you are talking about one of the major projects of development in the City of Manchester. I think the Manchester Development Corporation is very much interested in the success of this project to move forward. With all due respect you might be an expert in a lot of things. I can assure you that I am not an expert in any of these development aspects or attorney or financial aspects of it but I have to rely on staff and I have to rely on expert people to come forward. Now if everybody feels that they are an expert at something then I don't think we are going to go anywhere unless we get solid concrete advice so I am asking the Committee to move forward on this.

Mayor Baines stated I apologize for having to leave. First of all I want to thank Mr. Ashooh and Mr. Pinard and Mr. Taylor and this is not as Alderman Gatsas said about help. It has nothing to do with that. What it is is that the MDC has responsibilities that have been given to it by the Board of Mayor and Aldermen and one of the things that we are dealing with within this project are the moving parts within this project and also other ancillary development opportunities that are going to come along as a result of what we are doing, not only on the river but in other parts of the City. The role that we are talking about here is really concurrent with the present role and responsibilities of MDC. Asking for advice from citizens in our community who are willing to volunteer their time to assist the Mayor, City staff and at the request of the special committee throughout this process. Also as I said earlier to meet occasionally perhaps with some of the entities involved with the project to lend the expertise that these gentlemen have. Just talking about Jay, he has been sorely missed at City Hall because of the breadth and depth of his experience. He can help throughout this process advising me, the City staff and at the request of this Committee. It is nothing more and nothing less than that and I would hope the Board would accept the fact that we have citizens in our community who are willing to give of their time to help with this process going forward and help with other development opportunities and help steer us to make sure that we make prudent decisions on behalf of the City and I would ask this Committee to approve this this evening.

Chairman Lopez stated I think everything has been said so a motion would be in order.

Alderman Smith stated I am not putting these fellows on the spot but I want to ask the City staff how they feel about it. I know in my dealings on the previous Committee that everything that was asked of Gill Stadium I received a reply – from the locker rooms to the flooring and Parks and Recreation to the fields and everything. Everybody I went to on City staff gave me everything. I think what happened was that we didn't have one person directly in command until Frank Thomas came on and I am not praising Frank but he came on and did a good job with Gill Stadium and so forth. I just want to ask you people how do you feel as City staff working with this advisory group?

Mr. Frank Thomas responded I would strongly recommend that the City accept the offer that has been made here. Again, I think they are offering to give their expertise that they have. Again, two heads are better than one and the bottom line is the Committee is still the Committee that is going to make the recommendations as to whether there are going to be changes made, etc. Your Committee, Alderman Lopez, is a very powerful Committee because it has a lot of jurisdiction that has been given to it by the Board of Mayor and Aldermen. Again, I think the more assistance that can be offered on this project and the more insight that has certainly got to be a benefit.

Mr. Jabjiniak stated I think just having heard this tonight that it certainly provides a lot of...as Frank just said three heads are better than one. I think Alderman Smith is also pointing to a coordination issue that has been sometimes our weakness so I think that as much as they can provide some detailed expertise it is important as to how that flows back to you as a Committee and I think that is what Alderman Smith has been getting to and that is a good point.

Solicitor Clark stated I also concur. I know that Alderman Smith has said that he has always gotten a response from City staff. He will still get the same response from City staff. I think that City staff has always had the ability to go out and seek advice from people it needs to but if they are going to be working as a volunteer committee to give us that advice on a weekly or monthly basis or whatever I think it is important for the Committee to put their blessings on it. I think they can also offer some advice to the Committee. I don't see them as taking power away from the staff or taking power away from the Committee at all.

Mr. Clougherty stated if you think back to the other major projects like the Airport and the Verizon Arena that were done during the time that those projects were done we had a full-time City Coordinator and a full-time Economic Director. We have neither of those now. So the Finance Office can give you financial information and to some extent we are trying along with the Solicitor's Office to fill in some of the other areas but to try and forecast for you what some of the pitfalls may be for these various developers as they try to bring this project along,

that is definitely not the Finance Office's expertise or responsibility. So, to the extent that these gentlemen have the experience of having gone through that process of permitting and development it is certainly going to help the developers in question and it is certainly going to help I think the Committee by forecasting some of those possible problems and addressing them before they turn into problems. So we would be in favor of it. We think it is a good idea. As they said there are going to be other projects that hopefully spin off from this and the more they are aware of the details of how this has worked the better they are going to be able to interact with those other developers and make those an easy transition.

Alderman Smith moved to have MDC observe and advise City staff, the Mayor's Office and the Special Committee on issues related to riverfront activities and baseball. Alderman DeVries duly seconded the motion.

Chairman Lopez called for a vote. The motion carried with Alderman Gatsas abstaining.

Mayor Baines stated first of all I want to thank the Committee and since Alderman Wihby's name was raised I want you to know that I do talk to Alderman Wihby on a fairly regular basis and I discussed this with him and he was very supportive of this and he thought this was a very good idea for the City moving forward. So since his name was brought up I have talked to him numerous times about this and he is in concurrence that this is the right direction to go in for this project and I would like to say that for the record.

Alderman Gatsas moved to have the documents that were executed between Mr. Chinburg and Mr. Rodell and Downtown Visions be received by the Aldermen by tomorrow and any accompanying documents that came from staff or anybody who was aware of those documents. I don't know even with these three gentlemen that if they were in place if we would have had the opportunity to look at those before the staff agreed to them.

Chairman Lopez stated before I accept that motion is that a reasonable request.

Mr. Clougherty responded no because I can't guarantee that we are going to get those documents from those parties. As soon as we get them certainly we will forward them to Committee but to say by tomorrow I can't guarantee you that is going to happen.

Alderman Gatsas stated I think Mr. Chinburg stated that your office received them or somebody got them.

Mr. Clougherty responded just because he said it does not necessarily make it so. As I said, I have to go back and research it and it may take us the better part of the day to research in addition to getting ready for the Aldermanic meeting and other things tomorrow night.

Chairman Lopez stated I agree with you. They will get you the documents. To have your motion say tomorrow is...

Alderman Gatsas interjected can we have them by Friday.

Mr. Clougherty stated as soon as we get them, Alderman, we will give them to you.

Chairman Lopez stated as soon as you get the documents as requested by the Committee get them to us. If that is Friday or Monday or whatever just do that.

There being no further business, on motion of Alderman Smith duly seconded Alderman DeVries it was voted to adjourn.

A True Record. Attest.

Clerk of Committee