# CITY COUNCIL MEETING

#### MUNICIPAL COMPLEX, EILEEN DONDERO FOLEY COUNCIL CHAMBERS, PORTSMOUTH, NH DATE: TUESDAY, FEBRUARY 16, 2016 TIME: 6:30PM

# AGENDA

- 6:30PM ATSDR WORK SESSION RE: PEASE TRADEPORT COMMUNITY ADVISORY PANEL (CAP)
- I. CALL TO ORDER
- II. ROLL CALL
- III. INVOCATION
- IV. PLEDGE OF ALLEGIANCE

#### PRESENTATIONS

- 1. Comprehensive Annual Financial Report (CAFR) Scott McIntire http://cityofportsmouth.com/finance/CAFR15.pdf
- 2. Update Re: Acceptance of Over the Counter Credit Card Payments
- V. ACCEPTANCE OF MINUTES JANUARY 25, 2016
- VI. PUBLIC COMMENT SESSION
- VII. PUBLIC HEARINGS
  - A. RESOLUTION AMENDING ELDERLY EXEMPTION

OPTION A

#### PROPOSED INCREASE OF ELDERLY EXEMPTION

 SINGLE
 \$40,000.00 INCREASE OF \$3,689.00

 MARRIED
 \$55,000.00 INCREASE OF \$10,207.00

 ASSET LIMIT OF
 \$175,000.00 INCREASE OF 53,961.00

#### OPTION B

#### PROPOSED INCREASE OF ELDERLY EXEMPTION

 SINGLE
 \$40,000.00 INCREASE OF \$3,689.00

 MARRIED
 \$55,000.00 INCREASE OF \$10,207.00

 ASSET LIMIT OF
 \$175,000.00 INCREASE OF \$53,961.00

IF THE CITY COUNCIL WISHES TO ADJUST THE EXEMPTION AMOUNTS FOR ELDERLY TAXPAYERS IN COMPARISON TO NEIGHBORING COMMUNITIES, THIS WOULD DECREASE THE LIMIT AS FOLLOWS:

AGES 65-74	\$120,000.00 DECREASE OF \$5,000.00
AGES 75-79	\$160,000.00 DECREASE OF \$15,000.00
AGES 80+	\$200,000.00 DECREASE OF \$20,000.00

B. RESOLUTION AMENDING DISABLED EXEMPTION

SINGLE	\$40,000.00 INCREASE OF \$3,689.00
MARRIED	\$55,000.00 INCREASE OF \$10,207.00
ASSET LIMIT OF	\$175,000.00 INCREASE OF \$53,961.00

IF QUALIFIED FOR DISABLED TAXPAYERS THE CURRENT EXEMPTION OFF THE ASSESSED VALUE OF THE PROPERTY WOULD REMAIN THE SAME AT \$100,000.00

#### VIII. APPROVAL OF GRANTS/DONATIONS

A. Electric Charging Stations Grant - \$10,000.00 (Sample motion – motion to authorize the City Manager to enter into an agreement between the State of New Hampshire and the City of Portsmouth pertaining to the NH Department of Environmental Services Electrical Vehicle Supply Equipment Rebate Program)

#### IX. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. First Reading of Resolution Authorizing a Bond Issue and/or Notes of the City under the Municipal Finance Act and/or Participation in the State Revolving Fund (SRF) Loan of up to Seventy Five Million Dollars (\$75,000,000.00) for Costs related for the Construction of the Peirce Island Wastewater Treatment Facility (*Roll Call Vote Required*) (Sample motion – move to pass first reading and bring back for public hearing and adoption a Resolution Authorizing a Bond Issue and/or Notes of the City under the Municipal Finance Act and/or Participation in the State Revolving Fund (SRF) Loan of up to Seventy-Five Million (\$75,000,000) Dollars for Costs Related for the Construction of the Peirce Island Wastewater Treatment Facility, as presented, at the City Council meeting of March 7, 2016) (Roll Call Vote Required)
- B. First Reading of Resolution Authorizing a Supplemental Appropriation from Unassigned Fund Balance for Necessary Expenditures related to Middle School Construction of up to Six Hundred Fifty Thousand (\$650,000.00) Dollars (*Roll Call Vote Required*) (Sample motion – move to pass first reading and bring back for public hearing and adoption a Resolution authorizing a supplemental appropriation from Unassigned Fund Balance the sum of up to Six Hundred Fifty Thousand (\$650,000.00) Dollars for Necessary Expenditures Related to the Middle School Construction, as presented, at the City Council meeting of March 7, 2016) (Roll Call Vote Required)

#### C. Adoption of Resolution Amending Elderly Exemption

On Tuesday evening, the City Manager is requesting that the City Council act on adoption of either Option A or B of the following Resolutions for the elderly exemption.

