

**MEETING MINUTES**  
**PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION**

November 7, 2008

City Hall Conference Room A

7:30 a.m.

Members Present: Dana Levenson, Chairman; Everett Eaton, Vice-Chairman; Jack Blalock, William Gladhill, Tim Allison, Dr. Paul Harvey, Lisa DeStefano, Ken Smith, John P. Bohenko; City Manager

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

**Welcome new EDC member Susanne Delaney**

Chairman Levenson welcomed newest Economic Development Commissioner Susanne Delaney and asked her to say a few words about herself. Ms. Delaney stated that she currently lives in Portsmouth and works at the US Passport Center. Previous to that she worked for the Peace Corps office in Boston after serving in the Peace Corps. She also serves as co-chair of the Portsmouth Criterion.

**Approval of Draft Meeting Minutes of October 3, 2008**

Following a motion by Everett Eaton and a second by Dr. Harvey, the draft meeting minutes of October 3, 2008 were unanimously approved as written.

**Presentation on Portsmouth Commercial Office Market Trends and Projections –Steve Berg of Sargent Consulting, Ltd.**

Mr. Berg distributed copies of a document entitled “Overview of Portsmouth Office Market and Other Local Real Estate Issues. Using the document as a reference, he provided a general economic overview, a market office overview and a perspective on the link between the housing and office markets. Portsmouth leads the seacoast in total employment, total wages and number of businesses. Major employment sectors are primarily “white-collar”, service-oriented employers in the following sectors: Information, Finance and Insurance, Professional & Technological Services, Company Management and Administrative Services. Employment growth projections through 2014 bode well for these sectors. Mr. Berg stated that, by his calculations, Portsmouth is capable of accommodating new office construction through 2027.

For properties in excess of 10,000 square feet, there is an inventory of 3.8mm square feet of office space or 6.5% more than in 2007. Average growth in the market has been 4.3% annually with the majority of the space at Pease Tradeport (42%). 8.6% of local officespace is empty which Mr. Berg said is in the “healthy” range.

White collar job growth in the city has created demand for housing, causing the rising trend in housing costs. The median home purchase price in 2008 (through August) was \$295,000 versus \$130,571 in 1990. Housing costs for single family homes are down slightly (13% from first eight months of 2005-2008). Foreclosures have been minimal. One concern is that the rate at which housing has been built has not satisfied demand. By Mr. Berg’s estimate, if the historic trend for new home construction continues, there will be 3%-5% too few dwellings to satisfy projected population growth.

Mr. Levenson thanked Mr. Berg for his presentation.

**EDC Project Updates**

*City Council action on FY 08/09 Chamber of Commerce Partnership Extension Request*

Ms. Carmer reported that at its October 20<sup>th</sup> meeting, the City Council approved the City/Chamber partnership request for UDAG funds. The approval was contingent upon submittal of quarterly reports in accordance with the EDC-recommended matrix. It also required the Chamber to demonstrate a match of \$20,000 prior to the third quarter request.

*Blue Ribbon Committee on Housing Update – William Gladhill*

The Housing Committee will be presenting the Housing Report and Recommendations to the City Council at the November 24, 2008 meeting. Copies of the report will be sent tot the EDC.

*EDC Projects submissions to in Capital Plan*

Mr. Bohenko explained the Capital Improvement Plan process and noted that the Islington St. Improvement Action Plan and the Market St. Exit 7 Gateway project will be part of the Plan. The Plan covers a six-year period and is developed by the Planning Board. A subcommittee works with Department Heads on multi-year infrastructure planning and budgeting. Project funding is usually a combination of general funds, bonds and grants. A Planning Board/City Council work session is held on the draft plan followed by a public hearing in March. Mr. Bohenko suggested that once the Planning Board completes its work on the plan, it will be brought to the EDC to determine if it wishes to publicly support projects in the proposed plan.

*PEDLP (Portsmouth Economic Development Loan Program)*

Ms. Carmer provided a history and status report on the PEDLP program. She explained that it was part of the city's Community Development Block grant program. Economic development programs and initiatives are eligible activities under the program. In 1983 the city developed a low-interest revolving loan program to benefit local small businesses and to create job opportunities for low and moderate income residents. Over a million dollars in loans were made to 44 companies that resulted in over 550 jobs. She distributed copies of program brochures and loan sectors. The program is no longer active due in part to changing local demographics and to a shift in the commercial lending environment that resulted in revised credit requirements and quicker turnaround. For the past several years, CDBG loan monies have been reprogrammed to infrastructure projects in local low and moderate income neighborhoods.

**New Business/upcoming events**

*Rockingham County 2008 CEDS Report*

Ms. Carmer circulated copies of the most recent Comprehensive Economic Development Strategy report for Rockingham County. This document is required in order to qualify for federal EDA funds.

*2009 Action Plan Development*

Mr. Levenson passed out the 2008 EDC Action Plan and asked members to think about items for the upcoming 2009 EDC Action Plan and to contact Ms. Carmer with initiatives.

*November 12, 2008 "Green Jobs" Report presentation at Public Library*

This presentation by Ross Gittell of UNH will be at the Portsmouth Public Library. Members were encouraged to register.

**Public Comment Period**

Mr. Choate opined that, if the myriad of local office space <10,000 square feet was included in the office vacancy rate, the rate would approximate 20%. Mr. Berg responded that most of the office space <10,000 square feet is actually included in his calculation because those smaller offices are located in the larger office buildings captures in his analysis.

**Confirm Next Meeting Date: December 5, 2008/Adjourn**

Respectfully submitted,  
Nancy Carmer  
Economic Development Program Manager