

CITY COUNCIL WORK SESSION

CITY COUNCIL RETREAT

February 5, 2010 – 11:30 a.m.

Portsmouth Library – Levenson Room

City Council Present: Mayor Ferrini, Assistant Mayor Novelline Clayburgh, Councilors Lister, Hejtmanek, Spear, Dwyer, Coviello, Kennedy and Smith.

Officials Present: John P. Bohenko, City Manager; Robert P. Sullivan, City Attorney, Steve Parkinson, Director of Public Works Director, Rosann Maurice-Lentz, City Assessor, Rus Wilson, Recreation Director, Rick Taintor, Planning Director, David Moore, Assistant Community Development Director, Peter Rice, City Engineer, Water/Sewer Division, David Allen, Deputy Public Works Director, and Dianne M. Kirby, Deputy City Clerk.

I. Call to Order

At 11:45 p.m., Assistant Mayor Novelline Clayburgh called the work session to order.

II. Introduction

Assistant Mayor Novelline Clayburgh explained that Mayor Ferrini had been held up, but would arrive shortly. She turned the meeting over to City Manager Bohenko.

City Manager Bohenko stated he would like to rearrange the agenda a little as he would like to have the Charter Revision discussion after the Mayor arrived. He said the idea of the construction project portion of this presentation is to give the Council a heads up on what is happening within the City. He said the Council may see something or get calls about something and this will help to understand what is going on. He further stated this will also allow the Council to get an idea of what we will be facing this year. With this, he introduced Steve Parkinson, Director of Public Works.

III. Review of Various Construction and Related Projects for 2010

Steve Parkinson, Director of Public Works stated his presentation was an overview of what construction and related projects the City is facing this year. He said each year a map is posted to the City website listing what projects are scheduled for the year. He said there are presently nineteen projects scheduled totaling \$46,000,000.00. He said \$19,000,000.00 has been allocated for the water treatment project. He said this money is comprised of City money and Federal and State dollars, grants and direct loans from various agencies.

Steve Parkinson, Director of Public Works went on to outline the projects.

- Project 1 - City's annual paving contract with concentration on Clinton Street, Davis Road, Fairview Drive, Griffin Road, Pinehurst Street, Lookout Lane, and Thornton Street.
- Project 2 - City Hall Parking Lot project.

- Project 3 - Market Street Sidewalk (NH Port Authority to Michael Succi Drive) which is a State funded project.
- Project 4 - Route 33/B&M Railroad Bridge. This project is estimated to be completed late summer, early fall.
- Project 5 – Elwyn Park Bike Routes. He stated the Safe Routes to School program was successful in getting a grant to stripe bike lanes within the Elwyn Park neighborhood.
- Project 6 – Bartlett Street/Islington Street Area Sewer Separation Project. He said this project was started last fall and will be starting back up shortly. He said this is the project for \$2.5 million dollars to separate the storm water and sewer.
- Project 7 – Madbury Water Treatment Plant Upgrades which is a \$19 million dollar State project
- Project 8 – McDonough Street Area Phase I of the five year project.
- Project 9 – State Street Reconstruction which is a \$4.2 million dollar project. He said it consists of new water/sewer, storm drain, sidewalk, curbing, trees, and lighting and is part of the Recovery Act and is 50% funded
- Project 10 – Spinney Road/Islington Street Intersection
- Project 11 – Pine Street Park Project
- Project 12 – South Street/Lafayette Road Signal Project
- Project 13 – Bow/Ceres Street Project – waterfront improvements
- Project 14 – Mechanic/South Mill Street Seawall Project
- Project 15 – Peirce Island Bridge/Rail Project. He said the contract has been awarded and work should start this spring
- Project 16 – High/Hanover Parking Facility Stair Tower Project
- Project 17 – Lincoln Avenue Sewer Separation Project
- Project 18 – Sagamore Bridge Interim Repairs project. He said this is an 80% State/20% City project for interim repairs. He said in the long term the bridge will be replaced. He said this is an 18 month project with 6 months prior to closing the bridge and approximately one year with the bridge closed.
- Project 19 – Market Street Sidewalk project from Bow Street to Russell Street.

Questions and Discussion

Councilor Kennedy asked how the residents are informed when a street project is to begin. Steve Parkinson, Director of Public Works stated his office will go door-to-door with leaflets announcing when a public hearing is to take place. She asked when the Market Street Sidewalk (NH Port Authority to Michael Succi Drive) project would start. Steve Parkinson, Director of Public Works stated they have a contract on it and it should start as soon as the ground thaws. City Manager Bohenko said this project is an 80% State/20% local funding project. Councilor Kennedy asked if this project included the sidewalk, trees, lighting, etc. Steve Parkinson, Director of Public Works stated it was only the sidewalk.

