

MEETING MINUTES OF THE PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION

June 1, 2018

Pease Development Authority Conference Room

7:30 a.m.

Members Present: Bob Marchewka, Chairman; Cliff Lazenby, Nancy Pearson, Sarah Lachance, Everett Eaton, Tom Watson, Philip Cohen, Alan Gold, Ron Zolla and Dana Levenson

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

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

Welcome new EDC member Katelyn Kwoka

Chairman Marchewka was joined by other Commissioners in welcoming Katelyn Kwoka to the Commission. She has lived in Portsmouth for 3.5 years and is currently employed as a mechanical engineer working for Pratt and Whitney where she works on commercial engine design. She serves on the 603 Initiative Board of Directors and the Governor's Millennial Council. She is interested in workforce development and believes that Portsmouth has the potential to be a hub to attract the next generation of workers.

Approval of draft meeting minutes of May 4, 2018

Commissioner Lazenby moved and Councilor Watson seconded a motion to approve the draft meeting minutes of May 4, 2018. The motion carried unanimously.

Update on activity at Pease International Tradeport

Pease Development Authority (PDA) Director David Mullen provided an overview of business and development activity at Pease International Tradeport this year. Mr. Mullen said that it has been a successful year at the Tradeport with total new construction of 143,000 square feet underway and a vacancy rate of just 2.7%. This brings the total amount of commercial/industrial development at Pease to 4.8 million square feet. On the non-airport side there are 6 parcels under option totaling 34.8 acres and 3 non-optioned parcels available totaling 11.2 developable acres. On the airport side there are 120 acres available which are restricted for aviation dependent uses.

Pease has a current payroll of roughly \$700 million for the 10,500 people working there. Several notable developments are occurring at the Tradeport including the ongoing expansion by Wentworth Douglass Hospital, an imminent expansion by NE Rehab Hospital, a major expansion at Lonza Biologics that will create approximately 1,000 new jobs and the announcement that Revision Energy will open its US office at Pease.

Allegiant Airlines continues to operate successfully at the airport and has added Myrtle Beach, South Carolina as a destination and has expanded its service to Punta Gorda, Florida to 11 months. Over the next year and a half there will be \$12-\$14 million in airport improvements constructed. The PDA continues to seek additional air carriers to service Pease, but is hampered by the competitive market with Portland, Logan and Boston/Manchester airports all within one hour of the Tradeport.

Updates/Other Business

1. *EDC Subcommittee on Revenue Advocacy update* – Members of the subcommittee have met twice to the review the City's recent efforts to promote legislation that would create a local option for municipalities to collect an occupancy fee for visitors. The Committee has also been advised on the response to such actions by the hospitality industry and its lobby. Other states that have successfully implemented a local occupancy fee have also been explored. The subcommittee has found that redistribution of the fees collected to the hospitality industry for marketing and/or to the municipality to cover infrastructure costs related to the travel industry have contributed to other states' success in implementing an occupancy fee. The next step is to reach out to Senator Clark to discuss the prospect of local option legislation for the 2019 legislative session and to get insight into a potential coalition to assist in the effort.

2. *EDC Subcommittee on Streamlining Land Use Process* – This item was deferred to the September 7, 2018 EDC meeting to allow the subcommittee adequate time to meet, undertake research and prepare recommendations for the City Council.
3. *McIntyre Project Update* - At the May 7th City Council meeting, the Council held a public hearing and voted to authorize the City to bring the conceptual redevelopment design to the Historic District Commission (HDC) for advisory review. The first HDC meeting was held on May 22nd and another is scheduled for June. The goal is to have an approved preservation plan, financial plan and development plan in place in order to submit a Historic Monument Program application to the National Park Service this summer. Work is also underway on a draft Development Agreement between the City and partner Redgate/Kane. It is anticipated that the land use process (Site Review, Planning Board, etc.) will continue into the fall.
4. *First Quarter 2018 Office and Industrial Real Estate Market Report – Colliers Int'l*- The Commission reviewed the most recent Collier's market report for the Portsmouth submarket. Vacancies in both the office and industrial market continue to decline. Portsmouth overall office vacancy continues to be the lowest market-wide at 4.78%. Average asking rates are steadily increasing with Portsmouth's Class A market rents continuing to rise due to limited inventory. For the first quarter of 2018, industrial vacancy rates dropped to 4.47%; market wide with rents slightly increasing. Portsmouth in particular is reported to have the lowest industrial vacancy for this quarter at 1.03 percent indicating that there is limited supply and high demand for industrial properties within the City.
5. *May 16th Manufacturer's roundtable summary* – The second meeting of the newly formed Seacoast Manufacturing Roundtable was held on May 16th at Great Bay Community College. This initiative is a collaboration between the City, the Chamber Collaborative and Great Bay Community College. Attendance at the May roundtable included representatives from Novocure, Lonza, Pratt and Whitney, Sig Sauer, Teledyne, and others. The guest speaker was the Human Resources Manager from Turbocam of Barrington, NH who shared the company's best practices for employee engagement and retention. The next meeting will be September 19th and the speakers will be from Eversource and Lindt Chocolates who will present on best practices for energy savings.

Public Comment

David Choate from Colliers International spoke on the topic of workforce housing and the need to incorporate more into the current residential proposals underway. Resident and City Councilor Rick Becksted spoke on the proposal to redevelop the Frank Jones Center and how the new Gateway Zoning regulations impact the inclusion of below market housing in the redevelopment plan.

Confirm Next Regular Meeting: Friday, September 7, 2018, 7:30 AM

Adjourn and depart for Tradeport Tour:

The regular meeting adjourned at 8:35AM at which time the Commission departed for a tour of new construction/activities at Pease Tradeport.

Respectfully submitted,
 Nancy Carmer
 Economic Development Program Manager