

A special meeting of the Board of Aldermen was held Thursday, February 6, 2020, at 7:05 p.m. at Nashua High School North, Room B166.

President Lori Wilshire presided; City Clerk Susan K. Lovering recorded.

Prayer was offered by City Clerk Susan K. Lovering; Alderman-at-Large Ben Clemons led in the Pledge to the Flag.

President Wilshire

Before I ask the Clerk to call the roll, just I want to thank you all. You know that the Aldermanic Chamber is undergoing some renovations and they were kind enough to allow us to use this space this evening. The thing about these microphones that are different than ours is that you have to actually turn it on when you speak. So I just wanted to make sure that was clear to everyone. Would the Clerk please call the roll?

The roll call was taken with 14 members of the Board of Aldermen present. Alderman Lopez was recorded absent.

Mayor James W. Donchess was also in attendance.

President Wilshire

Alderman Lopez was unable to join us. I will turn the meeting over to the Mayor to give us a little briefing on this Public Hearing.

Mayor Donchess

Thank you Madam President and thank you for everyone for coming tonight to talk about this Performing Arts Center Project. I see a couple of my former colleagues here, I'd like to welcome them; it's great to see them. So Madam President, I thought what I would do is take a few moments to talk about what this project is all about and how we've gotten here and then turn it over to Tim Cummings, the Director of Economic Development to give a little more detail and then I think then Deb Novotne who has been involved with the fund raising is going to address you as well.

So I think the basic question that sometimes people ask is, "why are we doing this project". And the real reason is that we are trying to build and we are building a stronger, healthier economy for the City of Nashua. That is our fundamental goal and that benefits everyone. If we look at some of our neighboring Cities in New Hampshire, all having Performing Arts Center; I will focus for the moment on Keene, Manchester and Concord.

Keene is, of course, a much smaller City, a quarter of our size, 50 miles to the west. They have the advantage of the fact that they have a traditional theatre, The Colonial Theater which was removed some years ago. But they are now investing a lot more money in expanding it and enhancing it. If you look at what their objectives are for a theater, now they've been operating for some years, they put it on their web site. They say, "The Colonial Theater is the Monadnock Region's preeminent Performing Arts Center and a key component in the economic engine of downtown Keene and the surrounding area". They have again operating this theater for a number of years. They go on to say, "when all of these renovations and enhancements are completed, it will serve an additional 10,000 clients and will bring 60,000 patrons annually to downtown Keene" and they say, "greatly enhancing the cultural appeal of the Monadnock Region".

If you look in Concord, the same thing is happening. There is the Colonial Theater, an older theater that was renovated some years ago. They've had great success with that, in terms of building a stronger economy, more healthy economy for Concord. They, in the last couple of years, The Colonial Theater

acquired a smaller theater and renovated that so now they have two performance spaces because they feel that it has done so much for their downtown.

Same thing in Manchester; in Manchester there is the Palace Theater on Hanover Street. Years ago that was struggling, it was revived, renovated and a lot of work has been done it. Within the last year or so, the Palace Theater acquired yet another smaller theater in order to enhance the effect which the Palace has for the City of Manchester. In Manchester the main Palace Theater brings 140,000 people to Hanover Street every year, spending millions and millions of dollars in the downtown.

The reason that the theater like this helps to build a more healthy economy is that everything that we are doing downtown works together to enhance business activity and build a thriving downtown community which is important to the entire City. We have Paul Shea here from Great American Downtown, he's done a great job in bringing in new events, new excitement, new activities, but we are working on the riverfront, we are going to be enhancing riverfront with walkways and lighting in order to use the riverfront and the beauty of this natural asset for the benefit of everyone. Also, we have brought 500 units of downtown housing in the last few years near to Main Street or at least in the downtown area.

Now why do I say that this stronger downtown economy benefits everyone? Because if you look at the downtown, the small area, a quarter square mile, out of 30 some square miles, so less than 1% of the area of the City. If you look at the downtown area, the quarter mile that is Main Street and kind of the mill yard, that area generates \$6 million dollars of tax revenue for the entire City, yet requires very few services. I mean in that downtown area, we don't even do garage pickup, it's all commercial. Very few school children, which is the most expensive of our services and of course we have the typical, the normal Police and Fire protection. Overall there is no way we spend close to \$6 million dollars in the downtown area.

Just in the last few years, these 3 projects that have come in; Riverfront Landing, Loft 34 and the Marshall Street Apartments, once Marshall Street is fully in the tax base, those three projects will pay \$1.3 million dollars to the City, which is far more than the Performing Arts Center will ever cost in a year for all of the debt service that is involved. So if we can use all of these projects together, the Performing Arts Center, all of the activity it will generate to boost the downtown, the amount of downtown business activity raise the property values and strengthen the economy downtown. It benefits everyone because if that \$6 million dollars becomes \$9, becomes \$12 million dollars collected from that quarter square mile, it helps us pay for schools like this one, it helps us pay for Fire and Police services all across the City. And it provides a cultural experience for our citizens and for those in the region that currently does not exist.

So we are not reinventing the wheel here, this has been a highly successful strategy in communities smaller than ours. Again Concord is about half the size; Keene is a quarter of the size, very close by. The project, I think you will learn, is very well thought out. We have a very good operator and some people have been asking about sort of the progress and the changes that have occurred over time. So I thought I would take a couple minutes in addition, if you don't mind, Madam President, to kind of just trace some of that.

So this particular Performing Arts Center project; this has been looked at for decades in Nashua. But this particular project began with a feasibility study done by Duncan Webb from New York City. That occurred over a period of a couple of years. The City guided that project, it started before I was Mayor and I think it was completed right at the beginning of when I was in office. He guided in the sense that we really asked him to develop a project that would be a Performing Arts Center or study the feasibility of a Performing Arts Center that was on the second floor above retail somewhere in the downtown. He looked at the market and determined that a Performing Arts Center was financially feasible, and suggested that we should have a theater of about 500 seats. That feasibility study was completed sometime in 2017 or 16, and then the City moved forward to consider whether we should do the project. There was a vote of the Board of Aldermen that did not pass, it was very close, but it didn't pass. Then it went on the ballot and it passed the voters. Then it was authorized by the Board of Aldermen, I think 2 years ago in February of 2018.

We had bonding authorization for a project with a feasibility study but no design. In the course of that feasibility study, the idea was arrived at to do this at Alec's Shoes which was a very central, main corner in downtown. So we went about this thoughtfully, methodically, very publicly, the City formed a Steering Committee of a group of people; some members of the Board of the Aldermen, a lot of members of the community. All of their meetings have always been public and I think they are on film, I think you can see them on the City's web site or YouTube with a link. So if you really want to see everything that has happened, you can go through the entire history of the Steering Committee which has met many times over the period of the last couple of years.

The Steering Committee formed a fundraising sub-committee to try to raise money for the project because back in 2017 when this was voted on, there was a condition placed on it that the City raise outside money of \$4 million dollars. So there needed to be a fundraising committee. But the City had never raised money in that manner before. So, the fundraising committee and the steering committee recommended that we engage a professional fundraiser. So they went out with an RFP, a Request for Proposal to decide who to hire as the fundraiser. After getting I'm not sure how many proposals, because I was not directly involved in making that choice, but they engaged Betsy McNamara who had successfully conducted a number of fundraising efforts around New Hampshire but also right here in Nashua for the Soup Kitchen where they raised some millions of dollars as well as the "Y". She has done work in Concord and elsewhere in New Hampshire. She recommended, look – we need to look in more depth to see how much money we can raise so we need to do a feasibility study as to how much really can be raised realistically in Nashua.

The time was taken to thoroughly look at the issue of how much money could be raised. That feasibility study regarding the raising of the money was completed sometime in the early fall of 2018 somewhere in there. She and the feasibility suggested that the City could privately raise \$2.5 million dollars, which became the goal of the fundraising effort. In addition, the City began to explore the possibility of New Market Tax Credits, which is a Federal Program that has been used successfully around New Hampshire many times. It's highly technical but basically you get an allocation of these New Market Tax Credits and when you do, you can sell those to realize funds to contribute to a publicly oriented project.

We also got a consultant who is an expert in New Market Tax Credits and began to apply to bring in, in addition to the \$2.5 million dollars, an additional \$4 million in New Market Tax Credits. In a parallel way, the Steering Committee began to look at, "well we need to have someone design the project, we've got this concept but there's no design, we don't know at all what it would look like exactly". So in 2018 the Steering Committee, in addition to all the other things we've discussed, put out a request for proposal for architects to design a Nashua Performing Arts Center. I think about six or maybe more applied, very nationally recognized architects, New York City, Boston, people who have done this kind of work before, very skilled. So all of those people were interviewed and they all had proposals, again these are all public meetings and I think Mr. Teeboom quite a few of them, or all of them. He is very, very diligent. I think he will and everyone will agree that these were highly qualified people.

At the end of the day, the Steering Committee chose a design team lead by ICON which an architectural firm in Boston. But one thing that was very persuasive to the Steering Committee that ICON presented and others on the Steering Committee had made the same point. This thing is not going to be successful if it is on the second floor and it needs to be bigger than 500 seats. On the second floor it is not good for the audience, it is not good for the performers, it needs to be on the first floor. So the Steering Committee following the thoughts of ICON moved the performance space to the first floor. Again the architects and the design team suggested it should be 750 seats but in addition to that and a lot of this is all happening at the same time so I apologize for going back and forth in time. But at the same time these other things are occurring, the City was looking for an operator who could professionally operate a theater in a commercial way that would be successful for the City. So we wouldn't have to constantly subsidize it.

The operator who responded and who was located and ultimately engaged was Peter Lally of Spectacle Management who operates other theaters in New England; Lowell, Lexington, the Cape. He knows the business of commercial performances and performance centers very well. He made the point that you can make this work and I, Peter Lally and my company can make this work requiring no subsidy from the City

whatsoever if you make it 750 seats. So during the process of the design, that's going on, the fundraising efforts are sort of being organized. Peter Lally comes in and the Steering Committee elects to go forward with ICON with a 750 seat theater on the first floor at the Alec's location.

Now there was also a Fundraising Committee formed, not City people really of private sector actors, business people and the like who would raise money. But they, in working together with the fundraising consultant Betsy McNamara, and after doing this feasibility study said, "if you want to try to raise significant amounts of money to help the Performing Arts Center, you need an actual design. You can't just have a concept, you need to show people; if you want someone to give \$250,000.00 you've got to show people what they are contributing to, or \$250,000.00 or \$500,000.00 or \$1,000,000.00 or whatever the number is, you've got show people what they are contributing to.

After ICON was engaged, then they needed to design the Center. So they moved forward to do an actual design and there were many meetings of the Steering Committee, again Mr. Teeboom was there and I think was very up on things. That was developed and the design that you see here was not arrived at, because this whole thing as you can see is a very involved process, was not arrived at until the middle of 2019. It was only then that the fundraising actually began. That's kind of where we are. I know people have been, I get it that people are, and I think Mr. Cummings and Ms. Novotny can address this to some agree, are somewhat frustrated and as am I, that we don't know how much has been raised. But we know it is quite a bit already. And we hear from the Fundraising Committee that they want to reach a fairly high proportion of the total goal before they really announce that they have reached that and kind of go out to the public for smaller donations.

But we already see that there is quite a bit of momentum behind this. There was \$300 and some thousand for Estate Tax Credit Program; there was \$250,000.00 from Bank of America, a bank that really knows – very engaged across the country who has confidence in this community and in this project. They wouldn't put this kind of money into this if it weren't the case; \$250,000.00 last week one of our more local banks Enterprise bank announced this week \$100,000.00 contribution. Every member of the Steering Committee I believe has made a contribution and a commitment. And there are others that I am sure we will learn about before too long passes when they reach whatever level they want to reach before they announce that whatever percentage it is they are through to the goal.