Councilor Coviello asked what the conflict is with regard to the Water Treatment plant. City Manager Bohenko stated we budgeted \$24 million dollars for the plan and we did it with and without recovery money. He said we put in a grant to the State for recovery money and we were rated #1 project in the State, but the State wanted to spread out the money and therefore, we were only awarded \$2 million dollars of recovery money. He said by bidding it separately, if we took the recovery money we would have had to go with Davis Bacon and

wage rates and the Buy America provision. He said the bid taking the recovery dollars came in at \$21 million dollars and the bid without the recovery money came in at \$17 million dollars. He said we basically declined the \$2 million dollar recovery money.

Councilor Lister asked if Project 5 was the only project using Safe Routes to School money. Steve Parkinson, Director of Public Works, stated they have received a number of plants and bike racks as well as improvements to the access way in addition to this project. Councilor Dwyer asked if bike lanes are included with Project 3. Steve Parkinson, Director of Public Works said that Project 3 does include bike lanes. City Manager Bohenko stated all this information is up on the website. Councilor Dwyer asked how often the project list on the web is updated. Steve Parkinson, Director of Public Works said it is completely updated yearly, but contractor updates are updated for each project as they are received.

IV. Revaluation

City Manager Bohenko stated we will next have Rosann Maurice-Lentz give us a review on revaluation. He said under *Sirrell vs. State of New Hampshire*, a lot of things have changed. He said we need to do a full re-evaluation every five years by statutes. He said because re-evaluations are happening this year, he knew some of the Councilors would have some questions. He turned the presentation over to Rosann Maurice-Lentz, City Assessor.

Rosann Maurice-Lentz, City Assessor stated there are two types of statutory requirements the City Assessors' Office must abide. She explained RSA 75:8 is the revised inventory whereby annually and in accordance with State assessing guidelines, the assessors and selectmen shall adjust assessments to reflect changes so that all assessments are reasonably proportional within that municipality. She further explained that RSA 75:8 calls for a five year valuation whereby the assessors and/or selectmen shall reappraise all real estate within the municipality so that the assessments are at full and true value at least as often as every fifth year. Mrs. Maurice-Lentz stated the purpose of a five-year reappraisal effort is to provide a vehicle for the assurance of current, accurate and equitable property assessments. She said if property valuations are accurate across the entire city, inefficiencies and inequities in property taxation are greatly reduced. She went on to explain the types of revaluations. She said full revaluation is a measure and list of 100% of municipal properties within a one or two year time period, with or without use of existing property data and includes a verification and analysis of all municipal market sales and an update of property assessments based on the property sales study. She said cyclical revaluation is a measure and list of all municipal properties within a three to five year time period and property assessments will be updated during the last year of measuring and listing property data, including the verification of all municipal market sales. She said this is the fastest growing revaluation work in New Hampshire and is considered a full revaluation once the entire process is complete. She said a statistical update is verification and analysis of all market sales to maintain proportionality by an update of assessments on all municipal properties based on the property sales study and stated verification of sales should include confirming the existing property record card, with a physical inspection to determine accuracy and making any needed corrections. She said a partial revaluation is a measure and list of a specified portion of municipal properties. She said this can be with or without using existing property data or by confirming the existing municipal property record card information and included a verification and analysis of all municipal market sales on applicable property types and an update of property assessments based on the property sales study.

Rosann Maurice-Lentz went on to discuss the cost of revaluation and stated in 2002 a full revaluation was conducted by the outside firm of Cole-Layer-Trumble for \$700,000.00. She stated the revaluation for 2010 was to be done using the cyclical revaluation by in-house assessors at a cost of \$250,000.00.

Rosann Maurice-Lentz reviewed the differences of mass appraisal and market value. She outlined the three basic methods to determine market value explaining the sales comparison approach, the cost approach and the income approach. She further explained that ratio studies are used to analyze existing and new assessments by (1) assessment level and (2) assessment uniformity.

