

Approved
April 2, 2004

MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION

March 5, 2004

Conference Room A

7:30 a.m.

Members Present: Dana Levenson, Chairman; John Hynes, Scott Pafford, Cliff Taylor, Mark Simpson, Steve Alie, William Gladhill, Everett Eaton, Edward Hayes, John Bohenko, City Manager

Members Absent: Paul Harvey Sr. (excused)

Minutes

Commissioner Eaton moved and Commissioner Hayes seconded the motion to approve the meeting minutes of January 9th and February 19th as written. The motion passed unanimously.

Discussion of 2004 Action Plan

The Commission reviewed the draft FY 2004 EDC Action Plan with particular attention to the newest items added from last year's plan. In discussing the Action Plan, Commissioners decided to keep the Worth Lot Parking Garage in the plan despite the City Council's recent decision not to move forward on Phase II this year. They also agreed to be a resource when the need arises for a voice in support of accelerating the Department of Transportation 10-year Plan on the Little Bay Bridges and the Portsmouth Traffic Circle.

It was also suggested that the City Cultural Commission will be added to the list of EDC alliances in Goal #7. Beyond these changes, the Commission concurred with all other additions/deletions in the Draft Action Plan. Commissioner Taylor moved and Commissioner Pafford seconded a motion to approve the Action Plan as amended. The motion passed unanimously. Ms. Carmer was thanked for her work on the Plan. Copies of the edited Plan will be mailed to Commissioners.

FY 2004 Program Income and FY 2005 UDAG Budget

Ms. Carmer reviewed the UDAG Program Income through December 2003. Accrued interest totals \$52,189. Projected through the end of the fiscal year, interest income will be approximately \$104,378. By applying the UDAG policy of allocating 75% of prior year's program income for the 2005 UDAG Budget, there will be approximately \$78,284 for program activities.

Added to this will be funds encumbered for projects that were previously approved, but not yet implemented. These projects include Ceres Street boundary survey, Market Street Extension Streetscape Improvements, Ladd Street Parking Facility Streetscape Improvements, Phase II of the Northern Tier Development Project and the City Perambulation Study.

Ms. Carmer distributed copies of a draft budget. With no new projects added and assuming that the EDC continues to financially support the City/Chamber partnership and the City Cultural Commission, there will be a budget shortfall of \$17,500. Commissioners were asked to review this budget for further discussion at the April EDC meeting.

In thinking about how to increase the UDAG budget, Commissioner Alie asked if it would be possible to transfer expenses related to the High Hanover Parking Garage streetscape improvements to the City's Parking Impact Revenue Fund. Commissioner Alie also thought that it might be possible to delay the Market Street Extension Streetscape Design further out if that would help with the budget shortfall. Mr. Bohenko feels that both suggestions are good and worthy of consideration.

Old Business

January 12th Work Session - Mr. Bohenko summarized the outcome of the January 12, 2004 City Council work session on the Worth Parking Garage. He said that although the outcome was not what was expected, the City Council did not completely kill the project. The City Council elected to defer further action or studies on the garage until 2006 when the lease with Worth Development Corporation expires. The point is to see how projects such as the proposed Hilton Garden Inn and Sheraton Hotel and Conference Center develop and how unmet parking demand looks two years from now.

Commissioner Alie complemented Chairman Levenson on his presentation at the January 12, 2004 City Council work session. He also was pleased with the City Manager's efforts to keep the project on hold and to shift efforts to the Sheraton. However, Mr. Alie still feels there is significant public education needed regarding the need for the Worth Lot garage and the impact on the downtown and the cultural institutions if it is not built.

When asked about his thoughts on the matter, City Councilor Whitehouse said (from the audience) that he had urged the EDC to work the Sheraton several years ago on a public/private partnership. Commissioner Taylor asked when the Worth Development Corporation lease expires. Mr. Bohenko responded that the lease expires in 2006 and that it stipulates that the lot must continue to be used for parking.

The other outcome of the meeting was City Council authorization to work with the owners of the Sheraton Hotel on a partnership for building a garage as part of that project. Accordingly, staff has held preliminary meetings with the owners to review conceptual designs and to discuss challenges presented by the parcel's configuration. The project is still in the preliminary stage and staff will continue to meet with the owners on project feasibility issues.

Mr. Bohenko suggested that an EDC subcommittee be established to work with staff on a Memorandum of Agreement (MOA) that must ultimately be approved by the City Council for the partnership to move forward. It will be important to provide the City Council with details of a partnership as well as the feasibility and public benefit of structured parking associated with the expanded hotel/conference center. Mr. Bohenko's goal is to get all the issues ironed out before the project goes to the city's land use boards. The ideal would be to have a MOA before the Council in the next 30-60 days.

New Business

Sheraton Subcommittee - Chairman Levenson suggested that, if acceptable to the EDC, the former Worth Lot Parking Garage subcommittee become the Sheraton Expansion Partnership Subcommittee. Other members wishing to serve were also welcome as long as the group remained manageable. It was determined that the Subcommittee would consist of Chairman Levenson and Commissioners Steve Alie, Mark Simpson, and Everett Eaton.

City Council Referral on Parking Impact Fees – At the March 1st City Council meeting, the Council referred the proposed zoning ordinance amendment regarding parking impact fees to the EDC with a

request for a response by the end of March. A copy of the City Manager's memorandum to the City Council that provides background on the issue and outlines reasons for the proposed zoning amendment was previously sent to the EDC for review. The City Manager suggested that a three-member EDC subcommittee be established to discuss this issue and make a recommendation back to the City Council. The subcommittee would work with city staff members John Burke, David Holden, Andrew Purgiel and Nancy Carmer.

Mr. Bohenko said there are no preconceived notions about a fee amount, but he suggests that the subcommittee look at the background of the impact fee as well as at model parking ordinances from other communities. Referring to the summary of impact fees sent to the EDC, Mr. Bohenko noted that of the \$219,000 collected to date, \$70,000 has been spent on transportation-related items such as the parking validation program, leases fees for satellite parking lots, parking meters, etc.

Commissioner Alie said his initial reaction is that the current \$500 impact fee per space for unmet parking need is probably too low. However, he cautioned against raising it to a level that effectively stifles development in the Central Business Districts.

Chairman Levenson feels that the challenge is to find a mechanism that offers the appropriate balance of development in the Central Business Districts with adequate parking without undue expense to the businesses or residents. He asked for volunteers to work with staff on the subcommittee. Commissioners Hayes, Alie, and Pafford agreed to participate. They will meet with staff and report back to the EDC at the April 2, 2004 meeting.

Commissioner Alie asked if the subcommittee could invite input from the downtown stakeholders. Mr. Bohenko felt that the subcommittee should concentrate its efforts on studying the current situation and developing a recommendation. Because any amendment to the zoning ordinance requires three readings before the Council, he feels that there will be adequate opportunity for public input throughout the amendment process.

Public Comment

Mr. Robert Thoreson spoke to the parking impact fee topic. He feels that stakeholders should be involved in discussions on amendments to the zoning ordinance from the beginning of the process. He feels that if a large increase to the parking impact fee is recommended, it could become a disincentive for businesses looking to locate in the Central Business Districts.

Mr. Hynes disagreed with Mr. Thoreson. He does not feel that the stakeholders should be involved at this stage. He recalled that the original parking impact fee of \$5,000 per unmet parking space capacity suggested in 1997 was reduced by the City Council to \$500 in an effort to give the downtown an opportunity to rebound from an economic downturn. He said that the Council was trying to be sensitive to both the downtown businesses as well as the resident taxpayer by imposing a relatively low impact fee while at the same time not making the resident shoulder all the burden of meeting commercial parking needs downtown.

Mr. Levenson closed the meeting by stating that as an Economic Development Commission, the role of the subcommittee is to make a fair and reasonable recommendation on behalf of the entire community.

With no further business, Commissioner Hynes moved to adjourn the meeting at 9:00 AM. Seconded by Commissioner Pafford. Vote to adjourn is unanimous.

Respectfully submitted,
Nancy M. Carmer
Community Development Program Manager