

CITY COUNCIL MEETING

MUNICIPAL COMPLEX, EILEEN DONDERO FOLEY COUNCIL CHAMBERS, PORTSMOUTH, NH
DATE: MONDAY, JULY 11, 2016 TIME: 6:00PM

AGENDA

- 6:00PM – NON-PUBLIC SESSION RE: PERSONNEL MATTERS – RSA 91-A:3,II (a) & AN ANTICIPATED “NON-MEETING WITH COUNSEL RE: COLLECTIVE BARGAINING NEGOTIATIONS - RSA 91-A:2,I (b)

- I. CALL TO ORDER
- II. ROLL CALL
- III. INVOCATION
- IV. PLEDGE OF ALLEGIANCE

PRESENTATION

- 1. Senior Services Update – Brinn Chute, Senior Services Coordinator

- V. ACCEPTANCE OF MINUTES – JUNE 6, 2016 AND JUNE 20, 2016

- VI. PUBLIC COMMENT SESSION

- VII. PUBLIC HEARINGS

- A. RESOLUTION AUTHORIZING A BOND ISSUE AND/OR NOTES OF UP TO SIX MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$6,850,000.00) FOR COSTS RELATED TO FISCAL YEAR 2017 CITYWIDE STREET, SIDEWALK AND FACILITY IMPROVEMENTS
- B. 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 TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$2,250,000.00) RELATED TO WATER LINE REPLACEMENTS, WATER SYSTEM PRESSURE AND STORAGE IMPROVEMENTS
- C. 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 THREE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000.00) FOR COSTS RELATED TO SEWER LINE REPLACEMENTS, PUMPING STATION UPGRADES AND GOOSE BAY DRIVE SEWER LINE

- VIII. APPROVAL OF GRANTS/DONATIONS

- A. Acceptance of Emergency Management Performance Grant Agreement (***Sample motion – move to accept the Emergency Management Performance Grant Agreement Terms, as presented***)

IX. CONSIDERATION OF RESOLUTIONS AND ORDINANCES

- A. First reading of Annual Omnibus Ordinance Change, Parking and Traffic
- B. Adoption of Resolution Authorizing a Bond Issue and/or Notes of up to Six Million Eight Hundred Fifty Thousand Dollars (\$6,850,000.00) for Costs related to Fiscal Year 2017 Citywide Street, Sidewalk and Facility Improvements
- C. Adoption of Resolution Authorizing a Bond Issues and/or Notes of the City under the Municipal Finance Act and/or Participation in the State Revolving Fund (SRF) Loan of up to Two Million Two Hundred Fifty Thousand Dollars (\$2,250,000.00) related to Water Line Replacements, Water System Pressure and Storage Improvements
- D. Adoption 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 Three Million Four Hundred Thousand Dollars (\$3,400,000.00) for Costs related to Sewer Line Replacements, Pumping Station Upgrades and Goose Bay Drive Sewer Line
- E. Third and final reading of Proposed Ordinance amending Chapter 10 – Zoning Ordinance - West End Zoning

X. CONSENT AGENDA

A MOTION WOULD BE IN ORDER TO ADOPT THE CONSENT AGENDA

- A. Letter from Emily Christian, National Multiple Sclerosis Society, requesting permission to hold the 2016 Bike MS NH Seacoast Escape on Saturday, August 27, 2016 ***(Anticipated action – move to refer to the City Manager with power)***
- B. Letter from Jenelle Dolan, March of Dimes, requesting permission to hold the 2017 Seacoast March for Babies in Portsmouth on May 6, 2017 ***(Anticipated action – move to refer to the City Manager with power)***
- C. Letter from Abigail Wiggin, Portsmouth Halloween Parade, requesting permission to hold the 22nd Annual parade on Monday, October 31, 2016 ***(Anticipated action – move to refer to the City Manager with power)***
- D. Bayring - Petition and License for Underground Cable and Conduit Location on Ladd Street ***(Anticipated action – move to approve the aforementioned Pole License Agreement as recommended by the Public Works Department with the approval conditioned upon amendment of the license to allow for the collection of any lawfully assessed real estate taxes)***

XI. PRESENTATION & CONSIDERATION OF WRITTEN COMMUNICATIONS & PETITIONS

- A. Letter from Lafayette Place, Tenants in Common, requesting to initiate the process of transferring ownership of the service road adjacent to facility at 1900 Lafayette Road to the City of Portsmouth ***(Sample motion – move to refer to the Public Works Department for report back)***

XII. REPORTS AND COMMUNICATIONS FROM CITY OFFICIALS

A. CITY MANAGER

City Manager's Items Which Require Action:

1. McIntyre Property
2. Proposed Use of Tax Increment Financing Redevelopment of the McIntyre Area
3. Peirce Island Wastewater Treatment Facility Re: Barging Bid Alternate
4. 165 Deer Street Re: Ratification of Purchase & Sales Agreement

Informational items

1. Events Listing
2. Seacoast Public Health Network
3. Report Back Re: Bicycles in City Parks
4. Report Back Re: Veterans of Foreign Wars Location

B. MAYOR BLALOCK

1. *Appointments to be Voted:
 - Reappointment of Joseph Almeida to the Historic District Commission
 - Appointment of Jim Lee to the Zoning Board of Adjustment as a regular member
 - Appointment of John Formella to the Zoning Board of Adjustment as an alternate member
2. Resignation of Bob Cook from the Sustainable Practice Blue Ribbon Committee

C. COUNCILOR PERKINS

1. Housing Committee: Mid-Point Update

D. COUNCILOR SPEAR

1. *City Manager's Evaluation

E. COUNCILOR CYR

1. *Transportation Services Ordinance

F. COUNCILOR DENTON

1. *Great Bog Dog Off-Leash Area (***Sample motion – move to have the City Manager report back on what would be required to make improvements to the Great Bog Dog Off-Leash Area or open a different Dog Off-Leash Area prior to the Peirce Island Dog Off-Leash Area temporarily closing for the Peirce Island Wastewater Treatment Plant upgrades***)

XIII. MISCELLANEOUS/UNFINISHED BUSINESS

XIV. ADJOURNMENT

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

**Indicates Verbal Report*


INFORMATIONAL ITEMS

1. Notification that the minutes of the May 19, 2016 meeting of the Planning Board 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: July 7, 2016
To: Honorable Mayor Jack Blalock and City Council Members
From: John P. Bohenko, City Manager 
Re: City Manager's Comments on July 11, 2016 City Council Agenda

6:00 p.m. – Non-public session in accordance with RSA 91-A:3, II (a) regarding a personnel matter.

Non-meeting with counsel in accordance with RSA 91-A:2, I (b) regarding collective bargaining and negotiations.

For details on this matter, please refer to the confidential envelope inserted in the inside pocket of your binder.

Presentation:

1. **Senior Services Update.** On Monday evening, Brinn Chute, Senior Services Coordinator will give an update to the City Council regarding Senior Services ([see attached](#)).

Acceptance of Grants and Donations:

1. **Acceptance of Emergency Management Performance Grant Agreement.** The City of Portsmouth has submitted an Emergency Management Performance Grant (EMPG) application on June 1, 2016 to the State of New Hampshire Homeland Security and Emergency Management for a grant in the amount of \$4,000.00 to update the community's Local Emergency Operations Plan (LEOP). [See attached letter](#). The total for this project is \$8,000.00. The amount of the local match is (50%) or \$4,000.00. The City Council is required to accept the EMPG grant agreement terms, as presented.

I recommend the City Council move to accept the Emergency Management Performance Grant Agreement Terms, as presented, and further, authorize the City Manager to execute the Agreement. 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 Ordinance Amendments.

- 1.1 **Annual Omnibus Ordinance Change, Parking and Traffic.** [Attached please find the annual omnibus set of ordinances](#) by the Parking and Traffic Safety Committee. This year's omnibus changes are detailed on the [attached sheets](#), and address changes to on-street parking spaces and update wording to reflect current conditions.

By way of background, On March 29, 2000, the City Council adopted Ordinance #4-2000 under Chapter 7, Article 1, Section 7.103 of the Vehicles, Traffic and Parking Ordinance. This ordinance was adopted in order to be more responsive to the changing parking needs of the downtown. Before its adoption, it often took three readings of the City Council to simply change a parking space from a two-hour time restriction to a 15-minute one. This process would often take four to six months to complete.