The only other thing that has happened is that the New Market Tax Credit Application was not successful because the, and I know this gets kind of involved, but since you are all hear, the CDE that we were working with most carefully did not get an allocation from Treasury. So the way this things works, the way the New Market Tax Credits work is, the CDE means Community Development Entity, that's what they are called under the regulations. Federal Treasury allocates these New Market Credits to CDE's around the country. In the last round, I think a couple hundred CDE's applied to Treasury to get an allocation. We, the City of Nashua, were working most carefully with Mascoma Bank which is a Bank in the upper valley that has gotten allocations sometimes in the past. We believe that had they gotten an allocation, we would have gotten the \$4 million dollars already. But only one-third of the CDE's who applied got New Market Tax Credits and Mascoma was not one of them. So after that happened, Tim Cummings and our consultant began working other CDE's and we are kind of on their list but were not first. If other projects fell through, we might still get an allocation from that last round. The next round will come in June or July of this year, 2020; we are still working with Mascoma, we are trying to reach out to as many CDE's as we possibly can to get in line for as many CDE's as we possibly can, because that \$4 million dollars obviously would be very important.

So I think that gives you an update on what has happened but I return to the beginning. This is a project that is designed to build a healthier economy for downtown and for the entire City. I can tell you the fact that we are even thinking about or looking like we are going to do this, is already creating interest from private sector parties who are considering investing in Downtown Nashua because of this. We saw someone suddenly get interested in the old Corriveau Routhier and the Henry Hanger sites. Those were permitted for 200 and some units of housing; that will bring in hundreds of thousands of dollars.

Those haven't started but the developer is working with others who are going to build those projects out. There are other sites in Nashua where people have expressed a lot of interest and it looks like they are very serious in proceeding in part because and some people out of town, because of the Performing Arts Center.

So the whole idea here is that you invest to attract other investment to build a stronger economy and in the end, build a stronger tax base, build up tax revenues which benefit everyone. Because in the end, the downtown is an economic engine like they say in Keene, the downtown is an economic engine for the City of Nashua. So that, I think, Madam President gives you an overview. I apologize for going on as long as I did, but this project has been pending for a while. I think some of the original objectives sometimes get forgotten. I know people are interested, some people skeptical, some people highly supportive, but I wanted to give you the history and kind of report to you where I think we are right now. If anybody has questions for me and if that's permitted, I'd be glad to answer them. But I guess next we go to Mr. Cummings, is that correct?

President Wilshire

I am going to turn the meeting over to Alderman Dowd as Chair of the Budget Committee. So Alderman Dowd.

Chairman Dowd

OK, just before Mr. Cummings comes up, I just want to explain what is going to happen this evening. We are going to have a public hearing on the amendment to R-20-001 or it is an amendment to R-18-001. It is only the amendment that this public hearing is about, not the bill itself to build the Performing Arts Center. It is only to eliminate the time constraint for the funding. The Public Hearing I will be calling testimony in favor and opposition, one at a time, I will ask people to come up to speak into the microphone. I'm asking that you limit your comments to approximately 3 minutes. If everybody in this room spoke, that would be over two hours. So please, I do not want people carrying on, especially if it is not related directly to this Legislation because I will have to stop you.

Then after the Public Hearing we will close the Public Hearing and we will open the Budget Meeting. We have a few pieces of Legislation in Budget to take up including this one. The Budget Committee will send the Legislation to the Full Board of Aldermen with either a positive or a negative recommendation. The final decision on this amendment will happen next Wednesday at the Full Board of Aldermen meeting. Wednesday, I'm sorry there is a minor thing going on; hopefully nothing like Iowa. So before we get started with comments in Public Hearing, I am going to ask Director of Economic Development, Mr. Tim Cummings, to come up and please present. He is assisted quite ably by Ms. Novotny.

Tim Cummings, Director of Economic Development

Thank you Mr. Chairman, for the record, Tim Cummings, Director of Economic Development and with me this evening is the Chair of the Capital Campaign Committee, Deb Novotny. So I provided you a communication, a written Memo which I am going to read from which essentially provides a status update on the project and analysis of R-18-001. So the purpose of the Memo I wrote to you is to provide an update on the Performing Arts Center project. The Legislation strikes the two year time period for raising the \$4 million dollars.

To provide you some context relative to the timeline, the following is being provided in an effort to give you a general context for the timing necessary to get this project up and running. The fact is, there was a lot of initial upfront work necessary, creating, establishing and developing the differing entities that are the vehicles to bring this project to fruition. First the Resolution authorizing the Performing Arts Center was passed in the Winter of 2018. From there, getting the Steering Committee populated and functioning was the next order of business; this took time.

There are many stakeholders involved. From there, the Steering Committee needed to organize itself, and develop a rhythm which is vitally important for the project's success. And again, it takes time. The culture that developed is one where the Committee worked and acts in a very collaborative and consensus building manner.

The Steering Committee developed three working groups and focused on operations, design and fund raising. These were working groups that met throughout the spring and summer of 2018 and beyond. Simultaneously, there was a public procurement process to solicit an architecture and engineering firm, along with an operator and construction manager. This all occurred in the latter half of 2018. I would be remiss not to point out that the Performing Arts Center tour took place, which was in the summer of 2018 as well and the tour was a great team building exercise and helped to educate and give a frame of reference for the project.

We did not engage the architect and engineers and construction manager until the winter of 2018, early of 2019 as mentioned earlier by the Mayor. And please remember we had the untimely passing of the Chair of the Performing Arts Center Steering Committee, President Brian McCarthy which understandably delayed some of the Committee business as we needed to reorganize ourselves. Simultaneous to all that, the Steering Committee's Working Group focused on fundraising while organizing and beginning to tackle the challenge of raising private money for the Performing Arts Center. A public procurement process occurred in the spring of 2018 to solicit a fundraising consultant as mentioned earlier this evening. Once the selection was made to hire Full Circle Consulting, which is the company that Betsy McNamara works for, a fundraising assessment and feasibility study began where 30ish interviews over a four to eight week period occurred during the summer of 2018. This led to the recommendation and development of a capital campaign plan. One of the more pressing items that developed was the need to create and organize a capital campaign committee, recruiting and forming a capital campaign committee occurred throughout the entire fall of 2018.

The first Capital Campaign Committee meeting occurred in December of 2018. However, just because the Capital Campaign Committee was formed, does not mean solicitation started. Once the recruitment period occurred an onboarding and educational process ensued. A lot of the volunteers acknowledged that this was the first capital campaign and an educational effort transpired during the better part of the winter of 2019 and into early spring. Ironically, as the capital campaign committee was being formed, the design process was just starting to get underway in January of 2019. The two efforts needed to go hand in hand, because you cannot realistically solicit donations until a concrete design is achieved. Being the very high profile public nature of this project, a robust committee process and public engagement piece occurred on the design, which meant that the designs were not recommended by the Performing Arts Center Steering Committee until June/July of 2019 or approved by the Board of Aldermen Infrastructure Committee until August of 2019.

Conversely the fund raising efforts did not begin in earnest until the end of the summer of 2019. However, the capital campaign committee did not sit idle during the spring and summer, there were a lot of "soft meetings" taking place to develop leads. Additionally, during the preparation and organizational phase in the spring of 2019, there was an agreement reached with City Arts of Nashua to be the fiscal agent as a precursor to the 501(C)3 entity that was actually formed in 2019 and all of that took some time. It was during the spring of 2019 also that an application for a CDF Tax Credit occurred and I am pleased to state the application was successful and the project was awarded tax credits in the summer of 2019. It was a great way to jumpstart the fundraising efforts. Fundraising efforts did not start in earnest until the end and summer of fall of 2019. I want to give you all that recap to hopefully show and demonstrate that a lot of work has transpired over the last couple of years, and although it may not seem it and I didn't even realize it until I wrote this narrative down, we have accomplished a lot of tasks in a very small amount of time. So Mr. Chair, if I could I'd like to turn it over now to the Chair of the Capital Campaign Committee to say a few words.

Deborah Novotny, Capital Campaign Committee

Thank you. What have we been doing again since December? We were in the training and preparation stage, we hit the ground running in August of 2019. Today we have secured 30 pledges by meeting face to face with people in businesses, often more than once. Remember, we are asking in a capital campaign for major and lead gifts. We are asking people to give of their assets, not their income. So these conversations do take time, but we have secured 30 as of last week. We are following up with several others who are in different phases of their decision process. We have several initial meetings with people coming up over the next two weeks.

We also have over 75 lead and top prospects identified that we need to make contact with. Actually that just scratches the surface. The campaign is going really well; we have received positive feedback from our community as well as other communities surrounding us. As Committee members, most of whom either have a fulltime job or run their own business, we have been doing and will continue to do all the things that make a Capital Campaign successful and have seen and are seeing the fruits of our hard work. Most Capital Campaigns take 3 to 5 years and we've done really well in the past 7 months. We are ahead of all of our internal milestones that we have set for ourselves and we will continue to remain on course. If a deadline is required, we do request an additional two years.

Mr. Cummings

Mr. Chair, I'll just close by saying it was never the intention for when the fundraising timeline was originally discussed during the feasibility study for it to be memorialized, it was originally discussed as a plan or a guide post which we should all recognize that some of the best laid plans need to change and evolve. If the Committee wasn't working or gaining the momentum, I could understand a concern being raised, but this couldn't be the furthest from the reality of the situation. The Capital Campaign Committee is working tirelessly and they are just appealing for some more time. It is my recommendation that this body approve R-18-001 and allow for more time for this project and the fundraising to occur.

Lastly, I just want to note that we have also an overall project status update one-pager for you. I'm not going to go into detail on that but I do want to call out a couple particular items, particularly because there are some audience members here who have asked me to make sure I am very clear and transparent on some of the particular numbers with this project. So a cost estimate was recently done and it came it at \$23.8 million dollars; that's what the project is looking at right now. The cost estimate that was recently done is showing it to be at \$23.8 million dollars. We are striving to reduce that down to something in the order of \$21 to \$22 million dollars, which is the targeted goal.

We have three main sources identified for funding this project; \$15.5 million dollars of City general obligation bonds; we have identified New Market Tax Credits at \$4.2 million dollars and then local private fundraising capital at \$2.5 million. That raises us, if all in, at \$22.2 million dollars. So the overall financial plan would be to use 70% of the project funding coming from the general obligation bond; 20ish% from the New Market Tax Credits and then 10% from the Capital Campaign Committee. We are working towards that 20% as a New Market Tax Credit. We are working towards that 10% as the local philanthropic charitable capital to be contributed to the project. That's 30% of the total project funding. We have confidence in the 10% that's coming together, if you are willing to give us an extension of the timeline and we are working aggressively for that other 20%. That other 20% through the New Market Tax Credit is beyond our control, and it is something that we won't really learn about until early summer, June or July timeframe. So I just want to make sure that everyone understands that. So there is a possibility at some point that we may need to revisit how to close that 20% gap in the funding plan once we hear from the New Market Tax Credit folks as to where things stand come early summer.

So I just want to make sure that was also very clearly understood again for folks. With that being said, Mr. Chair, I hope this evening this body feels as though they can support the Resolution and votes in favor of the Legislation before you. Thank you.

Chairman Dowd

Ok as is the case, all public hearings for the people that presented, are there any questions from any of the Aldermen before we proceed to public input?

Alderman Jette

People are concerned about the status of the project. I understand what you have said about the quiet phase, I think you called it, about the fundraising and that the fundraising professional that we have engaged has been advising you to proceed in this way with this quiet phase. The problem, as I've told you, is that when we don't say how much money we've got, people are assuming you don't have any. The \$250,000.00 that Bank of America announced last week I think it was, was great news. But that's the first we've heard about any money. Now the Mayor has said that Enterprise has added \$100,000.00 to that. What can you tell us to kind of give us comfort that when you say "things are going well" it would be great to know how well they are going and how much money you have been able to raise so far.

