

**MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION**

January 7, 2011

Conference Room A City Hall

7:30 a.m.

Members Present: Dana Levenson, Chairman; Everett Eaton, Vice-Chairman; Nancy Novelline Clayburgh, Josh Cyr, Ron Zolla, Robert Marchewka, Christine Dwyer, Lisa DeStefano Tim Allison, Eric Gregg

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

Approval of Draft Meeting Minutes of December 10, 2010

Following a motion by Commissioner Eaton and a second by Councilor Christine Dwyer, the draft meeting minutes of December 10, 2010 were unanimously approved as written.

Greater Portsmouth Chamber of Commerce Quarterly Reports on Tourism for the period 10/1/10 through 12/31/10

Chamber President Doug Bates thanked the EDC for its past support and summarized the area's relative sound economic position. He noted the successful Chamber initiatives such as Tech World, Restaurant and Retail Week that came on the heels of a very favorable summer tourism season thanks to the great weather. He also noted that the Chamber has been working with other seacoast chambers to form an alliance. The alliance provides a significant voice in Concord on economic development and tourism issues. One example of the alliance's collective work is an effort to create more equanimity for the distribution of the NH Rooms and Meals tax revenues to the communities that generate a proportionately higher amount of the tax.

He noted that despite all the recent Chamber promotions and successes, it is still operating at 2009 financial levels. For that reason, he is respectfully requesting that the EDC consider increasing its Chamber partnership support in FY 2011 from \$40,000 to \$50,000.

Valerie Rochon, Chamber of Commerce Tourism Manager gave a tourism activity report (written and verbal) for the past quarter. Included in the report are metrics on the local visitation, Restaurant Week activity, hotel occupancy rates, Chamber visitor center and website visits, and Hampton Tollbooth traffic figures. For the period 10/1/10 through 12/31/10, Visitor Center and website traffic were off slightly compared to 2009, but tollbooth traffic was up. Hotel occupancy rates increased slightly over 2009 but were down compared to 2008. Restaurant Week activity increased with 38 restaurants and 35,000 diners participating. *Vintage Christmas* attendance at 8,000 surpassed figures from previous years as well. Lastly, Ms. Rochon highlighted upcoming trade show attendance by Chamber staff was highlighted as was the tourism grant applications.

The Chamber is working on revamping its collateral through partnership with Brown & Co. The Portsmouth Harbor Guide and *Guide to the Seacoast* will be combined into a new "Official Visitor Guide to the Seacoast" which will serve as the "go-to" piece for all information included in the Harbor Guide and *Guide to the Seacoast*. The benefit will be less confusion for those researching information about visits to Portsmouth. Also, a lure piece will be created to replace the current rack cards. Finally the Chamber is developing a "killer" website to be the "Official Visitor Guide" for mobile and electronic users.

Councilor Dwyer noted that while unique stores and dining are a large part of the local economy, it is the city's cultural amenities combined with fine dining and retail that are the major visitor draw. She asked if local arts and culture information could be highlighted in the new collateral marketing pieces.

The Commission thanked the Mr. Bates and Ms. Rochon for their report and Chairman Levenson remarked on the following "take-away" items and requests:

- 1) In the future, submit the report in advance of the meeting for EDC review.
- 2) Include local excursion tour and fishing boat figures be added to the metrics tracked.
- 3) Include information on the city's arts and cultural institutions (historic homes, cultural institutions/events, churches, etc) in the Chamber collateral and lure pieces as well as the website. Chairman Levenson asked Ms. Dwyer to develop some suggestions for this.

Commissioner Marchewka if the quarterly report could also include information on regional Chamber alliance

collaboration activity. Chairman Levenson concurred.

Seacoast Commercial Real Estate Report

Laura Nesmith, Research Coordinator and David Choate, Exec. VP for Grubb & Ellis/Northern New England provided a survey of the Portsmouth office and industrial real estate market for the 3rd quarter of 2010. Overall vacancy rates for the Portsmouth office market (which includes non-medical office space > 10,000 square feet {sq. ft.}) was 15%. Current gross lease rates for Class A and B offices are \$19.95 per square foot \$14.22 respectively. Office market trends expected to continue are that leases will outpace sales, landlord incentives will continue, and larger sq. ft. office requirements will be in demand and longer term leases will increase in frequency.

For industrial market properties over 10,000 square feet the overall vacancy rates for the reporting period was 11.5%. By subcategory this breaks out to 6.5% for general warehouse, 13.7% for warehouse/distribution space, and 19% for R&D/flex space. The gross lease rates for those sectors are \$5.81, \$5.95, and \$12.64 respectively. Expected trends in the industrial sector are that sales will be outpaced by leases, landlords will remain aggressive in lease incentives, and rental rates will remain stable or decline with new inventory lagging. The vacancy rate at Pease Tradeport for the reporting period was 8%. Following the presentation Chairman Levenson thanked Ms. Nesmith and Mr. Choate for their report.

Old Business

Update from EDC Subcommittee on Film Industry

Commissioner Robert Marchewka reported that in December the subcommittee met with Matt Newton of the NH film office to discuss ways to collaborate and further develop the local film industry. Ms. Carmer added that as a result of the meeting, the subcommittee will explore hosting the next NH Film Roundtable in Portsmouth and increasing the city's presence on the NH Film Office website as potential action items in its subcommittee recommendations.

High Speed Broadband Infrastructure Subcommittee Update

This report was postponed to the February meeting.

Memorial Bridge Status Report

The bridge has re-opened after a brief shutdown for repairs in December. Ms. Carmer and a DRED representative visited businesses to determine the impact of the closure and to gather suggestions for the pending closure when the bridge is replaced. Most businesses were only moderately impacted by the recent closure. The biggest inconvenience was to workers and customers travelling from Kittery, Maine to downtown Portsmouth. The most frequent suggestion made to minimize future business disruption when the bridge is replaced was to develop a well-coordinated wayfinding effort.

New /Other Business

EDC 2011 Action Plan Approval

In the interest of time, this item was deferred to the February meeting.

Joint meeting on January 20, 2011 at 6 PM with Planning Board and Parking Committee re: Parking Focus Group

Chairman Levenson reminded the Commission that the EDC had sent a memo to the City Council and Planning Board regarding the EDC's concern for creating parking requirements that promote balanced commercial and residential development downtown. He asked Commissioners to make every effort to attend the upcoming work session. Councilor Dwyer noted that because the City Council was looking to develop an omnibus approach to the report recommendations it will be important to discuss the EDC concerns at the work session. It was resolved that talking points will be developed and circulated for EDC review before the meeting.

Public Comment Period

No members of the public wished to comment.

Confirm Next Meeting

The next EDC meeting will be February 4, 2011/Adjourn

With no further business the meeting adjourned at 9:15 a.m.

Respectfully submitted,

Nancy Carmer,

Economic Development Program Manager