

MEETING MINUTES OF THE PORTSMOUTH ECONOMIC DEVELOPMENT COMMISSION

January 6, 2017

City Hall, Conference Room A

7:30 a.m.

Members Present: Everett Eaton, Chairman; Bob Marchewka, Vice-Chairman, Josh Cyr, Eric Spear, Ron Zolla, John Pratt, Dana Levenson (via teleconference), Jen Zorn, Philip Cohen

Excused: John Bosen

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

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

Approval of draft meeting minutes of December 2, 2016

Commissioner Cohen moved, and Commissioner Pratt seconded a motion to approve the draft meeting minutes of December 2, 2017. The motion carried unanimously.

Presentations: Update on the Deer Street Parking Garage Project Progress

Public Works Director Peter Rice provided an update on the progress of the Deer Street design process. The land use application process has started and the project was recently reviewed by the Technical Advisory Committee. Request for Qualifications has been completed and the City will be sending out detailed packets to three firms for the infrastructure and utilities work associated with the project followed by the garage construction phase. The current estimate for garage completion is December 2018.

Included in Mr. Rice's presentation were design options developed by Deer Street Associates' architects. Some designs include iconic features and some are more traditional. Some take inspiration from the historic context of the area as a location of industrial factories and breweries. Some designs include features such as a glass stair/elevator tower and window openings along the structure to add interest and to break up the building façade.

This project qualifies for a Percent for Art (% for Art) project which means that the project budget includes funding for a public art project to be incorporated into the design. Art-Speak is administering this aspect of the project and has formed a % for Art project committee.

The following information was provided in response to questions from the EDC:

- The current goal for parking spaces is 608.
- Flex space is currently being considered for the street level. Dimensions of the flex space is roughly 16 feet deep with a 5'-6' projection onto the sidewalk.
- The inclusion of bathrooms into the facility is still under consideration as are solar panels, bicycle accommodations and changing rooms.

Old Business/Updates

Proposed strategy for marketing grant to Greater Portsmouth Chamber of Commerce (GPCC)

Chamber President Valerie Rochon and Tourism Coordinator Olivia Briggs updated the EDC on the strategy for use of a downtown retail marketing grant recently authorized by the City Council. A meeting of downtown merchants was held to gather feedback. Included in the meeting were both members and non-members of the Chamber and the outcome was to take three-pronged approach to enhance the downtown retail sector and customer experience. The first element focuses on gathering information to determine where the shoppers originate and what they are purchasing. A second element focuses on education to inform the retail and residential community on the findings and a third element focuses on

promotion. Information gathering actions considered include facilitated focus groups, online surveys and data gathering. The education component actions include learning from other successful retail destination cities by hosting representatives of cities such as Burlington, Vermont and Newport, Rhode Island and others. Promotional activity could include a spring event in the downtown focused on local residents. The EDC thought the approach makes sense and urged the Chamber to collaborate with other organizations engaged in the ‘buy local’ endeavor and to focus the outcome on marketing the retail sector by emphasizing customer behavior and the unique downtown experience.

Update on Greater Portsmouth Chamber of Commerce Strategic Plan (GPCC)

Ben VanCamp, new VP of Membership & Business Development for the GPCC introduced himself to the EDC. He said his new role is focused on boosting the organization’s membership and improving the GPCC’s value to the members and the greater business community. This year marks the 100th anniversary of the Chamber and one initiative that the organization is undertaking is a self-assessment and strategic planning effort. A steering committee has been established to guide this endeavor coined “Mission Forward.” The effort will include industry focus groups, community meetings and an online survey of members and non-members. Anticipated outcomes include a strategic plan that includes a new suite of programs designed to engage new segments of the business community and existing members. Other outcomes are improved organization financial stability, a new brand for the organization, and a focus on community partnerships and collaborations. The goal is to complete all this work for rollout at the GPCC annual meeting in the summer. The EDC consensus is that this is a worthwhile effort and it asked to be kept informed. Staff of both organizations were encouraged to find where the EDC’s Business Retention Project and the Chamber’s effort dovetail.

New/Other Business

SBA HUBZone Program – Portsmouth eligible areas

The City has been notified by the State Department of Economic Development that a portion of the City has been deemed an eligible SBA HubZone. A HubZone is a US Small Business Administration (SBA) program for small companies that operate and employ people in Historically Underutilized Business Zones (HUBZones). The purpose of the HUBZone Program is to provide federal contracting assistance for qualified small business concerns located the zones in an effort to increase employment opportunities, investment and economic development in such areas. Based on program parameters, small businesses will be designated as HUBZone certified if it meets the following criteria:

1. The firm must be a small business based on the NAICS for size standards.
2. The business must be at least 51% owned and controlled by U.S. citizens, or a Community Development Corporation, an agricultural cooperative, or an Indian tribe (including Alaska Native Corporations).
3. The firm's principal office (the location where the greatest number of employees perform their work, excluding contract sites) must be in a HUBZone.
4. 35% of the firm’s total workforce must reside in a HUBZone.

The area qualified because of the closure of the Dobles Army Reserve Center and includes a specific radius around the Center including all of Pease Tradeport, Commerce Way, a short section of the Route 1 Bypass and the downtown. The City and the NH Department of Economic Development will be holding future forums to educate businesses in the HubZone about the certification process.

SBA Small Business Week participation

Ms. Carmer informed the EDC that the annual US SBA Small Business Week is scheduled for April 30-May 6, 2017. Last year the City Council issued a proclamation marking the week as “Small Business

Week” in the City. If the EDC concurs, Ms. Carmer would like to develop a program to celebrate and highlight the City’s small business community in collaboration with other local organizations. One thought is to host a series of resource events that week. Interested local collaborators include the Chamber of Commerce and Alpha Loft. Other potential collaborators might be Seacoast Local, UNH, and the Small Business Development Center. The EDC endorsed the idea of participating in the 2017 Small Business Week.

Other Business

Alpha Loft Accelerator program

City Councilor Cyr informed the EDC that the application period is open for Alpha Loft’s start-up accelerator program. The deadline is January 15th for eight selected companies to receive free start-up mentoring services, co-working space, and educational seminars. The culmination is a Demo Day on June 1, 2017.

Downtown Economic Revitalization Zone

The application is still in progress and will be submitted to the State this month.

Local Employment Metrics

Ms. Carmer shared the local unemployment figure for November of 1.8 % continuing the trend of full employment for residents. She also shared the metro region’s 2016 employment figure as of November of 90,900 for the Portsmouth NH-ME MetroNecta. This is up 1,400 jobs or 1.6% from the previous year compared to the national increase of 1.2% according to the US Bureau of Labor Statistics.

Confirm Next Regular Meeting: Friday, February 3, 2017, 7:30 AM.

Public Comment

David Choate of Colliers International commented on the local retail environment downtown noting that Portsmouth is known as a restaurant destination and not a retail destination. He believes that the inventory of merchandise to buy downtown is limited and suggested that a better mix such as there is in Kennebunkport might improve local retailers’ success. He also thinks surveying hotel customers might be a way to understand more about the retail experience and how retail factored into their destination decision- making. He noted that the cost of downtown space at \$40-\$50 per square foot precludes many potential retailers from entering the market and contributes to retail turnover and the presence of Pop-up stores in the off-season.

Mr. Choate also commented on the continued need for new office space in the downtown and expressed frustration that many of the new developments overlook office space in favor of hospitality and high – end residential uses. Another comment he made concerned the denial of the Echo Avenue workforce housing project at the Zoning Board of Appeal. In his opinion, the only way to increase local workforce housing is to change local zoning possibly through an overlay district approach.

Adjourn – With no further business to conduct the EDC meeting adjourned at 9:00 AM.

Respectfully submitted,
Nancy Carmer
Economic Development Program Manager