

MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION

March 17, 2006

Conference Room A

7:30 a.m.

Members Present: Dana Levenson, Chairman; Everett Eaton, Vice-Chairman, Cliff Taylor, William Gladhill, Edward Hayes, Robin McIntosh, Paul Harvey Sr., Thomas Ferrini, Ned Raynolds, John P. Bohenko; City Manager
Member Excused: Michael Murray
Staff present: Nancy Carmer, Economic Development Program Manager, David Holden, and Planning Director

Recognition and Appreciation of EDC Service of John Hynes and Mark Simpson

On behalf of the entire EDC, Chairman Levenson recognized John Hynes and Mark Simpson for their service to the City as Commissioners for the respective terms of 1997-2005 and 1996-2005. He presented each with a plaque expressing appreciation and noting each man's term of EDC service.

New Members

Chairman Levenson welcomed new EDC member Lisa DeStefano. Ms. DeStefano's appointment to the EDC was confirmed by the City Council on February 13, 2006.

Minutes

Commissioner Ferrini made a motion to accept the minutes of February 3, 2006 as written. Motion was seconded by Commissioner Hayes and passed unanimously.

Report on Graffiti Removal Pilot Project and Discussion of Program Continuance

David Moore provided a summary of the public private partnership on graffiti removal. In February 2005 the Economic Development Commission forwarded a report to the City Council on removal of graffiti from private property. As a result, the City Council authorized the City Manager to move forward with a public/private partnership that provides business owners with a simple, timely, and low-cost solution to removing graffiti from their buildings. The City of Portsmouth removes graffiti on City-owned property, but cannot remove graffiti on private property. In cases where graffiti is on public property not owned by the City the Department of Public Works notifies the relevant public agency. Under the partnership provisions, and in exchange for referrals and publicity from the Chamber and the City, ServPro of the Seacoast provides free cost estimates and graffiti removal services to Portsmouth business owners at reduced pricing within guaranteed timeframes.

The partnership resulted in six instances of graffiti removals in the six-month period, an increase of 350% in the rate of graffiti removal activity for Servpro over the previous 18-month period. In addition to the graffiti removals, the increased media exposure resulted in greater awareness of the graffiti issue. During the same six-month period the Portsmouth Police Department made two graffiti related arrests and reported an increase in graffiti reporting due to the exposure.

ServPro and the Chamber of Commerce are interested in providing the services of the graffiti removal partnership on a year round basis. As with the previous six-month pilot-agreement there is no municipal budgetary impact associated with this proposal. The recommendation is that a new Memorandum of Agreement is signed for a three-year period beginning in May of 2006 and ending in May 2009 in order to continue and build upon the success achieved to date under the partnership. Dr. Harvey moved to authorize the City Manager to enter into a three-year agreement as proposed. Motion was seconded by Commissioner Taylor and passed unanimously.

Request and Draft Group License Policy for High Hanover Parking Garage

The City manager informed the EDC that on January 31, 2006, James F. L. Kenny of Wenberry Associates, LLC submitted a proposal for a 25 % discount to parking passes purchased in the High Hanover Parking Garage associated with a lease for property located at 155 Fleet St.

In response to the request, City Attorney Sullivan reviewed the city's regulations and advised that, "The City Ordinances at Section 7.402 provide that the City Council may authorize a separate (HHPG parking) rate as it determines for group licenses. A group shall be considered twenty-five (25) spaces or more."

Rather than respond unilaterally to the Wenberry Associates' request, staff was asked to develop a draft policy that pertains to Section 7.402 of the City Ordinances so that in the future, requests for group licenses are reviewed in accordance with established criteria as follows:

- The proposal is in accordance with the goals of the Master Plan.
- The entity requesting the group license will purchase 25 or more passes in the HHPG.
- The entity requesting the group license seeks to expand or locate its corporate headquarters in the City of Portsmouth or offers some other articulable benefits to the city.
- Approval of the group license shall be based on the availability of spaces in the HHPG and on the overall percentage of monthly leased spaces in the garage.
- Terms of the license shall be revisable every two years.

The process for group license requests shall be a written request to the City Manager, review by city staff for consistency with eligibility criteria and EDC recommendation to the Manager and City Council with final approval by the City Council at a regularly scheduled meeting.

The staff suggestion is for the EDC to recommend that the City Council approve the draft policy and the request from Desktop Standard. Councilor Ferrini is in favor of the policy, but asked what the financial impact of the policy would be. Currently, only two businesses have over 25 passes in the garage. The impact would be \$51,260 or 3.6% of all HHPG revenues if all three businesses with > 25 parking passes applied for the discount. Commissioner Eaton agrees that the policy is a good idea and is something the City should do to attract large office business downtown. Commissioner Hayes and Councilor Raynolds concurred.

Chairman Levenson noted that in considering the proposal, he and the staff made an effort to take into consideration the small, independent businesses that contribute significantly to the local economy and to the uniqueness of downtown, yet are unlikely to be large enough to qualify for a group license. The hope is that the employees of large offices downtown become patrons of the small businesses in the Central Business District, and it is advised that the group license discounts shall be granted sparingly.

Councilor Ferrini moved and Commissioner Eaton seconded the motion to recommend to the City Council adoption of the Group License Policy for High Hanover Parking Garage and approval of the Wenberry Associates, LLC proposal. The motion carried unanimously.

Tax Increment Financing Discussion

The City Manager said that in keeping with the EDC Action Plan and as a follow-up to discussions on exploring economic development tools available to communities, staff has researched the tax increment financing (TIF) process. Tax Increment Financing (TIF) is a method of targeting tax revenue to a specified area of the municipality (development district) to finance improvements. The district is usually an area the municipality wishes to develop for economic development reasons such as a downtown in need of revitalization, streetscape improvements, property acquisition, a parking garage or a commercial or industrial park.

The state regulation that allows a community to adopt TIF districts is RSA 162-K. A simplified outline of the TIF process, activities permissible within TIF districts and a draft resolution for adoption of RSA 162 k was distributed. If the City is interested in pursuing potential TIF financing for streetscape and infrastructure improvements associated with the Schultz Brewery, the Islington Street corridor and the possibly the McIntyre Block, it should adopt this chapter. The adoption process requires a 7-day notice period prior to a public hearing on the adoption of the RSA chapter. Per RSA 162 k: 4, the vote on adoption of RSA 162-K follows no sooner than 15 days after the public hearing.

Councilor Ferrini thinks it is a good idea to adopt the legislation before a specific project is proposed to avoid any confusion about the motive for adoption of TIF for project financing. The EDC concurred. Councilor Ferrini moved and Commissioner Taylor seconded the motion to recommend that the City Council adopt RSA 162-K.

Old Business

HarborCorp Update

City Manager Bohenko said that the development team has submitted a letter to the City Council for zoning changes relative to the boundary between Central Business Districts A and B for height limitations, for the gathering permit requirements and for the common ownership provision for the parking garage. These are all changes to the zoning ordinance and will require public hearings prior to action by the City Council.

City Council Referral – Unmet Parking Need Credit

Ms. Carmer reviewed the referral to the EDC from the City Council. She said that the subcommittee looked at potential changes to the unmet parking credit requirements in the context of the impacts on the taxpayer, the property owner and the parking user because these are the three entities that ultimately share the cost of public parking. The subcommittee also considered several alternatives to the current requirements ranging from completely eliminating the credit to maintaining status quo to creating a sliding scale of rate. It pared the alternatives to four and met with stakeholders on January 12, 2006 for input.

The subcommittee concluded that there is merit in maintaining an unmet parking credit. However, there is further merit in reducing administrative burden to both the applicant and the city, reducing the financial burden to the applicant by providing a mechanism for payment over time, and discounting some spaces in an effort to help attract/retain an active small business community. There is a need to provide public education on the unmet parking credit at the time a property owner or tenant inquires about the process using a brochure or handout and a need to modify several administrative aspects of the process. A handout of suggested modifications was distributed.

The major suggestions included changing the reference date for the parking credit from the date of adoption for ordinance Article XII in 1997 to the current use at the time a change of use application is submitted. The exception to this is the situation where there is an unmet parking credit on record for the property in question. The subcommittee also recommended a discount equal to 50% of the regular unmet parking credit for the first five (5) unmet parking spaces required. Provide the discount each time a change of use occurs. After two years, review the effectiveness and impacts of these proposed modifications to the unmet parking need credit zoning requirements.

Given that the Planning Board will soon be proposing modifications to the zoning ordinance as outlined in the Master Plan, the EDC subcommittee recommends that the unmet parking credit remain the same until the changes to the ordinance are drafted. The EDC subcommittee further recommends that Article XII, which includes the Unmet Parking, Need, be the first Zoning Ordinance Article amended and that the conclusions stated above be incorporated in the revised ordinance.

With respect to the unmet parking credit and small independent business, Chairman Levenson said that in reality because the ordinance deals with the property owner and not the tenant, it is the property owner that determines how much of the parking credit cost to pass on to the owner. The city must do a better job educating the stakeholders about this.

In discussion, Planning Director David Holden discussed the number of parking spaces in the downtown and the estimation that each space turns over about three times daily. The inventory and turnover should be updated. Councilor Ferrini asked if it is necessary to change the current unmet parking credit rate given that there have been only two property owners pay the credit. Chairman Levenson said that is a debate for the City Council. Councilor Ferrini also asked if a 50% discount for the first five unmet parking credits would have a large impact on the parking credit revenues. Ms. McIntosh responded that applicants for 5 or less spaces constituted 44% of the applications but only 8% of the unmet parking credit revenues.

Commissioner Eaton said he likes the proposed changes as a means to provide a small break for businesses that do not have large cash reserves and do not require a substantial number of parking spaces. Commissioner DeStefano asked if the recommendation meant that a property could get the credit twice. Mr. Holden said yes, but that it is unlikely that would occur very often.

Councilor Reynolds would like to see provisions for bicycle parking included in the ordinance as he anticipates an increase in bicycle transportation in the future and there are amenities that could be constructed to encourage more bike commuters.

Councilor Reynolds moved to make the recommendation as proposed by the subcommittee to the City Council. Councilor Ferrini seconded the motion, which passed unanimously. Copies of the recommendation will be sent to the Planning Board with a request to work jointly on the suggested changes to the zoning ordinance.

City Council Referral – Public Market at Worth Lot

Chairman Levenson said that in response to the City Council referral on a public market for the Worth Parking Lot, he has asked Commissioners Gladhill and DeStefano to sit on a subcommittee to research and respond to the request. Everett Eaton volunteered to serve on the subcommittee as well.

City Council Referral – WI-Fi Subcommittee

Ms. Carmer confirmed that Commissioners Hayes and Levenson had offered to serve on the WiFi subcommittee and asked if any of the newer members wished to participate that will be joined by Chamber of Commerce Business Development Manager Ginny Griffith and Scott Campbell of Buss on a Budget. Commissioner McIntosh volunteered to join the group.

Public Comment Period

There were no requests to speak from members of the public.

Next Meeting Date

April 7, 2006 is the next meeting date.

Respectfully submitted,

Nancy M. Carmer, Economic Development Program Manager