

**MINUTES OF THE
ECONOMIC DEVELOPMENT COMMISSION**

March 9, 2015

City Hall Conference Room A

7:30 a.m.

Members Present: Everett Eaton, Chairman; Bob Marchewka, Vice-Chairman; Dana Levenson, Stefany Shaheen, John Bosen, Philip Cohen, Ron Zolla, John Pratt, Eric Spear

Excused: Jen Zorn, Josh Cyr

City Staff: City Manager John P. Bohenko, Deputy City Manager David Allen, Economic Development Program Manager Nancy Carmer

Approval of draft meeting minutes of January 9, 2015

Commissioner Bosen moved, and Commissioner Levenson seconded, a motion to approve the draft meeting minutes of January 9, 2015. The motion carried unanimously.

Update on local small business counseling in City Hall by Small Business Development Program –

Kit McCormick Business Adviser, NH Small Business Development Center (SBDC), UNH Peter T. Paul College of Business and Economics informed the EDC that the SBDC is a thirty-year old program that is run out of UNH. It is funded by a matching grant from the US Small Business Administration (SBA) and provides free business counseling and advising services to small businesses. Ms. McCormick is in her 27th year with the organization, and currently works 24 hours per week advising local businesses. In addition to one-on-one counselling, the organization has also developed a series of e-learning online resources for businesses which is accessible at no cost.

The SBDC has partnered with the City for the past three years to provide no cost counseling to Portsmouth and seacoast- based companies. The City provides free office space, utilities, furniture, broadband access and parking in return for provision of SBDC advisory services to local companies. Since 2011, the organization has provided over 560 hours of annual business counseling for a total of 2,240 total hours. During that time 146 local companies received support from the SBDC. This represents companies employing over 700 employees and \$60.3 million in annual sales. The SBDC measures its performance through specific outcomes. The local business served were able to collectively raise \$23.2 million in capital infusion (via loans, investment, and capital access) and create 39 new jobs. Six new business starts were advised during this time.

Up until 2014 there were two part-time business counselors, but since that time budget constraints have reduced that to one part-time counselor. However, local businesses can also access similar services through the Rockingham Economic Development Center in Raymond, NH. This year Ms. McCormick is also managing a new initiative for business improvement called the Business Assessment Tool. This program has two stages; one for identifying deficiencies and working with an advisor to set goals to remedy deficiencies, and a second stage to access the resource center to improve business performance in the areas of finance, marketing, accounting and customer service.

The EDC thanked Ms. McCormick for her report, her assistance to local businesses and the SBDC partnership with the City.

EDC participation in UNH Cooperative Extension Business Retention/Expansion Program – André L. Garron, AICP, UNH Cooperative Extension Economic Development Specialist provided an overview of

the Business Retention/Expansion Program offered through the University of NH Cooperative Extension. The program is modelled after a program developed by the University of Minnesota for communities to assess local business needs and develop strategies to address those needs. The twelve to eighteen month program is a comprehensive three step effort that includes establishment and training of a leadership team which surveys local businesses and develops a series of goals and strategies to assist the businesses to meet their business development and expansion needs. The EDC is considering participation in the program in the fall. Cost is \$2,500.

Updates/ New Business

Downtown Parking Garage at 165 Deer St.

1. *Update and Next Steps* - City Manager Bohenko informed the Commission that the next step in the process for construction of a second downtown parking garage is for the City Council to hold first reading on a bond appropriation for approximately \$23-\$25 million. Bond proceeds would be used to purchase land at 165 Deer Street and to construct the garage described in the project Letter of Intent. The City Council has authorized the City Manager to hold first reading on March 16th. A public hearing on the project and second reading of the bond appropriation is set for April 20th. Deputy City Manager Dave Allen distributed a copy of the latest draft site plan for the proposed garage and explained that the plan includes liner buildings with uses deemed desirable by the public at the recent North End charrette. The plan shows two liner buildings attached to the garage for retail, micro-housing and space for entrepreneurs, microbusiness and start-up companies.

