

Thomas J. McIntyre Federal Building

80 Daniel Street, Portsmouth, NH



Thanks for attending the City's initial Public Input Session on

the McIntyre Project!

Click <u>here</u> to access the You Tube video of the meeting. If you were unable to attend, you may also visit the public input section of this web site to provide us with your thoughts.

The City Council will next discuss the McIntyre Project in a work session on July 10th at 6 p.m.

MCINTYRE PROJECT – CITY COUNCIL WORK SESSION JULY 10, 2017

- ► Review "FAQ's" to Clarify Details of Project
- ▶ Provide Update on Public Input and Meeting with SHPO
- ► Consider Guidelines for Process, Design, and Financial Considerations
- ► Review Options for Request for Proposals

WORK SESSION AGENDA

Q: Why is the McIntyre Building now available to the City?

A: The GSA's invitation to the City to submit an application to acquire the property through the Historic Surplus Property Program is the culmination of the City's efforts which began in 2004.



Seacoast / New Hampshire

McIntyre could go to city

Gregg bill would allow Portsmouth to demolish, redevelop federal building site

By Jesse J. DeConto

ideconto@seacoastonline.com

PORTSMOUTH — U.S. Sen. Judd Gregg is crafting a bill that would give the Thomas J. McIntyre Federal Building to the city of Portsmouth and move federal offices to Pease International Tradeport.

"The senator is exploring legislative opportunities to effect the transfer of the McIntyre Federal Building to Portsmouth at no cost," said Gregg spokesman John Cavanaugh. "The city would take responsibility for the demolition and the redevelopment of the site."

City leaders have said they would like to construct a new parking garage and keep the U.S. post office on the two-acre site

Peter Hamelin, president of the Greater Portsmouth Chamber of Commerce, said the chamber

would like to see the site used for offices, retail, housing and open space, as well as parking and mail service.

"The city of Portsmouth is forever evolving and growing, and we believe that a new vision and a new development on this site will keep Portsmouth growing," said Hamelin. "We have an opportunity for looking at all options."

To be absolutely certain of the city's position, Gregg has scheduled a meeting at his Pease office for Feb. 6. Cavanaugh said he invited City Manager John Bohenko, Mayor Evelyn Sirrell, Hamelin, Downtown Business Association President Paul Sorley, Portsmouth Advocates President John Grossman and Historic District Commission Chairman John Rice, as well as representatives from the General Services Administration and the Pease Development Authority.

"It's pretty clear that there's a local consensus, but the senator just wants to have a direct dialogue," said Cavanaugh.

City officials will also meet with GSA on Feb. 11 at the McIntyre Federal Building. In 2000, Congress appropriated \$829,000 to GSA for the design of proposed renovations of the McIntyre building. The design — completed by Bargmann Hendrie + Archetype Inc., a Boston architecture and planning firm — has been criticized by local architecture groups.

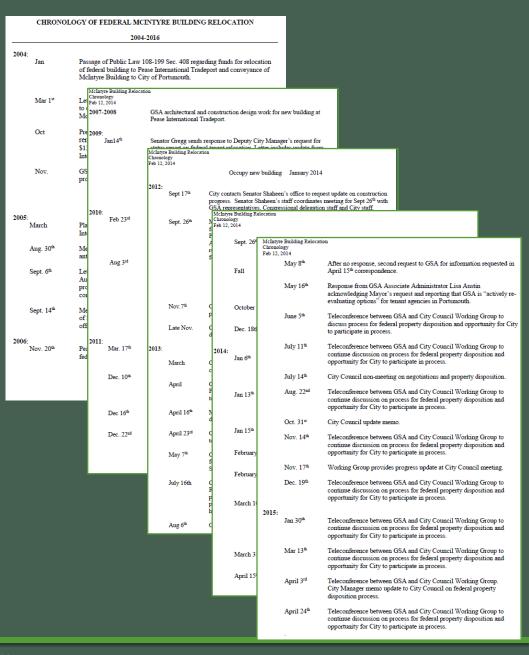
Congress has yet to pass a fiscal year 2003 appropriations bill that includes \$11.1 million for the General Services Administration to renovate the Daniel Street building. The bill must be passed by a conference committee of the two houses and then by the House and Senate themselves before it reaches the Oval Office for final approval.

Portsmouth Mayor Evelyn Sirrell has asked GSA to instead relocate offices of the Internal Revenue Service, the Social Security Administration and the U.S. Navy to a new federal office building at Pease. Cavanaugh said Gregg's bill also would call for this move.

"This issue is moving pretty quickly," said Cavanaugh. "I think you'll see things happening pretty quickly."

Q: I heard the City was supposed to be given the property for \$1 years ago. What has taken so long?

A: The City and its Congressional delegation have made diligent and intensive efforts to obtain the property over the past 13+ years – during that time, the federal land acquisition process, and changes in building design requirements, tenant needs/project scope, and funding availability all impacted the schedule.



Q: Why is the building "historic?" Is it only because it is over 50 years old?

A: Built in 1967, the building "turned 50" this year. However, being 50 alone does not determine whether the building should be considered as part of the National Register of Historic Places. As part of the mitigation for the Memorial Bridge replacement project, the State commissioned a survey of Portsmouth's downtown historic properties, and the study resulted in a nomination of over 1,200 properties to the National Register. The McInytre was one of those 1,200, and based upon its architectural contribution to the district.

PS Form 10-900 OMB No. 1024-0018

United States Department of the Interior National Park Service

National Register of Historic Places Registration Form

62 Thomas J. McIntyre Federal Building and Post Office, 1967

(27.0

The Thomas J. McIntyre Federal Building and Post Office at 62 Daniel Street is a four-story, four-by-four-bay, masonry, New Formalist-style building with an asymmetrical southeast (facade) elevation. The building has a tar-and-gravel-clad flat-roof with a deep concrete overhang supported by concrete brackets. Walls are brick and rest on a concrete foundation. The facade has a recessed first story with a groin-vaulted ceiling supported by paneled, concrete columns and segmental arches with paired off-center fully glazed, steel-framed entrance doors. One story wings at the southwest and northeast sides have secondary entrances and house additional office space and a post office. Most windows are full-height, multi-light, fixed, steel sash and upper stories have recessed window openings with wide concrete surrounds. C



Q: Can the City buy the building and then demolish it?

A: No.

Any transfer of the property out of federal ownership (including to private entities) is subject to review under Section 106 of the National Historic Preservation Act, which "requires federal agencies to take into account the effects of their undertakings on historic properties." Moving a property out of federal ownership is an undertaking by General Services Administration. The GSA has indicated that any transfer of the property will take place with a preservation covenant attached to the deed.



Q: Can a developer buy the building and then demolish it?

A: No. GSA has confirmed that the transfer, under all circumstances, will include a preservation covenant.

Developer calls city's McIntyre approach flawed

PORTSMOUTH — Developer Michael Simchik warned the City Council that its approach to the redevelopment of the McIntyre Federal Building property is a "flawed" process. City officials recently learned the federal General Services...

Jun. 18, 2017









Q: Why can't the City sell the property to a developer? If the City leases the land to a developer, will it remain tax-exempt? Don't we want to collect tax revenue from it?

A: Federal regulation prevents re-sale to a private entity. Should the City forgo the opportunity to own the property, the GSA may sell it to a private entity.

If the City enters into a ground lease with a private partner, the lease must, by law (RSA 72:23 I (b)), require payment of property taxes on the leasehold interest.

Finally: The Surplus Property program requires any excess income produced on the site be returned to the City for historic preservation, open space, and/or recreational purposes.

New Hampshire Town And City

Property Taxation and Leasing of Municipal Property

New Hampshire Town and City, November/December 2010 By

By David R. Connell

The following real estate and personal property shall, unless otherwise provided by statute, be exempt from taxation:

I. (a) Lands and the buildings and structures thereon and therein and the personal property owned by the state of New Hampshire or by a New Hampshire city, town, school district, or village district unless said real or personal property is used or occupied by other than the state or a city, town, school district, or village district under a lease or other agreement the terms of which provide for the payment of properly assessed real and personal property taxes by the party using or occupying said property....

(b) All leases and other agreements, the terms of which provide for the use or occupation by others of real or personal property owned by the state or a city, town, school district, or village district, entered into after July 1, 1979, shall provide for the payment of properly assessed real and personal property taxes by the party using or occupying said property no later than the due date. ... All such leases and agreements shall include a provision that "failure of the lessee to pay the duly assessed personal and real estate taxes when due shall be cause to terminate said lease or agreement by the lessor." All such leases and agreements entered into on or after January 1, 1994, shall clearly state the lessee's obligations regarding the payment of both current and potential real and personal property taxes, and shall also state whether the lessee has an obligation to pay real and personal property taxes on structures or improvements added by the lessee.

(c) If the lessee using or occupying the property fails to pay the duly assessed personal and real estate taxes on the due date, the tax collector of the taxing district involved shall notify the lessor that the same remains unpaid. Upon receipt of said notification from the tax collector, the lessor shall terminate said lease or agreement and pay over to the tax collector from amounts received from said lease such sums as are necessary to satisfy the tax due....

Q: Will the Post Office stay in its current location?

A: Hopefully!

The Post Office has recently indicated to the City that they would prefer to remain in place. The City has a preference for them to remain as tenants as well (especially the "retail" portion of their operation), and will work to determine how this could be accomplished through a public-private partnership.



Q: What is the process moving forward?

A:

- The City Council must choose a private partner and decide to submit an application to the Historic Monument program.
- The National Park Service (NPS) will review the application and make a recommendation to the GSA.
- The GSA continues with its disposal procedures to implement transfer to the City.

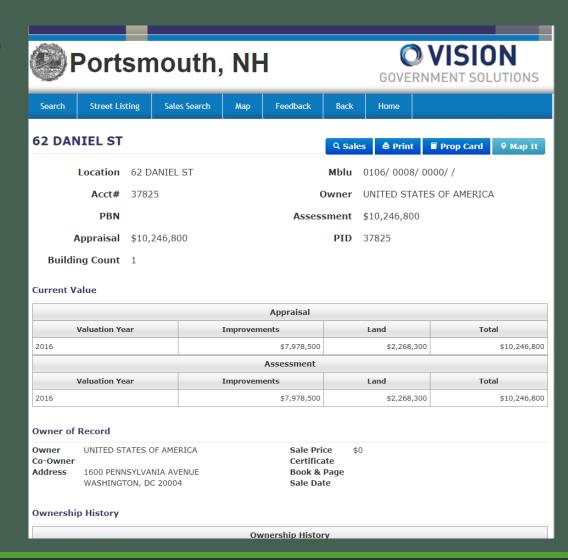


Task	Timeline
Receive GSA response to Letter of Interest	February 2017
Receive property information from GSA	February 2017
Assemble and review property information, conduct historic research, prepare	February 2017
photo documentation	
Consult with local Historic District Commission	March 2017*
Consult with NH State Historic Preservation Office (SHPO)	March-April, 2017*
Solicit private partner interest/select preferred partner	February-April, 2017
Conduct public outreach	April-May, 2017*
Define options for Utilization plan, including preparation of financial plan for options	June-September 2017
Review proposed Program of Preservation and Utilization plan with regulatory officials and community	June-September 2017
Submit application	September 2017

^{*} indicates item is subject to stakeholder scheduling. We may request the GSA extend this projected timeframe for delays outside of the City's control.

Q:What is the main reason the City would want to own the property vs. having the GSA sell to a private developer?

A: Because the assessed valuation of the property is estimated at near \$10 million. The City would not only be able to acquire at no cost the equity in the property, but also control and manage how the property is used, preserved, and maintained. Additionally, the City would also benefit from any lease payments and/or excess income that may be used to support historic preservation, recreation, or open space projects throughout the City.