She stated that the date of value is April 1, 2010. She said presently the commercial cyclical data collection, the multifamily cyclical data collection, the mobile home cyclical data collection the vacant land cyclical data collection, the condominiums – currently in the downtown area, and the single family cyclical data collection have all been completed. She concluded with a 2010 revaluation timeline stating:

- Notices with preliminary assessments to be sent prior to tax bills; May 2010 for Commercial; July/August 2010 for Residential
- Hearings will start in May 2010 for commercial properties and July/August 2010 for residential
- On September 15, 2010 we will finalize values to the State – MS-1
- In October 2010 tax rate will be set
- By November 1, 2010 tax bills will be sent reflecting the new assessments and will be due on December 1, 2010

She further stated that within the appeal process, all abatement applications are due to the Assessor's Office by March 1, 2011 and any appeal to BTLA or Superior Court must be in by September 1, 2010.

Questions and Discussion

Councilor Kennedy asked if the time line is set by us or by a higher authority. Rosann Maurice-Lentz stated the time line is set by us. Councilor Kennedy stated she feels these dates being during summer vacation months will create a hard time for residents to attend the hearings. City Manager Bohenko said it does have something to do with the State statute because according to State statute the year that we are dealing with starts April 1. He said as we go forward to do the re-evaluation and put things in place, we work off of that date. He said we may be able to move the residential hearings up sooner. He said the last couple of hearings we have done seemed to work for everyone and we will try to make accommodations for everyone. He said we have to go to the Department of Revenue Administration with our MS-1 between April and October. He further stated we don't set the tax rate; the Department of Revenue Administration sets our tax rate. He said we have planned a hearing in May for commercial property and July/August for residential property. He stated once we have the values we will put together an estimated tax rate which will be posted to the City's website. Rosann Maurice-Lentz stated she has also planned some night hearings to assist the residents. City Manager Bohenko said we might even look at some Saturday dates and times.

Councilor Coviello asked if, with the corporate version, the City is using every sale or a certain number of sales. Rosann Maurice-Lentz said she uses every sale. Councilor Hejtmanek said there are three different approaches to sales and asked which approach Mrs. Maurice-Lentz uses. Rosann Maurice-Lentz stated this is called market driven or cost approach. She said she looks at the sales coming in with the market approach. She said she takes the three approaches and makes a model in the cost approach. She said these approaches are very similar. She said she does use the income approach for investment type properties. Councilor Spear said this is a cyclical approach. He asked if the reason we are having the set aside and the overlays is because of the condos. City Manager Bohenko said no. He said every year the City puts a little bit away for potential challenges. He said in a re-evaluation year, we expect that we will have more challenges, so we set aside this money. He said it might not get used this fiscal year. He said it might be two or three years before a 2010 value is all through the process and appeals. He said when this process is complete we will have been collecting the taxes based upon the value we think is appropriate, but at the end when we come to an understanding of what the values are to be we could have collected higher or lower and we could then have to pay a settlement to that person using the override.

Councilor Kennedy asked how much is set aside for legal fees. City Manager Bohenko stated City Attorney Sullivan does these and therefore, no legal fees are needed. City Attorney Sullivan stated there are two ways a resident can appeal. He said they can appeal to the Land & Tax Board which is handled by City Assessor Rosann Maurice-Lentz or to Superior Court, which are for more complicated issues which would be handled by City Assessor Rosann Maurice-Lentz and himself. City Manager Bohenko stated there are some cases, such as commercial issues, where we would hire an outside expert. Councilor Kennedy asked how much that usually costs. City Attorney Sullivan stated you will not get a hospital expert for less than \$40,000.00. City Manager Bohenko stated you have to look at the value of what is at stake. He said the better your expert the quicker the resolution is.

Councilor Lister asked if, with the economy this last year and people's concerns about the value of their homes, do you anticipate it to be an extra heavy work year. Rosann Maurice-Lentz stated it would depend on the assessments. City Manager Bohenko stated his staff would do their best to educate our residents. He said this year will be a challenge. Councilor Smith asked the City Assessor if she is seeing any large movement anywhere. Rosann Maurice-Lentz, City Assessor said she feels the Condominiums on the outskirts of town have dropped in value. She said she has checked on what is for sale in the downtown area. She said residential is a popular area right now, but there is not a lot of waterfront out there. She said there are certain neighborhoods that are growing so she will be making some adjustments down, but there may also be some adjustments up. She said Commercial property is a little difficult to predict right now because it is changing every day. Mayor Ferrini asked if the Council could get a report, broken down by categories that would give the percentages of properties that have gone up and down once the evaluation is completed. Rosann Maurice-Lentz, City Assessor stated yes. City Manager Bohenko stated we will have the summary available.

IV. Charter Revision

City Manager Bohenko turned the meeting over to City Attorney Sullivan for a presentation.

City Attorney Sullivan stated that until 1987 the City did not have a Charter. He said the City Charter is the Constitution of the City and he reviewed the history of its creation. City Attorney Sullivan stated that Section 1.8 of the City Charter requires that the City Council take a particular vote at its first meeting of each decade on a question related to the creation of a Charter Commission. He discussed the process of Charter revision and Charter amendment generally, offering perceived advantages and disadvantages of each concept. He stated the City Clerk has contacted the Secretary of State and verified that any proposed Charter Revisions could be put on the November 2010 election ballot.

Questions and Discussion

Assistant Mayor Novelline Clayburgh asked if there are any specific time lines. City Attorney Sullivan stated if the Council would like to put any changes on the November 2010 ballot we would have to have the revision completed by late August in order to have it printed on the ballot.

Councilor Coviello requested City Attorney Sullivan define the difference between a revision and an amendment. City Attorney Sullivan stated a revision can affect numerous changes, establishes a political process for lengthy, detailed review and analysis of the entire municipal Charter. He stated a revision is relatively speedy and efficient and well suited for making specific changes.

Councilor Dwyer asked if several changes can be made. City Attorney Sullivan stated they could, but would have to be written so as to affect a yes or no answer on the ballot. Councilor Smith asked if the Council wants to do small changes, do they have to put together a Charter Commission Board. City Attorney Sullivan said if you are talking about amendments, yes, the City Council can do this. He said the City Council in 2000 struggled with this question. He said what the Council decided to do in January 2000 was not to engage a Charter Commission and not to impose Charter amendments, but what they did, as stated in their minutes, was cast a unanimous vote of 9-0 to authorize the Mayor to create a nine member Charter Advisory Committee to consider the issues of a Charter revision and amendment and to offer its recommendation in a report back to the Council no later than the first City Council meeting in June 2000. City Attorney Sullivan state that the then Mayor Sirrell said this committee was the hardest committee she had to put together. He said the Committee consisted of nine members (3 City Councilors and 6 residents of the City). City Attorney Sullivan stated his recommendation is if the City Council feels that there are major structural problems in the way City Government is put together, then they should vote yes on the Charter Commission question. He said he personally does not believe there are any major structural problems. He said if the City Council has specific Charter amendments they would like to impose, we could do so by one vote at a meeting, place it into the minutes, draft it, and time it for the vote to take place in November. He said the option that the City Council followed in 2000 would be his recommendation to the Council.

Councilor Dwyer stated because of the magnitude of the task she suggested a small committee of City Councilors take concepts and work them through before it even comes to the point of saying do we want this concept enough that we want legal time spent. Mayor Ferrini stated this would be perfectly legal. Councilor Kennedy said she has heard concerns with the Fire and Police Commissions and how they work. City Manager Bohenko stated he agreed with Councilor Dwyer in that a sub-committee structure would be good. He said this committee could do all the leg work and bring it back to the Council in a report back on certain items and move forward from there. Councilor Dwyer stated she would like to see the Council terms extended to four years or stagger the terms. She said she has also heard comments about a separate Mayor race. City Attorney Sullivan stated both the idea of staggering the terms of the City Council and separating the Mayor election could be done by an amendment to the Charter.

Councilor Spear said his concern is about changing some of the things by other departments. He said having a sub-committee of Councilors look at that might be problematic from a political standpoint. He said with the Sirrell Committee there were only 30% Councilors on the committee. He said the Council does not want to get trapped by perceiving that we are trying to take control of things. Councilor Dwyer stated as the Council, we have a responsibility to do this. Mayor Ferrini stated the Council is legally vested with that authority. He said we need to decide quickly how we want to deal with these issues. He said we will try to come up with scheduling a way to deal with that discussion in the very near future.

VI. Recreation Study

City Manager Bohenko turned the meeting over to Rus Wilson, Recreation Director and David Moore, Community Development Director for their presentation on the Recreation Study.

David Moore, Community Development Director stated within the Recreation Needs Study they have already hired a consulting team, held a general public input session kick-off, placed a comment form on the web (over 100 comments received to date), held stakeholder meetings with Consultants and City Staff concerning Recreation leagues, surrounding towns, non-profit organizations and recreation staff; held a public input session on outdoor recreation fields and scheduled a public input session on indoor recreation facilities for February 18, 2010. He explained in detail the capital improvements schedule for the existing fields with regards to increased use and playability, where to replace sod with synthetic turf and the development of a multi-field complex. He discussed the potential for new field locations at the stump dump site, the Jones Avenue site, the Peverly Hill Road/Route 33 site and the Pease site reviewing the pros and cons for each site.