Councilor Spear asked about issues with ventilation relative to occupied space affixed to the garage. Mr. Allen said that Walker Parking, the City's parking garage consultant, has reviewed the concept and responded that with appropriate life and safety measures employed. Mr. Spear also asked if a subsurface lift parking structure was explored and the response was that the cost for such a structure would add substantially to the project cost. Commissioner Cohen asked if the project costs and revenues had been determined for the liner buildings. City Manager Bohenko said that estimate is not yet determined nor is the management structure of the uses for the liner buildings. Commissioner Cohen and City Councilors Spear and Shaheen expressed support for the liner building concepts. City Councilor Shaheen asked about the role of the EDC going forward in advocating for the project at the public hearing and for the public art aspect of the facility.

2. *Release of EDC Subcommittee Report back to City Council on location of second parking garage and sealed minutes from EDC subcommittee nonpublic sessions* - Minutes of the EDC subcommittee nonpublic sessions on Sept. 5, Oct.3, and Nov. 12, 2014 were distributed and reviewed. City Councilor Shaheen moved and Commissioner Pratt seconded a motion to unseal and approve the minutes. The motion was unanimously approved. On a motion from Councilor Spear and second by Councilor Shaheen, the Commission voted unanimously to release the EDC Subcommittee's report and recommendation on potential sites for a second downtown parking garage.
3. *Islington Street Corridor Charrette – next steps*
In February, the City's Planning Department conducted a successful character-based zoning charrette on the Islington Street corridor from Maplewood Avenue to the Route One Bypass where the Frank Jones Center is located. The City's consultant is developing a vision plan based on public comment during the charrette. Following the public comment period, the consultant will draft character-based zoning regulations based on the public input. Councilor Shaheen commented

that the charrette was a terrific opportunity to analyze the potential of a large area of the City versus an isolated project site. She thought people came together with an open mind which resulted in good dialog. She was pleased that, like the North End, people are open to more housing diversity for workforce.

4. *NH Senate Bill 213 re: Rooms and Meals Tax and Senate Bill 253 re: municipal ordinances permitting an assessment on hotel occupancy for the use of municipal services*

City Manager Bohenko summarized two bills currently before NH Senate Committees. Senator Stiles submitted Senate Bill 213 re: Meals and Rooms Tax. City staff testified last week on the proposed bill which would add 1% of the net tax generated statewide to cities and towns proportionate to the tax amount that each respective city generates. The current system returns only 23% of the net statewide tax generated back to communities based on the resident population which, the city contends, is not in any way proportionate to the amount it generates. The bill would help tourist destination communities defray some of the municipal services costs associated with the influx of visitors to their communities.

Senate Bill 253 is sponsored by NH Senator Martha Fuller Clark. The bill proposes enabling legislation to allow communities to collect an assessment equal to \$1.00 per night for every lodging room in the community. Other states such as Colorado and Texas have similar regulations. The City Manager said the bill could potentially generate between \$600,000 to \$700,000 which would be collected by the municipality to off-set costs such as police, infrastructure and tourism marketing costs.

Other Business

City Councilor Kennedy has submitted a set of questions regarding City activities to assist local small businesses. The questions were distributed to the EDC for review and further discussion at a future EDC meeting and report back to the City Council. The Manager provided some statistics on the number of small businesses in the City and said although the City has systems in place to support its small business, there is always room for improvement. City Councilor Spear said he was confused by the question concerning businesses and the Citywide Neighborhood Committee because previous public input for the Committee was not in favor of more or expanding businesses in the neighborhoods.

Public Comment

David Choate of Colliers International commented that he found it interesting that SB bill #213 was not vetted first through the EDC and local hospitality industry.

Paul Mannle of Islington Street requested a copy of the EDC Subcommittee's report and recommendation on potential sites for a second downtown parking garage. Staff provided report.

Confirm Next Regular Meeting: Friday, April 3, 2015, 7:30 AM.

The meeting adjourned at 9:03 AM.

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager