

**Newburyport Redevelopment Authority
Special Meeting, August 18, 2010
Meeting Minutes**

Attendance: Adam Guild, James Shanley, Tim Brennan, John Morris, Patty Dorfman, Carol Powers.

Invited Attendees: Rich Jones, Andrew Port, Andrew Flanigan, Geordie Vining.

Call to Order: 7:00PM

Motion: Adam Guild made a motion to approve the Agreement by and between the City of Newburyport and the Newburyport Redevelopment Authority. James Shanley seconded. (see attached final agreement)

Discussion:

CITY

Item 5: Change to grant either party an extension if mutually agreeable.

Item 8: Snow emergencies would be an exception, pursuant to City Ordinances and procedures. All agreed.

Item 9: NRA added debris, City will not upgrade to paving etc., Carol Powers noted that we are not aware of a "standard" for lighting.

Item 11: City does not want to inherit liability for Brownfields.

NRA

Item 1: NRA wants to be explicit as to number of parking spaces.

Item 4: Enforcement, city shall provide consistent and effective enforcement.

Item 8: NRA added, no rights granted to City

Item 10: NRA questioned the need to see and approve every sign used by City. Adam suggested that standardized parking signs should be used throughout the City.

Item 11: NRA requested change as follows; City shall not be released from any otherwise expected liability. While entering into this agreement itself would not cause the City to inherit liability for existing contamination, the agreement would not excuse the City for liability, if any, it might already otherwise have for existing contamination.

An item by item discussion of changes required by City and by NRA with notes taken by Carol Powers with changes both parties have agreed upon.

Item 12: Rich Jones noted that NRA has not been covered by City Insurance Policy, but that NRA has now been added.

Item 14: Geordie explained City's position regarding compensation to NRA. John Morris noted that fees will now be collected 365 days/year. He felt that \$75,000 was reasonable, but that if the City's program was wildly successful, the NRA should share in this success in order to fulfill our mission.

Carol Powers states that the NRA Mission is to:

Re-develop site, not to provide parking for the City. She stated that there is a public sense of entitlement. She said that the mission is hard to define economically, but that the NRA is taking a risk by entering into this agreement, which is not the purpose or vision of the NRA.

John Morris stated the concern that should the City profit from the operation of the NRA lots, they may become dependant on this revenue.

Patty Dorfman stated that City is assuming most of the risk by laying out capital for investment in pay and display machinery, insuring the property, maintaining the property, parking enforcement and management of the system. The NRA will be receiving the same or better revenue stream than expected if operating the lots themselves, and the NRA's focus can shift to it's intended mission which is the development of the property, whatever shape that may take.

Tim Brennan stated that the NRA would expect to receive more revenue if it were to operate the lots year round as the city is proposing under this agreement. He also stated that additional revenue sharing would help the NRA fulfill its mission. He proposed consideration of a revenue sharing arrangement under which the sharing would not kick in until the city has covered its capital costs applicable to the NRA machines.

Rich Jones proposes that this agreement expire in 24 months, at which time we are able to renegotiate.

A general discussion ensued regarding projected revenues for the operation of the NRA lots. The City would prefer not to apply a formula due to the amount of guesswork involved. The City would prefer to track for a two year period, and then renegotiate.

Tim Brennan stated that he was very concerned that the city seemed so unwilling to share any revenues above the \$75,000 and that they may be relying too much on revenues from the NRA lots to justify and cover the additional costs such as the additional maintenance and personnel expenses they were discussing. He said he believed at least half of the existing NRA spaces would be turned to park area within a few years, and that the City Councilors and the taxpayers of Newburyport should be informed, up front, that relying on large amount of revenues from 400 NRA spaces and/or relying on paying the NRA no more than \$75,000 per year to justify the economics of this program would be a mistake. He stated that, at a minimum, he would at like to include perhaps some sort of "whereas" clause to make these points clear in the agreement.

Carol Powers stated that she would be willing to draft additions to the agreement clearly indicating that the NRA intends to include a robust profit sharing agreement as part of any

extension and indicating the NRA's intent to eliminate much of the parking as it moves forward with the redevelopment of the lots.

Further discussion ensued as follows; Revenue sharing clause in Section 17, Renewal, keeping Section 14 as is with \$75,000 terms, adding a data sharing agreement.

Motion: Patty Dorfman made a motion to authorize James Shanley to sign contract once agreed upon changes have been incorporated. The vote was 4-1 in favor of signing.

Tim Brennan and John Morris commented for the record, that neither were in favor of the lack of a revenue sharing agreement as being a part of the initial term of the contract.