Councilor Spear asked in terms of public access to the conservation land in the Peverly Hill Road/Route 33 site, can minor improvements, such as hiking trails and such be added. David Moore said there is no dedicated parking. City Manager Bohenko stated it really has substantial potential and we have had brief conversations with a nature conservancy and he likes the idea that we would be looking at only 20% for field development and 80% for conservation. He said the important part is we do have money set aside that can be used for this purpose that would come out of current use funds that can be used for conservation. He said in the past, money has been set aside from the sale of property for recreation fields. Assistant Mayor Novelline Clayburgh asked which plan would cost less, the Jones Avenue or

the Stokel's plot. City Manager Bohenko said this issue would have to be determined as we move forward. He said certain things could come up with either property. Councilor Coviello asked if there was any idea on costs. City Manager Bohenko stated there were none at this time. He said he and his staff are still negotiating with the Stokels. Councilor Coviello asked what the plot is valued at. City Manager Bohenko stated it is valued at \$1.4 million dollars. Councilor Lister asked City Manager Bohenko if he feels confident that with the money from conservation grants and dollars set aside will be enough to buy this. City Manager Bohenko said everything is a negotiation. He said this might be something we would want to discuss in non-public session.

Rus Wilson, Recreation Director stated the existing indoor facilities are the Connie Bean Recreation Center (Youth), the Greenleaf Recreation Center, the Spinnaker Point Recreation Center (Adults) and the Indoor Pool Facility. He said the Recreational Study is ongoing and normally he would wait until it is completed, but the window for one opportunity is closing. He said the general finding of the study to date is that it is extremely inefficient to run separate stand-alone facilities as well as very expensive. He said a consolidation of existing facilities is key to the future. He said there are many options to achieve that. He stated that a downtown presence of youth recreation is preferred. He stated the Connie Bean Recreation Center has out-lived its usefulness. He said it has a very poor recreational value. He stated the first floor is all that is being used which amounts to only 37% of the buildings square footage. He said it consists of one gym, office and restrooms and is a stand alone facility with utility costs and expensive systems upgrades required. He said the only plus is it is located in the downtown area. He stated the indoor pool was built in 1980 with an expected 20 year life. He stated there are extensive repairs needed.

Rus Wilson, Recreation Director stated there is an opportunity at the Portsmouth Middle School to replace the Connie Bean Center. He said we have the opportunity to relocate the Youth Recreation Center to include the Recreation Department gym, offices, and conference room as part of the Middle School Project. He stated the building would have a modern regulation-sized gym, with daytime availability for the Middle School usage and afternoon and night-time use for the Community as a Recreation Center.

Rus Wilson, Recreation Director reviewed the operational benefits and the programming benefits of approving the gymnasium expansion to the Middle School. He discussed the Middle School Opportunity and stated there are two options available.

Option 1: Move forward with the additional gym in the Middle School as part of the current project.

Option 2: Make contingencies during the Middle School project for future Recreation Department Relocation.

Assistant Mayor Novelline Clayburgh said she thinks this is a fabulous idea. Her only concern is where people are going to park. She said in the spring and fall the Recreation Department does all the softball, baseball, T-ball etc. sports and that is going to compete for parking that is already in demand. She said we really need to think seriously about adding the parking deck at Parrott Avenue or do something to add parking to this side of City. Rus Wilson stated programming would never occur when school is in session. Councilor Dwyer said the costs to

this plan are very minimal. She said we can plan for it without any large expense. Councilor Lister said from a budget prospective any opportunity to consolidate should be looked at. Councilor Kennedy wanted to know what would be done with the Connie Bean Center if we move the Recreation Center to the High School. She also stated she will not agree to a parking deck on Parrott Avenue. City Manager Bohenko said if the Council wants to hold off because of the economy that is fine, but to let this go and not plan for something in the future, he feels it does not make sense. Councilor Spear said he has changed his thinking and now believes the City will benefit from a central indoor complex, but that might not happen within the next year or more. He said in the meantime, the numbers given out on people using this facility today are impressive. He said when he thinks about the cost of the expansion and the amount of use we will get out of it, combined with the cost savings, there is really a lot of positive impact for this money. He said one of the hardest things to do is to put down money for things that are for long term benefit. He said he feels it is the right move to take. He said his preference would be for Option 1. Assistant Mayor Novelline Clayburgh asked if this would restore the yoga, ballet and other classes. Rus Wilson stated he hoped to be able to. Councilor Dwyer state we should at least do Option 2.

Rus Wilson, Recreation Director stated the general options for the reorientation of facilities would be:

- Replace the Connie Bean Center at the Middle School location and discontinue recreational use at Greenleaf.
- Build a new stand alone youth recreation center at a location to be determined outside of downtown.
- Build a combined youth, adult, aquatics recreation center at a location to be determined.

Mayor Ferrini requested a straw pole on Option 2 versus Option 1. A straw vote was taken with 5 votes for Option 2 and 4 votes for Option 1. City Manager Bohenko stated he would write a letter to the JBC indicating the Council is interested in Option 2. Mayor Ferrini requested City Manager Bohenko check with the JBC to get an outside date when a decision would be required should they decide on Option 1.

Mayor Ferrini called for a five minute break.
Mayor Ferrini reconvened the meeting.

VII. Wastewater Treatment Master Plan

David Allen, Deputy Director of Public Works stated the Master Plan's goals are to ensure the solution selected:

- Fulfills Regulatory Requirements
- Environmentally sound
- Consistent with the City's sustainability goal
- Cost effective
- Fulfills funding requirements

Peter Rice, City Engineer Water/Sewer Division outlined the Master Plan status with a summary of the Waste Management Plan tasks:

- Task 1 – Define study parameters and develop project boundaries – Completed in October 2007
- Task 2 – Regulatory requirements review – Completed in October 2007
- Task 3 – Flows and loads – existing and forecasted conditions – Completed in June 2008
- Task 4 – CSO abatement progress and collection system model update – Completed in October 2009
- Task 5 – Alternatives evaluation – Draft report submitted to EPA/NH DES in December 2009
- Task 6 – Develop funding strategies/affordability analysis – Ongoing
- Task 7 – Implementation schedule – Ongoing
- Tasks 8, 9 and 10 – Develop Wastewater Master Plan Report and Long Term Control Plan Update – Ongoing
- Task 11 – Public and Regulatory Participation Program – Ongoing
- Task 12 – Project Management – Ongoing
- Task 14 – Interim alternatives evaluation - Completed on February 5, 2010
- Task 15 – Value Engineering – Work Session completed, report pending
- Task 16 – Environmental Assessment – Future Task
- Task 17 – Geotechnical Evaluation – Future Task
- Task 18 – Tracer Study Technical Assistance – Ongoing
- Task 19 – Post Construction Monitoring Plan – Future Task
- Task 20 – Annual Flow Meter Maintenance and Monitoring – Future Task
- Task 21 – Nutrient Criteria/Water Quality Technical Assistance - Ongoing

David Allen, Deputy Director of Public Works reviewed the treatment facility scenarios being considered.

- Scenario 1 (All flow to Pease)
 - Pease or Waterfront Industrial: all sanitary flow
 - Peirce Island: excess wet weather flow only
- Scenario 2 (Split Flow b/t Peirce Island and Pease)
 - Pease: portion of sanitary flow
 - Peirce Island: upgrade to secondary, remainder of sanitary flow and excess wet weather flow
- Scenario 3 (Full Peirce Island Upgrade)
 - Pease: unchanged
 - Peirce Island: upgrade to secondary, sanitary flow and excess wet weather flow

David Allen, Deputy Director of Public Works stated there has been new information since December with regard to regulatory requirements, updated opinion of costs and value engineering.

David Allen, Deputy Director of Public Works said recent regulatory discussions have centered on regulators may not allow increased flow from Pease Waste Water Treatment Facility outfall location, anti-degradation and nutrient limits.

Councilor Smith stated the Council was previously told that in cold weather we cannot get down to those numbers. He asked has that been taken into consideration. Peter Rice said there is on-going conversation and it appears they understand us. Assistant Mayor Novelline Clayburgh asked if this would mean that Pease would no longer be a possibility. Peter Rice said Pease would be very difficult to permit.

David Allen, Deputy Director of Public Works said the current opinion of costs would be to increase capital costs from \$84 million for Pease Option to \$137 million. He said the stricter nutrients limits may increase capital costs by 30% with additional operational and maintenance costs of \$3 million to \$5 million. He stated the impact of this new information would mean regulatory acceptance of the Pease alternative is uncertain. He said the Pease alternative will require outfall relocation and reopens consideration of other alternatives. He said in light of this new information further analysis will be needed. He said they will have to revisit the design flow capacity, press for regulatory determination, revisit a flow splitting alternative, evaluate phased implementation and revisit Peirce Island options.

