

DRAFT
MEETING MINUTES OF THE PORTSMOUTH
ECONOMIC DEVELOPMENT COMMISSION

April 1, 2016

City Hall, Conference Room A

7:30 a.m.

Members Present: Everett Eaton, Chairman; Bob Marchewka, Vice-Chairman; John Bosen, Philip Cohen, Eric Spear, Ron Zolla (via teleconference), Dana Levenson (via teleconference), Stefany Shaheen, Josh Cyr, Jen Zorn

Excused: John Pratt

City Staff: City Manager John Bohenko, Economic Development Program Manager Nancy Carmer

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

Approval of draft meeting minutes of March 4, 2016

Commissioner Bosen moved, and Commissioner Marchewka seconded a motion to approve the draft meeting minutes of March 4, 2016. The motion carried unanimously.

Small Business Development Center (SBDC) Report on Small Business Counseling

Warren Daniel, Regional Director and Jonathan Hill, Business Advisor, of the SBDC provided an overview of the statewide program based out of UNH and described the services that the organization provides to businesses including confidential business management advising and educational programs. The SBDC has a comprehensive free e-learning courses online in management, finance, and doing business in NH. All business advisors are certified and all counseling is confidential. Business assistance counseling primarily includes the topics of expansion and acquisition, new ventures, marketing and sales, financial analysis, management tools, international trade and environmental compliance.

Mr. Daniel has specific expertise in financial analysis, food service, alternative energy and brewing enterprises. As a former technology entrepreneur, Mr. Hill, who recently joined the team as the Seacoast Business Advisor, brings particular expertise in new venture creation, working with Angel and venture capital funds, investment pitch coaching, manufacturing, printing and technology.

For the past six years, the City has had a partnership with the SBDC and has provided an office in the Seybolt building for counseling Portsmouth-based businesses at no cost. Since 2014, counseling efforts in Portsmouth has resulted in 65 jobs created, 11 start-up businesses, and access to \$6,489,000 in capital and serviced to 57 total business.

Other Business

Deer Street Parking Garage Update

The City Attorney and the Deputy City Manager continue to meet weekly on a real estate and development agreement and post-closing operation agreement. He said that the Mayor has appointed a three-member City Councilor working group to review the draft documents before the Council votes on the agreements. Outstanding issues for resolution include subsurface materials, post-closing penalties, railroad office obligations and satisfactory land title among other things. He is hopeful that the City can move forward and expects one of three options to occur at the next City Counsel work session: 1) Acceptance of documents as written; 2) reject the documents as written or, 3) postpone the decision for two weeks in order to come to terms on outstanding issues.

In follow-up discussion Commissioner Spear, who is a member of the Mayor's working group, enumerated some of the concerns and noted that for the price of the project, he wants to be sure that there are no

additional risks. Several members of the EDC expressed support for the site and direct and indirect development opportunities in improving that section of the North End as well as the net number of new parking spaces that will result.

Business Expansion and Retention Subcommittee Update

The EDC Business R&E Subcommittee is finalizing the Task Force of business leaders that will assist in project implementation. Each Task Force member is tasked with soliciting 3-4 volunteers each to attend a survey training session and to conduct 3-4 business surveys. The goal is to complete Task Force solicitation in the next week.

Report on General Services Administration (GSA) Industry Day for Federal McIntyre Property

City Manager Bohenko explained that Industry Day is part of the GSA's Request for Information (RFI) process to inform the development community of the procedure for disposition of the Federal McIntyre Building. It is also a way for the GSA to solicit development concepts from the development community and to inform the future Request for Proposals. He reviewed the three options for the GSA to occupy a new office in the downtown including the option of a developer partnering with the City to construct a new office on city-owned land (potentially on the Bridge Street surface lot) in exchange for the transfer of the McIntyre to the City and its development partner for redevelopment of McIntyre parcel.

Mr. Bohenko said that attendance was moderate at the event and GSA and the City made presentations. One issue that could be a factor in the ability of development teams to participate in the process is the probable cost of constructing a new federal building. Some estimate it could cost upwards of \$350-\$400 per square foot to meet federal office construction requirements. Ms. Shaheen said she has heard positive reaction to the Bridge Street concept and added that some have expressed an interest in the inclusion of open space in the redevelopment of the McIntyre site. The real estate development community will have 60 days to respond to the RFI. The Manager will keep the EDC informed of the process as it proceeds.

EDC Focus Areas – discussion and next steps

The EDC reviewed the corridor initiative it started last year with presentations on the Islington Street, Woodbury Avenue, Route 1 and West End by Planning Department staff. The suggestion made by the EDC to host a developer forum on the Gateway vision and zoning has been added to the Master Plan Goals. The final focus area is Pease Tradeport. The EDC typically holds its June meeting at a Pease Tradeport business and gets an activity update by the Pease Development Authority's Executive Director. Two possible locations for the meeting are Lonza and Plane Sense.

Participation in National Small Business Week May 2-6, 2016

Ms. Carmer has been in discussions with representatives of the Small Business Administration's Concord office about collaborating on activities during Small Business Week May 2-6, 2016. Potential activities include a Mayoral proclamation, a business resource roundtable and a small business tour with elected officials.

Other Business

Chairman Eaton congratulated Commissioner Shaheen on the success of her book *Elle & Coach* and the recent CNN segment on the book and service dog training by inmates.

Commissioner Cyr noted that Alpha Loft has a new client who is working on an innovative cancer treatment device. Josh connected him with Michael Ambrogi of Novocure at Commerce Way. He also announced that AlphaLoft is moving from Green Street to the second story of the Worth Block.

Public Comment

Mr. Choate informed the EDC that Novocure is in a growth mode and is currently building out the balance of

its facility at Commerce Way. He believes that the medical device industry is an excellent sector to attract to Portsmouth.

Regarding the GSA Industry Day, he informed the EDC that he represented Colliers at the event and gave a presentation on the local real estate market. He promoted additional office space in the downtown as a good use of the McIntyre site. He thought that the City's presentations were excellent. He is skeptical that the GSA's RFP will generate many responses because the cost of the project and the long-term land lease component. He thinks that as structured it will be difficult for the local development community to make the financial numbers work to meet the GSA's office specifications which will likely be between \$400-\$500/square feet.

He informed the EDC that the Sanel Auto Parts property in the Northern Tier is under contract to Cathartes and that his firm is listing the Alpha Loft site and the adjacent office on Green Street for lease. Finally, he noted that Colliers continues to receive requests for office space downtown. Commercial condos in particular are sought after as an alternative to leasing. Two examples of excellent condo tenants are convenient MD and Global Talent.

Confirm Next Regular Meeting: Friday, May 6, 2016, 7:30 AM

Adjourn –The meeting adjourned at 8:45 AM.

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager