

**MEETING MINUTES
PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION**

September 9, 2011

Conference Room A City Hall

7:30 a.m.

Members Present: Everett Eaton, Chairman; Lisa DeStefano, Vice-Chairman; Dana Levenson, Nancy Novelline Clayburgh, Ron Zolla, Robert Marchewka, Tim Allison, Eric Gregg, Philip Cohen, Christine Dwyer, Josh Cyr

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

Approval of draft meeting minutes of June 3, 2011

Following a motion by Commissioner DeStefano and a second by Commissioner Marchewka, the draft meeting minutes of June 3, 2011 were unanimously approved as written.

Old Business

Memorial Bridge RFP Status/Public Outreach

The Memorial Bridge was closed in July due to safety concerns. The closure is over a year ahead of the planned closure date. This has created a need to accelerate efforts to improve wayfinding for alternative routes and to assist businesses on both sides of the river. For the short term the bridge is open to pedestrians and bicyclists, but it will be removed from service for the winter. Community representatives have been discussing using the rail line under the Sarah Long Bridge as a light rail option to fill this void, however, the condition of the track and the need to do inspection work on the bridge prior to the planned 2016 closure of the Sarah Long Bridge has prevented that effort from moving forward. The NH DOT is the agency responsible for managing the replacement of the Memorial Bridge and has a short list of potential contractors for the bridge replacement and is working to accelerate the process now that the bridge is closed.

Portsmouth and Kittery are discussing taking a joint leadership role in an opportunity to be created by NH DOT for public affairs coordination. The project is funded by the National Trust for Historic Preservation aimed at marketing the communities' historic institutions, the documenting removal of the historic bridge and assisting businesses in advertising and wayfinding.

Report on ERZ Business Seminar held June 30, 2012

One objective of the 2011 EDC Action Plan is to hold an Economic Revitalization Zone (ERZ) primer seminar for businesses located in one of the City's three ERZs. Ms. Carmer reported that she organized a seminar entitled "Demystifying NH ERZ Tax Credits" that was held June 30, 2011. She was assisted in the effort by representatives of the NH Department of Resources and Economic Development, Great Bay Community College which donated meeting space and the Pease Development Authority which funded refreshments for the event. The seminar was attended by businesses which have recently invested in or anticipate investing in their facilities and in their expanding workforce including BayRing Communications, Northeast Rehab Hospital, Bottomline technologies, Sullivan Tire, High Liner Foods and Alpha Flying.

Betterment District Update

Ms. Carmer reported that the Kane Company is still working with property abutters to gain the necessary approvals before filing the appropriate paperwork required to initiate a betterment district on Commerce Way.

RFP for Downtown Parking Supply and Demand Analysis

City Manager Bohenko stated that the City Council requested a Parking Supply and Demand Analysis Study before they take any action on another public parking facility. A Request for Proposals was issued and six firms responded. Interviews of short-listed firms are ongoing. The report is scheduled for completion by November.

Chairman Eaton said he had a couple of inquiries from the EDC about the parking supply as it relates to proposed development downtown and informed the Commission that there will be a joint work session of the Planning Board and the HDC on September 22nd at 7 PM in the City Council Chambers to discuss Phase 3 of PortWalk as well as the proposed mixed use at development 30 Maplewood Ave. It will be televised and the public is welcome to attend. However, because it is a work session there is no public comment opportunity.

Commissioner Zolla commented that he thinks parking is downtown's biggest asset and that the City Council and City Manager do a terrific job managing the city's finances. However, he has concerns about the process that lead to the recent increase in parking rates. He understands the need to raise money for the general fund, but feels the EDC was not able to weigh in on the increases which he personally feels are a deterrent to development and to generating patrons for the commercial uses downtown. He would like to see more input on these matters from the EDC. He also asked the status of the parking enterprise fund.

City Manager Bohenko responded with a historical perspective of the parking fees and general fund. Pre-2000 all parking revenues of about \$3 million went to the general fund. In 2001 a special revenue fund was established for parking revenues and over time some parking revenues have been methodically moved over to this funds to cover parking and transportation related activity costs such as enforcement, garage maintenance and capital improvements. Now, approximately \$1.5 million of the parking revenues goes to the general fund with the balance going to the special revenue fund.

The last time rate were raised was eleven ears ago when rates went from \$.50 to \$.75 per hour. This was in response to an independent parking consultant report and recommendation to raise the rates and to charge a different rate in the garage than on the street.

Chris Dwyer agrees with the approach that the City has taken with parking revenues and the proposed enterprise fund, but as a City Councilor, she agrees with Commissioner Zolla regarding more EDC input on these matters.

High Speed Telecommunication Subcommittee Report

Josh Cyr reported that the subcommittee has completed its survey of local telecommunication providers regarding current and future telecommunication services. The group found that Southern NH and Portsmouth in particular, have excellent broadband service and speeds. One shortfall is affordability of the service for some of the smaller businesses in the city, specifically those at Pease. However, recent discussions with the providers has instigated action on their part to explore opportunities to examine this market more closely for better service and pricing options. Mr. Cyr noted that the future will likely bring a shift in telecommunication to 3G and 4G, but regardless, the group cited the need to revisit the issue in a year to see if alternative pricing is offered.

New Business/Other Business

High Liner Foods Site Visit - Chairman Eaton reported on the EDC's visit to High Liner Foods. He was impressed with the efficiency, use of automation, technology and recent growth of the company. The company runs two plants in Canada and five US plants with Portsmouth being the largest producer of the five. Of the 106 million pounds of fish processed, 66 million are processed locally.

Other EDC members who took the tour added that the company is a valuable employer with 180 employees. Wages are good with production line workers averaging \$18.50 per hour in wages plus fringe benefits. Most of the employees live in NH and southern Maine. The company has a strict food safety program and has instituted sustainability efforts in its procurement and production practices.

Art Christianson, VP of Manufacturing for High Liner, was the tour host and told the EDC that a major cost that impacts competitiveness is energy costs, which are high in NH. City Councilor Dwyer offered that perhaps this issue is something the EDC and other regional economic development organizations could work on collaboratively. City Manager Bohenko suggested that there may be an opportunity to do what the city and other towns do by going to the market and buying from producers other than PSNH. However, this still requires paying PSNH transmission fees.

Dobles Reserve Center

Mr. Bohenko reported that the Dobles Army Reserve Center on Cottage St. is closing and the Army is building a new center is being built on vacant property owned by the Iafolla Company on Lafayette Rd. The project is a design build project and a contractor named GM2 out of Glastonbury, Conn. Has been awarded the contract. The Army is not bound to local planning and zoning regulations and therefore the City has limited input into the design and site plan of the proposed facility. The City has submitted a letter with a list of issues and concerns including traffic access and management, water supply, wastewater and storm water management and site plan concerns such as building setbacks, sidewalks, and landscaping.

Public Comment

David Choate offered several public comments:

1. He stated that next week the NH Association of Realtors is hosting its annual meeting of 300-400 members at the Sheraton Hotel and Conference Center.
2. He commented on the recent report of the closure of the Thermo Fischer facility in Newington noting that the move to the southern states will save on labor costs. To counter this loss he said that several companies are seeking large manufacturing space so he does not anticipate the company's relocation to create a long term building vacancy.
3. Regarding business recruitment prospects, he told the EDC that the number one concern is connectivity.
4. Although he understands that this a free market issue, he made the observation that there are few stores downtown that carry the type of merchandise that most people wish to buy.
5. Now that phase three of PortWalk is in the permitting process, he hopes that the EDC will address the lack of parking and the need for more office space downtown.
6. He indicated that UBS will be moving into a new space on Congress St in the next few months.

Confirm Next Meeting: Friday October 7, 2011

With no further business the meeting adjourned at 8:50 a.m.

Respectfully submitted,
Nancy Carmer,

Economic Development Program Manager