



CITY OF PORTSMOUTH

Municipal Complex
1 Junkins Avenue
Portsmouth, New Hampshire
(603) 431-2000

November 6, 2020

Mr. Michael Kane
Mr. Ralph Cox
Redgate Kane

Gentlemen,

We are writing to express our concern with the continued touting of a \$6.5mm, unsubstantiated cost for a redesign of the McIntyre site with more public space.

We have asked three times for substantiation of this number over many weeks. Thursday's newspaper quotes Michael Kane saying it is based on "market data, prior plans and 'reading the tea leaves.'" That's more than we've been told!

We cannot and will not be put in the position of guaranteeing a ponderous "mystery number" before the full program for the site is even developed. That is a disruption to the process we are engaged in as a subcommittee working for the residents of Portsmouth. This is clearly not defensible to Portsmouth taxpayers and undermines our efforts to be open and transparent. We are apprehensive that it is a negotiating ploy played out in the newspaper. Redgate Kane's \$6.5mm unsupported number benefits no one in trying to move this project to a successful conclusion for all parties.

The subcommittee would like to recap the steps we have taken so far together.

The city and developer agreed to a survey of residents. In a huge response, residents said they wanted more public space (64%) and return of the Post Office (53%)

- The original higher-density plan was rejected by 83%
- Redgate Kane tasked the city with defining the program to achieve the public's top two priorities in the survey and we have committed \$150,000 of public money to do this.
- Redgate Kane has agreed to a Portsmouth Listens process to further define the vision and features of the new public space.

We want to engage citizens in a process to you have asked us to do – develop a new program for the site. We're diligently putting together a team to do this. But the

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assertion of \$6.5mm undercuts that effort. We have no way to substantiate the number to process participants. The lack of detail also prevents us from researching financing options if in fact they are necessary for the redesigned project.

We have agreed Redgate Kane needs to make a reasonable return on a smaller project. We've engaged the public in that redesign. This means leaving the old project behind. Any attempt to recover its original financial value is a false choice, as we have agreed. As of now, we cannot show taxpayers that is the case.

We believe the public will is clear and would ask you to work with us on reasonable financial solutions. That starts with openness about your numbers which will continue to build good faith negotiations. These negotiations should balance competing interests – public benefit for residents and leasable space revenue for Redgate Kane – as rendered in financial projections we share with each other, until we can reach agreement.

We think two things are needed to keep the process rolling at this point. First, assumptions underpinning the \$6.5mm by November 13, and second a statement that our development partner is willing to work with us to fulfill the public desire for more open space at a reasonable cost. This latter statement will enable the public process to move forward more successfully.

Sincerely,



Peter A. Whelan
City Councilor
Chair of the McIntyre Subcommittee

Letter approved by a 4-0 unanimous
vote of the McIntyre Subcommittee

cc: Honorable Mayor and City Council
Karen S. Conard, City Manager
Robert P. Sullivan, City Attorney