Ms. Novotny

Thank you for the question Alderman Jette. We have 30 lead-in major donor gifts at this time. Can you hear me now? We have 30 lead-in major gifts right now and we have about 20 on the table that we are waiting for their final commitment on. As the Mayor said, we had a \$250 public announcement from Bank of America, that was their choice to publicly announce their gift. We, prior to their gift, we had already sold the tax credits and Enterprise Bank was already in before Bank of America made their gift as were several other businesses and individuals. So you did the math, I know you all can do the math, so you know what we have a minimum of and I can tell you we have more than that, obviously. We are following a proven capital campaign strategy.

The capital campaign strategy is to raise 70% of our goal by having conversations, face to face, with businesses and individuals. We have a core committee of eight people who all work either at a full time job or run a business. If we were to go public at this time, we don't have the resources and we are not ready. We really want to have 70% of the goal before we announce it.

Chairman Dowd

All set Alderman Jette?

Alderman Jette

No. If I could, so when you say "do the math", I know Bank of America has pledged \$250,000.00. The State Tax credit from the community development finance authority you know the Mayor mentioned \$300 hundred and something. But actually the amount that we are getting from that is \$294,000.00, correct? OK. And then Enterprise is \$100,000.00? So I add up \$644,000.00 right now.

Ms. Novotny

We have 30 pledges.

Alderman Jette

But you can't say how much that equals?

Ms. Novotny

No because it will, again, there's a reason that we are in this quiet phase, it's because of the conversations that we are having. And once we talk about the dollar amount, we are not longer in the quiet phase, we are in the public phase. And we have a lot more conversations to be had in the quiet phase. We all know that our goal is \$2.5. We also know that there are New Market Tax Credits that we are not sure about. So we are committed to raising more than \$2.5. We are really trying to get as close as we can to the \$2.5 before we go into the public phase. Part of the public phase is to sell the seats in the auditorium and the Performing Arts Center; 750 seats for \$1,000.00 each. That would be part of the public campaign so our goal is to raise more than \$2.5; we just want to be as close to the \$2.5 after having these conversations that are already scheduled before we go into that public phase. We do have several members of the community who have said they were going to help us in the public phase. So planning the events, the social media, admin support, they are ready and their marketing support, they are really getting those things in place now to be ready to go into the public phase. We anticipate that they will have an event where they will invite all of our donors who are already on-board and recognize them, each of them who want to be recognized and then announce the total. I think that momentum of announcing the total at that type of event is going to be the most successful way to raise more money for the Performing Arts Center.

Chairman Dowd

There are several people who want to ask questions, have you got another question?

Alderman Jette

I do have more questions. So is it reasonable that these announcements could occur by the summer?

Ms. Novotny

We hope so. You know it is February and we have a really good pipeline. One of the things that we were talking about today, because I thought this may be a question, is of all of the people that you've talked to and had conversations with, has anyone that you asked said, "no". And we don't have anyone that has said "no". We have people that have pledged, we have people who said they need to, again, we are asking not to do 10% of their income, we are asking them to go into their CD's and savings account and take money out of their assets to give it to us. That's a conversation that they not only need to have with us to really understand the project and what is going to mean to Nashua, but then they need to go and talk to their families about it.

So in respect to them, we are giving them the time because we know any capital campaign, you don't ask someone and they write you a check for \$1 million dollars. I wish they would, if anyone in the room wants to, that would be great but that isn't what happens. It is conversations, multiple conversations with people to show them the value of what the Performing Arts Center will bring. And that's what we are doing in face to face meetings with these donors.

Alderman Jette

And if I could, one last question for Ms. Novotny, the State Tax Credits of \$294 is that part of your \$2.5 or is your \$2.5? That's part of it? OK. Thank you.

Ms. Novotny

And I will tell you a little bit as far as those tax credits go, people who purchased those tax credits, are making a decision to have money directed to the State of New Hampshire be applied to this project. And they specifically choose this project. So it does show, the fact that we have already sold all of the tax credits, does show that we have a lot of support in the community as well as from Bank of America, as well as from many of the local banks, as well as from many of the downtown businesses.

We have a lot of support. Everyone we are talking to is really positive about the Performing Arts Center and is excited for the doors to open.

Alderman Clemons

Thank you I wish Corporation Counsel was here for my question but perhaps the Mayor or somebody else can indulge us. I know it is being referred to as a quiet phase, but what I struggle with is the fact that we have the Right to Know Law and people want to know what is being done here. Has this been vetted against the Right to Know Law as far as us being or the City being involved with something where we are not disclosing what is going on. Has that been vetted?

Chairman Dowd

I'm seeing Mr. Cummings shaking his head yes.

Mr. Cummings

Yes thank you Mr. Chairman, just very quickly, it has been vetted, and the reason why it was structured the way it was is that the money does not actually come to the City of Nashua. It is coming to a separate legal entity, originally as a fiscal agent and now as a separate 501(C)3 non-profit and therefore it is not subject to any of the Right to Know disclosures.

Chairman Dowd

Follow up Alderman Clemons.

Alderman Clemons

Yes only to say I appreciate that explanation. I think that will help some folks in the community understand why there is a separation there with how we, you know, because obviously people want to know. They want to know how successful this is and I think there is a lot of curiosity there. But I think they also have the legal question of how can the City be involved with something like this without disclosing certain things. So that fact that it has been vetted by our Corporation Counsel with, quite frankly, reasonable explanation, I think is important for the public to know and understand. So that was my question and I'll ask further questions at the Budget Meeting so that folks can have their say here tonight.

Ms. Novotny

The non-profit organization that was started is really a benefit to our fundraising. If we were going out to have these conversations with people and then said, "Oh by the way, it's subject by the Right to Know and we need to be able to give your name and the dollar amount that you gave and make it public" it would impact our ability to raise funds.

Alderwoman Lu

Thank you. Ms. Novotny if I was to be on your list of 75 donors and I wanted to make a major gift. What is the minimum that I should be prepared to donate?

Ms. Novotny

When we are brining out the naming opportunities and talking to people about major in lead gifts, we are looking at \$25,000.00 and more. Some people that we are going out to obviously are coming in at, some people, \$5,000.00 or \$15,000.00 but really we are leading them at the \$25,000.00.

Chairman Dowd

Any other questions? Ok I am going to open it up to public comment. Again this public hearing is on amendment to R-18-002, "eliminating the timing requirement for the public funds". So please limit all your comments to that one subject and limit your comments to approximately 3 minutes. I'll now take testimony in favor? If you want to speak in favor, please come up to the microphone, state your name and address for the record.

PUBLIC HEARING

R-20-001 - SECOND AMENDMENT TO R-18-001 "AUTHORIZING THE MAYOR AND CITY TREASURER TO ISSUE BONDS NOT TO EXCEED THE AMOUNT OF FIFTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$15,500,000) FOR THE PERFORMING ARTS CENTER LOCATED AT 201 MAIN STREET"

TESTIMONY IN FAVOR

Latha Mangipudi I reside at 20 Salmon Brook Drive and I have resided in Nashua for over 30 years. I am in support of this extension. Having served on several non-profit advisory boards such as Mission and over where we had to raise \$5 million dollars over 3 years and then currently serving on the NH Charitable Foundation Regional Board. I'm not raising funds there, but you know, having understood what the process is, it is very important to keep the initial phase of capital campaign on the stealth mode. Because there is a lot of hesitation on major donors to make their name and contribution public too early. Having said that, I keep buying Mass Million, Mega Millions, one of these days I'll hit the 3 figure and I will make a check donation. But this is a typical, I have gone to several of the trainings for fundraising on several of the boards.

This is one of the major things that they talk to you about, initial phases. You have to keep it especially going for the big donors. It's you know on a pyramid you come from the top down, the large donors, half a million, quarter of a million, hundred thousand, then on the base of the pyramid is the large base. So the human behavior is when you ask for a donation, they ask what's the minimum. And human nature is to go for the lowest denomination. So in order to work on that, and this is a pride for our community, this is such a big pride, and we've talked about it just like the rail project, we have talked about it for several decades or you know this in particular, this is a reality. So let's not botch it and let's not shoot ourselves in the foot. This is the due diligence that I am so excited to be part, I'm not part of the team, full disclosure, I'm not fundraising, but to talk about this, to talk outside of my community here in Nashua, to say we are getting a Performing Arts Center. Would you like to come and participate? Would you like to give a donation? And you're right, people are looking at it. So I would really encourage the elected officials who represent my voice, to vote in favor of this extension and keep this project moving and hope it becomes a reality. Thank you.

Mary Lou Blaisdell I live at 32 Webster Street in Nashua. I have spoken to you several times in favor of this project. And I am a downtown business owner and I also serve on the Steering Committee and on the Capital Campaign Committee. I think Deb, Rich, Phil and all of us have more meals with each other than we do with our families now because we are meeting so often. We are working very hard to move this program forward. We have a vast amount of positive energy going into this program, through the Steering Committee and through the people we are sitting down and talking to and asking for donations. We will meet our goal, it's very strong, it's moving in a very positive manner and it is very exciting. This project isn't just a project for downtown, it's a project for the City of Nashua. We have presented to you on numerous times how an art center helps an economy within a City. Everything that you read, every art program that you read about that comes into a City, proves positive economic results for a City. And it will do that for ours. Not only am I volunteering my time for this program, this Performing Arts Center, I've made a pledge, my husband and I have made a substantial pledge personally and we have through our business to. So both professionally and personally, we support this 100%.

Elaine Oulundsen I live on Raymond Street in Nashua. I've lived in Nashua for 35 years. I am on the Board of Directors for the Nashua International Sculpture Symposium. I am very much in favor of this resolution. For me, the Performing Arts Center is an investment in Nashua's future. Nashua will benefit greatly from the completion of the Performing Arts Center. I have many, many friends who live in Massachusetts and they tell me all the time, they are asking me all the time, "how is it going". They want to come here to partake in this Performing Arts Center when it is completed.

People want to live in and visit a vibrant City. We are so fortunate to have so many family run restaurants and shops downtown. Many are second and third generation small businesses and they are Main Street's heart and soul. They are the heart and soul of Main Street. Currently Nashua, everybody knows this, but it bears repeating, currently Nashua holds the award for NH's most creative City/Community, most creative community. We have become a destination for the arts and continuing to build on our foundation of great music, murals, sculptures and our many great American Downtown activities and festivals, it just makes sense to continue to build on that by having a Performing Arts Center. Completion of the Performing Arts Center would likely create 120 jobs and bring approximately 70,000 people to downtown. There's a nonprofit organization known as American's for the Arts which focuses on advancing the arts in the United States. I would recommend folks check out their web site. Their web site explains how investing in the arts has a positive economic return. Go to Americansforthearts.com. So let's courageously keep moving forward and create the Performing Arts Center. Many years from now generations to come will be grateful. Thank you.

Marc Thayer Hi everybody, my name is Marc Thayer, I live at 1 Clock Tower Place, it's downtown if you haven't heard of it. And I am the Executive Director of Symphony New Hampshire. The Symphony was founded here in 1923 and until very recently it was known as the Nashua Symphony Orchestra. We are excited about coming to our 100th Anniversary in three years. And I am very happy to speak now in favor of this amendment and this building project which is very important to us and to our future and the future of the City.

