

**City of Portsmouth
Mayor's Blue Ribbon Committee
On Building Re-Use**

**Information Packet on
ROCK STREET GARAGE**

**Public Listening Session
Levenson Community Meeting Room
March 6, 2007 at 7:00 p.m.**



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MAYOR’S BLUE RIBBON COMMITTEE ON BUILDING RE-USE
BACKGROUND INFORMATION

The committee was appointed by the Mayor in September 2006 and is purely an advisory committee to City Council on policy issues relating to building re-use. The committee is scheduled to complete its work by May 2007.

Committee Members:

Senator Martha Fuller Clark	State Senator
M. Christine Dwyer	City Council Representative
Laura Pantelakos	City Council Representative
Ken Smith	City Council Representative
Heather Hurtt	Chair, Public Representative
Beth Shepard-Rabadam	Public Representative
Tom Heany	Public Representative
Richard Cyr	Public Representative
John P. Bohenko	City Manager, City Staff
Nancy Carmer	Economic Dev. Program Manager, City Staff

Committee Goals:

I. CRITERIA: Develop guidelines for city ownership or disposition of property.

II. PUBLIC BENEFIT

Develop public consensus around what public needs warrant use of city owned property at below market rates and gather public input on uses for the six building listed below.

III. RECOMENDATIONS

Apply the guidelines to the following buildings in the context of public input and recommend re-use or disposition to the City Council

- Portsmouth Public Library
- Rock St. Garage
- Rock Street Garage
- Creek Athletic Club
- South Meeting House
- Plains School

IV. TENANT APPLICATIONS: Develop an application/review process and guidelines for non-municipal public uses for city-owned buildings.

V. BUILDING STEWARDSHIP: Develop building stewardship policies for non-municipal tenants of city-owned buildings.

ROCK ST. GARAGE LISTENING SESSION
PORTSMOUTH PUBLIC LIBRARY
LEVENSON COMMUNITY
MEETING ROOM
MARCH 6, 2007 AT 7:00 P.M.

I. COMMITTEE PRESENTATION

7:00-7:45 minutes

Committee Presentation

7:00 – 7:25 p.m.

- Welcome & Logistics
- Overview of Guidelines for Ownership vs. Disposition and Non-Municipal Public Purposes
- Building Stewardship Principles
- Rock St. Garage Quick Facts

Heather Hurtt

Heather Hurtt

Beth Shepard-Rabadam

John P. Bohenko

Questions & Answers

7:30 – 7:45 p.m.

Participants will have the opportunity to ask questions to the committee at this time. If there are more questions than time permits, participants will write down their questions and have a committee member answer them individually during their break-out session.

II. DISCUSSION

7:50- 8:45 minutes

Participants may break-out into informal groups and share/discuss their ideas regarding the Rock St. Garage. Committee members will facilitate each group for the primary purpose of listening and asking questions for clarification. Committee members will note ideas on a flip chart and use the opportunity to elicit others' ideas.

III. PUBLIC PRESENTATION

15 minutes

A representative from each break-out group will share the group's comments with the larger committee and rest of the audience. There will be a 5 minute time limit for each presentation followed by 5 minutes of questions/clarifications posed to the group, as necessary.

IV. THANKS AND WRAP-UP

Everyone present will be asked to complete a comment card (anonymous if desired) to provide any overall thoughts about the use of the Rock St. Garage.

GUIDELINES FOR OWNERSHIP OR DISPOSITION OF PROPERTY

The City should consider retention of a municipal property or consider ownership of a new property by donation or acquisition when it:

- 1. Enables the City to provide essential public services¹ to the residents and businesses of the City and/or fulfill one or more of the goals of its current Master Plan.²**

Action/s:

- a) Analyze the pros/cons of public versus private ownership
- b) Analyze the property's long term value in providing essential City services or meeting future public needs
- c) Compare this opportunity with the planning goals identified in the current Master Plan

- 2. Enables the City to meet current and future needs of the residents and businesses of the City according to demographic and economic statistics and projections as well as current utilization of other properties in the City's inventory.³**

Action/s:

- a) Review published demographic and economic projections when planning for basic city services or future public needs
- b) Review current utilization of all City-owned properties by reviewing the six-year capital improvement planning (CIP) process
- c) Continue to evaluate real estate opportunities as they become available

- 3. Presents the City with long-term strategic and economic value for the benefit of its residents and businesses, now and in the future.**

Action/s:

- a) Analyze opportunity by comparing it to the existing uses of properties surrounding it
- b) Analyze and validate the current or potential future use of the property by reviewing of zoning, size, scale, architecture and interior design...etc.

- 4. Does not financially or legally burden the City with an asset that does not achieve Guidelines 1, 2, or 3.**

Action/s

- a) Conduct financial analyses to identify whether property justifies the long-term financial investment or if it can help achieve goals of the current Master Plan. Identify all costs and subsidies
- b) Identify encumbrances and environmental concerns.

¹ Public services include but are not limited to land use and zoning enforcement; community and economic development; public education; housing; transportation, public facilities and services including libraries, police and fire protection, and other infrastructure; transportation; conservation, open space, and recreation; environmental health and inspectional services; historic preservation and cultural resources; and social services.

² The relevant goals from the current master plan address the public services listed above as well as environmental sustainability, which is a municipal commitment on a policy-level and in practice across the City's public service areas (City of Portsmouth, New Hampshire Master Plan, March 2005, Taintor & Associates, Inc.).

³ Use the City's planning for 25-year horizon for safe and sustainable water and sewer infrastructure as one best-practices model (April 2006 Water and Sewer Study).

GUIDELINES FOR NON-MUNICIPAL PUBLIC USES

These guidelines are relevant to situations where the city is considering leasing or selling a property at below market value or accepting a property by donation. These guidelines are based on the current Master Plan (2005) and should be updated accordingly.

- 1. Affordable Housing** – provides 20 or more units of affordable housing (120 percent or below of median income; restricted in such deed or other instrument as appropriate)
- 2. Green Space** – promotes or creates more green space in Portsmouth
- 3. Recreation** – provides recreational opportunities for Portsmouth residents that address unmet needs (e.g. additional playing fields, centralized recreation center, aquatic center, indoor year round playground, skating rink)
- 4. Arts, Culture & Education**
 - a) Provides small performance or exhibition space (up to 150 persons) for which there is unfulfilled local demand, e.g. dance, music, theater, film, art
 - b) Promotes strategic cultural activities that contribute to and enhance the quality of life for Portsmouth residents, e.g. children’s museum, independent film theater, aquarium, art museum
 - c) Provides space for educational opportunities for which there is an unfulfilled local demand, e.g. continuing education classes for adults, after-school programs, non-traditional educational programs
- 5. Economic Development**
 - a) Preserves and promotes the historic architecture central to the identity and economic vitality of Portsmouth as a tourist destination, e.g. maritime museum
 - b) Promotes the tourism industry in Portsmouth, e.g. visitor’s center, information kiosk
 - c) Provides incubator space to attract entrepreneurial professionals

PROPOSED
BUILDING STEWARDSHIP PRINCIPLES GOVERNING
CITY-OWNED AND LEASED PROPERTY

Purpose

Surplus city-owned buildings and their associated structures are important assets with economic value and often have architectural, historic and cultural importance. Decisions to defer maintenance⁴ and/or the failure to implement a schedule of capital improvements⁵ often compromise conditions, undermine value, and shorten facility life. Building stewardship, consisting of regular maintenance and repair and a schedule of capital improvements are critical to property sustainability. The purpose of this policy is to address this need.

Applicability and Authority

This policy applies to surplus city-owned buildings not otherwise regulated. The School Department has its own policies regarding school properties. The Trustees of Trust Funds have their own policies such as those that regulate Prescott Park. The remainder of this document applies only to surplus city-owned buildings that are not regulated by the School Department and/or Prescott Park.

These stewardship policies are to serve as a guide to the City Council which has final decision-making authority over re-use of surplus properties. In the leasing of any of these properties, the City Council shall seek to obtain the highest public benefit for its citizenry. There may be certain properties and situations in which the City Council wishes to exercise flexibility with regard to perceived public benefit that may be derived from specific city-owned property. In such cases, the City Council may agree to lease policies and terms different from those described in this document to accommodate those special conditions. However, it is not the intent of the city to make a gift of public assets.

Principles

The City has three Building Stewardship Principles. Surplus city-owned buildings should:

1. be in active use;
2. be in good repair; and
3. contribute to and enhance the respective neighborhood contexts.

In a circumstance when the City retains ownership of a building and leases it to a third party, the lease should generally be on a Triple Net (NNN) basis, i.e. the tenant pays for all the regular utility costs, an amount representing the property's real estate taxes and routine maintenance to meet the spirit of the City's Stewardship Principles.

⁴ Maintenance—the act of keeping fixed assets in acceptable condition. It includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve the asset so that it continues to provide acceptable services and achieves its expected life. Maintenance excludes activities aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, those originally intended.

Deferred maintenance—maintenance that was not performed when it should have been or was scheduled to be and which, therefore, is put off or delayed for a future period.

⁵Capital Improvement Project – a major fiscal expenditure which is made infrequently or which is non-recurring such as design work, rehabilitation or replacement of major building systems (heating, roofing, electrical) or structural repairs, purchase of non-vehicular equipment over \$50,000, long-term, non-recurring rehabilitation of a structure, etc.

Where appropriate, lease agreements will identify which capital improvements are the responsibility of the city and which are the responsibility of the tenant.

In addition,

1. To be entrusted with the use of City-owned buildings, tenants must demonstrate the on-going financial ability to:
 - a) Procure specified amounts of Property and Casualty insurance;
 - b) Fund and undertake life-safety-related maintenance;
 - c) Fund and undertake regular building maintenance; and
 - d) Establish and contribute to an escrow fund for all approved capital improvements with an agreed upon funding schedule that is set up in accordance with the lease period. Such contributions shall be based on a capital improvement plan developed and approved by the city and the lessee and reviewed annually.
2. The City and its tenant/s will conduct an annual walk-through of the building/s to ensure that regular maintenance and the agreed-upon schedule of capital improvements have been completed and/or are in planning.⁶ In addition, the tenant will be required to submit a maintenance plan to the city on an annual basis and include any maintenance records for review and acceptance by the city.
3. Prior to undertaking any tenant improvement, tenant shall be required to obtain the consent of the City of Portsmouth.
4. Maintenance and capital improvements will adhere to best practices for sustainability.

⁶ Building Stewardship Principles do not displace the City of Portsmouth Zoning and Building Codes, the City of Portsmouth Historic District regulations, and/or Federal CFR Section 106 Review requirement

KEY INFORMATION – ROCK ST. GARAGE

Structure.

The Rock Street Garage was transferred to the City of Portsmouth on October 5, 1976 from the Diamond International Group of New York, New York. The garage is a 1½ story wood truss building with a total building area of approximately 8,344 square feet. Exterior siding is asbestos and roof material is asphalt shingles. Access doors serve the facility on three facades. The only utility serving the building is electrical service.

Location.

The facility is located at 55 Rock St. and is part of a larger 1.42 acreage parcel that includes the Rock St. Public Park and Playground. The structure is in a municipal zoning district; the abutting zoning districts are mixed residential and commercial. Directly to the south is the former Kearsarge Mill Building currently leased by Heinemann Publishing Company. To the north is a road that runs along property abutting the Guilford Transportation railroad tracks and the North Mill Pond. There is public parking along the Rock Street. The property is located within a short walk to the City's Central Business District and is within two blocks north of Islington Street, a major traffic artery into downtown.

Use.

The building is currently being used as a municipal public works warehouse/storage facility.

Encumbrances on Future Use.

- 1) There is a right of way for access and egress across the city parcel on the west and north facades of the Rock Street Garage to abutting property owners Hill- Hanover Group LLC and Peter Happny, their successors and assigns. The right of way begins at the intersection of Sudbury and Rock Streets.
- 2) JSA Trust (owner of the abutting building on the south side of the garage) has the right to maintain the rock foundation wall located on City property which supports the JSA Trust building.
- 3) There is a revocable license agreement between the City and the Kearsarge Mill Condominiums for use and maintenance of sixteen parking spaces on the south side of the Rock St. Garage.

Rock St. Park and Playground. The City maintains a park, public playground, basketball court (1/2 court) and small performance stage on the property across the street from the garage. Utilities serving the park include electrical and water service. The park is used primarily by the surrounding residential neighborhood and by small groups that use the performance stage. There are no formal municipal recreation department programs run at the park. It is the intent of the city to continue the current use of the park property.

Building Costs. The current total property valuation including the park is \$230,500.

More complete information including maps, tax cards and deeds are available for review at the new library and at the City Hall.

