

CITY COUNCIL WORK SESSION RE: MCINTYRE PROJECT

MUNICIPAL COMPLEX - CONFERENCE ROOM A
DATE: MONDAY, NOVEMBER 13, 2017

PORTSMOUTH, NH
TIME: 6:00 PM

City Council Present: Mayor Blalock, Assistant Mayor Splaine, Councilors Perkins, Dwyer, Lown, Pearson, Cyr and Denton

City Council Absent: Councilor Spear

Staff Present: Acting City Manager Nancy Colbert Puff; Robert Sullivan, City Attorney; Nancy Carmer, Economic Development Manager; Nick Cracknell, City Planner;

Others Present: Barry Abramson, Abramson and Associates, Commercial Real Estate Advisor and John Sokul, Hinkley, Allen & Snyder, Partner and Chair of Real Estate Practice

Mayor Blalock called the work session to order at 6:00 p.m.

Acting City Manager Colbert Puff reviewed the history of the project and the process taken to date. She stated initially there were 7 teams interested in the project, and the Council was going to pick the teams to be interviewed on November 29th at this meeting this evening. She continued that however, but only 3 teams submitted proposals to the RFP. She stated that all 3 of the teams will make public presentations on November 29th.

Acting City Manager Colbert Puff then gave a brief slide show presentation.

Assistant Mayor Splaine asked who will make the decision on selecting the partner. Acting City Manager Colbert Puff stated she anticipated that this Council would choose the partner and the next Council would continue the process. She stated we are taking one step at a time. Assistant Mayor Splaine stated that one of the developers had asked to meet with him but the City Attorney advised him not to do so and wonders what is the protocol.

City Attorney Sullivan stated that all of the Councilors need to hear from the developers and all of the developers need to hear from the Council so any exchanges between them should be in a common session.

Councilor Dwyer stated she would also like guidance regarding media inquiries.

City Attorney Sullivan stated that Acting City Manager Colbert Puff should be the common link and the conduit for information.

Acting City Manager Colbert Puff continued the presentation explaining that the GSA is expecting to be out of the building in a year and are currently going through their own 105 process. She stated the City will own the property in perpetuity and ground lease the property. She stated the public will be able to enjoy historical significance as we work hand in hand with a public/private partnership. She clarified that picking a partner should not be based on financial reasons, but that everything that is beyond a reasonable profit will come back to the City.

She then reviewed the City Team including herself, Nancy Carmer, Nick Cracknell, Consultants Lisa McCann, Barry Abramson and John Sokul. Mr. Abramson and Mr. Sokul both in attendance reviewed their background and interest in the project.

Councilor Pearson asked if it is possible to discuss having a design review board due to the scope of the project.

Councilor Lown stated it has been suggested that there be a charrette on the project as has been done on other projects.

Acting City Manager Colbert Puff stated that this process will have many more opportunities for the public to give input.

She then asked Barry Abramson to review the chart he has put together entitled "McIntyre Federal Building Partnership for Re-Use and Redevelopment Request for Proposal Summary".

Mr. Abramson reviewed the Proposal Summary matrix of Legat McCall Properties; Ocean Properties Hotels & Two International Group JV; and Red Gate & The Kane Company JV.

Acting City Manager Colbert Puff states that the information we have on the building and the site is incredibly limited because it is still government held and the information we do have, cannot be copied. She stated there are variables such as asbestos and underground tanks as well as restrictions so there are still many questions, but she is impressed with the level of detail that the teams were able to give us.

Assistant Mayor Splaine asked what the federal government is telling us that the developers will be able to change and also will we have to pay the federal government any money.

Acting City Manager Colbert Puff stated that the Historic Monument program allows the federal government to transfer the building to the city for zero money but the details haven't been nailed down in writing yet.

Discussion ensued regarding the ongoing process and questions that will be put to the potential developers.

Councilor Lown stated he is impressed with all three proposals but wonders what happens after \$65-85 million dollars have been spent, would there be any remediation by the City if there are issues.

Mr. Abramson stated that the land leases will give the city control and the city will shape the project through a collaborative effort with the developer. He continued that the developer will have to provide guarantees for completion and if there were a default, the lenders would step in.

Further discussion ensued regarding the various potential revenue streams, calculation of city taxes, etc.

Finally, discussion ensued regarding the upcoming meeting for the Proposal Presentations on November 29th and how much time should be allowed for each presentation.

Assistant Mayor Splaine stated that the 4 Councilors-elect should be invited to sit at the dais with the Council.

Mayor Blalock clarified that these presentations will be conceptual and not specific but should bring something to the downtown that we don't already have.

Meeting adjourned at 7:35 p.m.

Respectfully submitted:

Valerie A. French
Deputy City Clerk