We just hired a new music director. Roger Collier, who will be moving here with his wife from California. He is also very excited about being involved with the Performing Arts Center. We know this Arts Center will be a valuable asset in downtown Nashua and will generate increased business for our restaurants, hotels and other businesses on Main Street. We know our favorite restaurants on Main Street are packed before and after our concerts. Sometimes I can't get in. The Symphony will continue to need the Keefe Auditorium for its size and seating capacity, but we also look forward to using the new PAC for smaller orchestra concerts, educational programs and new types of concerts that you might not expect from an orchestra. We are seeing, in the past few years, more and more people coming to our concerts from Billerica, and Lowell and other small towns around here that I can't pronounce. We have audience members coming from Exeter, Lebanon and Franconia and Jaffrey, believe it or not. They are becoming donors, they are bringing revenue to Nashua; that's what the arts do. They are bringing people and money here.

The PAC will increase pedestrian traffic on Main Street which will help security at night and make Main Street a more desirable place for new businesses to locate. We believe we are stronger together; more concerts happening here in Nashua means more people coming here and more awareness and visibility for all of us. This tells people that you don't have to go to Boston for quality arts and concerts. We also know we fail together, with less to do here, our audiences and visitors will look elsewhere. There is a lot of competition for entertainment on Saturday nights and we want people coming to Nashua for dinner and a show. I have been involved in various building projects and capital campaigns elsewhere and this is a very normal process with the quiet phase and if you blow that and screw it up and go public too soon, you lose all of those major pledges, that's a very common practice and it works everywhere.

On a personal note, I moved here four years for this job. I don't have family here, I didn't go to school here, I have no nostalgic connections to Nashua or New Hampshire. I am one of those statistics that you are talking about trying to get to move here to work. I enjoy living downtown, we enjoy the street festivals, the farmer's market, the live music up and down Main Street. When this project was first voted down by the former Board of Aldermen it really made me consider whether or not I wanted to live here. You need this project, City's don't stay static, they improve or they decline. You've made so much progress in the past few years, please don't start to go backwards now. Thank you.

Lou Jeris Good evening everyone, Lou Jeris here at from Haines Street in Nashua. Much like Jim had said earlier, this project will be another lynch pin in bringing more development to downtown. You know things are changing, people are moving to more urban centers now. In order for this to happen and to happen successfully like the previous speaker said, this amendment needs to happen so we can keep the fundraising momentum going. And blowing the cover is probably not a wise thing. Again, you are seeing some changes, it is going to make some people uncomfortable, some of these votes need a little bit more courage than other votes. You are going to have some people talk later, but it's going to be the usual, the throwing of the wet blanket over – you know – why are we doing this? Why don't we sell it? We don't understand, you know, it's too risky. Again, there's much of an upside to this and the Committee is doing a good job. We'd like to see it happen faster, so we are this stage now where we have to make adjustments in order to have this effort move forward and to see it come to fruition. Thank you.

Fred Teeboom I live at 24 Cheyenne Drive and I am in favor of this particular amendment. It's the second amendment and what this amendment does is it eliminates the two year restriction of raising \$4 million dollars. I thought when it initially came out and I think Clemons had something to do it with it wasn't really based on fact. It just came out on a moments notice, there were no facts behind it. So eliminating these two years makes a lot of sense. On the other hand I have concerns and I'll come back on the negative side for the concerns I have. But just on this question, I have two questions, this being a public hearing. First of all to the fundraiser, the question is when an organization makes a pledge, as they do in this quiet phase, is that pledge cash? Can they renege on the pledge, can they put conditions on the pledge, like you've got to raise \$1 million before my pledge comes through. Exactly what are the conditions of these pledges that you talk about?

Chairman Dowd

Ms. Novotny would you like to answer that?

Ms. Novotny

I would, thank you Mr. Teeboom. Our pledge, if you are making you can write a check up front, you can pledge over 5 years, we will bill you every year. As far as any conditions on it, if the Performing Arts Center, so all of these funds are being held strictly for the Performing Arts Center, and if it doesn't come to fruition, the pledgers will get their money back and that's the only way.

Mr. Teeboom OK I know a lot about fundraising, I helped build the Holocaust Memorial, and I raised well over half a million dollars. There were two lots of donors, I was one and somebody else came up with over \$25,000.00 as well. The rest was all small money, many people here donated, I know Mayor Donchess has a brick. So I know a lot about fund raising. But the pledge does not necessarily mean cash in the bank. So what happens when you reach your \$2 million dollars and find out people renege and they don't produce? Do they sign an oath? They sign an affirmation? Exactly how do you collect on the pledge that isn't making good, that is my question.

Ms. Novotny

All of the people who are pledging donations are signing an agreement.

Mr. Teeboom The sign an agreement? That's legally binding?

Ms. Novotny

Well it's an agreement, yes. Could someone renege? But typically when you are making a donation to a nonprofit for something most people it doesn't happen.

Mr. Teeboom Alright, final question.

Ms. Novotny

For me?

Mr. Teeboom No this is for whoever can answer the question, probably Tim. How much money thus far did the City spend on fundraising?

Mr. Cummings

Yes thank you Mr. Chair, give me one second I am quickly, this is going to be an approximate number. I am going to say, approximately \$50,000.00 and that may go up a little bit more to something like \$60,000.00.

Mr. Teeboom That's both with the New Market Tax Credit Consultant? OK how much more did we spend with the New Market Tax Credit Consultant?

Mr. Cummings

Mr. Chair if I may the spending of the New Market Tax Credit Consultant to date is approximately \$25,000.00, it's a phased contract. We are in Phase I, that's again \$25,000.00-ish if we go into Phase II it is an additional, again it is subject to us receiving the New Market Tax Credit but that would be an additional, I'm going to say \$40,000.00, \$35,000.00 – for that second phase. I just want to be clear, the funding for these two expenses, comes from the Downtown Improvement Committee, where they elected to put some of their resources towards this project.

Mr. Teeboom So the money does not come out of the proceeds, it doesn't come out of the \$15.5 million?

Mr. Cummings

Correct.

Mr. Teeboom OK thank you.

Philip Scotsas Good evening everyone, Phiip Scotsas, 14 Ashland Street. This is always the most intimidating group to speak in front of. I don't know why, but I guess I am pretty passionate about this and you can probably guess why. Again, not to be redundant but I am a third generation business owner in downtown Nashua and I've seen a lot of things come and go. I've been involved in a lot of things. I have to say that I am really proud to be involved in this project. It has been a project that has been thoroughly, thoroughly thought out. The studies that have been done, the people that have been involved have really been top notch. When you see what this building and this Performing Arts Center will bring to, I get a little crazy when people keep concentrating on just downtown. I keep saying what it will bring to Nashua; I think it is pretty amazing. And I hope that all of my friends on the Board understand that my feelings are not just because I am downtown, but because I feel that it is the right thing, and the right direction for our City to do.

I am also on the Capital Campaign Committee and I have to say that the enthusiasm that we have seen from people to give money has been overwhelming. It's not an easy task as you can imagine, people have to really think this through, especially with these major gifts. But the response has been really awesome. I know that I can personally tell you that my family has dug deep and is going to make a major donation as well as a lot of my fellow business people downtown and friends and business people that I know around the City. The other thing I want to tell everybody here is when I speak about the Performing Arts Center, I always ask people's opinion. And I have to say that it is positive, it is a resounding positive response that I get from people that live or play or shop in Nashua. A lot of people that don't even live in Nashua think it's just a really wonderful thing and envy it for their towns.

So I hope that you will all think long and hard on this, I know it seems like it is being secretive and you've all heard the whole concept. This wonderful consultant that we've hired is a pretty smart cookie and I respect her opinion, I really respect her opinion. I know it feels, it is kind of tough to vote on something and not know, but understand that it is going well. We are doing well, I'm not faking it to make it; this is really the truth. I'm pretty proud to be a part of it and I hope you will all be proud to be a part of it because it is going to bring us to the next level as a City and let's all do this together. I think it's something that we owe it to ourselves. So thank you very much for indulging me.

Alfred Vane Good evening my name is Alfred Vane and the song is about me, most people don't get that joke. I'm from Manchester, New Hampshire actually but I do have some ties here in Nashua. I own five restaurants, one in Concord, New Hampshire; one in Manchester, New Hampshire; two in Nashua, New Hampshire. CodeX Bar for one and I am part owner of Light Center. The Mayor spoke very positively about the arts center that are happening around the state that I am very familiar with. Concord has Capital Arts Center which when I first came to Concord, Concord Arts Center was just starting and it was, the momentum of the City was growing. We then got the Colonial Phenix Hall in Downtown Concord, just making a true comeback. I don't know if any of you know who Mark Ciborowski is, he is really pushing to re-create Phenix Hall and there is a lot of momentum behind that. My restaurant Cheddar & Rye is literally on the same block as the Palace Theater and we get so much business and so many people coming to the Palace Theater coming to the downtown area to just spend money and to have that entertainment and be a part of downtown.

Nashua and Concord, at CodeX it is kind of weird kind of thing because I never expected it to be as successful as it is. It is the most successful restaurant that I have without spending a penny on advertising. We do it with word of mouth and we have people coming to CodeX as a destination place; we have been named a Best Craft Cocktail Bar in the State of NH, 4 or 5 years running. We are very proud of it, my team is very proud of it. Because of that word of mouth, one of the things I always ask and the bartenders always talk about at the end of the night is "how did people find out about us". Day one, when we first started Code X, we sat there for the first hour, again not a penny on advertisement, first hour went by maybe two customers and I was thinking, "Oh great, this was not a good idea" and then all of a sudden 6:30 hit and we had a line out the door. On most summer nights in Nashua as all business owners know in Nashua, New Hampshire; most summer nights are the difficult nights because Nashua unfortunately isn't quite the tourist destination that we'd all like it to be, although CodeX does pretty well, because it is an destination spot.

This event center, the Arts Center that everybody is debating about is going to be a destination place, very much CodeX, very much like the Palace Theater, very much like the Capital Arts Center, very much like Phenix Hall when it is done. And it doesn't make sense not to amend and continue with this amendment and to give us more time for the City of Nashua to make Nashua a destination spot, just like Concord, Manchester. I don't have any business in Keene so I'm sorry Mayor I can't talk about Keene. So I'm in favor of this amendment, I think it is a good thing for Nashua, I'm proud to be part of the Nashua Business Community and thank you.

Bernie Marchowsky Good evening, my name is Bernie Marchowsky, I live at 21 West Brook Drive. I'm a 35 plus year resident of Nashua and absolutely had no plans of standing in front of you this evening to talk about this particular subject. I came here to merely to witness who goes on in our community and I am happy to see so many positive people representing those people who are in favor of doing this in our town. It has been a long time since I represented George's Apparel in Manchester and telling people how to dress to go to their business meetings, so I'm a little bit uncomfortable at this time. But nevertheless I'm here to represent seniors frankly, because I think we often get overlooked in these situations. We travel to Ogunquit, we travel to Keene, we travel to Manchester, we travel all over Massachusetts to go to shows. We love being entertained just as anyone else does, I'm getting a little emotional, excuse me. But nevertheless we too on nights like tonight find it difficult to drive, to be able to make our way to where we want to go. It's raining out its snowy, it's hard to get to where you want to go. And we need somewhere to go in this community. And I hope you will decide to make that happen for us. Thank you.

Lindsay Rinaldi Hello, my name is Lindsay Rinaldi and although I currently live in Lowell, Mass. I did live at 24 Woodfield Street for over 30 years and I still very much consider Nashua, New Hampshire my home. In fact the last time I stood at this podium it was during my Law & Ethics Class here in this School so I really hope they did

a good job. So I chose to come back to Nashua to serve as a public servant. I am the Executive Director of the Nashua Community Music School which is a 35 year old non profit organization that serves this area. I also currently serve as the Chair of the Nashua Arts Commission and I have also been fortunate enough to be asked to be part of this wonderful Steering Committee for the Performing Arts Center.

I speak strongly in favor of this amendment; I think it is really important that we give the good team that we have assembled more time to be able to put together and amazing project that has already been two years in the making. I can speak firsthand saying that I think Nashuans as a whole, they have a lot of heart. So we have a lot to say, right? Alright, we have a lot to give to others; the charitable community in this area is so warm and so welcoming and I say that as a member of it because of the Nashua Community Music School and our nonprofit status, I see that first hand. And I think Nashuans see that there's a lot of value in what we have now, but I think it is really important as public servants, for myself and the folks on the Board, that we also embrace all the potential that we do have to still reach. This Performing Arts Center project and your choice to extending the time and allowing us to have more time to make it as successful as it has the potential to be, will really help us reach that level of potential.

As the Chair of the Nashua Arts Commission, I want to share, there are 6 goals that exist in our most recent Nashua Arts & Culture Plan. The Performing Arts Center hits all of them. We want to create an identity for Nashua as an arts destination. We want to increase a marketing value, something that draws people here. This project does that. Mr. Mayor and Director Cummings have spoken at length about the economic development benefits. That addresses the commerce goal of our current Arts & Culture Plan. It will inevitably bring growth and education, to not only the people who are currently here in the City living and working and enjoying what we do. But it also provides a centralization effort knowing that this Performing Arts Center is an integral part of our downtown of our center. I ask you, Board of Aldermen, the team that is on this project is good. The Steering Committee has not acted in haste. There are two dedicated groups; one working on design and operations and another working on financial fundraising, and they are proceeding thoughtfully and carefully. They want to act strategically; they don't want to be rushed to fit a means that is not going to be successful and what we deserve.

There has been a specialty team working with the volunteer committee, of architects, of theater consultants of lighting consultants, acoustic consultants. The Committee themselves is a group and a mix of audience members, arts lovers and people like myself, musicians and theater professionals who are with the project every step of the way saying this is going to be the best thing for our Performing Arts Center to be successful and this is the best way it is going to serve our community. I need you to consider an extension of time for this funding, an extension of time for this funding could have such a negative effect it could effect or derail the entire project, but an extension of time for the funding of this project does not mean we are asking for an extension of time for the project as a whole. If we are allowed to proceed as we are currently working, our goal is so that the project will be open and operational in the fall of 2021. That's our goal right now. If you give us more time there's a really good chance we will be able to have that and see that success firsthand. If you choose not to give us that extra time, the building within the center of Nashua that could be the heart of what we do here and who we draw here, could be empty, could be a vacant space, could take years to become a new level of potential for us here in Nashua to reach. I think that everyone in this room, whether you're on the board or you are in the audience; I think everybody wants to the same thing. I think we want to make Nashua a special to live a long and happy life. This project, I ask you to vote in favor of this amendment because this project will help us get there.

TESTIMONY IN OPPOSITION

Ken Siegel Hello everyone, Ken Siegel, 224 Parker Street, Lowell, Massachusetts, former Board of Aldermen member. How are you? I see some of my former colleagues on here. I'm not in opposition to the arts center, I am actually addressing this specific piece of legislation which goes to whether or not there should be a time frame on the fund raising or not. I was the person that put the original amendment in that called for the 2 years. The reason I'm here is I think Alderman Klee was rewarded for starting a thread in the Nashua Civic Sounding Board and just tried to be nice and got basically beaten about her head I think.

So I applaud her for her bravery. The reason that I put in the 2 year time limit and I'm not saying you should keep the 2 year time limit, I'm just trying to provide some historical perspective, so every body here can make an informed judgement about what to do, so I'm addressing the legislation.

The reason that it was put in there was because we were under the gun. In the Fall of 2017 John Koutsos had offered to the Board of Aldermen and the City of Nashua, Alec's Shoe Store for \$4 million dollars. So unlike most of projects, you sort of got the building before you had the concept behind it. But he had other buyers, he was willing to give the City of Nashua a break so we had to make a fairly quick decision about what to do with the building. We voted to acquire that because the understanding at the time was that, in the event that there was no Performing Arts Center, it was still a very valuable piece of real estate and most likely it could be sold and the City of Nashua would not be on the hook for that \$4 million dollars permanently. So when the Performing Arts Center ideas were being developed, I think some of my colleagues may remember, we actually had some intern come by and do something that looked like it was out of Vanity Fair, a drawing which was a little futuristic, clearly not appropriate, we were fairly clear back then that there needed to be a lot of legwork.

The two year time frame did not come from members of the Performing Arts Center. The way that came about was I had a breakfast with Simon over at Norton's because he was asking my opinion about everything trying to solicit votes. I was talking to him about the fundraising, asking how close he either was or wasn't and we got to talking about timeframes and I said, "Well would two years be enough time to get the money". Absolutely based on where they were at the time, his thoughts, they felt that would be an appropriate amount of time. My feelings in putting an amendment in there was we needed a kill switch to the entire project because in the event that it couldn't be properly funded with public and private donations, you have a \$4 million dollar asset on the books that is just going to sit there forever. I think people tend to forget about that. And that's why I felt compelled to come up here to give you a little bit of history.

That problem still exists. Now I think Director Cummings underestimated the affect that Alderman McCarthy's death had on the entire process. It wasn't just we had to shuffle some meetings and re-arrange things, he was more than the point man for this, he had been the heart and soul of that entire project for years. I mean my first term on the Board Brian had been talking about putting a Performing Arts Center on the roof of one of the garages if you recall and we went through that whole discussion. So there's a long history there. So I am very sympathetic with the idea of extending the timeframe because you took a very big hit. I know the public is demanding to know how much money has been raised. I would actually say there's an alternate question to be asked, which is how much money was de-committed after Alderman McCarthy died? Now I don't know the answer to that. I actually agree with your fundraiser that you really need to be confidential.

What I would urge the Board of the Aldermen is to recognize that you still have that \$4 million dollar asset, you are still working towards the goal of having the Art Center. Whatever I think or don't think, I'm in Lowell now so I can enjoy a Performing Arts Center so I can say "Yay great, more free stuff absolutely please build it". But I want to caution you that you are on the hook for a \$4 million dollar asset and if you want to do something extend the deadline, but don't eliminate it. You really do need a cutoff and frankly I think it wouldn't hurt the fundraising to know that this has to be done by a certain amount of time or the opportunity will not exist anymore. So rather than eliminate the deadline entirely, I would strongly urge you to amend it and provide a longer deadline if necessary. Thank you very much.

Mike Soucy Thankyou, 3 Roseann Circle. I'm a life long resident of Nashua, 60 years as a youngster I worked in the Parks & Recreation Department; I worked for the School Department as a substitute and a coach, I worked for the Fire Department for 3 years; I was a Police Officer for 20 years, Fire Commissioner for four years and a past Alderman in Ward 5. So I don't think anybody can challenge my love for this City. Thank you Alderman Jette for your thoughtful questions, I really appreciate it.

Here are my concerns, when this went on the ballot, I actually checked off "no" at the time because I thought the goal was too lofty, I didn't think we could meet that requirement. And lo and behold if we did, we wouldn't be here today. We didn't meet it, so now we are asking for a rule change. OK. But what happens if we don't meet the next goal, are we going to ask for another rule change? I mean let's talk math. My biggest concern is the lack of transparency; you can see it all over social media.

Everybody that I talk to, the nice questions that I heard from Alderman Jette, what have we raised at this point? I'm hearing strategic plan, that we can't do it, I'm hearing all types of things, but when a big donation such as the \$250,000.00 comes out, that's quickly acknowledged or the \$100,000.00. What else? Are we at \$250,000.00 if we meet a requirement but if you don't meet that requirement that's gone? Where are we at? You are the Aldermen, you are the elected officials that we trust with our purse. You are the people who are going to put us in this \$15 million dollar bond. I am standing here today as one of the largest or as a representative of one of the largest investors in this project, a taxpayer, \$15 million dollars. We deserve to know, we deserve to know if this is viable, if people are actually contributing. We are being told that it is on-going and it is moving fast forward and all that, but that's not what we are seeing, we are not seeing that.

And the math that I'm talking about basically is change of rules plus lack of transparency equals distrust in Government. And I've got to tell you at this point, I really don't trust what I am seeing until I can see some numbers. I can have my mind changes, I've always been open minded on everything, but I need to see some numbers, I need to see something. And as an Alderman, when I was sitting in the Ward 5 chair, there's no way I would have approved \$15 million, \$5 million dollars, or even \$10.00 without having the facts before me. Thank you.

Laurie Ortolano 41 Berkeley Street. I think my issue here is similar to the gentleman who just spoke. I think it is about public trust and transparency. Mr. Clemons brought up the issue which is appreciated but he put it in terms of "people are curious". I can tell you my questions were not because I was curious, they were because I wanted to do a reality check and that's different. And I do respect that you want to maintain confidentiality, but I think that there's got to be a better balance between confidentiality and transparency and public trust. I wrote my initial question to Mr. Cummings just out of curiosity because I knew this was happening, where can I find out the money raised? I got the shortest answer, contact you, but by name, the Capital Campaign Person, I'm no longer involved. I didn't get a name of a phone number. I didn't even know who that was. Then there were other postings on social media on this page where another woman went out and she got a better response.

I think you should have had a better response, the City knowing this was happening. People were going to ask, I asked. I sent an e-mail out to all of you because I figured you're coming in here, you guys must know. And I only got one response from an Alderwoman. So you know, I yeah, I think it is important that we have a different level of transparency and my concern here is just with the total package, not just this extension. But I happen to think the New Market Tax Credit, I studied that extensively, that's a longshot. And I am concerned that we can't pull the whole thing off. And I don't know that I believe that the total cost of \$23.8 is fixed, the more time we take, the higher the costs go. I think when you get into dirt costs and you start digging, you can see some really big run ups and that's concerning to me.

I believe your campaign is going well and you believe your campaign is going well, let's face it the market last year was hot, the investment market. Last year was a great year for people to come out and donate money. So you don't get a lot of years like we had last year; I'd love another one this year. I hope it is that was for us again, because it would be wonderful from a donating standpoint. But last year was the year to really rip down some private donations because the market was so good. I'm concerned that we still don't have enough. The \$294,000.00 that come from the State Credit Program, do we know how many people bought into that \$294,000.00? You know that was a fixed program that went out and people could buy into that, and it was all done; do we know how many bought into it?

Chairman Dowd

Your time is up, but if you have a question?

Ms. Ortolano I just asked it.

Chairman Dowd

Mr. Cummings, do you have an answer.

Mr. Cummings

No.

Ms. Ortolano Alright, thank you for my three minutes.

Karen Bill Good evening, Karen Bell, 95 Parnell Place, can everybody hear me way in the back? OK, Nashua, I am a Nashua native also and thank you for all of your comments, former Alderman Soucy, very well thought out. I can't agree more. The residents of Nashua in the original resolution were lead to believe that there was \$4 million dollars waiting in the wings for this project, OK? That there were people known to the City Management that would be donating, that was not and is not the case. When I asked last year in a private setting about the private donation money raised, the answer was, "I don't know". That's not an acceptable answer in any professional arena. If the Mayor asked Treasurer Fredette how much money is outstanding in unpaid property taxes, do you think the answer "I don't know" would be acceptable. I don't, it would not be acceptable in any financial situation.

The \$250,000.00 from Bank of America is contingent, it is not a given, it doesn't come without strings, it is contingent on raising the \$2.5 million. Again, the target is just going to keep moving, we don't have the money yet, that's ok we will present a resolution to move the target for however long. I don't know if there is a date in that resolution. Then we won't hit so we will move it again. I ran a non-profit in this town I know how hard it is to raise money. I know about quiet phases, I know that people can cancel, but you know, in the January 26th letter to editor Chuck Hafemann made some really great points. I have it if anybody wants to read it. Fundraising didn't commence until almost a year and a half after it had passed. An official was quoted in the article saying, "I was naïve and didn't realize we couldn't start the fundraising". You know when you get a job you have to produce what you say you are going to produce in a certain amount of time. You don't get to say, Oh I'm sorry that I didn't know that I didn't know how to do this job and I can't meet any of the deadlines".

