

DRAFT
MEETING MINUTES OF THE PORTSMOUTH
ECONOMIC DEVELOPMENT COMMISSION

May 5, 2017

City Hall, Conference Room A

7:30 a.m.

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

Excused: John Pratt

Absent: Jen Zorn

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

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

Approval of draft meeting minutes of April 7, 2017

Commissioner Bosen moved, and Commissioner Cyr seconded a motion to approve the draft meeting minutes of April 7, 2017. The motion carried unanimously.

Presentation on City Bike-Share Program

City Planning Director Juliet Walker gave a presentation on the new city bike share program. She reviewed the program goals including reduction in cars and parking congestion in the downtown, increased public health and enhanced business climate. The City was approached by Zagster which has successfully implemented bike share programs in over 150 US cities. After researching the company and its operation in other places, the City embarked on a pilot project starting this month. Zagster worked with the City in planning the system installation and will handle all the technology, maintenance, liability, and promotion going forward.

For the pilot program, Zagster has installed 6 stations throughout the downtown in close proximity to parking lots. Stations have with 5 bikes each are within a 3-5 minute walk of each other. Ms. Walker reviewed how the bike share program works, the membership and rate structure, the analytics feature and the maintenance regime. The program will cost the City \$54,000 per year for a three year term which will be paid from city parking revenues. There are sponsorship programs for business participation including advertising opportunities at the stations and on the bikes.

New Business

McIntyre Federal Building Project

City Manager Bohenko reported that the federal General Services Administration (GSA) has notified the City that it has completed its requirements under the Mc Kinney Act portion of the disposition process and that the City is now next in line to receive the federal McIntyre Building. The City wishes to receive the building under the federal Historic Monument Program in which federal property can be transferred at no cost to a municipality provided the restrictions under the program are met. This primarily means that the building facade must be maintained as representative of the mid-century architecture.

The City's intent is to enter into a long-term lease with a private developer to renovate the interior of the structure for re-use and for operation of the renovated facility. The Historic Monument Program has provisions for profit levels allowable for the private entity. All City lease revenues are restricted to expenditure on maintenance of the McIntyre Building and other historic properties city-wide. Current McIntyre tenants will be relocated throughout the City by fall 2018.

At the May 15th City Council meeting the City Manager will bring forward a Request for Qualifications

to be issued for private development partners. In response to questions from the EDC regarding the ability of the City to control allowable uses within the building, the Manager said that there will be public input on the opportunities. He said there is a desire to maintain a retail presence for the US Postal Service, but there were many options allowed in the Zoning Ordinance for the upper floors. He mentioned opportunities for open space for gathering on the Bow Street frontage as well as for possible additional public parking below the structure. Chairman Eaton reminded the EDC that, per recent reports from local realtors, it would be beneficial to have large plate office on the upper floors to balance the recent surge in high-end residential development downtown.

Old/Other Business

- *Review of proposed reporting metrics for downtown retail promotional grant*

Ms. Carmer distributed a draft of reporting metrics for the downtown promotional grant for EDC review and comment. The program has three elements: survey, education and promotion. In hind sight, members concurred that although already completed, the effort and costs of the survey and focus groups were of marginal value given the participation. With respect for timing of the report, it was agreed that prior to a City Council decision to extend the program in 2018, the Chamber should report program outcomes to the EDC and the EDC should make a recommendation to the City Council.

- *Foundry place Redevelopment and Municipal Garage*

City Manager Bohenko reported that the City has contracted with Consigli Construction for the design of Foundry Place and the relocation of the century old brick box sewer required before construction of the proposed municipal parking garage and related development. Bids have been solicited but not yet received for the work. Five firms have indicated interest in bidding on the project which is good given the current demand for construction contractors.

In response to recent editorials and public comment on potential cost overruns for the project, the Manager stated that the site has numerous challenges in addition to the location of the brick box sewer. The City did borings and negotiated participation in site clean-up costs with the seller prior to purchasing the property, but the extent of marine clay soils, site drainage costs and soil contamination will be contributing factors to overall costs. He noted that the costs of the garage construction will be paid by the garage users. Before any decisions can be made on payment sources for the project the final bids must be received and reviewed. He also reminded the EDC of the potential revenue sources from the 50,000 square feet of proposed new development associated with the Foundry St. project as well as property lease opportunities within the garage.

Finally, Mr. Bohenko provided an overview of the parking revenues the City has received over the past twenty years and the impact those funds have had on the budget and on downtown services and other transportation initiatives. Uses of the fund include senior transportation options, Coast Bus service, downtown snow removal, a police officer downtown, the bike share program, and other central business district services. Overall, he noted that the general fund is benefitting by \$.50 on the parking rate.

- *Business Retention and Expansion Project - UNH faculty report schedule*

UNH is analyzing the survey data and wishes to make a presentation on the survey results and discuss options for future EDC action items at a meeting in June. A doodle poll will be distributed to EDC members to determine the best dates and times for the presentation/discussion.

- *National Small Business Week Activity Update*

Ms. Carmer reported on the attendance at the various educational and networking activities ongoing this week as part of National Small Business Week.

- *Other Business*

Commissioner Zolla complimented the City Manager on the innovative bike share program and on the McIntyre Building opportunity.

Councilor Cyr told the EDC that there is an increase in early stage funding available for entrepreneurial activity in the state through a new Millwork II public-private partnership fund. The fund consists of 40 investors and the NH Business Finance Authority and will provide \$1.8 million in extra capital beyond the Millwork I fund for tech start-ups in the state. For a three-year period the new fund will provide \$600,000 to be split between the NH High Tech Council's Tech Out winners and Alpha Loft's Accelerate NH Program.

Confirm Next Regular Meeting: Friday, June 2, 2017, 7:30 AM

Public Comment

David Choate of Colliers International asked if Zagster was operable in the winter and then commented that the federal government may have difficulty placing some of the federal McIntyre tenants as they are soliciting properties larger than are available in the downtown and in some other areas of the City. He also suggested the City consider partnering with a real estate development firm (not necessarily Colliers) in its quest for a private partner to develop the McIntyre Building given the complexities of ground leases and other issues that will arise.

Adjourn – With no further business to conduct the EDC meeting adjourned at 9:00 AM.

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager