

Approved - January 31, 2011

**Economic Development Committee
Monday, November 22, 2010
Town Council Chambers, Durham Town Hall
7:00 PM**

MEMBERS PRESENT: Susan Fuller, Thomas Elliott, James Lawson, Yusi Wang Turell, Ute Luxem, Doug Clark

MEMBERS ABSENT: Jim Campbell, Richard England

ALSO PRESENT: Dan Barufaldi, Diana Carroll, Robin Mower, Kevin Gardner

I. Call to Order

Chair Tom Elliott called the meeting to order at 7:05 pm and suggested that Ute Luxem be elevated from alternate to voting member for this meeting.

Doug Clark MOVED that Ute Luxem be elevated to a voting member for this meeting due to the absence of regular members. This was SECONDED by Susan Fuller and APPROVED unanimously.

II. Approval of Agenda

Susan Fuller MOVED to approve the agenda as written, this was SECONDED by Jim Lawson and APPROVED unanimously.

III. Public Comments

Robin Mower explained that the Master Plan Survey is in the beginning stages of the process and some of the questions may be less meaningful and relevant than anticipated. She said there is still a lot of work to be done and the subcommittee will be reviewing questionnaires' from other towns.

IV. Presentation - Dan Barufaldi, Economic Development Director for the City of Dover, will discuss his work in Dover and engage in a conversation with us about how Dover measures its return on investment in his position and office.

Chair Tom Elliott introduced Mr. Dan Barufaldi to the members. He explained the members had discussed inviting an economic development director to speak to them regarding the role of being an Economic Development Director as it relates to the committee's goal of establishing a half-time economic development director for the Town of Durham. Mr. Elliott said they would like to get some insight into what the position consists of and how to measure the return on the

investment of this position. He invited Mr. Barufaldi to the table to discuss his position with the members.

Mr. Dan Barufaldi thanked the members for the invitation to speak to the committee. He said one thing that is necessary is to use the opportunities from UNH. Mr. Barufaldi said while UNH is a burden, because of its tax exempt status, it can benefit the town as well. He also suggested encouraging the concept of a downtown village for Durham which would attract professionals and retirees. Mr. Barufaldi said a parking garage in the downtown area would assist with this concept. He also suggested capitalizing on the presence of the “Downeaster” in town, saying it is a valuable asset with increasing ridership. Mr. Barufaldi said the marketing approach should be a two level approach; 1) high end booklet which covers business aspects and quality of the town and quality of life which is used to market the town to target companies and 2) smaller less expensive pamphlet which can be distributed freely. He also suggested advertising in various business and location magazines, which should be carefully targeted and done in the same venue 3-4 times a year. Mr. Barufaldi said an effective website is easy to navigate and requires no more than 3 clicks. He suggested considering an “ambassador program” which would consist of volunteers who travel outside of the town. He said the volunteers are asked when they are away on business to either call on customers or clients they know or they are given names of businesses to contact who have the capacity to relocate. He said they are given the booklet and provided with information regarding the Town and why it would be a good place for them to relocate.

Mr. Barufaldi discussed what his efforts consists of on a day to day basis. He explained that half of his efforts are in business retention; saying that it is less expensive and important to preserve the businesses already located in town. Mr. Barufaldi said he calls on CEO’s and owners of small businesses who appreciate the attention and assistance if needed. He said the rest of his time is spent on business outreach (which needs to be targeted carefully), tourism project (make town a destination), parking, zoning codes and special events. **Mr. Barufaldi said one event being planned is “DoverTech” which will be an event centered on intellectual property. He said participants will include UNH, Southern Maine University and investors are being invited in hopes of financing some deals. Mr. Barufaldi invited Durham to participate in this event. He said he is hoping to brand the region as a crossroads for technology.**

Barufaldi said he found that CEO’s considering relocating their business; often make a decision partially based on the quality of life in the town being considered.

Mr. Barufaldi explained that he is not a city employee, but is employed by a non-profit, Dover Business and Industrial Authority, that is fully funded by the City of Dover. He said he reports to the City Manager on a daily basis, but is evaluated by and reports to a board of directors. Mr. Barufaldi said he is judged on his level of activity; how many companies he speaks with, how many people he visits and also in terms of results. He said nothing happens overnight and sometimes a company will turn down relocation efforts two or three times before deciding to relocate.

Mr. Barufaldi said he understands the position for the town of Durham would be a part-time position. He said this is difficult, but possible.

Chair Elliott asked Mr. Barufaldi to explain more about working for a private non-profit. Mr. Barufaldi said the Dover Business and Industrial Authority has its own Board of Directors and a line item in the city budget. He said his staff consists of himself and 9.5 hours a week of administrative support which he shares with the Planning Department. Mr. Barufaldi said the Board of Directors is nominated through the City's nomination process and are all volunteers.

Chair Elliott asked what the advantages are to being hired by a non-profit. Mr. Barufaldi responded that he is not a municipal employee and therefore is not a part of the city retirement fund or insurance costs and saves the city money in this manner and it also allows him flexibility in negotiating deals and applying for grants, bonding etc. He said in addition to being able to apply for grants that municipalities are not eligible for he has all the resources of the city including a Masters graduate student from UNH that is good with grant writing.

Mr. Barufaldi said he reports to the City Manager as a department head for day to day activities, but is evaluated on his performance and given general direction by the Board of Directors. Mr. Barufaldi said he is part of the Technical Review Committee for the city. He explained that every incoming project goes through the Technical Review Committee. Mr. Barufaldi said each company interested in a project in the city attends a meeting with a representative from every agency of the government (Planning, Fire, Police, Permitting, Economic Development, etc) and is given input from every aspect and encouraged to come back in two weeks with solid plans; the plans are reviewed, comments made and the project then moves forward to the Planning Board with the Economic Development Director attending as an advocate for the project. He said this process allows the potential developer to garner full input in a short period and creates a municipality that is easy to deal with and remove any surprises from the process.

The members asked the size of the Board of Directors and how and when the idea of the Economic Director being hired by a non-profit came about. Mr. Barufaldi said the Board consists of 9 directors and the city of Dover decided 2 years ago to go in this direction. He said the city had been without an Economic Director for two years and no development was occurring. Mr. Barufaldi said the city decided they needed a director and proceeded with a national search.

Doug Clark asked Mr. Barufaldi for ideas in transitioning the downtown from student housing to more businesses. Mr. Barufaldi said any suggestion for this transition will take time, but suggested developing and pricing some of the housing in a way that it is not available to students – upgrade the housing, build an urban village concept, provide services within a walking distance and transition through zoning.

Mr. Barufaldi suggested working with UNH regarding research projects to commercialize. If the town is able to get some of these research projects commercialized into a number of companies a business park could be formed as opposed to being integrated into downtown.

The members discussed parking with Mr. Barufaldi. He explained that a Request for Proposal has been put out for four city parking lots to have survey, test boring and geotech analysis done so this base information is available when potential developers express an interest in building a

parking garage. Mr. Barufaldi said the city has changed to the “pay and display” system which has produced more revenue than the old system of parking meters.

The members discussed mixed-use zoning. Mr. Barufaldi said he believes zoning which allows commercial use on the lower floor and residential on the two top floors would add vibrancy to the downtown and fill some of the vacancy. He said the waterfront development is a good example of planned mixed-use zoning.

Mr. Lawson asked Mr. Barufaldi what percentage of opportunities would have come to Dover on their own and what percentage is a result of work and programs put together by the Economic Development department. Mr. Barufaldi said it is difficult to project, but he feels over 80% of the projects that occurred were involved with the Economic Development department on a local level. He said there was no development in 1.5 years, but in the last 15 months, 15 businesses have been brought in.

Doug Clark asked what percentage of development was new construction, renovated and existing space. Mr. Barufaldi said 95% is located in existing lease space, which costs 30% less per square foot than new construction.

Mr. Clark asked if Dover has an Economic Development Committee. Mr. Barufaldi said Dover does not have an EDC but suggested that the EDC could become the Board of Directors to the Economic Development Director.

Susan Fuller asked what portion of Dover has form based code. Mr. Barufaldi said that currently the downtown area uses this type of code. He said there are two major sections that benefit from the lack of setback requirement and lack of density restrictions and parking requirements and it helps to retain the quaint New England town look. Mr. Barufaldi said he believes Durham’s downtown could benefit from this as well.

The members asked Mr. Barufaldi if he thought they could be successful in recruiting a highly qualified individual to fill the half time position. Mr. Barufaldi said he thought a retired private business CEO with corporate experience would be an excellent choice to fill the position. He noted the successful candidate should be goal oriented, project honesty and integrity.

The members thanked Mr. Barufaldi for taking the time to meet with them.

V. Approval of Minutes – October 25, 2010 meeting.

Members noted the correct spelling of Yusi Wang Turell’s name.

Jim Lawson MOVED to accept the October 25, 2010 minutes as amended. This was SECONDED BY Susan Fuller and APPROVED unanimously.*

*Ute Luxem and Doug Clark abstained from voting since they were not present at the October 25, 2010 meeting.

VI. Committee & Staff roundtable - Brief updates on current and proposed developments, zoning changes, Master Plan and other planning initiatives, Town Council activities, broadband initiatives, and more. Brief subcommittee reports as needed.

Yusi Wang Turell reported that the “visitation project” will slow down over the holidays, but expects to be able to compile results early in the 2011 and report to the Town Council.

Ms. Turell also reported that the “DCI Market Analysis” is moving forward and the consultant met with the stakeholders. She said a number of perspectives were discussed during the visit and a conversation was held with UNH regarding commercialization efforts. The members discussed the timeline for the DCI report and presentation. Ms. Turell said an interim report will be presented in sometime in December and a final report and presentation at a future date. Chair Elliott said he felt the final report and presentation should be done publicly.

