

**MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION**

December 2, 2011

Conference Room A City Hall

7:30 a.m.

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

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

Approval of draft meeting minutes of November 4, 2011

Following a motion by Commissioner Allison and a second by Commissioner Gregg, the draft meeting minutes of November 4, 2011 were unanimously approved as written.

Presentation on Tax Increment Financing (TIF) Districts as an Economic Development Tool

Mr. Bohenko introduced the Tax Increment Financing (TIF) concept and Ms. Carmer provided an overview of the State legislation (RSA 162K) which allows municipalities to create TIF districts. She explained how the economic development tool works, what activities are eligible and the process required for implementing a TIF project. The City Manager said that if there is interest in a TIF project, the EDC should be the entity to assist the City Council in identifying the areas most likely to generate new development and capture new tax revenues to pay for project improvements. In this way, the EDC can be instrumental in assisting in development of a strategy to provide incentive for new growth and the associated public improvements with new development.

During the ensuing discussion several members expressed interest in a TIF in the Islington Street area and in the Northern Tier. Ms. Dwyer stated that a significant challenge for the EDC and City Council is educating the residents of the value of the city's current commercial areas and how additional development can improve the city's revenues and allow for public improvements. There was agreement that regardless of where a TIF is proposed, it is critical that the financing plan be successful and that the improvements positively improve local quality of life for residents. For this reason, the conversation focused on the streetscape and pedestrian improvements in the Islington Street corridor. Others also felt it is important to capture the opportunity in the Northern Tier where new development is planned.

The City Manager confirmed that there is EDC interest in the exploring TIF further. The next step would be to invite a panel of representatives from other communities that have implemented a TIF project to a future EDC meeting to discuss TIF opportunities and challenges.

Old Business

Discussion of potential loan terms for Chamber website funding request

Chairman Eaton opened the discussion with an overview of the Chamber's request for a one-time contribution of \$30,000 for development of a new tourism website. Terms recommended are:

Loan Term: 4 years (48 months)
Rate: 75% of the Prime Rate fixed as advertised in the *Wall Street Journal* on the date of closing. Now 2.4%
Repayment: Monthly
Security: Future grant funds for City/Chamber partnership
Financial Reporting: Submission of Chamber annual financial statement.

Other Conditions:

City check to be issued jointly to Chamber and vendor.

Evidence of progressive action on solicitation of funds from other communities served by the website. Debate ensued on whether the loan should be interest free. The City Manager thinks that the program adds value to the City and thus should not require interest. Commissioner Zolla concurred stating that the Chamber made a compelling argument about the need and benefits of the website. Chairman Eaton said one reason to charge interest is in

fairness to private website enterprises that pay interest on private loans. Commissioner Levenson noted the City's fiduciary responsibility regarding the City's UDAG funds. Commissioner Clayburgh noted the concern for setting precedent that money can be borrowed interest free from the City. Commissioner Allison said that he agrees with the recommendation of the EDC subcommittee on this and moved to recommend the loan and terms as stated to the City Council. The motion was seconded by Commissioner Gregg and passed unanimously.

City Manager Bohenko set out the next steps of contacting the Chamber for their response and if positive, making the recommendation to the City Council on December 19, 2011. Chairman Eaton and Ms. Carmer will contact the Chamber representatives as soon as possible.

Discussion of talking points for joint work session with City Council/Planning Board/Historic District Commission December 12, 2011 on downtown development

The following points were brought forward for the upcoming work session:

- A balance of residential, retail and office is important to economic vitality
- A "working central business district is tantamount to additional hotels."
- Need incentives for office location/relocation to CBD (parking subsidy, loan program tailored for location of companies that will create skilled jobs?)
- Notification that the EDC will be coming forward to the City Council with some suggested economic development tools that may assist in balanced growth downtown.
- Reiteration of 5 or 6 important points and suggestions from the Parking Study presentation
- Bring an estimate of the current value of properties in the downtown and also the current distribution of land uses in the Central Business District.

Update on Memorial Bridge Replacement

Public input meetings were held this week by NHDOT on the design-bid process for the new bridge. The schedule for dismantling and floating the existing bridge out is for late January 2012.

New Business

2012 EDC Action Plan

Ms. Carmer asked Commissioners to submit ideas for the 2012 Action Plan priorities to her for discussion at the January EDC meeting. Chairman Eaton suggested including a plan to focus EDC efforts on areas outside the Central Business District.

Other Business

None

Public Comment

David Choate offered two comments:

- 1) The TIF concept is an intriguing one and potentially a good fit for Portsmouth. Two potential projects that would benefit from this tool are road improvements between Rock St. garage and Bridge Street and the access road corridor between Route 1 Bypass and Bridge St.
- 2) In considering improvements to pedestrian improvements to the Islington Street corridor, he suggested that the timing of the pedestrian traffic signal should be increased as it is difficult to safely navigate the large intersection in the amount of time currently available.

Confirm Next Meeting: Friday, January 6, 2012/Adjourn

With no further business the meeting adjourned at 9:00 a.m.

Respectfully submitted,
Nancy Carmer, Economic Development Program Manager