Councilor Coviello asked if bonding was done over a 20 year period. City Manager Bohenko stated typically 20 years is the bonding period.

David Allen, Deputy Director of Public Works stated their value engineering goals would be to identify ways to reduce the cost of implementation and still meet permit requirements, review basis of design, review alternative selection process, review costs for alternatives developed by the Master Plan team and develop a list of cost saving measures. He concluded that the next steps are to submit a revised TM 5 to the EPA and NHDES for approval on March 1, 2010 and complete a Value Engineering and Cost Analysis.

Questions and Discussion

Councilor Kennedy asked if the problems are with the New Hampshire Regulatory or Federal. Peter Rice stated it is both. Councilor Kennedy asked what percentage is low. City Manager Bohenko stated the EPA is the ultimate decider on this. He said they received a call and the highest levels in Washington are looking at Portsmouth in a very aggressive way environmentally. Councilor Coviello asked how much this is going to cost the residents. City Manager Bohenko stated 2% of the median house income could be the annual payment for sewer bills. He said that could be substantial. He said we are now at an average of about \$600.00. He said we are working within a regulatory environment and we will be spreading this out over time. He said this was not started yesterday. He stated back in 1999 we started substantial improvements and have been doing alot of sewer separation every year since.

Councilor Coviello said we need to turn the conversation into real world numbers for people as soon as we can. City Manager Bohenko said these are real world numbers for the EPA. Councilor Coviello said he understands this, but what is going to be the individual resident impact. Peter Rice, City Engineer, Water/Sewer Division said they are very cognizant of the impact to the average person. He stated what they are trying to do is work within that frame work and create a flight path that is affordable for the community. City Manager Bohenko said the key item is we have to have the regulators buying it. He stated built into these administrative regulations is a section that allows for us to do an analysis of what is affordable for the community. He said we are now doing a value engineering to see how this is affordable to the community to achieve our permit. He said will the EPA and DES approve this – we have no idea. He said we are under orders and we have to make progress and get the City under compliance.

Councilor Smith asked if we need to do any upgrades at the Pease Plant. David Allen, Deputy Director of Public Works said just the normal maintenance. Peter Rice, City Engineer Water/Sewer Division said the goal is to try not to include maintenance items because when we do that the timing is taken out of our hands.

Councilor Kennedy said she would like to see a rough estimate on the cost to pipe down the river. David Allen asked if she meant to move everything to Pease. City Manager Bohenko said we can take a look at that.

VIII. Report Back re: Continuing Care Retirement Community (CCRC)

City Manager Bohenko turned the meeting over to Rick Taintor for his presentation.

Rick Taintor, Planning Director stated the three things we are looking at are the Continuing Care Retirement Community ordinance, the Borthwick-Islington site and the Borthwick Village project. He said the Continuing Care Retirement Community issues that came out of the January 2009 City Council meeting were the Fiscal Impact (tax receipts minus service costs), traffic and safety issues, affordability and resident preferences. He stated the issues with the Borthwick Village project from the proponent's list of November 2007 were:

- Unit affordability and availability of units to Portsmouth residents
- Provisions for long term care services and financial alternatives
- Terms and timing of buying back of units by the developer/operator
- Further explanation of the development model and available on-site services
- Demographic effects on the City of Portsmouth
- Reasonable distribution of unit types to provide multi-unit options and not just high-end units
- Limitation of projects being located in other OR zones
- Resolution of developer credibility issues

He reviewed the Continuing Care Retirement Community - Office comparisons in reference to zoning. He stated the minimum lot area required for office use would be three acres whereas the Continuing Care Retirement Community would require five acres. He said the minimum setback for office use would be 50-75 feet and the Continuing Care Retirement Community would use 50-100 feet. He stated 30% of the total office area would be the minimum open

space versus 40% of developable area for the Continuing Care Retirement Community. He further stated there would be 30% maximum coverage with office area and a maximum height of 60 feet. He stated the Continuing Care Retirement Community maximum height would be 50 feet with no regulated maximum coverage.

Mr. Taintor stated he did a comparison build-out to see what could actually fit on the site. He said for the Continuing Care Retirement Community he came up with 423 units and 380 parking spaces. He said for office use he came up with 484,000 square feet of office space and 1937 parking spaces. Mr. Taintor said the project assumption lists the Continuing Care Retirement Community at 410 units and 441 parking spaces and office use projections are 175,000 square feet office space with 700 parking spaces.

