

MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION

November 9, 2007

City Hall Conference Room A

7:30 a.m.

Members Present: Dana Levenson, Chairman; Everett Eaton, Vice-Chairman; Robin McIntosh, Tom Ferrini, William Gladhill, Paul Harvey Sr., Edward Hayes, Ned Raynolds, John P. Bohenko; City Manager

Members Excused: Lisa DeStefano

Members Absent: Michael Murray

Staff present: Nancy Carmer, Economic Development Program Manager

Chairman Levenson opened the meeting at 7:30 a.m.

Minutes

Draft meeting minutes of October 5, 2007 were unanimously approved following a motion by Commissioner Eaton and a second by Commissioner Gladhill.

Presentation: Portwalk Project – Downtown Parking

Jeff Johnston and Josh Anderson of Cathartes Private Investments made a presentation on the EDC on the status of the Portwalk project. The Portwalk project has received all municipal permits required to construct the project which includes 70,000 sq. ft of retail/restaurant space, 160,000 sq. ft. of office space, 28 residential condominiums, a 128-room extended stay hotel and a subterranean 333 parking-space garage. The keystone of the project is the Portwalk promenade with 22 foot sidewalks on the east side of the road and slightly narrower sidewalk on the opposite side of the street. This area will function as space for outdoor dining and seating as well as public gathering space that connects to the Vaughan walking Mall and the proposed Westin hotel and conference facility.

In response to the City Manager's inquiry, the developer has analyzed the geotechnical and hydrological issues related to constructing a second level of underground parking including the presence of ledge, glacial till and water table and determined it would be possible to build another parking level with roughly 325 spaces. Mr. Anderson feels the option of constructing a second below level parking garage would be a win-win for the city and for Portwalk. The city would gain from having more easily accessible underground parking in the Central Business District, no land acquisition cost, smart growth characteristics of reduced open space consumption, and capture of additional property taxes from the project and Portwalk would gain from having additional parking as well. The window of opportunity is small as the project is scheduled to break ground in June 2008 so the developers need to know fairly soon if the city wishes to pursue the opportunity so that they can modify construction plans.

The City Manager said that this opportunity creates a similar amount of net parking spaces (330) that the city anticipates gaining from construction of a parking garage at the Worth Lot. This

opportunity eliminates the City Council concerns related to massing and to shading at Vaughan Mall from a 4-story garage on the Worth Lot.

The Manager outlined the following conceptual elements of how the Portwalk parking option would work:

- Portwalk would construct a second level of parking
- City would purchase 325 underground spaces at \$38,000 per space
- All of city spaces would be available to the public 24/7 at city parking rate
- Portwalk could charge private rate for its tenants' monthly parkers and valet business for hotels on its 325 spaces
- City would get revenue from the Portwalk transient spaces when not being used
- City would operate the entire garage
- City would collect real estate property taxes on the Portwalk portion of the garage

Commissioners Harvey and Ferrini agreed that the project sounds like a terrific opportunity. Commissioner Eaton feels that, in view of the increasing trend in which the High Hanover Garage has reached capacity multiple times in the last four years, this new potential parking inventory is critical for delivery in the next two years when many of the projects slated for the Northern Tier are scheduled to be constructed. Commissioners Gladhill and Reynolds agreed that this opportunity should be pursued.

Rules were suspended to allow comment from City Councilor Dwyer who said that it is important to note that this opportunity is not in lieu of the partnership opportunity that the city has developed with HarborCorp for the Westin project. The City Manager agreed noting that both the HarborCorp and the Portwalk parking are needed to support the anticipated development in the Northern Tier. Harold Whitehouse urged the developer to revisit the hydrology analysis because he recalls a very high water table when the Parade Mall was constructed as well as ongoing basement flooding in large storm events.

Chairman Levenson highlighted the point that accessible, affordable parking is one of the few economic development tools available to ensure a vibrant downtown. Commissioner McIntosh agreed and said that given the city's current zoning regulations for parking and the unmet parking credit option, the EDC subcommittee's work on unmet parking credits indicated that a complete build out of Parade Mall could stress parking demand in the downtown despite the fact that it meets current parking requirements.