Joan Stylianos did a story in the Union Leader and a friend of hers asked, "Oh how much of the private funds have been raised and she said, "well you know, we don't know". Some taxpayers feel duped because no renovation or construction could start until the \$4 million in private funds was raised. She was having a conversation with Joseph, I don't know how to say his last name. The minister of music at First Church and performed as a guest conductor at Symphony NH who said, "Nashua bought the building too quickly and without the proper legwork". He said, "they don't have a pit, it's not a good location, you have Elm Street that has an orchestra pit and could do a lot of renovations instead of buying a place that needs beyond what some place like Elm Street could use." I think we bought the building way too fast, I think people said, \$4 million? They thought that there were people lined up, there are not that we bought it without doing our due diligence and we will be doing everyone a disserve if we continue to say yes, we are just going to keep moving this target, because I'm a tax payer and my taxes have gone up 27% in the last ten years. So you know, if I'm going to be footing the bill, no, I am not your biggest investor, I don't want to be.

Fred Teeboom 24 Cheyenne Drive. Now I attended nearly all the PAC Committee meetings, I read every one of the proposals and I am pretty familiar with this project at this point. I do look forward to buying a season ticket, I think they have a good proponent in the form of Tim Cummings, you have a very active team, the PAC team. But I am concerned about the financial viability of this project. First of all, we've spent a long time talking about the \$2.5 million dollar, what they call the Capital Campaign but no discussion about that \$4.2 million dollars that's supposed to be raised with these tax credits. So in 2019, we got zip. What if we get zip in 2020? So I did an analysis and I'd like to make this analysis part of the public record. I have enough copies, I am not going to into details because there are a lot of details on this sheet, that's not the purpose. But I do want people to have a copy and I want it to be on public record as part of the minutes.

The two things that I want to bring out are the following. The original budget for this PAC was \$15.5 bond and a \$4 million dollar private funding. That's \$19.5 million dollars. You just heard the number, \$23.7 million. Now if you look at this sheet, the actual construction cost of the PAC is \$15.2 million dollars. The original estimate was \$11.5 million, I'm not going to go into how that happened, there's a lot of deception on \$11.5 million. The fact is that is way over budget.

If you add the numbers, the cost of the PAC including the \$2 million acquisition of the building, it's not \$4 million it's \$2 million, it's \$22.5 million dollars. That means \$7 million dollars above the \$15.5 million dollar bond; \$7 million dollars in deficit building the Performing Arts Center. Then it's \$1.2 million dollars of endowment fund in the plan, that's why the \$22.5 plus \$1.2 is \$23.7, that's the number presented by ICON, the Architect. I don't know if you need the \$1.2 million. We are very fortunate, we got Spectacle Management that have agreed to operate this Performing Arts Center with no subsidy but the condition was to make it 750 seats. Well 750 seats is not the same as 550 seats of the original design, the stupidity of putting it on the second floor, that's gone. That's not going to come to get 750 seats.

So if you add the \$1.2 million there's another expense, there are utilities that have to be moved, utility poles, transformers, you can't actually electrocute people as they deliver props. There has to be better access off Pearl Street. All that is costing \$1 million to \$2 million dollars. If I estimate \$1 million dollars and add the \$1.2 million dollars for the endowment fund that's planned the total budget is now \$24.7 million dollars. If you take out the \$1.2 million which I don't think you need, it is still \$23.5 million; that's a far cry from the \$19.5 million dollars that is represented in the orders before you. It says \$15.5 million, with \$4 million dollar private funding. You are \$9.2 million dollars above the \$15.5 million fund that you have; that's the only money you have. That's what this Board of Aldermen authorized. That's a lot of money. What if the New Market Tax Credits don't go through like the lady said before, this is a good year. Ortolano, she ought to know, her husband runs a big operation. If it doesn't come through this year, what's the back up plan. I'm not at all saying you ought to drop the project. If you drop this project, that's another problem. You can probably sell the \$2 million dollar building although I don't know if you are going to get \$2 million dollars for it. But the other sum cost, the architect, if you look at this sheet the architect's fees are \$1.3 million. That's spent, that design is pretty much done, that design you see over there, it's a very nice design. It's not the design I wanted to tilt it in to the building as opposed to that design, that's OK the Committee chose that design. It's a taller elevation and narrower.

Chairman Dowd

Mr. Teeboom, can you summarize for us?

Mr. Teeboom yes the point of it is, the \$9.2 over. If you don't get the New Market Tax Credits what is your alternate plan? And I'm saying again you are not going to drop this project because you are going to lose \$1.3 million dollars in architect fees, that's gone and another \$200,000.00 in pre-design services, so you are down about \$1.5 million. You drop this project as some people would recommend, you are out \$1.5 million dollars, plus the \$2 million dollars you are stuck with. So you've got a lot of problems here. You have to start thinking about Plan B. Plan B if you don't see the New Market Tax Credits. Plan B if you don't raise \$2.5 million. And probably the Plan B is probably the people I'm looking at. Thank you.

Gordon Jackson 59 Cheyenne Drive. I would like to thank the Mayor and the Board of Aldermen for listening to us tonight. I'll start off by saying I am opposed to this amendment to that resolution for several reasons. You begin your, how shall I say, you begin your argument with the assumption that this facility will in fact generate or create an economic or an improved economic environment for the City of Nashua. So you begin with an assumption. Now I've spent the last 3 or 4 days going through all of the history of our Art Center here in Nashua and as we probably all know, it has been quite an ordeal going back. We decided where it was going to be we have consultants, I should be in the consulting business, I could have done pretty well here. But we've gone over this time and time and time again.

We were even thinking of putting it on top of the parking garages at one particular point which I thought was pretty crazy, but nonetheless, we have suddenly come to the conclusion that this particular location is the ideal one. Quite frankly I think that is also an assumption. One of the reasons I am opposed to it, let me clarify this, I am not opposed to an Arts Center here in Nashua. I am all for it, like many others. I am opposed to this particular project and inasmuch as that it doesn't do, and I am surprised by this, that the artists of this community seem to be for this, because it seems to totally ignore any support for the Arts in Nashua.

We may be importing artists to perform for us where if you have the wherewithal to buy a ticket you can sit down and enjoy but it does not support, in my mind, the Arts Community. So you won't see potters there, you won't see sculptors, you won't see weavers, you won't see many of the different artists who are striving here in Nashua to be any part of this.

You know if I can, as you can imagine a lot of paperwork from going over all this history, this is from Webb 2015, this is one of the studies that was done. They gave us three options, they said "partner with a regional college or university on the development of a new art center". Ok that sounds pretty reasonable. Or option two, develop a downtown and here are the key words to me, "meeting, events and music center". I just don't see this as that sort of environment to encourage our local artists to be a part of this in any way. You know I see it as a Performing Arts Center like I said where you on a Saturday night you've got the wherewithal to pay \$50 bucks or so for a ticket, and you go out to a restaurant and you have a meal and you go home. So the economics of that is we are supporting a lot of restaurants perhaps and bars downtown but I don't see it generating that sort of economic that we are trying to generate for the greater good of our citizens.

And then of course the third option for them that they give us was to develop an arts district anchored by renovating the Keefe Auditorium and the Hunt Building. So it then occurs to me, what is the downtown? Well if you look at a lot of these studies, the downtown is described as Main Street, starting at the Hunt Building, going south to City Hall but continuing if may beyond City Hall further south, getting you almost the entire length of Main Street if you want to look at it that way. But it goes considerably further to incorporate these little bump outs for example the hospital, medical center, this that and everything and Elm Street by the way and Keefe Auditorium. Already 3 minutes? I haven't even got started, I'm sorry. So anyway, I'm not as I said opposed to an art center. I just don't think, I think we could do better quite frankly. I think the projects that we have ongoing in the Riverfront are fantastic and I think the idea of trying to get more of these millennials downtown is great. But I think if we could just pause for a minute and do better, I would agree with this gentleman that said continue that limitation, thank god whoever had the good sense to do that and extend it perhaps to give them what they think would be an appropriate time but let's not jump – I hear numbers like 22 – we started with 15 I think we were kind of, I won't say, a bill of goods. But we were told and I think we had a turnout the total voters at that last election it was only 16% of the total voters and so that means only 8% of the potential voters voted for this with a majority of 150 votes.

What I feel is you don't really have the confidence of all the citizens of Nashua to proceed on this, I would go slowly and I would go carefully. Thank you.

Dave Ladd My names Dave's Ladd, I live at Watson Avenue in Nashua, life-long resident as well. And I really have no up or down vote, but I do have a couple of questions for the funding campaign. Who is responsible for the C3, not the fiscal agent, but the C3, is that your organization? Who are the officers of the C3.

Ms. Novotny

Rich Lannan is the President.

Mr. Ladd Ok my question maybe for Rich more but maybe you can pass it along. March 15th is the filing deadline for the 990 PF, is the City, that's a matter of public record. In that form will be a list of donors, called Scheduled B attached, no social security numbers just names and addresses and the amounts donated. That form is a matter of public record and can be found on the internet actually. So the question of disclosure, a quiet phase doesn't really exist. That information will probably be processed in about 4 to 6 weeks and will be available at that time. So my question to you is why wouldn't it be provided ahead of time? It will be obtained, if it is not willingly obtained, it can be requested and under penalty for failure to provide, up to \$10,000.00, it will be provided as a matter of public record, as required by law. If it's not filed actually, the C3 actually risks losing its exemption for failure to file over a period of time. So there is a point, that information will be available and will be public or other consequences will happen. So I don't know if that's the plan not to provide it but it will be provided one method or another. It will be made available. I'm just curious why it seems as though there can be a quiet phase when the form with the required documentation will be a matter of public record.

Ms. Novotny

I am not a CPA however I provided a CPA with all the information for 2019 and that CPA has not asked and they do all of the 990's for several non-profit organizations; they haven't asked for the names.

Mr. Ladd That will be interesting, see I do have an advantage, unfortunately why I asked this question, is I was an auditor for the IRS for charities. So it's a typical document for me to request this information, it's not a difficult thing, which I did for 15 years. So it will be interesting to see when the form does get filed and then of course it is substantially missing information it can be considered not filed. So that is another question.

Ms. Novotny

I can assure you that we are going to give the CPA everything he requests.

Mr. Ladd Alright if you could pass that along that would be helpful thank you.

Ms. Novotny

I will.

Tom Lockland Thank you, I'm on Nichol Lane. The way that I understand this is that this is not an extension it is just a removal of the timeframe which in essence gives an unlimited amount of time and from what we can a relatively unlimited budget to prepare to spend \$15 or \$25 million dollars. Between November of 2017 and July of 2019, the non-profit wasn't formed. That started in August of 2019, which means any donations prior to that went through the City. How much was obtained between November 2017 and July of 2019, how much was raised, that's my question.

Ms. Novotny

Our fundraising began in August of 2019.

Mr. Lockland OK understood. Parents like myself, we experience that we don't have enough money for certain things. At Main Dunstable in Ward 5 we do not have enough money nor are we provided any funding to replace a playground. 488 children upwards of 3 times per day can use this playground, but the parents must fund this. I don't see how we are here talking about this when things like that, when parents are forced to raise money for a playground that their children play on every day. We seem to have enough money to spend \$16 million before overruns on a Public Works Project or \$94 million before overruns on a school we can't physically access or \$150,000.00 on a boat launch, or \$65,000.00 for blinking crosswalks, or \$40,000.00 on establishing an arts district. We seem to have enough money to renovate the Aldermanic Chamber. And with all those things that we have money for, I don't think that we really do, I think that we are just saying that we do.