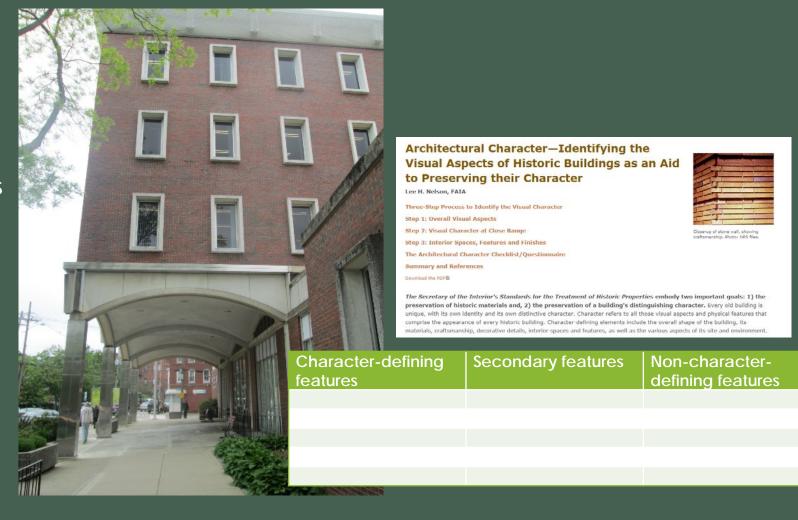


- Shape redevelopment in the City's best interests by promoting public/non-profit/commercial use of its ground floor;
- Re-connect the site with Daniel, Penhallow, and Bow Streets via new pedestrian ways, introduction of open space and public parking uses, and revitalize the area with new uses;
- Ensure redevelopment/reuse of the site that meets the city's economic development goals; and
- Accomplish the above in a fiscally prudent manner, through a publicprivate partnership.



CITY GOALS

- Farmer's market (~"Quincy Market")
- Public gathering space/outdoor seating; rooftop access (restaurant)?
- Workforce housing upper floors
- ► Office use upper floors
- Preserve view to St. John's
- Do not overbuild along Bow avoid shadowing!
- ▶ Continue Commercial Alley
- Use Historic Tax Credits for amenities

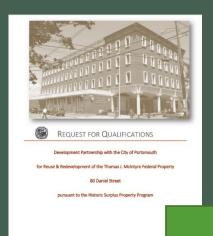


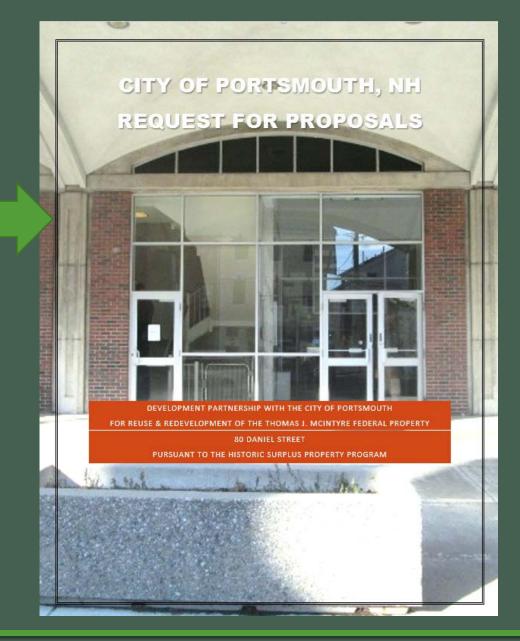
PUBLIC INPUT & SHPO COMMENTS

- Does the City have any preferences for more specific uses?
- How will historic preservation guidance affect redevelopment?
- What are the City's design preferences?
- ▶ What is the City's desire for rent, excess income?

- Farmer's market (~"Quincy Market")
- Public gathering space/outdoor seating; rooftop access (restaurant)?
- Workforce housing upper floors
- ► Office use upper floors
- Preserve view to St. John's
- Do not overbuild along Bow avoid shadowing!
- Continue Commercial Alley
- Use Historic Tax Credits for amenities
- Continued Post Office use?

GUIDELINES FOR PROCESS, DESIGN, AND FINANCIAL CONSIDERATIONS





NEXT STEPS

7 Teams Submitted Qualifications

Wood, Winn, Ocean & Two Intn'l, 100 Market, Chinburg, Leggat McCall, Kane & Redgate

Gain Additional Input from SHPO Conduct Additional Public Input Direction on Process, Design, Financial Considerations

Develop Request for Proposals – Draft for August 7th

3 months to Prepare Submittals

Choose partner & submit application – Fall, 2017