

Economic Development Committee

Date: 7/11/08

Present: Jason Lenk, Chris Mueller, Jim Campbell, Karl Van Asselt, Doug Clark
Peter Ventura

I. Call to Order 7:33 am

II. Public Comments

Robyn Mower wanted to have a sense of where EDC thinks they are on the map of developable conservable land that the two committees are working on.

III. Durham Business Association, Cellissa Hoyt

Ms. Hoyt described the organization and gave an overview of the most recent efforts of the Durham Business Association. One effort was fueled by the concerns: on how to best support businesses (existing or new); taxes; and the number of businesses that have closed in town. They are surveying the business community to see what the issues and trends area. They plan to use it to be a voice for the business communities to the EDC.

Another trend impacting the businesses is the university's change towards self-containment with more retail services on campus. It is impacting the business and traffic. Business is down.

In the discussion that followed Mr. Mueller asked where does DBA see the business is a going. Ms. Hoyt stated that it is a mix both townspeople and students.

Julian Smith expressed a concern that the Town looks at economic development we don't want Durham to be a suburb. As a planning board member he is hearing from public on the zoning changes-saying keep the students out of our area. The town needs to work with UNH to teach them to be better neighbors and to create better conditions for the whole town.

Mr. Mueller stated that the Town needs to figure out where it is going as a Town. Not one interest over the other but where are we really going. It is the underlying problem that have led us to where we are today. We can work with other groups to figure this out.

Part of what we talked about at our last meeting was to talk about a road map or vision for the town of Durham. We are at a crossroads as a town. Now, what can we do? Reflecting on losing businesses in Town he asked, what can the Economic Development Committee do? Is it a case of business not changing with the times? Delivery model will change. Brick and mortar stores can't compete in the new model. Can our current business compete in the e-market? How does the model really fit? He felt that businesses need to look more globally but added that businesses are vital and we don't want to loose them.

Mr. Van Asselt stated that that even in the Mill plaza study we have ignored the loop of Main Street. Not spoken about it at the Town Council. Has the DBA has talked to about that. Private monies are available for incentives. Has that been discussed?

Ms. Hoyt noted that the DBA has discussed it and anything we can do to make the town healthy and flourishing then it helps us all. If we can provide the community wants and needs and the businesses can keep up with the towns.

Mr. Van Asselt asked about physically can we go up. In 6-9 months things might change downtown. Is there something the town of Durham can do?

MS. Hoyt stated that the Durham Business Association wants to continue the dialog.

Great concern is that it is cost prohibitive to add, build or renovate and the business won't be able to break even.

Mr. Campbell noted that the Mill Plaza project connected the plaza to Main Street. We have done a lot of zoning changes to do more downtown. Things are going on and the Committee needs to concentrate on it a little more.

Mr. Clark asked if the DBA will have a broader look at overhauling Durham as a whole town not just one building. He encouraged that. He further stated that the reason student housing is a front burner in this town is that demand outstrips supply. UNH only provides 40%. The students have to live somewhere. The cars coming into town kill us with their commute. It makes all the residents leave town. The Town should make it benefit the town and put it in a place where they can walk to school or work. He stated that the answer is easy but the system and process is difficult. He felt the Town needs to look at overall plans and zones that make that possible. If we could make that work downtown it would make things work better.

Mr. Mueller asked how much local business can we support given the demographics of the town. Really not enough as we may want for the economic development. The businesses need to be more globally focused to be profitable add to tax base but don't rely on the tax base for business. He stated that the role of the economic development committee is to do that. The committee to date has been reactionary (reviewed and made recommendations) to development projects presented to the town, we are ready to be now proactive to search for economic opportunities for the Town of Durham. Along the way we play a role of retaining business in Durham.

Mr. Van Asselt asked if our code requirements more restrictive than the national codes?

Mr. Campbell noted that all towns follow the same codes.

Mr. Clark notes that lots of our problems are temporal; Lots of buildings aren't up to code- because they are so old. Only a matter of time based on change of ownership. Code issues are due to lack of changes.

Mr. Van Asselt agreed with Mr. Clark codes continue to get more restrictive. Question is do we assume we want them to be viable buildings downtown, there are cities and towns who see a role of the public to upgrade facilities to help the private sector which means public funds to help the town be viable. I know that is not the prevailing thought. Central business in a town that supports it to make it viable, then you have business who can afford to operate there. It isn't what can we do the building- it is what are going to do with the acres of land if you are serious about redeveloping to where people can live downtown.

He asked when is the survey going out? Can we have the results for the 7/25 meeting. It would be great regularly attend your meetings and have representatives attend your meetings. 10 board meetings quarterly general meetings.

Mr. Mueller noted that Mr. Lenk is the contact to the DBA. He won't be there in July as it was noted that Mr. Van Asselt and Mr. Campbell would attend on his behalf.

The committee agreed to create a subcommittee to work with the DBA on a vision and create a unified voice.

IV: Programs available of Economic Development

Mr. Mueller had requested to review the tools available for Economic Development. He gave an example of an owner of a technical software company. Town Council members visited him. He had a small office which he was planning on growing but he didn't see Durham as an option. Went to Newington. He felt access for services for employees wasn't a good option in Durham. Also the code and the cost of construction. We need to think about it as we need to retain the businesses.

Mr. Campbell handed out a list of the program and tools usable for programs and reviewed them one at a time.

1. RSA790-E is a state statute for property tax relief to encourage reinvestment in downtown in central business districts. The pre rehab tax rate is frozen as the owner puts the money saved back into the building. After the work is completed the owner is taxed at 100% of new

assessment. Value of rehab maybe 15% or 75,000 whichever is less.

Northumberland, Groveton, Berlin, and Rochester are some of the towns that have it. It was defeated in Meredith and Mr. Campbell's trying to find out why. In the discussion that followed it was determined that there is a defined time for the rehab and it was noted that the Town takes the hit on the missed funding. If adopted the Town would create the process under which it would be used but it wouldn't be able to change the policy either to increase the percentage or to make it more restrictive.

2. TIF

Is a good tool for the tool box and well covered in the past meetings.

3. New Market Tax Credits-

Mr. Campbell noted first that this has nothing to do with our neighboring town. Established in the Congress in 2000 provides relief from federal income taxes making investment capital available in for development of low income communities. 39% of cost of investment must be made over 7 years. 1-3 5% and 4-7 4% 85% must be used by the Community development entity in low income communities. In the discussion that followed it was determined that the Town could work with community development and they would either provide a loan to the developer for the work. It is either loan or tax break. Durham qualifies as a low income area by our census track not the waterfront. The University population has a very low income. The program runs through the treasury department and it well-respected or popular. Mr. Campbell recommended using the South East Community Development (SECD) as a great organization which good access to funding. Mr. Mueller noted to put them on the agenda for a meeting.

4. HUB zone is a program designed to stimulate economic development in an underutilized business zone. The program requires that the contracting staff must live in a HUB zone 35%, and must have your office in Town. Small Businesses as defined by SBA must be owned by 51%. Mr. Campbell noted that Intellitech which has its corporate headquarters in Durham might be a company that might benefit from it. Open a door for them with contracting with federal govt.

5. Business Visitation

Business Visitation program Group of business people in town government visit at least once a year or more at the corporate headquarters meeting with the people that makes the decisions. It provides impressions about ownership and what kind of place the town is to do business. Development issues or concerns come out then which helps with retention and allows the town to offer solutions. Mr. Campbell noted that the Town is doing this now with the Durham Business Association but need to take it one step further. Mr. Clark noted that lots of little businesses are forced to Pease because there is nothing was here and wondered how much business we have lost. Mr. Van Asselt added that some businesses might have wondered why we haven't offered Durham Business Park. Mr. Clark also stated that small businesses don't have time to get something built.

6. Business Recruitment

Create and keep a list of businesses and industries for Durham and use the list to target business and recruit them. The Master Plan has one now. Mr. Mueller stated that this is a great idea.

7. Town Web Site

Mr. Mueller asked the Durham Business Association to help with resources like helping with the Town Website.

The rest of the tools were put off due to time.

V. Inclusionary Zoning Implementation Program (IZIP)

It was decided to review the Inclusionary Zoning Implementation Program

Mr. Campbell explained that it required a letter of endorsement for the grant.

Land use control- RSA 741 purpose of permitting affordable housing. SBC 342 bill requires all municipality provide an opportunity for workforce housing. It is something that each town should just do. The Grant provides \$9000 to have a housing finance authority review our ordinances and give us indications where we can adopt/change to make it an inclusionary zoning. Mr. Van Asselt

recommended the committee members support grant and the laws stating that it was just compliance issue and that we don't want to be left open.

Mr. Vanasselt moved the Chair send the letter on behalf of the Economic Development Committee. Mr. Clark Seconded the motion. The vote was unanimous.

Mr. Mueller suggested meeting more often as the agenda items remain each week. After a quick discussion it was decided that the committee will begin to meet on the second and fourth friday of the month. The next meeting will be 7/25/08 at 7:30 am. The meeting adjourned at 9:43 am