

DRAFT
MEETING MINUTES OF THE PORTSMOUTH
ECONOMIC DEVELOPMENT COMMISSION

June 2, 2017

City Hall, Conference Room A

7:30 a.m.

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

Excused: Eric Spear, Jen Zorn, Sarah LaChance, John Bosen

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

Others: City Councilor Rebecca Perkins

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

Approval of draft meeting minutes of May 5, 2017

Commissioner Marchewka moved, and Commissioner Cyr seconded a motion to approve the draft meeting minutes of May 5, 2017. The motion carried unanimously.

Update on activity at Pease International Tradeport

PDA Director David Mullen summarized activity this year at the Tradeport. Over 250 companies employing over 9,500 workers are located at Pease with an estimated annual wage base of \$700 million. Indirect economic benefits of the Tradeport include 4,500 hires resulting from companies located elsewhere in the Seacoast but doing business with Pease tenants. Business activity at the Tradeport returns an estimated \$16 million to the State in Business Profit Tax and Rooms and Meals taxes. Under the Municipal Services Agreement, the Pease Development Authority (PDA) returns \$7 million for services provided by the City.

Other state entities managed by the PDA that generate revenue sources include the Division of Ports and Harbors (\$2.5 million), Pease Golf Course (\$2.4 million) and the Pease International and Skyhaven Airports (\$1.5 million) for a total 2016 combined Operating Revenue of \$14 million. Net cash flow is roughly \$3 million.

Pease companies occupy over 4.4 million square feet of space at the Tradeport. The current vacancy rate is 2.8% down from 16% a few years ago. In the Commercial District there is approximately 123,000 square feet of available space for future development. Of the roughly 130 acres available for development in this district, 79 acres are under option, (including 23 acres for Lonza Biologics). Of the remaining un-optioned 29 acres, 11.2 acres are uplands. In the Airport District, there are 149 acres available for development of which 140 acres is uplands.

Mr. Mullen told the EDC that with limited commercially zoned land available, the PDA is focusing on the future development of the airport. He introduced the newly hired Airport Director, Paul Brean. Mr. Brean previously worked at Logan Airport in Boston for 25 years and is very familiar with the airline industry in the Northeast. He believes there are many growth opportunities at Pease including new niche markets, continued growth of Allegiant Airlines passenger service and the expansion of existing companies such as Plane Sense and Port City Air. Examples of niche markets include the opportunity to work with local lobster fishermen to ship their product from Pease instead of from Logan Airport. Another opportunity is the expansion of the international travel market.

To achieve the airport goals will require upgrades to the airport terminal and the runway. The PDA

recently hired a designer to develop upgrades to the terminal which will make the facility more attractive to other airline carriers and more capable to handle additional passenger service. Lastly, Mr. Mullen cited opportunities at the Port of NH including shipping wood chips from northern New Hampshire to European markets for electrical generation.

Other Business

First Quarter 2017 Office and Industrial Real Estate Market Report – Colliers Int'l

Ms. Carmer distributed the quarterly Office and Industrial market reports for Q1 2017 and noted the positive absorption and uptick in average asking rates.

Special Meeting on June 14, 2017 for Business Retention and Expansion BR&E Report by UNH Cooperative Extension

Ms. Carmer distributed the UNH Business Retention and Expansion report for review at the meeting on June 14th with UNH representatives. The meeting will be in City hall in Conference Room A from 7:30-9AM.

Recording of future meetings in Conference Room A

City Manager Bohenko informed the EDC that starting with the meeting on June 14th, EDC meetings will be recorded and rebroadcast on the City's YouTube channel.

Public Comment

No members of the public were present for comment.

Confirm Next Regular Meeting: The next regular EDC meeting is Friday, September 8, 2017, 7:30 AM (Note: 2nd Friday of month).

Adjourn and depart for Port City Air site visit

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager