

**MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION**

March 9, 2012

Conference Room A City Hall

7:30 a.m.

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

Chairman Eaton opened the meeting at 7:35 a.m.

Approval of draft meeting minutes of February 10, 2012

Following a motion by Commissioner Cohen and a second by Commissioner Dwyer, the draft meeting minutes of February 10, 2012 were unanimously approved as written.

Presentation on 2012 Capital Improvement Infrastructure Projects

City Manager Bohenko introduced the Capital Improvement Plan (CIP) process and explained the roles of the Planning Board and City Council in the development, approval and ultimately funding of the projects included in the CIP. Basically, the CIP is a timetable for accomplishing needed improvements on a scheduled basis and has a significant impact on how resources are allocated. It identifies short and long-term capital and improvement and infrastructure needs, schedules capital outlays over a six-year period and identifies the estimated costs and funding sources for each recommended capital project. A subcommittee of the Planning Board begins the process by holding meetings with City Department Heads to discuss needed capital projects and the potential non-municipal funds available for them. The Planning Board conveys the plan to the City Council after its reviews and approval. The City Charter requires the City Council to approve the Plan and authorize bonds used to fund certain project and to accept grants allocated to others.

Public Works Director Steve Parkinson distributed a descriptive handout and map of citywide infrastructure projects. He acknowledged the link between economic development goals and strategic improvement of municipal infrastructure. He summarized sixteen projects that are scheduled for construction and implementation in 2012 including improvements to streets, sidewalks, parks, traffic control infrastructure, utilities, municipal buildings and the seawalls. He also described citywide projects that are included in the plan that are not funded or managed by the city such as State Department of Transportation projects along Lafayette Road, and the Sagamore Avenue and Memorial Bridges.

Mr. Parkinson responded to questions regarding the City's role in replacement of telephone poles associated with street improvement projects (the city works collaboratively with the utility companies on replacement of services and poles), public and residents notice (notice is provided for every impacted dwelling or property owner via various means such as door to door notices, via the City's website, press releases, City newsletters, and neighborhood meetings). Mr. Parkinson also informed the EDC that there are projects such as the Exit 7 gateway improvements and planned Islington Street improvements that are in the CIP for design work in 2012. These two projects are phased over several years with sections of the plans being alternately scheduled for design and construction.

Chairman Eaton thanked Mr. Parkinson for the presentation. Ms. Carmer said that advocacy for the CIP is

an action item in the EDC Action Plan and historically the EDC has voted to send a letter to the City Council urging CIP approval. Mr. Marchewka moved that such a letter be sent. The motion was seconded by Mr. Gregg and carried unanimously.

Old Business

City Council vote on Chamber of Commerce Website Loan

Councilor Dwyer informed the EDC that the City Council approved the loan request at the February 21, 2012 meeting after asking many of the same questions that the EDC asked when considering the request. Because public funds are being requested, the City Council's major concern was assurance that businesses that are not Chamber members will be represented on the website along with members public money is requested. Another concern was that some members are not based in Portsmouth. Councilor Thorsen said he supported the website loan and feels that although not all businesses on the website are local that is immaterial because he believes Portsmouth will benefit most from the destination website. Commissioner Zolla is the EDC representative on the Chamber's website development committee and said that Chamber Tourism Manager is doing an excellent job leading the effort and the plan is to issue a RFP for a website development consultant in late March or early April.

Continuation of discussion on Tax Increment Financing (TIF)

City Manager Bohenko said that after learning more about TIF from the presentation by Matt Walsh of Concord, NH at the February EDC meeting, it is a good time to discuss local areas in which TIF could be used to promote development or redevelopment. He mentioned that the EDC has spoken in the past of using TIF in the Islington Street corridor and also in the Northern Tier for infrastructure improvements.

Commissioner Marchewka suggested that given the degree of attention required for a decision, the best way to proceed may be to establish a subcommittee of the EDC for the task. Others agreed that this is a prudent way to move forward. Chairman Eaton said that he has spoken with other EDC members about potential TIF districts and that the Islington Street corridor seems to be one area where development has not progressed as envisioned. A TIF project may be the right incentive to spur development in that area.

Councilor Dwyer agreed and said another area for consideration might be the Gateway District along Route 1 to activate the types of development envisioned when the zoning for that area was approved. She cited the City of Rochester and its recent experience with TIF to lure the manufacturer Safron to the City. She said after multiple public education and outreach events on TIF, the Rochester City Council had the understanding, public backing and political will to unanimously approve a TIF district there.

Commissioner Allison agrees with the subcommittee idea and would volunteer to serve on it. The City Manager said that there would also need to be representatives from the Planning, Finance and Public Works Departments to assist in picking an area that has the highest and best use for a TIF district and good development potential. It would be necessary to select an area that may not otherwise get developed as envisioned in the City's Mater Plan. It is important to start small and have a success with this type of innovative economic development tool. It will be important to speak with property owners and do the needed education and collaboration to be successful. Members wishing to be on a subcommittee include Commissioners Allison, Cyr, Marchewka, Levenson, Eaton and Councilor Dwyer.

On a related topic Councilor Dwyer suggested that many cities are undertaking creative economic development initiatives and she feels it would be good to invite representatives from other cities to a "summit" to learn what is successful in other communities. A brief discussion of the regional approach to economic development versus isolated actions by individual communities ensued. The City Manager feels

that the regional approach is best especially in NH where there are many small communities in close proximity.

2012 EDC Action Plan

Chairman Eaton opened discussion on the draft 2012 EDC Action Plan and asked if members had additions or comments. Councilor Dwyer would like to see workforce housing advocacy in the Action Plan perhaps in the general mission statement. She feels that with the new zoning on Lafayette Road and in other areas of the city there are now opportunities to increase workforce housing for the employees of new and expanding companies in the city. The EDC has the opportunity to educate and advocate for this. All agreed to add workforce housing advocacy to the plan.

Commissioner Cyr said his review of the Plan found him in agreement with the goals and objectives, but he thinks it is important to go back and review the Plan semi-annually to determine if progress has been made and whether modifications need to be made. He also suggested that there are several items in the plan that are potentially tasks that EDC members can do. He gave the example of his work with the eCoast in support of the EDC objective to “support the initiatives that grow entrepreneurial businesses (i.e. the eCoast and meetups)”. He said there are also things in the plan that support economic development principles but may not be work the EDC members can do such as the “goal to provide business assistance to local businesses.” The City Manager agreed that a six month review of the Plan is a good idea. With regard to the items in the Plan, he said some items in the Plan are more staff focused activities or more supportive of the activities of other regulatory and policy Boards. It is important to include these in the Plan to demonstrate how they relate to the City’s overall vitality and Master Plan. It is also important when writing grants to show that certain objectives relating to the grant funding are articulated in an adopted City Action Plan.

Councilor Dwyer noted that much of the advocacy in the Action Plan is related to land use issues that Planning Board and Zoning Board of Appeals are tasked with handling. But, she said it is important that all Boards agree on the direction the City is moving. The EDC has a role in shaping this direction. This concept is the purpose of the quarterly joint meetings of the City Council, the Planning Board the EDC and the Historic District Commission (HDC) that Mayor Spear developed.

It was the consensus of the members to review the Action Plan at the September monthly EDC meeting. In the meantime, members will start looking at actionable items in the Plan appropriate for more EDC member involvement. Commissioner Cyr moved to approve the 2012 Action Plan as amended and schedule a review of the document during the September 2012 meeting. Commissioner Levenson seconded the motion which passed unanimously. Ms. Carmer noted that typically following approval of the Action Plan, it is sent to the City Council along with the report of EDC accomplishments for the previous year. The consensus was to continue this practice with the 2012 EDC Action Plan.

Potential new Economic Revitalization Zones (ERZ)

Ms. Carmer explained what an ERZ is for the benefit of the new EDC members. The Economic Revitalization Zone Tax Credits (EZ Tax Credit) Program is a State of NH incentive program for businesses to create new jobs and expand the tax base. With the Economic Revitalization Zone Tax Credits (EZ Tax Credit) Program businesses may be eligible for tax credits to be used against Business Profit Tax and Business Enterprise Tax in a qualifying Economic Revitalization Zone Tax Credits (EZ Tax Credit) Program project. To qualify for the tax credits, a business must invest in property or equipment and create jobs. The community where the property is located needs to make application to the Department of Resources & Economic Development and ask that a specific property be considered

for the Economic Revitalization Zone Program. Portsmouth has done this in three areas: 1) Pease Tradeport, 2) High Liner Avenue and, 3) Commerce Way. There are several local businesses in these ERZ's that are applying for the tax credit after participating in the ERZ workshop last summer.

Ms. Carmer believes that there are other areas in Portsmouth with commercial vacancies or that will likely experience private investment and building improvements which would benefit from the this designation. The ERZ status would be an incentive for businesses looking to expand or relocate in these places. She distributed a map of the City's Industrial Park at Heritage and Constitution Avenues. This area has vacancies and vacant land that make it a good candidate for ERZ status. It is also one of the State of NH designated Foreign Trade Zones. She feels the EDC should consider recommending that the City Council apply for ERZ status for this area.

Given that EDC meeting time had expired, City Manager Bohenko suggested that this item be brought back for discussion at the April 6th EDC meeting along with an ERZ information packet with a map of the existing zones and businesses participating as well as other potential ERZ sites.

Public Comment

David Choate stated that he agreed with the designation of Heritage and Constitution Avenues as a potential ERZ because there are several commercial property vacancies there, many in need of reinvestment. He also suggested that the EDC consider recommending West Road for ERZ status.

Next, he spoke in support of the concept of regional economic development and gave the example that each municipality in the seacoast has assets that compliment each other such as Portsmouth's cultural and technology assets and Rochester's abundance of land and manufacturing workers. He cited the difference in manufacturing wages that drove one company to locate north of Portsmouth.

Lastly, he said that there is much legislation currently being deliberated by the NH House of Representatives and Senate and some of the legislation, if passed, will make NH uncompetitive as a place to efficiency and affordably operate a business. He asked if the EDC or the City has someone monitoring the legislation. Councilor Dwyer explained that the City has a Legislative Delegation to be a local voice for legislative actions. The City Manager said that the City does respond and testify on legislation. This year he has written more letters on proposed legislation than ever before.

Confirm Next Meeting: Friday, April 6, 2012

With no further business the meeting adjourned at 9:24 a.m.

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager