

PAC Steering Committee

City Hall Room 208

June 12, 2019

Draft – Unapproved Minutes

Tim Cummings addressed the Committee notifying them that the Chair could not be with us this evening. He had a prior obligation. Our Vice-Chair Tracy was at a conference today so she won't be here with us.

Meeting was called to order at 5:00 p.m.

Present: Lori Wilshire, Judy Carlson, Lindsay Rinaldi, Trish Klee, Tim Cummings, Marylou Blaisdell, Brandon Laws, Mayor Jim Donchess

Absent Member: Tracy Hall, Rich Lannon, Maryann Melizzi-Golja,

Via Phone not counting as a quorum: Mark Thayer – no one else is with him that can hear the conversation

General Highlights of Meeting:

Tim Cummings explained they would be having an update from the architect and the design team relative to the work that's transpired over the last month. He reminded the committee of the conversation two weeks ago about how risk adverse are we. The Committee reviewed the Excel spreadsheet which indicated bond financing at full authorization at \$15.5 million; New Market Tax Credit at the highest would be 5.2; capital campaign and the private fundraising at 2.5 which brought us a bit over \$23 million if everything aligned correctly. We were talking about \$15 million, 4.2, \$2 million depending on how the numbers were broken down. A \$19.2 million project if you count some sources, \$17 million project if you count some sources, and if you count everything its \$23.2 million project. We bought the building for \$2 million. There's not going to be any finance costs, no legal costs, builders risk insurance is going to be carried in the construction budget. The predesign numbers are all populated, the architecture and engineering fees are in there, the additional design and professional services and other soft costs. The endowment fund is being carried at \$1.2 million. Construction costs and markup at \$15 million which is the schematic design adjusted. That number is at the high level and includes one elevator, no outdoor terrace, and basement is gallery space. Audio and visual is at \$1.6 million. FF&E is \$150,000. Digital exterior signage is \$100,000 which should be discussed. Utility costs are less than \$10,000. A contingency of \$1 million and an estimating contingency of \$200,000 which will get reprogrammed into the construction budget. These all total \$23.1 million.

Sources of funds are \$15.5 bond authorization; tax credits are modeling at 4.2. If all the funds are taken from the capital campaign, the total is \$22.2 million. It does not include the offsite improvements that were discussed at \$1 million. This needs to be separately voted on. It brings us to \$23.2 million which we'll be \$1 million shy. By adding the offsite street scaping improvements into it, that would be \$24 million. If we to just count on the capital campaign raising only \$1 million, you're looking at \$22.2 million.

A question was asked why do we have to put the \$1 million for offsite into this. Doesn't this have to be done anyway? Mr. Cummings indicated for this project, it doesn't have to be done but recommended doing it. It would create a better experience.

Another question was as in regards to how vague is our understanding of the capital campaign committee and how much money are they going to raise? Tim Cummings thought Betsey McNamara the fundraising consultant will tell you that she is confident \$2.5 million will be raised. It's a timing issue as to when all that money comes in and it becomes a cash flow issue and when we want to enter into a guaranteed maximum price. Once we enter into that contract, we need those monies.

Tim Cummings said he would like to accomplish tonight is getting clear direction to the design team as to the path to pursue for the two different designs being presented tonight.

Unidentified Male speaker explained Option 1 was narrowed down to \$13.5 million for the basic construction dollars. The 15 that Tim is indicating is inclusive of the range of construction manager costs. They were coupled together for discussion purposes because those will go up and down with the construction costs going up and down. For example in Option 2, we had \$1 million overage that we would find a path to addressing which has been done and a second option is a little over the \$12.5 million. The CM costs associated with that would drop to under \$1.3 million. Tonight discussions will be on what got us there and whether those potential changes to the performing arts center are worth the savings versus the risks of proceeding at a higher cost. Before making design changes, we were at 18. It was recommended at that point a series of changes of a total of 1.3. Reductions were discussed relative to the street work and utility costs adding up to \$1 million and reallocating the telescopic and fixed seating from the construction budget into the AVIT theatrical equipment budget. It is reflected in the budget Tim just went through.

In version 2, the starting point is \$15.8 million. For comparison, the general conditions CM, contingencies, and pre-construction fees are just under \$1.4 million. A second elevator is shown in Option 2. The design revisions are all rolled in. The outside funds and seating are carried the same. Because these revisions trigger upgrading the Surf's roof for snow drifts, it is included in the base number which is about \$250,000 in upgrades to the roof. The majority of the savings in comparing Option 1 to Option 2 is in Option 1. The stage and fly area is located in the footprint of the apartment building and in Option 2 it's not. The bulk of the saving were achieved by minimizing the amount of demolition to the apartment buildings. Instead of gutting all the floors down to three brick walls to then get rebuilt against the four brick walls, the walls and two existing stairs are retained.

In Option 1 schematic design, John said it's been modified. At the basement level saving are taken by building as little as possible. The group restrooms will be there and moving most all the other program up. Two means of egress are still required which are located in the apartment building and the stairs off of Main Street. At the orchestra level, the egress stair for the front of house, a box office, catering, lobby, vestibule off of the corridor of West Pearl and Main Street. No addition are being built in the alley and the front of the house elevator was removed and the other freight elevator will be shared with the back of house and front of house. Entry is off of the alley which is primarily a means of egress.

At the partier level, open two story space in the lobby, the corner fire stair doors will be on hold open so that it would be as open as possible to the concourse that is open to below, an area for mobile concession on the corner, an expression in the exterior renderings at the corner of Pearl and Main Street, and the elevator between back of house and front of house. The program in the basement has been brought up and distributed across the floors. There is still a star dressing level on the orchestra level, at stage level, the green level was brought up to the second level, star dressing room 2, storage, and AV rec. room at that level. The second means of egress off this level is the stairs in the apartment building. There are also side galleries.

At the balcony level, the side boxes have been taken off to save on structural costs. Also taken out is the control room and added seats where they were lost when the side boxes were taken at the balcony level. Eliminated was the exterior roof tiers to save \$100,000. Distribution of back of house there's two communal dressing rooms, dimmer room up high next to the stage along with the crew room. All the cat walks are in as well as the venue administrative offices and a multi-purpose room on the corner with two unisex restrooms.

The stage height had been taken down from a full fly and projected up above the apartment building room. It was being kept at the same level with the apartment building roof that currently exists which allowed 50 feet to the bottom side of the steel. It allows you to fly up above behind the proscenium full height which is 25 feet tall.

A question was asked the balcony was eliminated but the bases of the balcony is still going to have to be finished later, right? The roof is still there and it could be structured in the future to carry the load of people up there.

Option 2 in terms of basic massing looks like Option 1. There is a significant change on West Pearl Street because it's much more occupied part of the scheme. This option the basement is left untouched. There will be two stairs that go down there to allow crossing the stage for the performers. The mechanical rooms are kept in the current locations and the boilers for the apartment building are reused as they are relative new and capable of supporting that building. The big difference is that the audience chamber and stage are rotated. The back of the stage is abutting the Surf and reusing the apartment building in its current state including an existing stair that exits onto Garden and another existing stair which will be used for the performers

to circulate which will create a second public entrance. They are putting in curved seating and not telescopic seating. The stage footprint is 30 deep by 60 feet wide with a 6 foot apron. The rigging is at 30 feet and not at 50 feet to minimize the cost in reinforcing the roof. The caveat with Option 2 is that Fischer Dax has not done their detailed sightline studies. It is showing a capacity of around 750 plus right now which still needs to be finalized. The apartment space will have lobby space as well as front of house restrooms and concessions on this floor. One idea is to take the second floor and make it the main lobby for the building and push more back of house functions on the first floor and up to the third floor. We had looked at reusing the existing elevator shaft but because it doesn't go the full height of the building, it ends up being more expensive than a new elevator. We can consider a second elevator as part of the base project because we're saving elsewhere.

At the bottom of the balcony level, it's like Option 1. There's more lobby space, more toilet rooms and more it's more uniformly distributed. The structural engineer has said that we can have a roof 4 feet above the Surf roof and not trigger the snow loading issues and we can have a convertible that's 15 feet wide which is the stairs. To retain the stage height, we end up being at about 8 feet. We're limiting height but it means that there is about 900 square feet of existing Surf roof that needs to be reinforced as part of this scheme. The biggest change from Option 1 to Option 2 is get the \$1 million out.

A question was asked if the stage will be in turn to where it abuts Surf and will there be any issues with noise or vibration. The answer was no. It will all be addressed as part of the construction.

Mayor Donchess asked what is the difference between the experience for the audience and the performers in Option 1 versus Option 2. It was answered to think about audience flow, loading and unloading the building, and how people circulate within the building. One of the challenges with Option 2 is there's a separation of two main doors and the box office is on the top floor and it would presume everybody knew where to go at the right time. From an audience management point it's more challenging. There's more square footage for lobby/public space. There would be a fixed grid just above the proscenium. As far as the audience chamber itself until we have some of the seating site lines determined, it would be a major consideration. The biggest thing is having the additional square footage of audience circulation.

Mayor Donchess asked how much would it compromise the situation to have only one elevator. It was stated that with one elevator it becomes very important how the access to the elevator is designed, how the flow is controlled and which access door when you come up. The advantage in version 1 is you could step off the elevator and be in an area that had access door that would go backstage that could be locked. Two elevators would be great but one with some thoughtful design is workable.

Option 1 has been vetted and is much more developed than Option 2. Their charge was taken from the last meeting to explore whether this is an alternative scheme for less cost. Option 2 needs more development but it is viable from a cost point of view and achievable.

Tim Cummings indicated the direction he was looking for is the group wanting to go down one path understanding that the costs are going to be more or do we continue to drive another path which may drive the costs down. Mayor Donchess asked for everything to be in writing so they could look at the numbers.

A member thought if we go down the less expensive road, we have to come to the understanding that there's going to be compromises made. We may not get Option 1 but we're still going to get a good product but it's not going to have everything that we need. What Tim is asking us is are we willing to stretch and get exactly what we want or are we willing to compromise and not get everything we want. We would still be getting a very good product but it's not the product that we've been working on and that's what we need to decide on. Are we willing to work harder to raise the money to get Option 1 done?

Tim Cummings asked let's say we go with Option 2 under the condition that we can guarantee 750 seats. Does that make a difference? Is that enough to move you in a direction where you're saying yeah we like Option 2? Which direction does the group really want to go because Tim didn't want to spend time and money designing down a path that ultimately we get to 750 under Option 2 and you say we still don't like this?

Alderwoman Melizzi-Golja was willing to consider Option 2 with more information. In terms of the functioning of this building, it's always been two parts: performance and event space. There is no information about event space. It was explained that they are identical.

Alderwoman Melizzi-Golja requested two weeks ago for information to look at and is not in a position to say anything other than she's willing to consider Option 2. She would like to see more information and was glad to see the outside balcony.

Brandon Laws asked if both scenarios included retractable stadium seating and does it add expense or reduce expenses to have flexible seating. How often will this be used as an event space and is there an opportunity to save money by just making it a fixed amphitheater which creates space beneath it that could be used something else. The question was answered by saying programmatically is that's fundamental.

Another member asked if somebody could answer how conservative the numbers are and whether or not contingencies are built in yet. Yes there are contingencies and they like to believe they are conservative at this point in time. We are flying at 30,000 feet. There has not been an ounce of engineering done on either phase. We are very early.

The architect indicated their commitment is to demonstrate a viable project at the budget give. Option 2 is moving down that path. The big decision is they know keeping the apartment building more intact will reap significant savings for the project. The sight line needs to be checked. They can't assume that the committee is willing to spend an additional \$1 million.

Lindsay asked about the stage in Option 2. The wing space is greatly reduced with stage orientation. The answer was it is the same. What you don't have is the passage across the back. Lindsay had asked if there was any potential for that. You could hang a curtain as a backdrop but you'll reduce your stage depth to do that. Lindsay asked about having access across the stage, access from the back of the stage forward without having to through the audience chamber and is there a pathway for that. If you're an actor, they would go under the stage and up the stairs.

It was stated this is principally about money right now. Option 2 scheme cannot be as fully developed as Option 1 scheme. There is a direction that is \$1 million less than the current direction which is the budget given to work with. They need to meet the budget that they were given.

If you separated the \$1 million for the outside work on Pearl even though it was part of the project it could be presented to the Board. It was noted that it would be an easier ask of the public.

Alderwoman Melizzi-Golja asked when will it be time to do this and what is the long-term impact on the audience experience.

Another member said if you start to compromise on what you're trying to do, you end up with a product you won't like.

Fred Teeboom said he would go with the original option.

Lori Wilshire indicated she liked Option 1 but could live with Option 2. She didn't know where we're going to come up with more money and that's the issue.

Tim Cummings noted coming up with \$2 million and that assumes the capital campaign does their job and as soon as the Newmarket Tax Credit comes forward, that's the question at hand. If that's the direction everyone wants to go, Tim said he can come back and he'd develop a financing plan and outline different scenarios. He wanted to make sure they were designing down the right path that will make people happy.

Alderwoman Melizzi-Golja indicated someone approached her and was told that the goal for the capital campaign was \$2.5 million. Once that number was reached, they weren't worried about raising afterwards. A member noted the minimum was \$2.5 million.

Lindsay asked what the fly space was in the key. Mark said it was higher than 30. Lindsay then asked what kind of acts would we be losing with the secondary reduction of the fly space in Option 2. Pete said you're not really affected. Concerts and comedy is not in affect as it is rigged differently. The tricks you can do with lighting is affected but it wouldn't be significant. With 50 feet you can cheat a little and fake a real fly gallery by bringing the balance down and set pieces up. With 30 feet, you don't really have that option and everything is going to travel in and out from the sides. The wing space becomes critical.

Another consideration if we end up building a new middle school and Elm Street becomes an issue and in order for the Elm Street auditorium to go forward, it's about a \$4 million cost to make that viable. If we don't have Elm Street, an option of having something larger in this venue.

In conclusion, the committee decided not to go with any option at this time until more information was gathered for Option 2. Under Option 1 scenario, we're still \$2 million off the mark. It was noted that if you have a space for the items you want and can't afford it now, you can put it in later. If it's not designed that way up front, it's impossible to do later.

Pete indicated Option 2 the list hasn't been developed as they've had two weeks or less. There's a lot of work ahead of them to validate both numbers but are unsure about Option 1 or Option 2.

Alderwoman Melizzi-Golja asked about where the controllers were. Pete stated neither scheme has an enclosed controller. They will live in the front of the balcony.

Lindsay thought it was worth exploring Option 2 more and appreciated the redesign. It will be in our best interest to aim at the budget or below it as other things come about. Whether we go with Option 1 or Option 2, they will be making compromises on something. In regards to demolition costs, Option 1 includes the idea that we reduce the fly space so that the ceiling didn't need to be raised any more is that correct? Pete said yes. A new roof still needs to be built over the stage area because the existing apartment building roof is not adequate for being a stage roof. Lindsay asked about the costs saved there. Pete said it's all the extra construction above the roof. Keep in mind the only thing in Option 1 that is being retained of the existing apartment building are the three exterior walls. None of the floors are retained.

Lindsay asked if you ended up reducing the fly space at 30 feet but kept the orientation of the stage and the apartment building would that affect significantly the demolition or the restructuring of the apartment building. If an option is it worth looking at? The question is whether they would be able to retain the top two floors. It creates a challenging construction because you're going through a bunch of things to try to build.

For the team's education, how do we go about retaining the three walls and strip out the floors because you lose all lateral stability in the building at that point in time. What they figures they were going to end up doing is cutting holes and dropping steel and tying to the outside walls before they could remove anything. When you're moving steel by hand and not by crane, it is costly. By dropping the fly, there would have to be an analysis done on the existing remaining wall that would remain and what does that do with the window locations in relation to the top floor roof. Structurally they would have to look at it and tell us what we have to do and then evaluate it.

Pete noted sight lines and seat count are critical and they have to make sure they go together in Option 2.

A question was asked what does the committee want to have answered sight lines. Seating counts? Impact on performances – what can and can't be done in Option 2 that you can do in Option as you're limiting your shows and yearly income.

Pete summarized by saying the financials of the project are of significant concern that they push with Option 2 to see if they can get rid of concerns about sight lines, audience flow, and impact.

Tim Cummings stated from the beginning we had said that we couldn't let community groups drive the decision making. If they can use it based on what's overall best for the community and the City of Nashua great. We can't concern ourselves with each individual theater arts groups because then we're going down a slippery slope. To recap under Option 2 some of the things we want to vet out are the sight lines – making sure we obtain 750 seats; impact on performances, flow of the patrons, experience of the patrons, confirming artists experience and compromise, acoustics compared to Option 1 to Option 2 making sure they're even, and working to find \$2 million.

**MOTION TO ADJOURN BY MARYLOU BLAISDELL SECONDED BY JUDY CARLSON
MOTION CARRIED**

Adjourned at 6:41 p.m.

