

Economic Development Committee

6/13/08

Present: Jason Lenk, Chris Mueller, Peter Ventura, Doug Clark

Staff: Jim Campbell, Director Planning and Community Development

Todd Selig, Town Administrator

I. Meeting called to order at: 7:33 am

II. Public Comments:

Jay Gooze, spoke about the proposed increase in unrelated individuals in a housing unit. He stated that the Town needs to protect the Resident A and Resident B districts from encroachment of the unrelated individuals into the Resident A district. Some language had been proposed if you are going to increase the number of unrelated per household that you put in the statement like 'except in those properties abutting resident a and resident b districts'. Perhaps these could be relaxed with property management. He recommend that Economic Development Committee adopt a stricter ordinance with an ability to if there is large area between the housing property and the property in zone a.

Jim Jelmborg wanted to support Mr. Gooze's comments. Mr. Jelmborg lives in a RA zone abutting a multi unit. He recommended the need for a good definition of property management.

Robin Mower reminded the Committee of the March 2008 meeting when the Economic Development Committee agreed that the Town Council should require that developers in a TIF should provide surety so that there is no risk to the town members.

Maggie Moore wanted to applaud Jason Lenk for the presentation last month about the sense of community and the subsequent discussion. There were lots of stakeholders, and people there. Thanks Jason for doing something from the past for future generations.

III. Park Court Properties

Mr. Mueller explained that Park Court Properties has a conceptual plan for development on Mast Rd. They have been before the planning board twice. They may need variances and are coming before the Economic Development Committee to let the Committee know what is going on.

Perry Bryant and Bill Doucet made a presentation about their project which is a 24-36 unit apt building with 4 bedroom unit totaling 96 -120 beds. They would like to build the building 100% green and 100% carbon neutral if possible. They are also working with UNH to negotiate with additional land swaps to put the building set back far enough to keep the streetscape the same. The project calls for a coffee shop. The project would not provide parking and they would be able to ride the bus. The last part of the project is a barn to house the electric car business. The proposal is to use the zip car model so students rent the car for a day.

Their next steps involve permitting and approval. They need to apply for conditional use in the MUDOR district. Conditional use is required for a multi unit building. Development in the

wetland buffers will require conditional use. Then the barn is within the 100 yard setback so they would need relief to put that up. They are working with UNH and if all goes well it would provide the opportunity to rotate the site plan around creating a bit more space. They are also working with the University so there would be one access shared point to minimize the curb cuts on the roadside.

A discussion followed. Doug Clark asked if there was any impact on the fire department with the height of the building. Chris Mueller asked them to walk through the energy saving methods.

Mr. Doucet outlined that geothermal is one example, but they haven't decide if they are going to utilize it yet. It offers great cooling and heating savings. Wind doesn't look like a possibility but it isn't off the table. There will be a green roof which means the roof will have a sand substrate and then plants on top of the roof. The plants won't be flowers but rather sedums which create a filter for the rain water which once treated can be used for toilet water. Overall the energy savings isn't just about saving heating costs in the winter. The building would be computerized, and the lights in public areas can be setup to dim as daylight increases there would be green screen technology which is a form of biofeedback and provides a digital printout with kind of energy uses. Mr. Clark stated that the he loved everything but felt the two buildings' design didn't quite mesh and asked if they could make it so the design character of the building meshed with the community development plan that the town has.

Mr. Doucet said that it is hard to keep the look in the large scale. The idea is that it will blend into the surroundings like the New England Center. He further stated that as it is a new technology, the design is part marketing part social responsibility. He feels it does need to look different. It is different from anything else in Durham. Massing and using sunlight is not in keeping with the most traditional Cape.

Mr. Clark said that there are a lot of designs that do mesh and do provide with using sunlight like circular barns. Mr. Clark then asked if the plan called to landscape with trees that screen the road and keep the town corridor the same. Mr. Doucet stated that they didn't want to screen out the technologies in place and that it might be a trade off for the community.

IV. RSA79-e Community Revitalization Tax Relief

Mr. Campbell explained that this was a statute revised in 2007 allows a community adopt community revitalization using a tax incentive program. It is confined to the central downtown but it encourages people to make renovations to their properties. The local governing bodies grant tax relief and it would last for 4 years. Town Council can extend it two years. If the building is on historic register then it can be extend 4 years after that. Frozen at the pre investment level, property owners can pour the income back into the property. If it is of interest and if EDC thought it was a good idea, then he would set up a presentation to Town Council.

Mr. Clark felt it would be good if the relief is decided on in a case-by-case basis Mr. Mueller asked how it fit, replaced, or enhanced the Newmarket tax credit scenario. Mr. Campbell explained that the Newmarket tax credit is tied to the percentage of what the Town is putting into their overall development. The tax relief incentive is all local.

Mr. Mueller stated that Durham is available for Newmarket tax credits. There will be a pool of money for town of Durham to use and recommended we put it on the next agenda. Mr. Campbell also explained that Durham was a hub zone and offered to investigate it. After more discussion, it was decided that the tax relief would be a good idea, but Mr. Campbell should

investigate other tools and bring a list to the Economic Development Committee for review and subsequent recommendation for the Town Council.

V. Business Retention

Mr. Mueller explained that the Town needed a master plan for economic development and preferred to use something other than Master Plan.

Mr. Campbell asked whether this was a strategic plan which he explained is much more involved. He stated that the Town needs to know which way to go. Is it a simplistic plan or else it is a strategic plan which costs approximately \$50,000-\$100,000 to develop due to the fiscal and economic analysis?

Mr. Clark advised that the committee needs to be reasonable as all the other property is owned by other people. Only 5 parcels of lands in town left to be developed. The town fully will be built out in our lifetime. Then it can only be rebuilt. It is an interesting time when people are discussing development in trade off of conservation. The Town can't look at one property without looking at the impact on other properties and other plans. Planning allows us to show the trade off on both sides of development. Right now it is a stalemate.

Mr. Mueller has a component for the Strategic/Master Plan which is to set goals for economic development that are achievable in a given time frame. Identify the options to get there, limitations, and constraints. Explain what are the competing interests and getting to the point of recognition that both interests can work together. Mr. Clark stated if we are really looking at that kind of development problems-we need to implement a plan now so we can use the plan.

Mr. Campbell stated that we now have legislature allowing the addition of an energy section to the Master Plan. Mr. Clark felt the development of energy and developing industry is critical. It would be a win- win if we can invest in renewable energy and develop.

Mr. Mueller agrees development of business is only a component. Streamlining process to become more efficient is important too. Not build, but revitalize and identify how do we do things internally that will be more efficient. Creating an environment which is a business friendly community with a commitment to renewable resources is a big project. How do we want to proceed? Mr. Clark recommended small groups of people from the different committees to be a part of it as collaboration. Mr. Campbell stated that it will take stakeholders to define where we are and where we are going and how we are going to get there. He echoed the recommendation of getting small groups who report back to the larger group. Mr. Mueller stated that the council also talking about it. We don't want to duplicate efforts and asked if it is something to look to the Council to create and provide an action plan for the different committees to do. Mr. Clark agreed that making it more official would only help. It was decided to bring it up at the next council meeting.

VI. Kaizen presentation: Mr. Gottsacker process improvement

Kaizen is Japanese for continuous improvement. Mr. Gottsacker started to watch town meetings saw the concerns were the same as in private sector. Last budget cycle he worked with Mr.

Mueller and Mr. Jelmsberg regarding the building permit process. He mapped the process out then compared it to Madbury's. There are 12 steps for Durham and 1 step for Madbury. When you talk about stabilizing economy, it doesn't mean laying people off it means removing the waste in the process.

To build a house it takes about 12 process- or less in Durham as the process is not well defined. It is a lot of waste that, if removed, would provide savings to people and Town. At the invite of Mr. Selig, Mr. Gottsacker attended a staff meeting on process improvement. People don't think in terms of this as value added. If you shrink process, you change process and process mapping is critical key to success. He suggested if the Town wanted to go forward they wanted to review the building permit process, and payroll process. He met with each group to start the process mapping. Don't reinvent the wheel. There are many best practices on the internet. The process problem on permitting was quickly identified as a system problem with permitting in general. Durham has a bad reputation of being business unfriendly. It is blamed on people in the town and not the process, because people don't look at the process. There are over 30 permits in Durham: where to get them; how to get them; and who is involved is not clear.

One good example is a mechanical permit. Three people are involved. [See Permit Chart] Towns who have addressed this problem have consolidated, eliminated, and moved to one stop permitting. This kind of change takes work on part of the Town staff. Right now the expectation is on the citizen to figure how it works. In order to change the environment or make it friendlier in town, then process improvement is a critical part. He recommended that it would be helpful for the EDC to:

Encourage town staff to fix the problem. There is a certain element of staff would be apprehensive to make change. It is difficult by design but if you make sure they know they are supported it is helpful.

The Town should integrate the whole issue of permitting as part of the strategic plan. As long as processes are unfriendly toward development, it won't help.

Show support from The EDC and the Town Council in the form of a report which will create an expectation that the staff would want to do it.

In the discussion that followed, Mr. Mueller stated it would be interesting to quantify the lost opportunity to Town of Durham based on the permitting problem and it might be helpful in motivating the Town. Mr. Gottsacker stated that this would be part of the process but that processes are usually 33% more expensive that they might otherwise be. Mr. Clark agreed that in the absence of a strategic plan, government can do things to slow things down; however, we have to have a conversation about what the Town wants before we go make it really easy to go build things. Mr. Gottsacker stated that values provide vision which leads to a mission which is translated into a strategic plan which guides the processes.

Mr. Ventura stated that he felt the Committee was all over the place and doesn't know where it is going.

Mr. Mueller stated that Mr. Clark is going to encourage the Town Council to discuss the strategic plan and get committees and stakeholder to participate in a strategic plan. The Economic Development Committee plans to set specific goals in the Town in terms of economic development which could include design standards, energy efficiency or process improvement.

Also the committee could identify public relations or promotions communications to attract business that highlights tools in place to help support the town hitting the economic goals.

Mr. Campbell further explained that the committee had reviewed the Master Plan from 1995 on Master Plan of 2000-2001. Mr. Clark then stated that Mr. Niman described the situation well when he said all development is basically down the corridors where the town doesn't want development. We need to add to the Master Plan to show how we are going to screen it so one sees the green corridors. This happens elsewhere and we can preserve and develop.

Mr. Campbell pointed out that when the planning board reviewed the rezoning process-Rte 108 was identified as an office research area with 100 foot front set back on all building and those over 15 feet need an additional 2 feet back is clear and in keeping with the Master Plan. He further stated that the plan is missing timelines and specific steps.

Mr. Mueller ended the discussion by stating that the Committee is in as good a place as it can be today. Mr. Clark will bring back our concern of the critical need to revisit the strategic plan.

VII. Joint meeting

Mr. Campbell commented that the joint meeting with conservation committee showed that both of the committee's interests are not mutually exclusive and also the two committees should continue to communicate. Conservation Committee has Beech Hill on its list for conservation which has an impact on the Durham Evangelical Church for development. Mr. Clark talked about getting an overlaying the two maps to see where the conflicts. Mr. Campbell said he would do it.

One of the Economic Development Committee's deliverables for conservation was to work on our strategic plan and then compare with conservation. After our conversation today, the Committee is looking for a higher plan so that deliverable it not realistic. The Committee Representatives can fill in the Conservation committee so they know.

Discussion about the Church and conservation committee ensued. It was decided that the Church and the Conservation committee need to talk. Mr. Campbell will go back to the church to see where they are at.

VIII. Approval minutes of May 9th.

Mr. Mueller outlined that here were concerns about the minute taking process. The minute taking process reviewed. It was determined that the committee is in compliance with the current process and is meeting all legal requirements. The current downfall is making them public available in five business days which will be changed. Given that the committee meets monthly posting will be delayed until after the minutes are approved.

Approval of the minutes of May 9th was moved to the next meeting.

IX. Old business: Review of the 2008 Action Plan

Mr. Mueller wanted to review the action plan [see document called the Town of Durham Economic Development Committee 2008 Action Plan] and specifically the objectives. What are the high, medium, and low priorities? Do we need to move them around?

#1. Respond immediately to any to be an efficient committee and provide proactive support to assess, investigate and advocate for all appropriate economic development opportunities. Mr. Clark noted that the word appropriate has to carry a lot of weight and recommend it be underlined. Mr. Campbell noted that appropriate is in the defined uses.

#2. Develop an Economic Development Vision Document. This document will identify measurable targets for additional town revenue and outline the potential strategies to reach those targets.

Mr. Mueller opened discussion by stating in the context of the last discussion, do we want to strike it?

Mr. Clark stated that it will come back to Committee and we will need to quantify it. Our job is to think about how to increase our tax base or our revenue generating mechanism so we don't see increase tax rates. Mr. Lenk stated that included in that is the tax fees and consulting fees to produce the strategic plan.

Moving to UNH they were separated into two objectives.