The current ordinance authorizes the Parking Traffic and Safety Committee to recommend temporary parking and traffic regulations to the City Council for its approval in the form of its monthly meeting minutes. Once the Council approves these minutes, the temporary regulations are in effect for a period not to exceed one year. During that year the Council and the public have the benefit of seeing how a temporary regulation works before adopting it as a permanent change to the parking ordinance. These temporary regulations are presented at one time to the Council for its consideration.

The [attached amendments](#) to Chapter 7, Vehicles, Traffic and Parking for the Council's consideration summarize the temporary parking regulations implemented by the Parking and Traffic Safety Committee between June 12, 2015 and June 2, 2016, as well as updates to reflect current conditions.

I recommend the City Council move to pass first reading and schedule second reading and a public hearing on the proposed Ordinance at the August 1, 2016 City Council meeting, as presented. Action on this matter should take place under Section IX of the Agenda.

2. **Public Hearing and Adoption Proposed Resolutions.**

- 2.1 **Public Hearing and Adoption Re: Proposed Resolutions for Bond Authorizations for FY17 City Improvements.** As a result of the June 20th City Council meeting, under Section VII of the Agenda, I am bringing back for public hearing and adoption the proposed [borrowing authorizations](#) identified in the FY17-22 Capital Improvement Plan ([see attached Resolutions and respective element sheets](#)).

The three (3) Resolutions are:

GENERAL FUND

1) **Resolution for borrowing authorization of up to \$6,850,000 for FY17 Citywide Street, Sidewalk, and Facility Improvements.**

- **Chestnut Area Improvements - \$200,000:**
(Page II-36 of Appendix II of the Proposed Annual Budget Book 2016-2017)
This project is a collaborative effort between the City, The Music Hall, abutting property owners and businesses to beautify and improve Chestnut Street between Porter and Congress Street. The proposed plan includes new sidewalks and drainage improvements, new granite seating walls, flowering trees and shrubs. Changes to the street surface will improve wayfinding from Congress Street, The Music Hall, and the African Burying Ground, and it will meet the City's Master Plan goals of increasing the number of community gathering areas downtown.
- **Multi-Purpose Recreation Field (Former Stump Dump) - \$1,750,000:**
(Page II-40 of Appendix II of the Proposed Annual Budget Book 2016-2017)
The 2010 Recreation Needs Study recommended additional multi-use fields be added to the City's inventory. This project will fulfill a long-held vision for converting the former "stump-dump" facility on Greenland Road into a regulation sized, multi-purpose, outdoor field with artificial turf. Lighting, associated parking and other amenities are included. This project will also provide parking and trail access for the Hampton Branch trail system as well as access to other passive recreational assets such as the Great Bog.
- **Outdoor Pool Upgrades - \$500,000:**
Page II-41 of Appendix II of the Proposed Annual Budget Book 2016-2017)
This project includes the replacement of the pool gutter system and pool liner. The original pool was constructed in the 1930's and has been renovated a number of times. The existing liner is past the 15 year design life and the concrete gutter is starting to show signs of failure.

- **Citywide Facilities Capital Improvements - \$1,000,000:**
(Page II-44 of Appendix II of the Proposed Annual Budget Book 2016-2017)
 The Public Works Department has the maintenance responsibilities for all municipal facilities. These facilities are wide ranging and serve multiple uses. Due to age and usage, many facilities are in need of updating in order to continue their availability to the general public and programs conducted within. Prioritization of projects will be based on each facilities evaluation, to be completed in FY17.
- **McDonough St Area Improvements - \$400,000:**
(Page II-71 of Appendix II of the Proposed Annual Budget Book 2016-2017)
 This project is at the request of the Islington Creek Neighborhood Association to have new sidewalks and traffic calming measures installed throughout the McDonough Street Area. The main purpose of this project is to enhance safety for the residents and others who travel through this area on foot, by bicycle and motor vehicle. This area is a mixed use of residential, commercial and industrial uses located between Islington Street and North Mill Pond. The work will include water, sewer, storm drainage, paving, curbing and associated landscaping constructed in a phased approach.
- **Pease International Tradeport Roadway Rehabilitation - \$2,500,000:**
(Page II-74 & II-75 of Appendix II of the Proposed Annual Budget Book 2016-2017)
 Per the Municipal Service Agreement between the City of Portsmouth and Pease Development Authority, the City shall provide Public Works Services in the Non-Airfield Area of the Pease International Tradeport. Public Works Services include maintaining and repairing roads, streets, bridges and sidewalks.
- **Banfield Road Improvements - \$500,000:**
(Page II-76 of Appendix II of the Proposed Annual Budget Book 2016-2017)
 This project addresses a number of traffic safety related issues along the section of Banfield Road from Constitution to Ocean Road. These upgrades include culvert replacement, guard rail installation, and traffic calming measures. In addition, the effort will evaluate pedestrian and bicycle needs and measures to incorporate “Complete Street” Design into the project.