Mr. Taintor reviewed the Continuing Care Retirement Community Site Plan with the Office Site Plan with comparisons in fiscal impacts, tax revenues, Municipal costs, traffic – safety, affordability, resident preferences and enforcing compliance.

Questions and Discussion

Mayor Ferrini asked if it is unconstitutional to zone land and say that a non-profit may not hold title. City Attorney Sullivan stated he felt it would be. Rosann Maurice-Lentz explained the assessment laws in New Hampshire to the Council.

Councilor Kennedy stated she would like to see the developers sit down with the committee members and come up with some solutions to some of these problems. City Manager Bohenko said we still have some more information to gather and get to the Council. He said today's meeting was designed to give the Council overall information on what they wanted to do to proceed. He said he is certain there will be more meetings on this matter. Councilor Kennedy said she feels that the idea of two access points has to be part of zoning. She asked how many properties that fit this category have not been built on. Rick Taintor said he has mapped it out and came up with four.

Councilor Dwyer stated typically there are long waiting lists in these types of facilities. She said one reason we need to consider to give preference to our residents is because these people come here when they are 70 or 80 in their retirement and they want to live here. She said the idea of waiting for a rotating waiting list happens a lot. She said without having to qualify, you could get preference on the waiting list. She said you could achieve the desire to make sure we are not just building something for people from outside of Portsmouth. Assistant Mayor Novelline Clayburgh said she doesn't want to forget the Portsmouth residents who have lived here their whole lives and want to continue to live here. She said some of these people don't have a lot of money we all saw that when we were campaigning. She said she just wants to make a small portion of these Continuing Care Retirement Communities available to resident who don't have a lot of money, but want to stay in Portsmouth for the rest of their lives.

Councilor Smith stated he does not want another entrance on Islington Street and if there is one he wants it to be for emergency purposes only.

IX. Site of Parking Garage for Downtown

Steve Parkinson, Director of Public Works reviewed the plans for the Worth Parking lot. He stated a 5 level garage was recommended. He stated it would be trapezoid shaped with a one way double thread drive. He said there would be approximately 440 spaces with pedestrian connections to the Shaines McEachern Building and Worth Block. He said estimated cost would be \$25,000 per space or \$12 million.

Steve Parkinson, Director of Public Works reviewed the plans for the Court Parking lot. He said the deck would have approximately 75 spaces. He said estimated cost of the Court Parking lot would be \$15,000 per space or \$600,000 to \$1.2 million.

Questions and Discussion

Councilor Dwyer asked if there would be only one booth or how would that work. Steve Parkinson stated technology has changed since we last built our original garage. He said we could go on a foot print system where people would pay before they go back to their car, their ticket would get validated, such as an airport system. He stated they were intending to go to a system like that to reduce our cost split. He said there is also the system such as we have at the High Hanover garage. Councilor Dwyer said she has been asked if it was possible to have retail or shops on the first floor so it is not just cars in the garage. She said she has heard that if you have other uses it would increase the cost. She asked if this applies if you do something on the first floor. Steve Parkinson said that was one of the scenarios that was looked at, but if you start putting retail space on the end you will be losing area you need to get your circulation poles around.

Councilor Smith asked if we have resolved the air rights issue. City Manager Bohenko stated it is resolved. Councilor Lister asked if there are any problems with the Vaughan Mall. Steve Parkinson said there is discussion for improvements to that area.

Assistant Mayor Novelline Clayburgh asked if the City has enough money to build a parking garage on Parrot Avenue. City Manager Bohenko said he can't answer that question, but there is the opportunity in FY10, due to that being the last debt payment for the High Hanover Parking Garage. He said the Council has the opportunity to feed that number in as a line item to have it there. He said it would average about \$800,000.00 a year over 20 years.

Councilor Coviello said in the area of parking he feels the Council really needs to pay attention to the parking consultants. He said we need to stop advertising free parking over on Parrott Avenue and a lot of the problems might go away. He said we really need to have parking consultants study this as they know the psychology of this and they can get us through all these problems.

Mayor Ferrini requested we have another retreat after the budget sessions in order to take up the items we still have on the agenda. This was accepted by all the Councilors and staff in attendance.

X. Adjournment

At 5:00 p.m., Mayor Ferrini closed the meeting.

Respectfully submitted by:

Dianne M. Kirby
Deputy City Clerk I