



Mr. Burke summarized the current parking situation downtown noting that during peak summer months and special events, the newly expanded garage is filling. Surface lot and trolley use is increasing and which justifies moving forward on construction of a second garage downtown.

### **Northern Tier Discussion of Potential Public Private Partnership**

Stephen Griswold (owner) and Shari Young (general manager) of the Sheraton Hotel and Conference Center were present to discuss the next phase of the Northern Tier revitalization project. Mr. Griswold focused his remarks on the report by the Sherwood Consultancy in the Northern Tier Feasibility Study. Two types of assembly centers were discussed in the report, a 70,000 square foot convention center and a 28,000 square foot conference center. Mr. Griswold noted that despite construction of new hotels and meeting space in recent years, there is nothing larger than 15,000 square feet in one facility. He said that the function space proposed for The Wentworth Hotel in New Castle is comparable to that currently available at the Sheraton. Mr. Griswold said that if he used the vacant Deer St. parcel to build 28,000 sq. ft. of conference space (as included in Alternative A of the Feasibility Study), it would generate a need for additional hotel space in the area. The primary purpose of the space would be for meetings, functions and small trade shows. Mr. Griswold is willing to build an additional 100 hotel rooms associated with the conference space and other hotels could absorb the balance needed to support the use.

Mr. Griswold envisions a project that is publicly owned and privately managed. Associated with such a development would be opportunities for additional public parking in the northern tier. Mr. Griswold is willing to discuss a public/private partnership in which there is the potential for his organization to assist in providing the land, property management, financing guarantees and equity. Prior to such a scenario proceeding, a market analysis would be needed. Mr. Griswold offered to share the cost of the study with the City.

Mr. Bohenko stated that this is a very preliminary discussion regarding the next phase of northern tier revitalization and agreed that a market study is the appropriate next step. He qualified his statement by saying that during the stakeholder meetings and public information sessions held during the Northern Tier Feasibility Study, there was support for expansion of downtown conference space, but there was almost no public support for a 70,000 sq. ft. convention center. Thus, he is supportive of a market analysis of additional conference space downtown on the order of 28,000- 30,000 square feet, but he cannot support plans for a 70,000 square foot convention center downtown.

There was a brief discussion regarding the proposition of a city-owned conference facility and the public benefit that might be derived from it. Mr. Bohenko said the public benefit and control of such a facility are key issues to be understood before proceeding. He would like to meet in early October with Mr. Griswold to further develop the model he has proposed. It was suggested that an EDC subcommittee be formed to work with the City Manager and staff on developing a scope of work for a market study.

### **Worth Lot and Second Parking Garage**

Mr. Burke revisited the topic of parking, noting that he had omitted comments on a second parking garage in his earlier remarks. The current parking utilization figures indicate that it is time to move ahead on further analysis of the sites available for a second parking garage. Last year, the EDC allocated \$25,000 for a feasibility study for specific sites in the central business district that were identified in City's Parking Needs Assessment Report. The Worth parking lot, owned by the Worth Development Corporation has emerged as the most favorable site because of its location at lower Congress Street and because of its proximity to the Route 1 bypass and I-95. Mr. Burke anticipates that

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some of the analysis work can be done by the City Engineering Department and some tasks such as boring and other geo-technical tests will require outside professional services.

Stewart Shaines, a partner in Worth Development Group addressed the EDC stating that they are willing to work with the City on development of a second garage at that site and to share some of the study costs.

Mr. Levenson suggested that the City not limit its analysis to the Worth Street lot, but include the Bridge Street lot in a more comprehensive approach to downtown parking and development. Mr. Alie concurred, stating that this may be the last opportunity for quite a while to increase parking in this part of the downtown. Mr. Bohenko responded that a comprehensive approach is best and that other opportunities may surface as the Sheraton Hotel and Conference Center explores expansion and as the northern tier develops. Mr. Burke added that the era of 1000 space parking garages is passe in urban development, especially in Portsmouth with its street circulation and inability to move large volumes of traffic through the central business district. What will most likely occur as the City develops is the construction of strategically located smaller facilities.

*As a conclusion to the parking discussion, Mr. Alie moved and Mr. Pafford seconded the motion to move forward with the feasibility study for a second parking garage. The motion carried unanimously.*

### **UDAG Budget**

Ms. Carmer provided a summary of recent UDAG projects and public/private partnerships. She said there are currently \$3.7 million in the UDAG account and updated the Commission on the proposed UDAG budget for FY 2002 including a written summary of the progressive decline in interest earned on the UDAG principal. The decline stemmed from the seven cuts in the Federal Reserve interest rate over the past year combined with approved UDAG project expenditures. Because of this, monthly interest earned on the UDAG principal interest has dropped 43% to \$7,320 since its high earning of \$17,780 last October. Total year-end interest on June 30, 2001 was \$154,000, which, according to the UDAG budget policy, which requires a budget cap of 75% of the interest earned in the prior year. This leaves a FY 2002 budget of \$115,500. The proposed budget is \$110,000. However, this figure does not include funds for the Vaughan Mall project which is estimated at \$25,000-\$40,000. Also needed are funds to replace the streetlights at State and Pleasant Streets with the appropriate model for the central business district (\$39,000).

Ms. Carmer noted that some of these projects could be funded with encumbered funds for projects that will not be undertaken in the coming fiscal year. However, there may be a shortfall in available funds that may require expending slightly more than the budget cap. After further discussion of the situation and of possible modifications to the budget, Mr. Alie moved and Mr. Hynes seconded a motion to release the encumbrance of \$10,000 for a feasibility study of the 1895 Building. Also included in the motion was authority to modify the FY 2002 UDAG Budget by the amount necessary to cover the costs of the replacement streetlights and to expend up to \$30,000 on improvements to Vaughan Mall. The motion passed unanimously.

In concluding the discussion on this topic, Mr. Bohenko stated that the City would be exploring other investment options for the UDAG funds which may boost interest in the coming year.

### **Other Business**

Ms. Carmer provided an update on a joint effort with the Chamber of Commerce on streetscape improvements to Market Street Extension. City staff is working with the Transportation Committee at

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the Chamber to develop a scope of work for a streetscape improvement design. Options are being explored to accelerate the process by having the design phase funded by a combination of donations, grants and City funds. Design implementation would be included in the CIP.

**Public Comment Session**

No members of the public were present to speak..

The next meeting is scheduled for October 5, 2001. Ms. Carmer will coordinate with David Mullen of the Pease Development Authority for an on-site tour of recent development at the base.

With no further business, the meeting was adjourned at 9:15 am.

Respectfully submitted,  
Nancy M. Carmer  
Community Development Program Manager