WATER FUND

2) Resolution for borrowing authorization of up to \$2,250,000 related to Water Line Replacements, Water System Pressure and Storage Improvements.

- **Annual Water Line Replacement - \$1,500,000:**

(Page II-78 of Appendix II of the Proposed Annual Budget Book 2016-2017)

The water distribution system consists of more than 150 miles of pipe. Many of the older pipes are 50 to 100 years old, undersized and at the end of their design life. Pipes are replaced programmatically as part of water-specific capital projects, roadway reconstruction and prior to annual paving. This item will fund the purchase of pipe, valves and associated materials used to replace those pipes. Bond funds for large full road reconstruction projects.

- **Water System Pressure and Storage Improvements - \$750,000:**

(Page II-80 of Appendix II of the Proposed Annual Budget Book 2016-2017)

This project consists of improvement to water mains, pumps and storage to improve water flow and pressure in the water system. Work will be performed in portions of the water system as well as sections of the system which have been identified as needing upgrades as part of the water system hydraulic model and master plan update completed in 2013.

SEWER FUND

3) Resolution for borrowing authorization of up to \$3,400,000 for Costs related to Sewer Line Replacements, Pumping Station Upgrades and Goose Bay Drive Sewer Line

- **Annual Sewer Line Replacement - \$2,500,000:**

(Page II-85 of Appendix II of the Proposed Annual Budget Book 2016-2017)

The wastewater collection system consists of more than one-hundred (100) miles of pipe. Many of the older pipes are fifty (50) to one-hundred (100) years old, undersized and at the end of their design life. Pipes are replaced programmatically as part of sewer specific capital projects, roadway reconstruction and prior to annual paving. This item will fund the purchase of pipes and associated materials used to replace those pipes. Bond funds are for the large full road reconstruction type projects.

- **Pumping Station Upgrade - \$400,000:**
(Page II-86 of Appendix II of the Proposed Annual Budget Book 2016-2017)
 The City owns and operates twenty (20) wastewater pumping stations. The projected life span of a pumping station is twenty (20) years. This project plans for the replacement or major rehabilitation of the pumping stations that have not been included as separate projects. The next pumping station to be addressed under this project is the Heritage Avenue pumping station.
- **Goose Bay Drive Sewer - \$500,000:**
(Page II-87 of Appendix II of the Proposed Annual Budget Book 2016-2017)
 This project addresses replacement of an existing sewer that is in poor condition and at risk of failure. Replacement of this sewer line will prevent potential sewer system overflows due to failure and will provide additional capacity for an industry served by this section of sewer.

I recommend that the City Council move the following motions:

- 1) *Move to adopt a Bond Resolution for FY17 Citywide Street, Sidewalk and Facility Improvements in the amount of up to \$6,850,000. (Roll call vote and two-thirds vote required.)*
- 2) *Move to adopt a Bond Resolution for FY17 Water Line Replacements, Water System Pressure and Storage Improvements in the amount of up to \$2,250,000. (Roll call vote and two-thirds vote required.)*
- 3) *Move to adopt a Bond Resolution for FY17 Sewer Line Replacements, Pumping Station Upgrades and Goose Bay Drive Sewer Line in the amount of up to \$3,400,000. (Roll call vote and two-thirds vote required.)*

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

3. **Third and Final Reading of Proposed Ordinance Amendments:**

- 3.1 **Third Reading of Proposed Ordinance amending Chapter 10 – Zoning Ordinance – Character-Based Zoning and Related Amendments.** As a result of the June 20th City Council meeting, under Section IX of the Agenda, I am bringing back for third reading the [attached proposed Ordinance amending Chapter 10 – Zoning Ordinance](#) addressing character-based zoning in the West End, additional revisions to Article 5A affecting other character districts, and related amendments to the Zoning Ordinance and the Zoning Map ([see attachments below](#)):
 - [A one-page ordinance incorporating all the proposed zoning amendments;](#)
 - [A proposed revision to Article 5A — Character Districts \(39 pages\);](#)
 - [A set of “conforming amendments” to other sections of the Zoning Ordinance \(8 pages\);](#)

