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Economic Development Committee

Meeting Minutes

February 12, 2010

Present: Doug Clark, Susan Fuller, Jason Lenk, Chris Mueller, Tom Elliott, Richard England (alternate)

Staff Present: Jim Campbell

I. Call to Order

The meeting was called to order at 7:30 am.

II. Approval of Agenda

The agenda was amended to move item VII ahead of item VI.

III. Public Comments

Robin Mower asked if there will be discussion on potential downtown sites for the UNH initiative "Green Launch Pad". Tom Elliott said he is attending a meeting this afternoon to further discussions on the subject.

IV. Approval of Minutes

The minutes of January 8th were approved as amended.

The minutes of January 22nd were approved as presented, with 3 abstentions.

V. Election of Officers

Tom Elliott was elected Chairman by a vote of 5-0.

Chris Mueller was elected Vice-Chairman by a vote of 5-0.

Jason Lenk was elected Secretary by a vote of 5-0.

Chris Mueller was thanked by members for his leadership these past 2 years.

VI. Roundtable Discussion on Commercial Market in Downtown Durham

Tom Elliott welcomed Matt Crepe, David (), and John and Nick Kostis for their availability to discuss downtown development and the current commercial real estate market (retail and office space).

How is Durham doing in providing downtown business space for businesses to be successful?

Matt Crepe: Believes he can't get financing for commercial only, needs student rental to be a part of the project. The commercial demand is not defined so it is harder to project and gain financing due to excessive risk. He doesn't feel Durham has the draw for professional office space, unless the person building knows their business's cash flow can cover the expense and they will occupy the structure themselves, otherwise, you need a signed tenant prior to building if income from student rentals won't be factored in.

John and Nick Kostis: Ground level commercial space is filled, 2nd level businesses moved to Portsmouth now that it is cheaper with a down economy. Tough to start a business in Durham unless it specifically caters to students, retail or office space. Thinks people will work from home with a shakey economy. Leased office space is at 60% capacity. Parking at Pettee Brook lot via the Town is only parking available to current office space. Additional parking would help fill unused commercial space.

Jim Campbell states a proposed parking study was not funded in this year's budget. He also informed the group about RSA 179a, a tax incentive program.

Roger Hayden states Main Street is easy advertising to walkers-by on first floor, but signage restrictions make it tough to advertise for second floor offices.

Doug Clark states regionally, surrounding towns have built commercial spaces and they are getting filled. So what is prohibitive about Durham? He believes a lack of attractive space and infrastructure is keeping people away, combined with defensive zoning practices to tightly control what happens in town, and a lack of appreciation for healthy development and the vitality it can bring to the town, all contribute to making Durham less attractive than Pease, Newmarket, Dover, etc. He believes the Town or UNH will have to get the process started, providing infrastructure, then tying the industry of Durham to the expertise of the university, thereby building a demand for commercial space. He paraphrased Police Chief Kurz's belief that students and adults don't mix, so we need to keep that in mind as we talk about students in our downtown, and the issues that will arise from increased density.

Matt Crepe asks if the infrastructure in Newmarket came first, or was the tenant identified first and then the space was built? Requests the EDC conduct a campaign to identify potential tenants to reduce risk for financing of projects. He states commercial on the first floor will generate more revenue than creating parking spaces.

Chris Mueller states as a town we need to think past retail and past the store front, and change how we view our town as "just a college town" with a finite local economy, and try to attract global businesses, like the green launch pad initiative started by UNH.

Varsity Capital...Compared to their other holdings, Durham has by far the smallest commercial area in their downtown, and given the size of the school, is far behind. He feels the University is not helping by expanding services and goods on campus. The university is actively reaching out to communities beyond Durham for off-campus housing. Students have \$400-500 disposable income per year, \$4-5 million/year, much is not being spent in town. He believes there isn't enough commercial demand to risk building anything beyond commercial space currently required by zoning. If the town makes form based codes a reality, it will help make development projects downtown more attractive.

Richard England says medical offices tend to congregate near hospitals, so he isn't optimistic for more professionals to come to the area. Due to the small downtown area, prices

become elevated compared to a larger downtown area, so high volume pizza does well, but doesn't appeal to townies. If we continue to have a small downtown, then smaller spaces for start-ups is worth exploring. UNH is poised to commercialize research efforts as well.

VII. Business Retention, Expansion, & Visitation Program

Questionnaire/Discussionaire: intent is to provide a framework or discussion guide for EDC members talking to business owners to improve town-business relationships.

The DBA provided feedback, requesting we include a business profile (number of personnel, number of years in business, own or lease building), and annual economic trends (up-down-flat).

Roger Hayden was asked for feedback on the discussionaire. He said many business owners tuned out after the plaza redevelopment stalled while on-campus competition continues to increase. He feels if the town builds infrastructure as discussed in the charrette process, specifically parking, the businesses will come.

Tom Elliot commented that feedback is used to make a case to take action. Roger Hayden said the Town will need to convince current business owners the town is going to expand infrastructure before they reinvest.

Celissa Hoyt said she looks forward to a joint effort between the DBA and EDC to build a case for town supported infrastructure improvements to support existing and new business needs.

Chris Mueller reminded the committee the town met with business owners last year to discuss these very issues in an open forum.

VIII. Other Business

- a. Old Business: 1. Time and date for EDC meetings
 - i. It was decided to meet the 4th Monday Evening each month.
 - ii. There was discussion about defining a subcommittee structure, to include non-town residents, for investigating specific items of interest to the EDC. A similar model is used by the Planning Board.
- b. New Business: 1. Council and Planning Board Rep reports
 - i. This was not discussed.

IX. Next Agenda and Assignments

The next meeting will be Friday, March 5th 7:30 am, followed by Monday March 22nd 7pm.

X. Adjournment