The Performing Arts Center in 2017 passed by 151 votes. Since 2017, no fewer than 400 student voters left this town, so it's safe to say in 2020 it doesn't reflect 2017's voting viewpoint. We voted on the referendum and it is going to expire. I firmly believe that if anything is going to change, it needs to go back to the voters. Thank you.

Deborah McLaughlin 19 Salmon Brook Drive. A lot of discussion has been discussed this evening in regards to the pros and the cons of the center itself, but as you said, we are here to discuss about the deadline. I own the company the Renegade Leader Coach & Consulting Group. I work with national and global enterprises that are facing change; ones that are changing technology, ones that are facing mergers and acquisitions or they are reacting to market or industry changes or compliance changes. All of them have to move quickly with change. What I did hear tonight was a list of long-term excuses, honestly is how I heard it that if any corporate office were to be having a board room of a list of excuses I don't know if all those people would be there the next week.

So what I am asking is yes I understand that were in the process of an amazing thing, however, and there is some work still to be done, but what I do ask as you cast your vote and as you are thinking about this, is not to have an open deadline. What is realistic? What is your commitment back to the people of a deadline so that everybody does the work that is necessary to achieve this goal.

Beth Scaer East Hobart Street. I heard the Mayor say this project was well thought out. If it was, why didn't you raise the \$4 million dollars. You have already proven that this project was poorly conceived and poorly managed. I want to thank my Alderman June Caron for pledging to vote against this amendment and I hope the rest of you can do that as well. The Mayor has already said we are going to see property taxes going up because of the healthcare costs and we can't afford this. Thank you.

TESTIMONY IN FAVOR

Rich Lannan Good evening, Rich Lannan, 11 McGrath Road in Pelham. I live in Pelham but my office has been in Nashua for about 42 years. I own property downtown and I am a glutton for punishment and am pretty much on every single PAC meet committee since its inception. I started with the Duncan Webb study, I was asked to be on a study group to discuss and look into starting a Performing Arts Center and there was a good group, there were some Aldermen involved, there was public involved, it was a good – and I learned a lot at that. That's when we vetted out several different consultants and Duncan Webb was hired. One thing, just for the people who don't know at that point, when that study was started, we gave them some criteria of what we really want. What was our wish list? And the wish list was obviously the Performing Arts Center, at the time the Symphony was requested if we could house them, 1,500 foot theater and the two biggest parts of that, beyond cost which is obviously a very important thing, was can Nashua support a Performing Arts Center? We asked all of the people and all of the people we talked to that was interviewing to being our consultants, including Duncan Webb, all these people were unbiased because they were not going to build this. So they pretty much said, half the time we come back and say, sorry folks we have bad news, you can't support it. So that was good to hear from all of them and Duncan Webb really stressed that, that half the time he comes back and he hates walking into a room and giving the bad news.

It wasn't until far into his study, well along and all was talked about new theaters built on Spring Street, on High Street, renovating Keefe, renovating Court Street, 201 Main Street wasn't on the radar because Alec's Shoes was there. So it wasn't until far into that project consultant stage, when Alec's Shoe decided to move and that became available; so that was two different time periods. But when he came back, two things that I remember clearly was, "I have good news and bad news, the good news is I think Nashua can definitely support it" and he gave us all the reasons why but probably more like 500 or 550 seats at that time. That's way before there was a Steering Committee or a Campaign Committee or any other Committee, it was a feasibility committee out to see what can Nashua support.

So from then eventually, fast forwarding, obviously we eventually came before the Board of Aldermen a couple of years ago. When the Board of Aldermen gave the vote of no, it went to the public, the majority of the public voted obviously in favor. When it came back to the Board there was nobody on that Committee at that time that said, "don't worry, we are going to raise \$4 million dollars and we are going to do it in 2 years". That was imposed by members of that Board of Aldermen at that time. It was an arbitrary number saying, "we want \$4 million dollars raised" and it was arbitrary to say, "we'll give it 2 years". Nobody asked for that so it wasn't like folks, we are going to raise \$4 million dollars, give us two years, it'll be done. There wasn't really a Committee even at that point that was even asking for that. It wasn't until that vote was done that the Steering Committee was formed and the work really started.

Going again, fast-forwarding a little bit because I've been involved in the Steering Committee, I'm on the Capital Campaign Committee and as Deb said earlier I am the President of the newly formed 501(c)3. I will say some people I knew already and a lot of people I have gotten to know that I have never known before. There were people that are here tonight and spoke like Mark Thayer and Lindsay, that I never knew before, and very impressed with all 3 Committees of the knowledge and very diverse a of different opinions, a lot of knowledge came out of those. And all 3 Committees have worked extremely hard, a lot of hours and whether there was a \$4 million dollar amount, whether you eliminated the \$4 million dollars altogether, whatever number, what time

period, I can assure the public and ensure this Board. Our Committee that we meet originally was once or twice a month and we are literally meeting weekly and you know Deb and I and a few other people that are here on the Capital Campaign Committee, I mean there is not a day goes by that there is not conversations and there is not a day goes by that one us if not multiple many of us that are meeting with potential donors.

Being around like I said for all 40 years in Nashua I've gotten to know a lot of people in business and made a lot of friends and I have never had one person that I've talked to about donating to this have said "no". And I've talked to a lot of people. I've been successful in getting donations so far, and a lot of them like Deb has explained thoroughly, it is a big number, especially when we are talking 5, 6 and 7 figures, it takes time for some of these businesses and people to make decisions. Again I haven't had a "no" yet; it has either yes done or it is in the process and I am very confident that we are going to raise as Deb said, \$2.5 million plus.

Just a couple quick clarifications, Deb probably had a 20 minute thing and Thank God that Mayor Donchess already said most of the things that I was going to say earlier so I totally turned direction with what I just said. I'll finish up here, as far as the Bank of America. Bank of America I know has reported that \$250,000.00 and there was conditions put on that and everything, that's not accurate. Basically the \$250,000.00 we already have half of it, it has already been given. The other half I think is next year. So that has been committed and the condition and I think they even mentioned a condition. The condition is no different than if somebody in here donated \$5,000.00 which is or you know or 10, 15, \$25,000.00. It is not a written condition and they did not give us any written conditions. The condition is in the contract. If, for whatever reason, unfortunately this things fails, you get your money back. So the only condition which is not a written condition, if we do give them the \$250,000.00 back just like everybody else gets their \$10, \$25 or \$50. So it's some misconceptions out there in that regard. We are going to continue no matter what circumstances you put on us, but not having the time, we just don't see why there was ever a timetable to begin with. It's there, and we would encourage you to vote to eliminate that but the Committee will continue no mater was is done. The Committee is going to continue working hard and I assure you, this will get done. Thank you.

Paul Shea So good evening, my name is Paul Shea, I am the Executive Director of Great American Downtown. We have a mission centered around Economic and Cultural Vibrancy here in our downtown which of course impacts the broader community. I am also a resident of Nashua. I live in French Hill since 2009, we've lived there on Toll Street. On a personal level I am very enthusiastic about this project. But I also came this evening to convey the support of our Full Board of Directors. The meeting has gone on long and I've already sent you a promo letter kind of conveying that and why we feel that we are in support of lifting the time limitation, so that the work can continue to the success of this project and I wanted to come up to reiterate that simply.

A couple important items to correct that have been discussed tonight; in terms of filing, we file annually our taxes with the State of New Hampshire. There is a threshold of \$500,000.00; we've looked at this because our organization has continued to grow. This scope of our programming and thus our budget and it is a threshold of \$500,000.00 when you get into nitty gritty detail work that needs to be submitted. The simple 990 filing with the State of New Hampshire along with the form certifying that information is accurate, it is generally the practice for lower revenue operations. Much of the activities taking place this year, I cannot imagine that the threshold was exceeded last year.

Another item, we have talked about the scope, audience size that was recommended in terms of the project by the Webb Consulting Group. The Executive Summary of the Report does actually outline a 500 to 700 person space. So pushing the envelope to a 750,000 space helps to maximize this investment and in conjuncture with feedback from the operator, it is a good move.

It was touched upon this evening of whether or not the space will be flexible and meet the recommendations of the consulting group to be a convention and event space. This design continues to incorporate the recommendation of the Webb Group which calls for flexible floor plan on the lower level with the telescopic seating. I was very happy to get to kind of test out those chairs yesterday at 201 Main Street. Lots of great options but with that, this design continues to meet that recommendation of the group.

It has also been touched upon tonight the extent to which the City of Nashua has followed through with some of the other recommendation and met the need of the broad artists community. I am very happy to see the establishment of a set of artist studios at Court Street, attention and investment in the Court Street facility to the benefit of the users there and a great deal of consideration when looking at the future of Keefe Auditorium. Again we are in favor of this and we appreciate all the hard work that has gone into it and thank you all.

TESTIMONY IN OPPOSITION

Ken Siegel 2224 Parker Street Lowell, this will be less than 60 seconds Mr. Chairman. Very quickly, I was the one that came up with the 2 year threshold. I am fairly confident that I know where it came from so I have to take issue with Mr. Lannan's characterization that implied that is somehow capricious or arbitrary; it was neither and it was based on a discussion that I had as I said before. Again reiterate I believe you should keep some sort of deadline in there.

Separate from that I believe that to solve the problem of the Aldermen being unaware of the funding, I would suggest to the President, Alderman Wilshire, go into closed session. We've done it a million times, go into closed session and you can provide all the information necessary, the Aldermen are bound to secrecy and then you can make an intelligent vote. I frankly wouldn't vote on anything of this magnitude without having a fairly clear cut idea of what the funding situation is. Thank you.

Mike Soucy 3 Roseann Circle. I am going to take less time than my former Alderman friend Ken Siegel. I am absolutely in favor of the closed session. Please do it, you'll have the facts that you need.

Laurie Ortolano Berkeley Street, I'll be quick as well. A lot of interesting information came out here tonight, a lot of timelines and frames. I would request that in the future, you have a spec sheet or a document that's on the table for the public to show where we started and where we are now with a breakdown of the finances that have gone into this project. I mentioned that before when we did the school project and I think we are missing a lot of information as the public to be able to track what is going on. Some of us can't dig it all up ourselves, and we are busy and it would be super helpful if you would provide that tracking mechanism.

Karen Bill 95 Parnell Place, Nashua. I don't know how you can allow this to go forward as a governing body how you could even vote to extend it because it was voted on with 155 people, the vote won by 155. You know there were 551 people in that election that did not vote on Resolution #2. I did hours' worth of homework investigating this. 551 didn't even vote on Resolution #2. Why? I had to ask myself why. You read it and you know you might be a person that says, "I don't get this" or "I'm a little older" or "I'll never go to the Performing Art Center". I have not voted on a Resolution before because I didn't understand the wording and I am an intelligent individual. So 551 registered voters didn't even answer the question. And the people that voted in favor were again led to believe there was \$4 million bucks out there and in 2 years it could be done. It didn't happen.

You can't have a moving target of we are just going to move it, we are going to move, we are going to move it. Are you going to two more years? Are you going to do three years? Because nobody is going to want an open-ended end to the money. And the money, the money, how much more money? This guy, every meeting with a calculator. I don't think we have all the information by far. I don't think we have accurate information by far. I don't think we have a true cost by far. I don't care if you have if you have 30 people in line to donate, they are in line, the money is not on the table. You cannot have this go forward. I think that you, I don't know your name, let the voters decide. How can you do anything but with a new budget, with a firm deadline and with reality. Because shame on us for even going forward not knowing what had to be done until a year, year and a half in. It doesn't fly. Thank you.

Gordon Jackson I didn't get to add these couple of points here and this comes directly on what we are speaking of this evening and the study that is going full circle, the Capital Campaign Feasibility study and just several comments in this that popped out because they used as the basis, they interviewed I think it was 30 to 35 leading, key word – leading members of the community, business so forth and so on. And they interviewed them about what they thought this whole process was doing.

So these things popped out and I quote right from it. "In terms of concern, two themes as well as others rise to the top. There is a deep distrust of the City's ability to manage the project and if it is not done right, it will fail. And secondly, "skepticism voiced by 10% stated the City should not be investing public money and the project cost is way too high". That's by their consultant. And then there are other concerns again as I said, deep distrust of the City and inability to do it and it's not done right and unfortunately, I can't find the other pages right now. But if you go back and review this, you will see all of these comments that were raised by these 35 or 30 or so individuals.

Matthew Plante 17 Roby Street. I am just speaking solely for myself this evening. I had some notes but I will be a lot more brief. I wonder if we went back to those voters who voted in favor of this and explained to them that the cost increased from \$15 something million to \$20 something million and the public portion of it decreased from 4 to 2 ½ that we are hearing tonight, how they would vote. I'm thinking that probably fewer people would vote in favor, just in general.

The other thing is there is a lot of discussion about all the activity with this, all the work and a lot of meetings and committees. And in my years in corporate life, we were cautioned that activity is nice but it shouldn't be confused with results. Thank you.

Chairman Dowd

Anyone else want to speak in opposition? Do I hear a motion?

ADJOURNMENT

**MOTION BY ALDERMAN O'BRIEN TO ADJOURN
MOTION CARRIED**

The special meeting was declared adjourned at 9:29 p.m.

Attest: Susan K. Lovering, City Clerk



THE CITY OF NASHUA

Economic Development

"The Gate City"

To: Lori Wilshire, President Board of Aldermen
From: Tim Cummings, Director of Economic Development
Cc:
Date: February/2020

Re: Project Status Update for the Performing Arts Center & Analysis of R-18-001

Purpose of Memo

I am writing this memo to provide an update for the Performance Arts Center project.

Analysis of R-18-001 – “What Does the Legislation Do”

This legislation strikes the two-year time period for raising the \$4,000,000.

Background Context Relative to Timeline

The following is being provided in an effort to give you a general context for the timing necessary to get this project up and running. The fact is, there was a lot of initial upfront work necessary creating, establishing and developing the differing entities that are the vehicles bringing this project to fruition.

First, the Resolution authorizing the Performing Arts Center was passed in the winter of 2018. From there, getting the Steering Committee populated and functioning was the next order of business and this took time (there are many stakeholders involved). From there, the Steering Committee needed to organize itself and develop a rhythm, which is vitally important for the project's success and again takes time. The culture that developed is one where the committee works and acts in a very collaborative and consensus building manner. The Steering Committee developed three working groups focused on operations, design and fundraising.

These working groups met throughout the spring and summer of 2018 and beyond. Simultaneously, there was a public procurement process to solicit architectural and engineering firms along with an operator and construction manager. This all occurred in the latter half of 2018. I would be remiss not to point out the Performing Arts Center tour, which occurred in the summer of 2018 as well. The tour was a great team building exercise and helped to educate and give a frame of reference.

We did not engage the architect/engineers and construction manager until the winter of 2018/early 2019. Please remember we had the untimely passing of the Chair of the Performing Arts Center Steering Committee, President Brian McCarthy, which understandably delayed some committee business as we needed to reorganize ourselves.

Simultaneous with above, the Steering Committee's Working Group, focused on fundraising, was organizing and beginning to tackle the challenge of raising private money for the Performing Arts Center. A public procurement process occurred in the spring of 2018 to solicit a fundraising consultant. Once the selection was made to hire Full Circle Consulting, a fundraising assessment/feasibility study began where 30-ish interviews over a four to eight week period occurred during the summer of 2018. This led to the recommendations and development of a capital campaign plan.

One of the more pressing items that developed was the need to create and organize a Capital Campaign Committee. Recruiting and forming a Capital Campaign Committee occurred throughout the entire fall of

2018 and the first Capital Campaign Meeting occurred in December of 2018. However just because the Capital Campaign Committee was formed does not mean solicitations started. Once the recruitment period occurred, an onboarding and educational process ensued. A lot of the volunteers acknowledge that this was their first capital campaign and an education effort transpired during the better part of the winter of 2019, into early spring. Ironically, as the Capital Campaign Committee was being formed, the design process was just starting to get underway in January of 2019. The two efforts need to go hand and hand because you cannot realistically solicit donations until a concrete design is achieved. Being the very high profile public nature of this project, a robust committee process and public engagement piece occurred on the design, which meant that designs were not recommended by the Performing Arts Center Steering Committee until June/July of 2019 or approved by the Board of Aldermen Infrastructure Committee until August of 2019.

Conversely, the fundraising effort did not begin in earnest until the end of the summer in 2019. However, the Capital Campaign Committee did not sit idle during spring/summer of 2019; there were a lot of “soft meetings” taking place to develop leads.

Additionally, during the preparation and organizational phase in spring of 2019 there was an agreement reached with City Arts Nashua to be the fiscal agent as a precursor to the 501c3 entity (that was formed in the summer of 2019).

It was during the spring of 2019 that an application for CDFI tax credits occurred. I’m pleased to state the application was successful and the project was awarded tax credits in the summer of 2019, which was a great way to jumpstart the fundraising.

Fundraising efforts did not start in earnest until the end of summer/early fall of 2019.

In conclusion, the two year timeframe verbiage was included in the original resolution as an amendment the night of the vote to do what it’s doing now – to be a distraction and cause angst amongst those who are working so hard to bring this project to fruition. It was added by the project opponents as a way to disrupt momentum and was done with no thought or consideration. It was never the intention when the fundraising timeline was originally discussed during the feasibility study for it to be memorialized. It was originally discussed as a plan or a guidepost and we should all recognize that some of the best laid plans need to change and evolve. If the committee wasn’t working and gaining momentum, I could understand a concern being raised, but this couldn’t be the furthest from the reality of the situation. The Capital Campaign Committee is working tirelessly and they are appealing for more time.

Recommendation

Approve the R-18-001 to allow for more time for the project fundraising to occur.

OVERALL PROJECT STATUS UPDATE

Design Update

The current status of the design is in the construction document phase (“CD”), which we entered in January of 2020. We anticipate being in this phase until June of 2020. Leading up to this phase we completed concept design, schematic design and design development phases, which took approximately ten months.

Cost Estimate

I am pleased to report that the costs associated with the project have not materially changed since schematic design. The overall budget for the project is \$23,803,238, which includes additional expenses beyond just the building costs, but does not contain costs for any exterior work for streetscaping. Over the next couple of months we will be looking to further reduce the project costs by at least \$1.5 million, but targeting a reduction of \$2.0 million or thereabouts. Once this occurs we would have an approximate project cost of \$21.8M - \$22.3M (this is the targeted goal).

Operator Update

The project is working with Spectacle Management, who responded to the RFP the City put out and entered into a Memorandum of Agreement (MOA) outlining that the City would not need to subsidize the operations of the Performing Arts Center. This negates the need for the originally conceived endowment fund as contemplated in the Duncan Webb feasibility study. It is one of the biggest changes from the original plan.

Sources

There are three main sources for financing this project at this time: City’s General Obligation Bond at \$15.5 million, New Market Tax Credit at \$4.2 million and Local Private Fundraising Capital Campaign at \$2.5 million for a total of \$22.2 million.

Overall Financing Plan

Of the three major sources of funds for this project (City’s General Bond, New Market Tax Credits, and private local capital), it is the intention to continue to pursue New Market Tax Credits of \$4.2M, which translates into approximately 20% of the project funding. Our New Market Tax Credit Consultant, Neil Cannon has indicated an allocation announcement should be forthcoming from the U.S. Treasury sometime in the early summer. The City of Nashua is providing approximately 70% of the project funding through the \$15.5 million bond resolution and the remainder of the funds, approximately 10%, coming from philanthropic charitable donations and marketing/sponsorship opportunities through the auspices of a Capital Campaign initiative.

I would be remiss not to point out that the PAC Steering Committee is working toward a “Plan B” should a New Market Tax Credit not come to fruition or one of the other sources of funds does not materialize. The City understands there is an approximate 20% budget gap in the financing should this source of revenue not come to fruition. If there is a goal to begin construction this fall, a new source of revenue will need to be identified in order to make this timeline. In the summer of 2019 the Performing Arts Center Steering Committee contemplated some other sources of funds: CDBG, advertise on outside of building, use proceeds from sale of School Street parking, charge for garage parking and increase leased parking fees. At this time, the Performing Arts Center Steering Committee wants to hold-off on making any of the above decisions until the next round of NMTC announcements are made.

Timeline & Forecast

There is a goal to have the project under construction sometime in the fall of 2020. This is contingent on the final financing plan being solidified, which I anticipate to occur in June of 2020. This coincides nicely with the design timeline.

PERFORMANCE ARTS CENTER (PAC) COST COMPARISON

Public Hearing 6 February 2020

	City Estimate	Fennesy Consulting	ICON/Harvey Construction	
	Tim Cummings July 2017 Memo (to Donchess, BoA, etc.)	Fennessey Consulting Svc. Performance Arts/Events Center Feasibility Study Report Jan 11, 2017	Presented to PAC Steering Committee on January 2, 2020 (Option 2)	Notes
Construction Cost (incl. markup, o'head, contingency and fee)	\$11.5 million (30,840 sq. ft.)	\$16.4 million 56,840 sq ft = \$288/sq. ft	15.2 million 54,576 sq. ft. = \$278/sq. ft.	Harvey Constr. "informal" estimates (Feb 17, 2017) (1) Full: \$15.0 million (42,840 sq. ft.) (2) Reduced: \$10.4 million (30,840 sq. ft)
Audio/Visual, Theatrical Equipment & Seating	\$1 million	\$1.7 million to 2.1 million*	2.3 million	* Fischer-Dachs memo Jan 4, 2017
Misc.	---	---	0.7 million	pre-design svc., data network, secure cameras, phones, furniture, computers, signage,etc
Architect fees	\$1 million	---	1.3 million	
Owners Contingency	---	---	\$1 million	theatre options, e.g. roof terrace, audience movable partition; changes; hazardous waste, etc.
Land/Building Acquisition	\$2 million	---	\$2 million	Formerly Alec's Shoe Store
PAC Cost	\$15.5 million		\$22.5 million	\$7 million above \$15.5M city bond
Street Improvements & Elec. Utility Relocation	---	---	\$1 million	estimated (could reach \$2 million)
Endowment Fund (Private Funding)	4 Million	---	1.2 million**	**Spectacle Management requires no subsidy for operation
PAC Budget	\$19.5 million		24.7 million	\$9.2 million above \$15.5M city bond
Tiered Seating	---	550***	750	*** <u>Duncan Webb study:</u> --550 seating/500 tables & chairs/1,000 standing --Retail & Restaurant on 1st floor. --Theatre on 2nd floor
Standing	---	1000**	1,000	
Total Area	30,840 sq. ft	56,840 sq. ft.	54,576 sq. ft.	

Note Theatre construction costs can range from around \$200 per gross square foot to more than \$400 per gross square foot depending on the aspirations of the owner and the project designers.

Note Objective: \$2.5 million donations + \$4.5 million NMTC = \$7 million private funding.
\$4 million private funding required under R-18-001, R-18-092 and R-20-001

Fred S, Teeboom Feb 1, 2020

<u>Note:</u> Fennessey Options:					
Option 1 Alec Shoe Store	56,840 sq. ft	\$16.4 million	\$288 /sq. ft		
Option 2A Court Street (Reduced)	33,884 sq. ft	\$9.1 million	\$269/sq. ft.		
Option 2B Court Street (Full)	40,560 sq. ft	\$13.9 million	\$343/sq. ft	Savings: \$2.5M construction + \$2 M building + \$1M external = \$5.5 million	
Option 3 Spring Street (new)	32,593 sq. ft	\$17.0 million	\$522/sq. ft		