- A list of additional proposed zoning changes for 52 lots adjacent to the proposed Character districts in the Islington Street corridor and West End (1 page); and
- A set of four maps showing proposed amendments to the Zoning Map. The first three maps are revisions to the existing Regulating Plan for the Character districts, extending character-based zoning down Islington Street to the West End, while the fourth map shows the 52 additional lots proposed for rezoning.

At its meeting on June 20, 2016, the Council voted to adopt several amendments to the proposed zoning maps, the proposed revision to Article 5A, and the proposed “conforming amendments,” and passed second reading on the amended ordinances. The [attached](#) documents, dated 7/11/2016, incorporate all the revisions voted by the City Council on June 20th, and are otherwise unchanged from the draft that was presented for second reading, dated May 2, 2016.

I recommend the City Council move to pass third and final reading of the proposed Ordinance, as presented, at the City Council meeting of July 11, 2016. Action on this matter should take place under Section IX of the Agenda.

City Manager’s Items Which Require Action:

1. **McIntyre Property.** As a follow-up to Council’s work session on the future disposition of the Federal McIntyre property, I offer the following for consideration at the July 11th Council meeting.

The Council appeared to favor the City remaining involved in the redevelopment of the McIntyre site and the relocation/construction of a new Federal facility within the downtown. A three-party (City/GSA/real estate developer), public-private partnership is envisioned. In addition, the Bridge Street parking lot is a proposed City-owned downtown location that the General Services Administration (GSA) found to meet its requirements at this preliminary stage.

The City Council was interested in learning more about the foreseeable process, and raised some important issues to consider as we move forward with this project. They include:

- 1) What is the expectation for public involvement in visioning for the redevelopment of the McIntyre site? Defining expectations is essential for the community as well as for any development partner – clarity as to the future process is essential to avoid public misunderstandings, and added project costs. Public input is essential, and should be solicited and included in visioning (perhaps via a charrette?), but should not be allowed to devolve into an ineffective and costly “design by committee” approach.
- 2) What level of influence will the City have in the eventual design and redevelopment program? Will a Section 106 and/or HDC review be required? What are the City’s

goals for the project? Are they reasonable and achievable and within the City's existing capacity/expertise? and,

- 3) Should the City consider designating the McIntyre property as a Tax Increment Financing district in order to facilitate desired public improvements as part of the redevelopment (examples of these included cultural space, non-profit use, green/open space/civic plazas, public parking, office space, etc.)?

All of the aforementioned issues touch upon the City's role and responsibilities in executing a successful public-private partnership. While there is ambiguity surrounding specific answers at this stage, the presumption is that through such a partnership, a greater "win/win" scenario is envisioned that would otherwise be unattainable.

Private partners will need to be prepared for a high level of scrutiny, and will need to commit to an open, public process that acknowledges the importance of this project to the community. Their role includes due diligence in becoming familiar with the community, assessing the feasibility of the concept/design, attracting financing interests, involving an experienced, resilient development team.

Following are key milestones in the project over the near term (target dates are subject to change):

July 11, 2016	<ul style="list-style-type: none"> • City Council votes to endorse City's continued pursuit of a public private partnership for redevelopment of the McIntyre site and construction of a new Federal facility on the proposed Bridge Street lot. 	<ul style="list-style-type: none"> ➤ City works to develop options for TIF program and plan. (City has designated CIP funding for consulting assistance re: McIntyre redevelopment.)
July	City Manager finalizes a Request for Proposals in collaboration with the GSA.	
August	<ul style="list-style-type: none"> • Council reviews final RFP and establishes a Project Steering Committee (perhaps a Committee of the Whole) to oversee the developer selection process. • City Council re-affirm adoption of RSA Chapter 162K : Municipal Economic Development and Revitalization Districts. 	

September-October	RFP is issued for private development partner.	<ul style="list-style-type: none"> ➤ City assesses market demand and financial feasibility of conceptual redevelopment alternatives. ➤ City conducts initial goal-setting/visioning exercise in public forum (charrette?). ➤ City outlines approval process with boards and departments.
October	Receive, evaluate, and conduct initial interviews with interested partners	
November-December	Select and contract with the most qualified partner to work with in developing an option to optimize the City's interests and enable GSA's disposition of the McIntyre site to the City.	
<p>2017:</p> <p>City begins work in partnership with selected developer and GSA to design public participation process, project schedule, assess financial feasibility (including potential TIF use), etc. of McIntyre redevelopment and construction of the new Federal building.</p>		

I recommend the City Council move to endorse City's continued pursuit of a public private partnership for redevelopment of the McIntyre site and construction of a new Federal facility on the proposed Bridge Street lot.

2. **Proposed Use of Tax Increment Financing for Redevelopment of the McIntyre Area.**

As discussed during the City Council Work Session on the McIntyre Property, there was interest from the City Council to look at authorizing Tax Increment Financing (TIF) as a possible economic development tool the City can use to finance public infrastructure projects related to redevelopment McIntyre Federal Building parcel.

Basically, tax increment financing is a method of targeting tax revenue to a specified area of the municipality (called a development district) to finance public improvements as outlined in RSA 162-K "Municipal Economic Development and Revitalization Districts". The district is typically an area in which the municipality wishes to encourage development and which would benefit from activities such as streetscape improvements, property acquisition, a parking garage or a commercial or industrial park.

The first step required before identifying potential TIF districts and projects is adoption of the TIF legislation. The City undertook this step in 2006. Next, a TIF district is established and a financing plan is developed. Depending on the plan, tax revenue for assessed value on new development gained above the base year is projected for the district.

The improvements planned in the district may be made over time as the tax revenues come in from new development or, may be built upfront and financed with bonds paid by the

projected tax revenue increment. The City has the discretion to determine how much of the incremental tax revenues it allocates for this use. It can be anywhere from 10% to 100% of the revenues garnered from new value in the district. Development districts are dissolved per the initial plan, usually upon completion of an improvement, a set time period or, in the case of bond-financed improvements, final payment of the debt.

I recommend the City Council move to incorporate Tax Increment Financing as part of the redevelopment of the McIntyre area and to authorize the City Manager to take the necessary steps to implement this process.

3. **Peirce Island Wastewater Treatment Facility Re: Barging.** City Engineer Terry Desmarais and Don Chelton of AECOM will provide an update of the Peirce Island Wastewater Treatment Facility upgrade. The presentation will include: an update of the construction impact mitigation efforts; the results of the bids for the construction of the upgrade; and the barging alternatives (see attached).

The low bidder for the project is Methuen Construction at \$72.79 million. The next highest bidder is Archer Western at \$80.67 million.

The City staff recommends that the City proceed with an award to Methuen Construction for \$72.79 million without a barging alternative. This is within the amount previously authorized by the City Council and within the amount authorized by the State of New Hampshire Department of Environmental Services for State Revolving Loan funding.

Staff does not recommend the selection of a barging alternative. It is not a cost effective means for dealing with the construction impacts of this project including construction vehicle traffic (see attached amortization schedules). In addition to the contractor's costs for the barging alternatives, the City would incur additional costs associated with permitting, natural resource mitigation, engineering and coordination. Staff also is concerned about increased risk factors associated with barging and noise.

If the City Council wishes to proceed with a barging alternative, an additional amount would have to be authorized for borrowing. A public hearing and vote on a borrowing/bond resolution could be scheduled for the August 1, 2016 City Council meeting.

I recommend the City Council move to authorize the City Manager to proceed with the bid award to Methuen Construction for the Wastewater Treatment Facility upgrade on Peirce Island without any barging alternative.