The City Manager said that to move forward the project would need to amend its site review approval request. Also, the concept would require an agreement and this is a City Council policy matter that would ultimately require City Council bond approval. Commissioner Eaton moved to have the EDC recommend that the City Manager bring the Portwalk underground public parking garage option to the City Council ASAP. Motion seconded by Commissioner Ferrini. Commissioner Reynolds requested that the developer consider incorporate bicycle parking into the facility. The motion passed unanimously.

Introduction and economic development discussion with NH Dept. of Resources and Economic Development (DRED), Division of Economic Development Director Mike Vlacich

Ms. Carmer introduced Mr. Vlacich who thanked the EDC for inviting him and praised the work that the commission was undertaking. He provided an overview of the Division of Economic Development and its current focus areas of research and development tax credits, the renewed funding for the job training fund and the state action plan to provide broadband to the areas of the state that are currently underserved in this area as part of its campaign to attract high technology companies. He also discussed partnerships between the Division and the High Technology Council, the state university system, and utility companies. He spoke of a matching grant program for website enhancement sponsored by Senator Hassan and also of the state's procurement assistance program for helping small business access federal contract work.

EDC Project/Initiatives Updates

WiFi Project – Gerard Goubert, Project Engineer from Cisco Systems, and Alan Brady, the City's IT Coordinator provided an update of the Wi-Fi expansion project. They are awaiting the results of testing on ten city buildings as access points for the nodes that Cisco is contributing to the effort. Mr. Goubert brought a sample node and explained how it would work noting that a newer model is being developed and may be tested in the project's anticipated live municipal WiFi lab.

Islington St. Corridor Action Plan and Arts District Study Update-Ms. Carmer said that the project is well underway with all stakeholder meetings complete and the next public meeting scheduled for the library on Nov. 14th. She distributed copies of stakeholder input and said participation has been excellent. The consultant will begin concentrating on options for improvements in the corridor and development of a draft action plan. Ms. Carmer encouraged the EDC to attend the meeting on November 14th.

Exit 7 Gateway Improvement Project – The Cecil Group has been hired to carry out the project and a kickoff meeting is scheduled for November 13th.

Response to EDC letter from Speaker Norelli – Speaker Norelli will attend the December 7th EDC meeting. Members of the Planning Board and Housing Partnership will be invited to join the discussion of the challenges and opportunities in creating workforce housing

Westin Conference Center/Hotel/Garage – Mr. Bohenko reported that the court ruled that the city's bond constituted more than incidental economic benefit in the Westin project case. The city has filed a motion for reconsideration.

Cruise Ship Committee – Ms. Carmer summarized the work of the Mayor's Blue Ribbon Committee on Cruise ships informing the EDC that it determined that there are roughly 4-6 cruise ships currently trading in the New England market that could call on Portsmouth Harbor given the constraints of bridges, tides, currents and suitable dock facilities. City Councilor Smith will provide a report back to the City Council on November 19th including a recommendation for the city's economic development staff to work with the state Division of

Ports and Harbors to respond to cruise ship inquiries and to work with the Chamber and the Downtown Business Association to coordinate reception and activities when ships visit Portsmouth.

Public Comment Period

Ms. Dwyer commented that although she thinks favorably of the opportunity to create a second level of public parking at Portwalk, she points out that the \$12.5 million dollars associated with that development could create roughly 175 units of affordable housing which is needed in the city, especially with more hotel and retail jobs contemplated. She referred to a film clip she viewed at a recent Workforce Housing Partnership event. She encouraged EDC representatives to attend a similar event in Dover on November 29th. Mr. Choate suggested the city consider density bonuses into its regulation for incorporation of a defined percentage of workforce and affordable housing in developments.

The meeting adjourned at 9:00 AM. Next meeting date is December 7, 2007.

Respectfully submitted,
Nancy M. Carmer
Economic Development Program Manager