

**DRAFT
MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION**

March 6, 2009

City Hall Conference Room A

7:30 a.m.

Members Present: Dana Levenson, Chairman; Everett Eaton, Vice-Chairman; Jack Blalock, William Gladhill, Tim Allison, Lisa DeStefano, Ken Smith, Susanne Delaney, Josh Cyr
Members Excused: Dr. Paul Harvey

Chairman Levenson opened the meeting at 7:30 a.m.

Approval of Draft Meeting Minutes of February 6, 2009

Following a motion by Ken Smith and a second by Lisa DeStefano, the draft meeting minutes of February 6, 2009 were unanimously approved as written.

2009 EDC Officer Election

On a motion by Everett Eaton, Dana Levenson was voted as EDC Chair. On a motion by William Gladhill, Everett Eaton was voted as EDC Vice-Chair.

FY 10 City/Chamber Partnership Request

Chamber President Doug Bates distributed a proposal to extend the City's public/private partnership with the Greater Portsmouth Chamber of Commerce at level funding of \$40,000. Last year the Portsmouth Chamber hosted its greatest number of visitors since collecting visitation data. The Chamber proposes to continue the tourism and marketing activities to compliment the EDC's mission. Mr. Bates highlighted ongoing activities such as travel trade shows, special restaurant weeks, geotourism efforts, Tourism Committee work and marketing. He said the return on investment is \$8 for every \$1 spent in support of tourism. He promised to report quarterly on the metrics requested in the previous EDC partnership allocation.

The City Manager noted that this year the partnership funds, if approved, would be a separate line item in the UDAG section of the City Budget. The UDAG funds will be reported as "Other Revenue" and when the budget is approved; all activities funded with UDAG funds including EDC program overhead and special projects will be approved. Going forward the activities will not need separate City Council approval. He added that the Chamber's request is 12% of the Chamber's total tourism budget of \$300,000. The balance of the tourism budget comes from events, member contributions, grants and advertising. Ken Smith said he supports the partnership and moved that the EDC approve the partnership extension request at the \$40,000 level. Vice Chairman Eaton seconded the motion which passed unanimously.

Discussion: Assessor's Report on 2008 Market Activity

Certified City Assessor Rosann Maurice-Lentz provided a summary of city revaluation process and the Market Activity Report from 2006 through 2008. Referring to the report, she reviewed foreclosure activity, median sale price and sale volume for single family homes and growth estimates. In 2006 there were 10 foreclosures, in 2008 there were 13. Relative to other similar-sized communities this figure is below average. The median sale price of a single family home dropped only 0.8% from 2006 to \$325,000 while sales volume dropped 11.9% to 126 in 2008. The City Manager commented on the state law

requirement to complete a revaluation every five years. To reduce costs, this work is done in-house with the help of consultants for some tasks such as home measurements. The Assessor said that the city strives for fairness in completing segments of the city's property inventory and that she monitors the economy for sales and makes adjustments accordingly. She provided an example of an adjustment needed for values of properties with more than eight multi-family units. A similar assessment was completed of the Atlantic Heights neighborhood.

When asked about the commercial office values, Ms. Maurice Lentz said she has seen a slow down in activity and in some values. In response to a question about abatement volume, Ms. Maurice Lentz said that she has not seen a spike in requests although there have been more requests for elderly exemptions. Finally, Mr. Levenson asked if it would be possible to get baseline property value information on the Islington Street corridor prior to any city investment contemplated as a result of the Islington Street Improvement Action Plan project. The Assessor said that is possible to do and will work the EDC on the request.

FY 10 Budget

The proposed FY 2010 Budget Narrative and line item budget was distributed. As explained earlier in the meeting by the City Manager, this year the UDAG budget will be presently differently. It will include all EDC program costs as well as special projects and partnerships such as the Chamber partnership and the support of Art-Speak. Chairman Levenson pointed out that this is a shift from the original EDC policy of allocating no more than 75% of the interest earned on the UDAG principal balance for the Economic Development program.

In further explaining the policy change, the City Manager noted that the city is required to invest the UDAG principal in 100% collateralized instruments. In these economic times, the previous policy would create a budget that covers slightly more than the economic development program overhead and would not allow for special EDC projects such as the Islington St. Improvement Action plan project, the Market St. Gateway project.

