

MEETING MINUTES OF THE PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION

November 9, 2018

City Hall, Conference Room A

7:30 a.m.

Members Present: Bob Marchewka, Chairman; Cliff Lazenby, Nancy Pearson, Ron Zolla, Katelyn Kwoka, Sarah Lachance (via phone), Tom Watson, Alan Gold, Philip Cohen and Dana Levenson

Excused: Everett Eaton

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

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

Approval of draft meeting minutes of September 14, 2018

Commissioner Watson moved and Assistant Mayor Lazenby seconded a motion to approve the draft meeting minutes of September 14, 2018. The motion carried unanimously.

Presentations

Annual Report from Small Business Development Center (SBDC)

SBDC Seacoast Regional Director Warren Daniel provided an overview of the SBDC services and an update on the small business advisory activity. SBDC advising services include assistance in the following:

- Finance – seeking capital, financial planning, statement analysis
- Marketing & Sales
- Expansions & Acquisitions
- International Trade
- Environmental Compliance
- Management Infrastructure

He also reviewed the metrics for both the state and for the Portsmouth region. In 2017, Portsmouth office advisors advised 28 clients for a total of 165 advising hours (avg. 5.9 hrs./client). This activity resulted in 3.6M in capital infusion 43 + jobs created or retained. In addition, staff assisted client participation in business plan and start-up competitions.

Third Quarter Office and Industrial Real Estate Market report

Executive VP David Choate and Research Manager Kristie Kyzer of Colliers International provided an overview of the Portsmouth real estate submarket for office and industrial properties in the third quarter of 2018. The-year-over-year snapshot of vacancy on the Portsmouth office submarket was 5.85%. Average asking rates for Class B space is \$21 per square foot and for Class A it is \$26. The average asking rate of \$24 per square foot (gross). Trends in the office market include a slight uptick in vacancy, particularly at Pease Tradeport due to new space being constructed, and longer lease rates (6-10 years) with fewer fixed rate offerings. Base rent is projected to remain low at 2%-3% tracking the Consumer Price Index. Prices for office space in the downtown are expected to rise as inventory decreases.

In the industrial submarket, vacancy continues to remain low (1.83%) due to limited inventory. Average asking rents are \$7.69 triple net. Demand continues to outstrip available properties and lease terms continue to lengthen (~5-7 years). Sales of industrial properties currently ranges from \$70-\$95 per square foot.

Other Business/Project Updates

Planning for 2019 EDC Action/Advocacy Plan

In discussing strategies for EDC work in 2019, the Commission agreed to strive to complete “unfinished” initiatives from last year and to respond to a poll of potential other action items.

Subcommittee Updates

- *Alternative Revenue Subcommittee* – Deputy Mayor Lazenby reported that the Legislative Delegation Committee had a healthy discussion on the options at its October meeting. The EDC subcommittee strategy going forward is to reconvene post-election to work on legislative tactics and work with the Mayor on coalition building. City Manager Bohenko added that the subcommittee could assist in input at legislative hearings and with working with local hospitality businesses to garner support.
- *City Council Referral – Streamlining land use permitting* - City Councilor Pearson reported that the subcommittee is focusing its efforts on conducting interviews with both small and large developers who have experience outside of Portsmouth in order to glean a broad perspective of best practices. The goal is to provide a report back to City Council by the end of the year.

Confirm Next Regular Meeting: December 7, 2018, 7:30 AM

Public Comment

No members of the public were present to comment.

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager