

**MEETING MINUTES OF THE PORTSMOUTH  
ECONOMIC DEVELOPMENT COMMISSION  
September 10, 2020**

**Members Present:** Bob Marchewka, Chairman; Sarah Lachance, Tom Watson, Alan Gold, City Councilor Cliff Lazenby; Dana Levenson; Ron Zolla; Everett Eaton; Katelyn Kwoka

**Excused:** Philip Cohen, Vice Chairman; Assistant Mayor Jim Splaine

**City Staff:** City Manager Karen Conard, Economic Development Program Manager Nancy Carmer

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**Zoom meeting statement**

Chairman Marchewka began the meeting by reading the following statement:

“Per NH RSA 91-A:2, III (b) the Chair has declared COVID-19 outbreak an emergency and has waived the requirement that a quorum be physically present at the meeting pursuant to the Governor’s Executive Order 2020-04, Section 8 and Executive Order #12, Section 3. Members will be participating remotely and will identify their location and any person present with them at that location. All votes will be by roll call.

**Minutes- Approval of draft meeting minutes of August 7, 2020**

Commissioner Lachance moved, and Commissioner Gold seconded a motion to approve the draft meeting minutes of August 7, 2020. Via roll call vote, the motion carried unanimously.

**Discussion on Economic Opportunities for McIntyre Redevelopment with Representative of City Council McIntyre Subcommittee**

City Councilor Whelan briefed the EDC on the status of the City Council McIntyre Subcommittee. Councilors Whelan, Tabor, and Trace were appointed to the subcommittee to meet with Redgate/Kane, the City’s development partner and to chart a path forward. After an initial threat of litigation by Redgate/Kane for denial of the ground lease, the partners are now negotiating in good faith in an effort to develop a “better product” for the residents from a historic and economic perspective. Based on initial resident feedback, the subcommittee is evaluating an alternate redevelopment plan than the previous plan advocated by the prior City Council and that still meets the requirements of the National Park Service’s (NPS) and the Federal General Services Administration (GSA) for property disposal under the national Historic Monument program.. The GSA’s option to sell the property on the private market is currently off the table. Most tenants of the building have either relocated or are planning to relocate soon. The GSA has proposed an option of the City taking over lease management of the property early next year.

A resident survey was developed jointly with Redgate/Kane and distributed citywide for feedback on a revised redevelopment plan. To date, approximately 3,700 surveys have been completed. According to Councilor Whelan, preliminary results indicate a desire for more open space, a return of the post office downtown and 70% of respondents are amenable to expending city funds to get a “better product.” The McIntyre subcommittee is committed to continuing to negotiate in good faith with Redgate/Kane while gaining the trust of the City’s development partner and of residents. Use of the McIntyre structure as office by Hubspot as the intended tenant is still anticipated. A reduction in the number of new buildings on-site from two to one has been floated as a concept to allow for more open space on the site.

EDC members commented with questions and concerns about the City assuming the McIntyre Building leases without a new proforma and full understanding of the associated maintenance costs and the ROI from a potentially non-producing asset. Commissioners emphasized that opportunity costs, legal and other costs are not free. Members also raised caution about the trade-off of projected tax revenues derived from the two additional structures proposed in the original plan versus more open space that does not produce revenue; particularly when Prescott Park is so close.

The Commission asked that the City Council subcommittee consider the economic impact as it continues its negotiations and redevelopment planning. The original plan had extensive public input and focused on the goal of urban infill and economic opportunity of a property that had been off the tax rolls for decades. With a large public waterfront space at Prescott Park, adding significant open space at the McIntyre site seems suspect. The Commission urged the subcommittee to be transparent in what is proposed and to avoid an outcome that is “laid on” the residents without adequate input and cost analysis. Finally, Hubspot is the ideal tenant and job creator for the McIntyre site from an economic and community vitality perspective and every effort should be made to retain them as a tenant. Members were curious if the City has reached out to the Post Office and if it might be preferable to seek an alternate location downtown other than the McIntyre site.

Councilor Whelan stated that the subcommittee will seek additional public input and will prepare a revised proforma based on the new proposals. He said the documents produced will be public and eventually the City Council will need to vote on the project and outcome. He added that the subcommittee is committed to achieving balance whereby residents feel satisfied with the outcome and feel that sufficient public input is heard and adequate revenues are generated. Transparency will be important as the group moves forward. The subcommittee is looking at numbers now and will develop an initial proforma in late October that is subject to change as the proposal changes. All this is under the premise that the City is still bound to meet the requirements of the NPS Historic Surplus Program which will impact the historic value and economic aspect of the proposed redevelopment.

### **Pandemic Economic Recovery Response**

#### *COVID19 City Council Response Task Force (CRTF) on Business Reopening Update*

Commissioners Gold and Lachance reported that the Task Force three subcommittees of on-street dining, Bridge Street pop-up NH performance/food venue and the health subcommittee continue to meet and act upon requests and to brainstorm how to respond to the economic consequences of onset of cold weather in the coming months.

Based on restaurant and Pop-up NH feedback, the CRTF will recommend to the City Council that the current permits for on-street dining and for use of the Bridge Street lot be extended from October 18<sup>th</sup> through October 31<sup>st</sup> as revenues have been helpful. The Health Subcommittee is posting its research on the COVID infections and the effectiveness of masks online. It is also (with the support of the full Task Force) supporting a local mask mandate and looking into bulk purchases of outdoor propane heaters and blankets as well as researching HVAC systems to capture virus load indoors in the winter.

Members asked what the impact of Pop-up NH is on revenues at Foundry Place Garage and if the City’s investment makes sense vis a vis the return to the businesses from revenues generated. City

Manager Conard said that the projected loss from the Bridge Street lot from July 24<sup>th</sup> to October 18<sup>th</sup> was (\$58,000) gross. Factoring in the assumed revenue recovered from on-street parking meters and from the High Hanover Garage, the projected net loss is (\$33,000).

*Update Clipper Strong Fund*

The fund has approximately \$13,000 remaining after purchase and distribution of roughly 210 business care bags and a short buy local media campaign. The Committee is deliberating how best to expend that remaining funds and how to boost fundraising.

**Council Representative Report on Upcoming Business that Warrants EDC Attention or Action**

Councilor Lazenby stated that most of the pertinent items of the McIntyre Subcommittee and Citizen Task Force work has been discussed previously in the meeting. The only other item of note is that the City has decided not to undertake a property tax re-evaluation this year which will keep values static. City Manager added that the City is working to get the final tax rate out by the end of October. The downside of the static evaluation is that residents will likely see values increase next year.

**Other Business**

Commissioner Lachance suggested that the EDC revisit its work on the October 2019 EDC retreat advocacy goals and subcommittee work that was interrupted by the pandemic. She volunteered to work with Ms. Carmer to bring suggestions back at the next meeting.

**Public Comment** - There were no public commenters.

**Confirm Next Regular Meeting:** November 6, 2020 7:30 AM

**Adjourn** At 9:30 AM City Councilor Lazenby moved and Commissioner Gold seconded a motion to adjourn. Via roll call vote, the motion carried unanimously.

Respectfully submitted,  
Nancy Carmer  
Economic Development Program Manager