Mr. Blalock said he supports the budget as proposed. He said that the economic development Department and Commission has shown leadership and has earned the respect of the council and residents. The EDC Action Plan has served as a model for other city boards and he feels that it is important not to reduce funding for economic development activities. Mr. Allison moved and Mr. Smith seconded a motion to approve the proposed UDAG budget as presented. The motion passed unanimously.

EDC Project Updates

Islington St. Improvement Action Plan - March 25, 2009 Joint Board Meeting – MS. Carmer reminded the EDC of the meeting at the Public Library Levenson Room at 7 PM.

New Business

Group Parking License Policy Modification

A handout of proposed modifications to the current Group Parking License Policy was distributed and the City Manager explained that the current parking ordinance provides discretion to the City Council in applying group license requests and there is a need to upgrade the policy for clarification and for consistency. The proposed modification creates a monthly 12 or 24 hour weekday discount for companies locating corporate headquarters to the downtown. The City Manager asked the EDC to review the policy for discussion at the April 3rd meeting.

Recommendation to City Council – On RPC Work Plan Request for a report on upgrading the Portsmouth Branch Railway between Portsmouth and Newfields/Exeter

Ms. Carmer said that in December she met with Dave Garvey of Garvey and Company and Anthony Donovan of EBTAC, LLC (Education, Business & Transportation Advisory Corps) to discuss the economic development opportunities of a project they are spearheading. The project involves studying the feasibility of the rehabilitation of the 9.2 mile section of rail line known as the former “Portsmouth Branch” between Portsmouth and Exeter/Newfields. EBTAC, LLC has had experience with revitalization of short rail spurs in Maine, specifically the successful Brunswick to Portland upgrade and associated transit-oriented downtown development project in Brunswick. In response to an inquiry about funding for the study, she suggested that they speak with the transportation planners at Rockingham Planning Commission (RPC) who oversee the Metropolitan Planning Organization (MPO) and related funds. She also suggested they speak with representatives of PSNH’s economic development division. They have done so and because Portsmouth is a member of the MPO it was suggested that the EDC learn about the project and potential support of MPO funding for the study.

Ms. Carmer introduced Mr. Donovan of EBTAC, LLC who said that prior to meeting with Ms. Carmer, he and Mr. Garvey met with NH DOT Commissioner George Campbell and NH Rail Authority Director Mike Izbicki and received a positive response to the Portsmouth Branch study. He provided a powerpoint presentation which summarized the timing and potential benefits of successful renovation of the line including:

- Passenger rail transportation between Portsmouth, Exeter(Rockingham Junction) and Boston(via the existing Downeaster Amtrak service)
- Over rail transportation to/from the Port of NH for container freight
- Over rail transportation to/from PSNH Schiller plant
- Intermodal links to Pease Tradeport and Airport
- Transit-oriented economic development opportunities in Portsmouth at the rail station.

Following the presentation, Mr. Smith said he is pleased to see this branch be examined. Ms. Delaney agreed. Mr. Levenson asked if there is any assurance that the rail owner, Pan Am Railway would go along with the upgrade. Mr. Donovan said there is no assurance, but that through relationship building he feels that Pan Am will be cooperative. He said that eastern NH needs rail transit.

CEDS Projects – Ms. Carmer described the two projects that the city submitted to the Rockingham Economic Development Strategy program for federal EDA funding. The first project is the upgrade of the Greenland Well which involves construction of a new well adjacent to the existing well. This well is critical to the regional water supply for Portsmouth, Greenland, Rye, New Castle and Portsmouth. The second project is the reconstruction of the Route 1A Sagamore Bridge and is another project with regional economic significance for movement of goods and for commerce. She will keep the city apprised of the progress of the applications.

Public Comment Period

Mr. Choate commented that he agreed with the City Assessor on current commercial property market value. He is watching the RFP process on the former Littlefield lumber property as an indicator of local market values in the short term. He also commented on the rail study presented saying that he feels that the Portsmouth to Hampton line would have more economic impact for Boston commuters and commerce,

but he sees the value of rehabbing the Portsmouth branch for employees commuting to Portsmouth from the Exeter area because it could relieve parking pressures in the city.

Confirm Next Meeting Date: April 3, 2009/Adjourn

With no further business, the meeting adjourned at 9 AM.

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager