

MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION

June 7, 2002

Conference Room A

7:30 a.m.

Members Present: Mark Simpson, Chairman; Cliff Taylor, Steve Alie, Everett Eaton, Tom Ferrini, John Hynes, Edward Hayes, John Bohenko, City Manager

Members Absent: Dana Levenson (excused), Paul Harvey Sr. (excused), Scott Pafford

Minutes of May 3, 2002

Commissioner Ferrini moved and Commissioner Alie seconded the motion to approve the May 3, 2002 meeting minutes as written. The motion passed unanimously.

Presentation by Steven H. Berg on Portsmouth's Office Market

Mr. Berg, MAI, SRA, of Sargent Consulting, Ltd., presented the findings of a recent survey he conducted of the Portsmouth office market. There has been tremendous growth in the office market in the past five years which has resulted in the creation of many jobs in the finance, insurance, real estate and service (FIRE) sector of the economy. Labor figures show that the Portsmouth area has a disproportionately high share of FIRE jobs (52% versus 36% statewide) compared to the rest of the state. These workers create demand for a limited supply of housing in Portsmouth and the surrounding area. Mr. Berg's data shows appreciation for single-family homes of 16 % per year as a result of this demand. Unfortunately wages in the FIRE and other sectors are not keeping pace with the cost of housing. There simply is more demand for single and multi-family homes than supply.

In the current Portsmouth office market, space is being built faster than it is being absorbed. This scenario is opposite of the situation just a year and a half ago. Current vacancy rates are 9% downtown, 9% at Pease and 6.2% in the suburbs. Mr. Berg feels that the current vacancy rates, which are partly attributable to the recent economic downturn, are still in the healthy range. The current rates are a correction to a more "normal" condition.

Chamber of Commerce/City Partnership

Everett Eaton, EDC member and outgoing President of the Greater Portsmouth Chamber of Commerce, presented a request for the renewal of the City of Portsmouth-Chamber of Commerce partnership for e-Coast and tourism activities. The request is for level funding. He referenced the quarterly reports to the EDC as a means of keeping the City informed on e-Coast and tourism activities. A portion of the staff salaries for these activities comes from the partnership funding and without it the Chamber could not accomplish the program of work in these areas. He also noted that the Chamber has increased membership by 60 new members or 7% in the past year, has worked hard to promote the area for tourism post 9-11-01 and has restructured the e-coast roundtable to better serve the technology community in the economic downturn.

EDC Minutes
June 7, 2002

Mr. Bohenko commented on the value of the partnership to the City's economic development goals. With no further discussion, Mr. Ferrini moved to recommend continuation of the partnership and funding of \$40,000 in FY 2003 to the City Council. Mr. Hynes seconded the motion which passed unanimously (Mr. Alie, who is a member of the Chamber Board of Directors, abstained).

Other Business

Lonza Employee Survey Results

In early spring, the city, the Chamber of Commerce and Lonza Biologics, Inc. developed a survey for Lonza employees seeking information about housing, commutes to work and which seacoast communities are most desirable community to live in. There was a 20% response rate and staff is currently working on tabulating results. Preliminary indications are that Portsmouth ranked first as most desirable community to live in.

Vaughan Mall Improvement Project Update

Ms. Carmer reported that the lights have been replaced and many of the amenities such as benches, trash receptacles and bike racks have been ordered. Work on the improvements will be ongoing through spring and early summer.

Second Parking Garage –RFP update

RFPs for the 2nd parking garage are due June 12th.

American for the Arts – Economic Impact Study

Results for the study will be published in early June. EDC will be kept informed of the report findings, as they become available.

Public Comment Session

No members of the public present wished to comment.

Adjourn Meeting

The meeting was adjourned at 8:40 AM.

Respectfully submitted,
Nancy M. Carmer
Community Development Program Manager