#### OPTION A

#### Proposed increase of Elderly Exemption

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of 53,961.00

#### OPTION B

#### Proposed increase of Elderly Exemption

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of \$53,961.00

If the City Council wishes to adjust the exemption amounts for elderly taxpayers in comparison to neighboring communities, this would decrease the limit as follows:

Ages 65-74	\$120,000.00 decrease of \$5,000.00
Ages 75-79	\$160,000.00 decrease of \$15,000.00
Ages 80+	\$200,000.00 decrease of \$20,000.00

D. Adoption of Resolution Amending Disabled Exemption

Single	\$40,000.00 increase of \$3,689.00
Married	\$55,000.00 increase of \$10,207.00
Asset Limit of	\$175,000.00 increase of \$53,961.00

If qualified for disabled taxpayers the current exemption off the assessed value of the property would remain the same at \$100,000.00

#### (Sample motion – move to adopt the Disabled Exemption, as presented)

#### X. CONSENT AGENDA

- A. Request for License to install Projecting Sign:
  - Richard Kahler owner of Kahler Chiropractic, for property located at 100 Market Street(Anticipated action – move to approve the aforementioned Projecting Sign License as recommended by the Planning Director, and further, authorize the City Manager to execute the License Agreement for this request)

Planning Director's Stipulations:

- The license shall be approved by the Legal Department as to content and form;
- Any removal or relocation of the projecting sign, for any reason, shall be done at no cost to the City; and
- Any disturbance of a sidewalk, street or other public infrastructure resulting from the installation, relocation or removal of the projecting sign, for any reason, shall be restored at no cost to the City and shall be subject to review and acceptance by the Department of Public Works

#### XI. PRESENTATION & CONSIDERATION OF WRITTEN COMMUNICATIONS & PETITIONS

(There are no items on under this section of the Agenda)

#### XII. REPORTS AND COMMUNICATIONS FROM CITY OFFICALS

#### A. CITY MANAGER

#### City Manager's Items Which Require Action:

- 1. Report Back Re: License Requests for 40 Bridge Street
- 2. Report Back Re: Request of Stewgood, LLC, to restore the lots at 268 and 276 Dennett Street to their premerger status pursuant to NH RSA 674:39-aa
- 3. Request for Equitable Waiver for Building Fees Re: Lonza

#### Informational items

- 1. Events Listing
- 2. Update Re: 165 Deer Street New Municipal Parking Garage

#### XIII. MISCELLANEOUS/UNFINISHED BUSINESS

- Report of Legislative Subcommittee as written:
  - RE: HB1216 Re: Creation of Documents under Right-to-Know

#### XIV. ADJOURNMENT

#### KELLI L. BARNABY, MMC, CMC, CNHMC CITY CLERK

\*Indicates Verbal Report

#### **INFORMATIONAL ITEMS**

- 1. Notification that the minutes of the December 15, 2015 meeting of the Zoning Board of Adjustment are now available on the City's website
- 2. Notification that the minutes of the January 6, 2016 and January 13, 2016 meeting of the Historic District Commission are now available on the City's website

NOTICE TO THE PUBLIC WHO ARE HEARING IMPAIRED: Please contact Dianna Fogarty at 603-610-7270 one-week prior to the meeting for assistance.

## CITY OF PORTSMOUTH PORTSMOUTH, NH 03801

Office of the City Manager

Date:	February 11, 2016
То:	Honorable Mayor Jack Blalock and City Council Members
From:	John P. Bohenko, City Manager
Re:	City Manager's Comments on February 16, 2016 City Council Agenda

### Work Session:

6:30 p.m.

1. <u>ATSDR Re: Pease Tradeport Community Advisory Panel (CAP).</u> The Agency for Toxic Substances and Disease Registry (ATSDR) will present its mission and structure, and discuss the formation of a local Community Advisory Panel (CAP) to assist in addressing community health concerns regarding the Pease Tradeport Perfluorinated Chemical (PFC) contamination of the water supply.

Attached is a letter from Mayor Blalock to Commander Tara Somers requesting consideration of five (5) former Community Advisory Board (CAB) members for acceptance to the CAP. The inclusion of these former CAB members is in response to community concerns for continuity of information and progress, and was included in the recommendations of the CAB. The five (5) individuals are:

- Rich DiPentima, former Chairman of the CAB
- Stefany Shaheen, former City Councilor
- Shelley Vetter, Owner and Director of Discovery Child Enrichment Center Daycare at Pease
- Andrea Amico, parent of child attending a Pease daycare facility
- Kim McNamara, Portsmouth Health Officer

For your information, attached is a memorandum from Kim McNamara, Health Officer, regarding the Pease Community Assistance Panel Formation and Function. On Tuesday evening, a representative from the ATSDR will be in attendance to update the City Council regarding this matter.

## Presentation:

- 1. <u>Comprehensive Annual Financial Report (CAFR)</u>. Scott McIntire of Melanson, Heath & Company, P.C. will report on the Annual Audit and Financial Statements for the Year Ending June 30, 2015. On the inside cover of your packet, I am providing you with a copy of the City's Comprehensive Annual Financial Report (CAFR), which includes the financial statements for the fiscal year ending June 30, 2015 (Annual Audit). The Fiscal Year 2015 Audit was prepared by the firm of Melanson, Heath & Company, P.C. Also, enclosed on the inside cover of your packet is the Management Letter for the year ending June 30, 2015, prepared by our auditor. On Tuesday evening, Scott McIntire from Melanson, Heath & Company will be in attendance to make a presentation on the CAFR, which is available at http://cityofportsmouth.com/finance/CAFR15.pdf.
- 2. **Update Re Acceptance of Over the Counter Credit Card Payments.** On Tuesday evening at 7:00 p.m., Judie Belanger, Finance Director, will be making a presentation to the City Council regarding an update on the acceptance of over the counter credit card payments.

### Acceptance of Grants and Donations:

1. <u>Electric Charging Stations.</u> The City of Portsmouth has been selected to receive a grant from NH Department of Environmental Services (NHDES) to install electric vehicle charging stations in our Downtown.

The NHDES has approved a total of \$10,000 in grant funds for Portsmouth to be used for acquisition and installation of 2 dual-connector Level 2 charging stations. More details on this program are provided in the attached memorandum from Juliet Walker, Transportation Planner.

I recommend the City Council move to authorize the City Manager to enter into an agreement between the State of New Hampshire and the City of Portsmouth pertaining to the NH Department of Environmental Services Electrical Vehicle Supply Equipment Rebate Program. Action on this matter should take place under Section VIII of the Agenda.

### Items Which Require Action Under Other Sections of the Agenda:

#### 1. First Reading of Proposed Resolutions.

1.1 First Reading of a Resolution Authorizing a Bond Issue and/or Notes of the City under the Municipal Finance Act and/or Participation in the State Revolving Fund (SRF) Loan of up to Seventy-Five Million (\$75,000,000) Dollars for Costs Related for the Construction of the Peirce Island Wastewater Treatment Facility. As a result of the February 1, 2016 City Council meeting, under Section IX of the Agenda, I am bringing back for first reading the attached Resolution Authorizing a Bond Issue and/or Notes of the City under the Municipal Finance Act and/or Participation in the State Revolving Fund (SRF) Loan of up to Seventy-Five Million (\$75,000,000) Dollars for Costs Related for the Construction of the Peirce Island Wastewater Treatment Facility.

On Tuesday evening, there will be a presentation by City staff, regarding the financial and rate projections with respect to bonding of the Peirce Island Wastewater Treatment Facility.

I recommend the City Council move to pass first reading and bring back for public hearing and adoption a Resolution Authorizing a Bond Issue and/or Notes of the City under the Municipal Finance Act and/or Participation in the State Revolving Fund (SRF) Loan of up to Seventy-Five Million (\$75,000,000) Dollars for Costs Related for the Construction of the Peirce Island Wastewater Treatment Facility, as presented, at the City Council meeting of March 7, 2016. Action on this matter should take place under Section IX of the Agenda.

1.2 First Reading of a Resolution Authorizing a Supplemental Appropriation from Unassigned Fund Balance the sum of up to Six Hundred Fifty Thousand (\$650,000) Dollars for Necessary Expenditures Related to Middle School Construction. Joint Building Committee Co-Chairs Christine Dwyer and Dexter Legg seek approval from the City Council to appropriate up to \$650,000 from fund balance for necessary expenditures related to the Middle School Construction. See attached proposed Resolution under Section IX of the Agenda.

When funds for the permanent shoring effort are obtained through negotiated resolution or litigation, recovered amounts would be returned to the City. As reported last year to the City Council, the Portsmouth Middle School, a 1930s building has been experiencing differential settlement due to apparent design and construction activities associated with its expansion and renovation. The City has undertaken expert review and consultation about the reasons for the settlement and the proposed mitigation. The City has put various firms involved in the design and construction on notice of potential claims during the investigation, provided them with information from the investigation, and sought resolution through mediation.

The co-chairs seek this commitment of funds now so that permanent repairs can be undertaken during the school summer break. The differential settlement has slowed sufficiently that it would be most expeditious and cost effective to undertake the permanent repairs this year. Temporary shoring and regular inspection have been used during this interim period to ensure safe use and occupancy. The schedule for bidding and ordering of steel requires timely attention.

Any funds received by the City from settlement or litigation will be put back into fund balance.

I recommend the City Council move to pass first reading and bring back for public hearing and adoption a Resolution authorizing a Supplemental Appropriation from Unassigned Fund Balance the sum of up to Six Hundred Fifty Thousand (\$650,000) Dollars for Necessary Expenditures Related to the Middle School Construction, as presented, at the City Council meeting of March 7, 2016. Action on this matter should take place under Section IX of the Agenda.

#### 2. **Public Hearing and Adoption.**

2.1 **Public Hearing and Adoption of Proposed Resolutions Amending Elderly and Disabled Exemptions.** At the request of the City Council, under Section VII of the Agenda, two options are being brought forward for public hearing and adoption for both the income and asset levels for the Elderly and Disabled Exemptions along with a change in exemption levels for the Elderly Exemption pursuant to RSA 72:39-b and RSA 72.37-b and makes recommendations as to these levels.

#### **Option A:** (Changes to Income & Asset Limits Only)

If the City Council wishes to adjust the income and asset levels for both the elderly and disabled taxpayers in comparison to neighboring communities, this would increase the limit as follows:

• Single	\$ 40,000 increase of \$ 3,689
Married	\$ 55,000 increase of \$10,207
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• Elderly Asset Limit of \$175,000 increase of \$53,961

**Option B:** (Changes to Income, Asset and Exemption Limits)

Adjust the income and asset limits for the elderly and disabled taxpayers the same as Option A as follows:

• Single	\$ 40,000 increase of \$ 3,689
Married	\$ 55,000 increase of \$10,207
• Elderly Asset Limit of	\$175,000 increase of \$53,961

If the City Council wishes to adjust the exemption amounts for elderly taxpayers in comparison to neighboring communities, this would decrease the limit as follows:

• Age 65 to 74	\$120,000 decrease of \$ 5,000
• Age 75-79	\$160,000 decrease of \$15,000
• Age 80 +	\$200,000 decrease of \$20,000

If qualified, for disabled taxpayers the current exemption off the assessed value of the property would remain the same at \$100,000.

I have included three different analyses for your review.

- 1) A two year analysis showing the median change in taxes for taxpayers receiving the elderly exemption between FY 2014 and FY 2015.
- 2) An analysis showing the estimated median tax impact if the proposed changes are made to the exemption limits.
- 3) A comparison of the elderly exemption limits of neighboring communities.

Any adjustment if approved would be for assessments as of April 1, 2016 for the 2016 tax year or FY17.

The Assessor's office mails a notification annually to all elderly and disabled persons who currently receive this exemption to update their applications. All new applicants must submit an application and required documentation by April 15<sup>th</sup> of each year.

On Tuesday evening, I am requesting that the City Council act on adoption of either Option A or B of the following Resolutions for the elderly exemption and disabled exemption for taxpayers:

Option A: (Changes to Income & Asset Limits Only)

- a) Move to authorize the City Manager to proceed with the proposed increases to income and asset limits only for the elderly exemption, and further, move to adopt the Option A, as presented.
  - Single \$ 40,000 increase of \$ 3,689
  - *Married* \$ 55,000 increase of \$10,207
  - Elderly Asset Limit of \$175,000 increase of \$53,961

or

Option B: (Changes to Income, Asset and Exemption Limits)

b) Move to authorize the City Manager to proceed with the proposed increases to income, asset and exemption limits for the elderly and disabled exemptions, and further, move to adopt Option B, as presented.

Adjust the income and asset limits for the elderly and disabled taxpayers the same as Option A as follows:

- Single \$ 40,000 increase of \$ 3,689
- Married \$ 55,000 increase of \$10,207
- Elderly Asset Limit of \$175,000 increase of \$53,961

If the City Council wishes to adjust the exemption amounts for elderly taxpayers in comparison to neighboring communities, this would decrease the limit as follows:

- Age 65 to 74 \$120,000 decrease of \$ 5,000
- Age 75-79 \$160,000 decrease of \$15,000
- Age 80 + \$200,000 decrease of \$20,000

If qualified, for disabled taxpayers the current exemption off the assessed value of the property would remain the same at \$100,000.

Action on this matter should take place under Section IX of the Agenda.

#### 3. **Public Hearing.**

Public Hearing Re: Proposed Capital Improvement Plan (CIP) FY2017-3.1 **2022.** In accordance with Section 7.7 of the City Charter, a Public Hearing on the proposed Capital Improvement Plan for FY2017-22 will take place on Tuesday evening at 7:00 p.m. At that time, I will be giving a brief overview of the Plan and have requested that staff be available to answer questions if necessary. In addition, I will have copies available of the summary pages for the public, as well as the capital expenditures that will be proposed in the FY2017 budget. Also, a copy of the Capital Plan is on our web page (www.cityofportsmouth.com) and the February 10, 2016 City Council Work Session full presentation will be available on YouTube (https://youtu.be/-PnBqbyoB8E) and Channel 22. The City Council is required, in accordance with Section 7.8 of the City Charter, to adopt the Capital Plan subsequent to the Public Hearing and before the City Manager submits the budget to the City Council. I anticipate that I will be transmitting my proposed FY2017 budget to you on or about April 29, 2015. Given that projected date, I am suggesting the City Council adopt the proposed Capital Improvement Plan at your March 7, 2016 City Council meeting.

I suggest that action on this matter be taken at the March 7th City Council meeting, at which time I will recommend adoption of the CIP with any appropriate amendments. Action on this matter should take place under Section IX of the Agenda.

## Consent Agenda:

- 1. <u>Request for License to Install Projecting Sign.</u> Attached under Section X of the Agenda is a request for a projecting sign license (see attached memorandum from Rick Taintor, Planning Director):
  - Richard Kahler, owner of Kahler Chiropractic for property located at 100 Market Street

I recommend the City Council move to approve the aforementioned Projecting Sign License as recommended by the Planning Director and, further, authorize the City Manager to execute the License Agreement for this request. Action on this item should take place under Section X of the Agenda.

## City Manager's Items Which Require Action:

- 1. **<u>Report Back Re: License Requests for 40 Bridge Street</u>** At its meeting on January 11, 2016, the City Council referred to the Planning Board a request by Tanner Bridge Development, LLC, for several licenses in connection with a planned development project at 40 Bridge Street. The requested licenses include:
  - a permanent license to allow building footings 18" into the City's right of way;
  - a permanent license to construct a new electrical bank within Bridge Street from the intersection of Hanover Street to the site; and
  - a temporary license to use the full width of the sidewalk and parking along the frontage of the property for a staging area during construction.

The Planning Board approved the site plan for this project in October 2015. At that time, the developer was unaware of the need to place footings under the City sidewalk. In addition, the method of supplying electricity to the proposed building has changed since the site plan approval.

The proposed plan changes do not affect the configuration of the building or site as previously approved by the Planning Board. The Department of Public Works has reviewed the new electrical service plan and is working with the developer on revisions.

At its meeting on January 21, 2016, the Planning Board voted unanimously to recommend the acceptance.