4. **165 Deer Street Re: Ratification of Purchase and Sale Agreement.** On April 18, 2016 the City Council voted to authorize the City Manager, "to execute the Purchase and Sale Agreement and Post Closing Obligations Agreement with Deer Street Associates on behalf of the City regarding the City's acquisition of a potential site for a municipal parking garage on Deer Street (collectively, the "Documents") once the schedules of those Documents are in completed form...". The transaction was not completed at that time

due to a number of unresolved issues and uncompleted documents. A major unresolved issue concerned whether or not the municipal sewer currently located underneath the site of the proposed garage would remain in place or would be moved to the proposed Deer Street Extension. That matter is now resolved in favor of moving the location of the sewer line. The uncompleted documentation included a proposed Parking Agreement to allow Deer Street to use the City property for approximately 60 parking spaces at the City's prevailing rate; an Environmental Agreement under which DSA would escrow \$500,000 to assist in environmental remediation of parking garage site; and a Title Indemnity Agreement under which DSA would be contractually obligated to indemnify the City in the amount of \$250,000 in the event that eminent domain is necessary to clear the title to the site for garage construction. Approximately fifty (50) other documents were required to be created and executed in order to hold a real estate closing on the property.

Attached hereto the City Council will find a copy of the final Purchase and Sale Agreement, the final Post Closing Obligation Agreement and a Document Agenda to be used for the actual closing. The Document Agenda lists all of the documents previously referenced, all of which would be available for Council inspection. However, due to the volume of this paperwork it has not been included in the agenda packet.

As previously explained to the Council it should be expected that minor changes to any of these documents might be necessary up to and including the moment at which the City actually acquires title to the land on which the garage would be built.

The City Council is hereby requested to ratify its action of April 18, 2016, and reiterate the authority of the City Manager to negotiate and execute the Purchase and Sale Agreement, Post Closing obligation Agreement and all related agreements and documents with Deer Street Associates necessary to bring about the acquisition of the municipal parking garage site on Deer Street.

Therefore, I recommend the City Council move to ratify its action of April 18, 2016, and reiterate the authority of the City Manager to negotiate and execute the Purchase and Sale Agreement, Post Closing obligation Agreement and all related agreements and documents with Deer Street Associates necessary to bring about the acquisition of the municipal parking garage site on Deer Street.

Informational Items:

1. **Events Listing.** For your information, [attached is a copy of the Events Listing](#) updated after the last City Council meeting on June 20, 2016. In addition, this can be found on the City's website.
2. **Seacoast Public Health Network.** For your information, [attached is an update from Mary Cook, Public Health Emergency Preparedness Manager,](#) regarding the public health preparedness initiatives of the Seacoast Public Health Network.

3. **Report Back Re: Bicycles in City Parks.** At the June 20, 2016 meeting, the City Council voted to refer Chapter 8, Article II, Section 8.204 – Traffic – Item G regarding bicycle riding in parks to the Parking & Traffic Safety Committee for a report back.

At present, this section of the ordinance stipulates that “no person in a park shall ride a bicycle on other than a vehicular road or park path designated for that purpose.” This section also indicates that “a bicyclist shall be permitted to wheel or push a bicycle by hand over any grassy area or wooded trail or on any paved area reserved for pedestrian travel.”

In order to reduce potential conflicts between pedestrians and bicyclists in highly pedestrian areas and also provide for safe and convenient bicycle and pedestrian paths between destinations, City transportation staff is reviewing all of the City’s parks and will be recommending locations where existing paths could be designated for shared bicycle and pedestrian use. Appropriate signage or pavement markings for these shared use paths will also be part of the staff’s recommendation in this regard. No significant changes to the ordinance are anticipated at this time.

4. **Report Back Re: Veterans of Foreign Wars Location.** The following is a report back on Councilor Denton’s request regarding possible re-use of available City-owned buildings by the VFW Emerson Hovey Post 168 which is currently located at 238 Deer Street and which needs to relocate.

The VFW Post 168 building is used as a lodge and social club and consists of a two-story, brick structure on 0.14 acres with a gross building area of 8,100 square feet and a small 732 square foot parking area. The building is handicapped accessible and is served by an elevator.

The City does not have an inventory of under-utilized or vacant buildings that match the current VFW Emerson Hovey Post 168 property at 238 Deer Street. Further, there is not a handicapped accessible, City-owned facility that is not currently committed and that would work as a facility for only VFW member meetings.

For potential private properties, a check of zoning requirements reveals that social club/lodge/fraternal organizations are allowed by right in the downtown CD4 and CD5 zones and by special exception in the Gateway Zone. Other locations in the City may meet the VFW needs but would require a variance for this purpose. A recent property search on the NH CIBOR real estate website reveals a few properties in these zones on the market that may work. Staff can refer VFW representatives to the realtors listing these properties.