

CITY COUNCIL WORK SESSION

FEDERAL MCINTYRE BUILDING

MUNICIPAL COMPLEX
DATE: TUESDAY, FEBRUARY 18, 2014

PORTSMOUTH, NH
TIME: 6:00PM [or thereafter]

City Council Present: Mayor Lister, Assistant Mayor Splaine, Councilors Shaheen, Kennedy, Lown, Morgan, Spear and Thorsen (arrived at 6:50 p.m.)

City Council Absent: Councilor Dwyer

Staff Present: John P. Bohenko, City Manager; Nancy Carmer, Economic Development Program Manager; Dave Allen, Deputy City Manager; Robert P. Sullivan, City Attorney; and Kelli L. Barnaby, City Clerk

At 6:07 p.m., Mayor Lister called the Work Session to order.

- I. Introduction of representatives of the offices of Senators Shaheen and Ayotte, and Representative Carol Shea-Porter, General Services Administration (GSA), City Councilors and Staff

City Manager Bohenko asked the individuals from GSA joining us via conference call to introduce themselves.

Robert Zarnetske, GSA Regional Administrator; Glenn Rotondo, GSA Regional Commissioner; Gianne Conrad, GSA Chief Architect for New England Region; and Patrick Sclafani, GSA Congressional Intergovernmental Affairs

Sarah Holmes, Senator Shaheen's Office; Bud Fitch, Senator Ayotte's Office; Josh Denton, Congresswoman Porter's Office.

- II. Federal McIntyre Building history and 2004 federal legislation

City Manager Bohenko reviewed the history on the McIntyre Building from 2004-2014. He said in January 2004 Public Law 108-109 Section 408 regarding funds for relocation of federal building to Pease International Tradeport and conveyance of McIntyre Building to City of Portsmouth was passed. In October 2004 President Bush's appropriated \$11,149,000.00 originally planned for renovations to the McIntyre Building and appropriated an additional \$13.7 million in funds for relocation of federal building to Pease International Tradeport. Total funding of \$24.8 million dollars. He moved forward and stated in 2007-2008 GSA architectural and construction design work for new building at Pease International Tradeport was done and we continued to keep status updates and communications with the GSA. City Manager Bohenko said in 2010 a redesign building was put forth for the project. In 2013 City Manager Bohenko said he heard from the GSA that the funding was eliminated from the President's budget for the relocation of federal building to Pease International Tradeport. City Manager Bohenko said since 2004-2013 we felt and worked in good faith with GSA and expected the transfer of the building. He asked the Regional Administrator to talk about what changed and why now to abandon the plan from 2004-2013.

III. Current status of conveyance (of land/building) to City

Robert Zarnetske stated that this was a tough project. The project was not typical and we followed a design process. This project did not have the GSA look at the project to see if we had a need for the building. We were given money to build a new building and we were told in another piece of legislation if the building was constructed we would hand the building over to the City. He stated as we tried to move forward the tenants in the building diminished and we went back to Congress and said we did not need to build such a large building, we wanted to build a midsize building and Congress agreed. At final design we found we still had a building that was too big. He feels GSA was not to build a new building because we were authorized and not directed. We did not have to build and we only gave the building to the City of Portsmouth if a new building is built and the tenants are moving out. He said they are committed to get the City what it wants if it is a new parking structure.

Mayor Lister thanked everyone for being available via conference call.

Councilor Lown said we feel mistreated and betrayed by the government. He read the statute and does not read it the same way that Mr. Zarnetske interprets it. He said we would like to know what square footage of the building is being used. Councilor Lown asked why going forward do the tenants have to stay in the building. He said the GSA should find another place for the tenants. Mr. Zarnetske said he feels the legislation is clear. Councilor Lown asked if the tenants have the discretion to decide where they would move.

Councilor Shaheen said it is clear that we would need more than a 1 hour work session. She said that this is one of the most valuable pieces of land in the State. She asked how much square footage is occupied in the federal building. Glenn Rotondo said the building is currently fully occupied. She asked how much space is in the building. Mr. Rotondo said not much at all less than 5%. Councilor Shaheen asked why we don't build a smaller building at Pease. Mr. Rotondo said the cost would be much larger for the tenants. Councilor Shaheen said as a community we have spent a decade thinking the building was coming back to the City of Portsmouth. She said the law was clear and expectations and now you are pulling the rug out from under the community. She said GSA is not delivering on the process and this is the most valuable piece of land in the City. She said that we will fight to ensure that the building is transferred to the City and would not be solved by giving the City parking.

Councilor Kennedy asked when the last time the GSA was in the building. Mr. Zarnetske said 3 months ago. Councilor Kennedy said that the building feels eerie and she said it is not friendly or looks like much is going on. She asked why we are not looking at some of the facilities that are under utilized, has it been looked at or considered. She said that the passport building is underutilized and we could look at the Portsmouth Naval Shipyard. Mr. Zarnetske said the passport center is not underutilized.

IV. Federal Urban Development/Good Neighbor Program

Assistant Mayor Splaine said we should be doing this in person. He said we need to talk to each other and not at each other. He spoke to his involvement with the revitalization of the Pease Tradeport. Mr. Zarnetske said GSA can do parking and work with the community but we need a two way conversation on this issue. He said it is a federal facility and there are security concerns. He said we are stuck where we are and will not build at Pease. We could leave the City.

Gianne Conrad said the bottom half of the site is underutilized and we could work with the City.

V. Next Steps

No discussion.

VI. Questions and Answers/Discussion

Mayor Lister said we are concerned with the City. He said we need to have a face to face conversation to resolve this. He said we are not happy here. The tenants are not happy to move and do not want to move from the building. This will only happen if we work together. He said he, City Manager Bohenko and Mr. Zarnetske will have a discussion to set up another meeting to resolve this matter.

Councilor Morgan said taxpayer's money has already gone into purchasing the land at Pease and are looking forward to talking about the possibilities.

Councilor Thorsen said he traveled here in the snow from Boston to be at the meeting. He said the law was made many years ago and is not being followed.

Mr. Zarnetske said we are where we are and we cannot build a new building at Pease.

City Manager Bohenko said he would make contact with Mr. Zarnetske tomorrow for a convenient time to come to the City and discuss how we can move forward.

Mayor Lister closed the work session at 7:10 p.m.

Respectfully submitted by:

Kelli L. Barnaby, CMC/CNHMC
City Clerk