3. Identify and assess the true financial impact of UNH on the Town of Durham

4. Identify and assess the potential for economic development partnerships between UNH and the Town of Durham. Mr. Mueller asked if UNH need to pay their fair share. What is their impact on the town? Because of their enhanced services, UNH has an impact on business in town. We need to put more thought into what the really means? What are the services that they have expanded in the past 3-5 years that we could look at their impact on the town and draw some coherent correlation on the town? Mr. Clark stated that it is a big project and it makes sense. We can quantify police, fire, and public works and figure out what kind of costs have been added to the Town of Durham. He asked if we can use comparisons to other local towns. Then there are the costs of having a population of 18-22 year olds and the impact to the central business district and the development of our town. Our job is how to define the cost or value of the UNH in terms of economic value to the town. Mr. Mueller stated that he looks at Hallway Commons as I am not going to Young's.

Mr. Clark pointed out that it used to be the businesses geared to the residents were the most sustainable. When looking back at the business like Houghton's, the Copy Center, the coffee shops, and men's clothing shops. He stated that he has to believe that with what has happened downtown the University has drastic impact on the town. Mr. Ventura wondered if it was the town, the University, or the malls. Mr. Clark stated that we need to do the investigation. What good is the conversation without data? We need to look at comprehensive view then take it to the Unh or the State. Mr. Mueller wondered if Durham changed with changes to the economy.

Mr. Selig stated that we have been looking at the impact of the university for the past 7-8 years. We have been out to see what other universities do. We have been a model on how to get resources from the UNH to compensate for that impact. Mr. Mueller stated that this needs to be quantified in order to have intelligent conversations on how to resolve it. It was decided that Mr. Mueller and Mr. Campbell would have a planning meeting.

5. Actively participate in the recruitment and placement of tenants for the Durham Business Park property. Mr. Mueller asked what can we do to help out.

#6. Review the student housing market as an economic development opportunity for the Town of Durham. Mr. Mueller said that this goes along with numbers 3 and 4 if we think about reviewing the student housing market including public and private partnerships and continue to assess and encourage the housing market. He further stated that maybe there are constraints here given the true student development opportunities. It is an objective we need to focus on, polish off and understand. Mr. Campbell added that we need to look at existing and future housing. Mr. Mueller said we also need to investigate town owned properties for sale and development as appropriate.

Mr. Clark stated that he wasn't sure whether this is appropriate without seeing the list.

#8. To work with outside organizations such as Municipal Resources Incorporated, Southeast Economic Development corporations, DRED, and real estate developers to improve the economic development climate in the Town of Durham. Mr. Mueller started the discussion on these items by asking if having real estate developers makes sense. Mr. Clark stated it was too heavily focused on land development and not focused on infrastructures. After discussion it was decided to strike it.

Reviewing the medium priority objectives, Mr. Mueller asked they should move the first objective [establish a business visitation program, working with the Durham Business Association, to visit all the businesses in town to improve business retention and expansion] to high priorities list. Mr. Lenk was not present at the last DBA meeting. Mr. Ventura had nothing to report from DLA. Mr. Lenk pointed out that Mr. Van Asselt mentions concerns over services on some of these larger scaling projects- like the Park Court Property and agreed a move might be needed. Mr. Ventura noted that the Durham Landlord Association's gripe was about taxes and issues over the multi families. Mr. Campbell expressed concern oversaturation of the housing market. Mr. Mueller noted that Joanna Knight expressed an interest in coming to speak to us on behalf of the DBA and he will follow up.

Mr. Mueller noted that work with the Mill Plaza committee (currently medium Priority objective number 2) was a high priority and now a medium, but could be a low priority. Mr. Selig confirmed that the study committee is done but the architecture group is coming back. Mr. Clark pointed out it might require a TIF to build a road. Mr. Campbell noted that there is a lot going on with it with lots of interest in that piece of property. It was decided to reword the objective to remain active in our understanding of the redevelopment of Mill Plaza

It was decided to finish the review of the action plan at the next meeting.

IX. TIF Agreement Discussion

Mr. Mueller explained that there is a meeting on Monday regarding the TIF. The crux of matter is that there was the impression that the Council wouldn't move forward without the surety to protect the Town. Mr. Selig has created a guarantee that makes us comfortable moving forward. Townspeople will be asking about it even though it is not what was required. Mr. Ventura pointed out that we gave the Town the power to decide when development came up. Mr. Clark asked what was our role here. Mr. Mueller explained it would be to go to the Council with warning or an opinion.

Mr. Clark pointed out that once again we are not spending enough time to understand the total impact. He stated it was unfathomable that the developer would sit and not develop the property. Mr. Mueller stated again that there was an impression left that there would be a 100

percent guarantee. Explaining exactly what they were saying would go along way and explaining that the Committee had discussed this and is comfortable with it would have been in order.

The discussion was tabled due to time.

XI. Adjourned at 9:49