

**MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION**

June 3, 2011

NH-ICC, 75 Rochester Ave.

7:30 a.m.

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

Chairman Eaton opened the meeting at 7:38 a.m.

Approval of Draft Meeting Minutes of May 6 and May 25, 2011

Following a motion by Commissioner Allison and a second by Commissioner DeStefano, the draft meeting minutes of May 6 and May 25, 2011 were unanimously approved as written.

Update on activity at Pease International Tradeport by Dave Mullen, Executive Director, Pease Development Authority

Chairman Eaton introduced Pease Executive Director David Mullen who provided an update of Pease Tradeport activity in the past year. As of spring 2011, Pease was home to approximately 250 companies occupying more than 4.4 million square feet of office, research and industrial space. Businesses at Pease directly employ an estimated 7,000 employees. Indirect employment supported by business at the Tradeport is estimated at 3,500. Annual wage estimates for both the direct and indirect jobs is \$500 million. A diverse cross section of businesses are represented at the Tradeport including aviation, biotech, computer technology, education, manufacturing, construction, R&D, telecommunications, financial services, insurance, health care, legal and federal government. Since inception the focus of the Tradeport has been less on warehousing and distribution and more on manufacturing, office and other businesses that create the most jobs. For this reason, and because of the proximity to the airport, housing was precluded as an allowed use on the Tradeport.

Total property assessment for Pease exceeds \$411million and state tax revenues from business and rooms and meals taxes are \$10.4 million. The City has a municipal services agreement with Pease that generates \$5.3 million for the services the city provides to the business park. Vacancy rates at Pease have declined from 18% in 2009 to 10% in 2011.

Notable new activity includes a \$10 million renovation at Great Bay Community College, construction of a \$13 million, 46,000 square foot rehabilitation hospital, renovations and expansion of the US Passport Center and a 15,000 square foot addition to BayRing Communications. There are currently only 8 parcels totaling 60 acres of open land remaining on the non-airport side of the park for development. On the airport side, there is 100 acres available for strictly aviation related development.

When asked the reason for the improvement in the vacancy absorption rate, Mr. Mullen said it was demand for the Pease location and the easily accessible, high quality real estate available. In response to a question about the demographic of the Pease workforce, Mr. Mullen said most workers come from the seacoast region with 5%-8% commuting from Maine and Massachusetts.

Mr. Mullen added that the airport is a great asset but has struggled to get consistent passenger service due to the competition from the nearby terminals at Boston Logan, Manchester International Airport and Portland Jet Port. However, the airport at Pease does provide freight and charter service as well as service aircraft maintenance.

The condition and improvement of roads and infrastructure at the facility is the subject of the Pease Transportation Plan and of the City's Capital Improvement Plan.

Old Business

Downtown parking: Options for advocacy/education

As a follow up to the discussion on this topic at the May 6th meeting, members discussed how/when to advocate for additional parking downtown. City Manager Bohenko said that the City Council is holding a work session on the Worth Garage on June 20th in response to issues raised by abutting tenants and property owners relative to a multi-story structure and the loss of natural light on Vaughan Mall and other issues. Another concern is the cost per net space if the 440 spaces proposed are reduced to accommodate retail, and façade changes. He said that parking advocacy does not need to start until fall. The next step is for the City Council to request preliminary design which he estimates to cost around \$200,000. He intends to request that the design consultant selected for preliminary design make a presentation to the EDC.

Description and site tour of New Hampshire Innovation Commercialization Center

Chairman Eaton introduced Mark Galvin, Managing Director of the NH Innovation Commercialization Center (NH-ICC) who in turn introduced his management team including Marketing Director Al Hauf and Finance Director Roger Tuttle. Mr. Galvin provided a power point presentation describing the work of NH-ICC. The Center works in partnership with the University of New Hampshire (UNH) to accelerate the early stage of high technology start-ups and the commercialization of UNH intellectual capital. NH-ICC has made it a priority to create and leverage opportunities for commercialization of technologies developed through research and entrepreneurship. Mr. Galvin summarized the work of the ten resident companies of the center and took EDC members on a tour of the facility.

Public Comment Period

David Choate raised two concerns:

- 1) He believes that the current zoning regulation regarding business drive-thru lanes outside the Central Business District is not business friendly. He is particularly concerned with the minimum building size of 5,000 square feet required for drive-thru lanes. Mr. Bohenko said that he raises a good point however; to be fully informed it is necessary to understand why the Planning Board structured the regulation this way. The Planning Director will be invited to a future EDC meeting to provide the history and background of the regulation.
- 2) Mr. Choate also raised a concern about the costs incurred for the proposed Betterment District at Commerce Way. He feels that the cost to complete the roadway and streetscape amenities will be unfairly passed onto the tenants making it difficult to market the property. Mr. Bohenko said that the owners of Commerce Way have been in discussions with the city for two years on the improvements. The Betterment District is a development tool allowed by state statute and requires a public hearing by the City Council so there will be an opportunity for individuals to comment on the proposal when/if the proposal gets to that stage. In that it is considered an economic development tool, he thought it appropriate to bring the request to the EDC for a recommendation to the Council. Commissioners Zolla and Cohen believe it is a creative way to finance improvements and reacted favorably to the proposal by the owner because the city is protected by property liens in the event of a default on the bond payment.

Confirm Next Meeting: A meeting will be scheduled in August to tour a Pease-based business. No EDC business is planned unless an issue arises. Date and meeting details will be sent electronically to the Committee. Next regular meeting is September 9th.

With no further business the meeting adjourned at 9:35 a.m.

Respectfully submitted,

Nancy Carmer, Economic Development Program Manager