I recommend the City Council move to accept the recommendation of the Planning Board, as presented, that the licenses be granted, subject to DPW approval of the final design of the electrical bank. 2. **Report Back Re: Request of Stewgood, LLC, to restore the lots at 268 and 276 Dennett Street to their premerger status pursuant to NH RSA 674:39-aa.** At its meeting on December 21, 2015, the City Council voted to refer to the Planning Board a request by Stewgood, LLC, to restore two lots at 268 and 276 Dennett Street to their premerger status, pursuant to NH RSA 674:39-aa. The merged lot contains two residential structures: the original single-family dwelling and a detached garage with a 2nd-floor dwelling unit.

RSA 674:39-aa provides that "lots or parcels that were involuntarily merged prior to September 18, 2010 ... shall at the request of the owner, be restored to their premerger status ...." The statute only applies where "no owner in the chain of title voluntarily merged his or her lots."

RSA 674:39-aa assigns the responsibility for "restoration of involuntarily merged lots" to the City Council. If the merged lots meet the criteria in the statute, the Council must vote to restore them to their premerger status. Conversely, if the merged lots do not meet the criteria in the statute, the City Council has no jurisdiction to grant a request to split the lots. The owner has stated that no owner in the chain of title voluntarily merged the two lots.

At its meeting on January 21, 2016, the Planning Board voted unanimously to report to the City Council that there has not been any overt action or conduct that indicates the owner regarded the lots as merged, and therefore the request to restore the lots to their premerger status may be granted.

I recommend the City Council move to accept the Planning Board's recommendation, as presented, that there has not been any overt action or conduct that indicates the owner regarded the lots as merged, and therefore the request to restore the lots to their premerger status may be granted.

3. **Request for Equitable Waiver for Building Fees Re: Lonza.** The attached letter is a request from Lonza Biologics Inc. for a reduction in the building fees for a series of significant capital projects that are either beginning construction or proposed future construction at their facility at Pease International Tradeport. The estimated total cost of these improvements is in excess of \$500,000,000. Based on our current fee structure of \$10 per \$1000 of construction, the permit fee for all of these improvements would be over \$5,000,000.

Lonza is requesting this equitable waiver of the standard fee, as described in the attached letter due to the unique nature of these construction projects. Those unique characteristics include two areas of that relate to the cost of the construction but do not affect the level of effort in providing our inspection services. The first of those is the self-contained and or pre-manufactured process elements that are inspected and regulated by third party authorities, such as the FDA. Those elements were subtracted out to get to the \$35,416,000 for the project cost listed on page 2 of the February 8<sup>th</sup> letter.

The second unique feature of these projects is as described in the February 8<sup>th</sup> letter and pertains to the unique nature and cost of the materials used in the areas requiring inspection. Lonza has outlined in that letter the rationale for the proposed fee of \$7 per \$1000 construction cost.

These requests were presented to the fee committee at the meeting of February 9, 2016 and voted to accept and recommend City Council approval of this one time equitable waiver for the projects described in the February 8<sup>th</sup> letter.

If this equitable waiver is granted, Lonza will be paying a building fee of \$1,010,476.

I recommend the City Council move to authorize an equitable waiver of the building fee from \$10/\$1000 to \$7/\$1000 for the five projects, Mono 1, Mono 2, Mono 3, Cell Therapy 1 and Cell Therapy 2 as described in the letter of February 8, 2016 to Chief Building Inspector Robert Marsilia for the City of Portsmouth.

## Informational Items:

- 1. **Events Listing.** For your information, attached is a copy of the Events Listing updated after the last City Council meeting on February 1, 2016. In addition, this can be found on the City's website.
- 2. <u>Update Re: 165 Deer Street New Municipal Parking Garage.</u> It was anticipated that City staff would be bringing to you a Purchase and Sales Agreement for 165 Deer Street which will be the site of the new municipal parking garage.

During the evaluation of the site, it was determined that there was soils that will require additional costs associated with testing and disposal. Further, we determined that there was a high water table in that area which would preclude us with proceeding with subsurface parking. Therefore, the garage will no longer have subsurface parking, it will allow us to leave the sewer line in place, saving \$1,000,000.

In addition, with the cost of constructing subsurface parking with a premium of \$10,000 per space, it was anticipated that 100 spaces would have to be constructed subsurface. By not constructing these subsurface spaces, there's an additional \$1,000,000 in savings. Given these changes, it was determined we need to revise the Purchase and Sales Agreement to reflect these conditions.

Therefore, we will be bringing the Purchase and Sales Agreement and the Post-Closing Obligation Agreement to the City Council sometime in March.