Jim Lawson reported that recommendations suggested for the business parking permits have been accepted by the Town. He explained that the permits will no longer be purchased on a first come first served basis. Mr. Lawson said that the payment schedule for the permits will pro-rated (based on when permit purchased) and the permits may be returned for a pro-rated refund before the end of the year. He said these suggestions were made to encourage more businesses to use the permits.

Mr. Lawson also reported that two designs for the “parking garage and fire station” are being evaluated as concept designs for C-lot. He explained there would be a “mini-charrette” on December 16th to elicit feedback. Mr. Lawson said the designs are Option 7 and Option 8 and explained that one design has the Fire Station entrance on Mill Road with the Parking Garage on Quad Way and the second design has the Parking Garage facing Mill Road and the Fire Station on Quad Way.

Mr. Lawson said the design which places the Fire Station on Quad and the Parking Garage Entrance on Mill Road is a three story parking structure. He said the pros of this design are that it has the parking structure becoming part of the downtown; the cons are that the Fire Department equipment would need to be accessed through Quad Way with its pedestrian traffic.

Mr. Lawson said the other design places the parking structure behind and above the Fire Station and is a four story structure. He said the pros of this design are that the Fire Station is on Mill Road and makes the Fire Station part of the community; the cons are that the only stairway from the Parking Garage to Mill Road would be from the fourth level and the possibility of confusion regarding access to the garage.

He noted the architects will be in Durham on December 16th and suggested the EDC make a recommendation regarding the designs. Susan Fuller asked if the Fire Department has expressed a preference. Mr. Lawson said he thought they would express their comments at the meeting on the 16th.

The members discussed the pros and cons of both designs as well as the criteria for the structure from the viewpoint of the Economic Development Committee. It was noted by Doug Clark that

the Town's strategic plan states that side streets are helpful and developing Quad Way to be a more legitimate side street would be helpful. He said the traffic patterns have a big impact and if Main Street becomes a two-way street, Quad Way could be a pedestrian way. He also noted that from the Town's perspective the parking garage is what is needed to help economically and to do that easy access is needed to Main Street and the businesses.

Jim Lawson said in the design that places the Fire Station on Quad Way, easy access to Mill Road and a short walk to downtown is available from any of the parking levels. He said from an economic development standpoint having the garage on Mill Road is important.

The members discussed the number of spaces needed by the Town and the University, as well as the expense of adding another level and more spaces and the drawbacks of the lot shape and size. Mr. Lawson said the parking lot currently located on the property has 199 spots. He said he feels it is very important for the consultant to help the Town understand what the usable capacity for the proposed structure will be. Mr. Lawson said it is important to understand what the costs will be and what type of revenue can be expected.

Tom Elliott said a discussion regarding a TIF district for the parking garage should be considered.

Chair Elliott encouraged members to attend the December 16th meeting.

Mr. Lawson also reported on the Master Plan Forum being held on January 28th, 2011 at the Oyster River Middle School with a snow date of January 29th. He said plans are being made to attract a large number of residents by providing dinner, activities for children and child care.

Doug Clark reported on the proposed Town Budget. He said the Town Administrator did a good job of presenting a reasonable budget and he has not heard that anything will be cut from the budget. Mr. Clark said the Committee has done an effective job of justifying why an Economic Development Director would be a good position but needs to continue to defend this position and should be prepared to have metrics in place to ensure that the position becomes an asset and not an expense.

Mr. Clark also said that economic development is the only way that the many capital and infrastructure improvements that are needed in the central business district can become a reality over a 10-20 year period (library, fire station, town hall, waste water treatment plant, etc.).

Chair Elliott asked if there is more advocating be done with regard to assuring the Economic Development Director position stays in the budget. Mr. Clark responded that a representative from the Economic Development Committee should be prepared to speak at the next Town Council meeting.

Yusi Wang Turell said it needs to be understood that there will not be an immediate return on this position. Mr. Clark said he understands there will not be an immediate return, but said he thought the meeting today with the Dover Economic Development Director was very helpful and a list of his duties may be helpful in selling the position to the Town Council. He suggested

some of the duties for the position be; marketing the town for tourism, working on parking systems, form based code and branding for technology and education. Jim Lawson suggested measuring the position on activities done; such as grant writing, winning of grant funds, contacts made for the first couple of years and later measure on more quantifiable factors. He said it is important to remember that Mr. Barufaldi said 80% of the opportunities being pursued in Dover are opportunities that they actively pursued and/or generated.

Chair Elliott suggested members attend the next Town Council meeting and speak during the public comments section regarding the position.

Ute Luxem said it is important that the Town have a clear view of what economic development outside the core business areas they will permit and won't permit. She suggested the Town of Durham consider including a Technical Review Process and to turn around the perception that Durham is not friendly to businesses.

The members discussed doing a study regarding the pace of projects going through the planning process, as well as soliciting testimonials from companies that have gone through the process and did not find it cumbersome.

Tom Elliott reported for Susan Fuller regarding the Planning Board. He said that the Planning Board with the assistance of a consultant is proceeding with "quick fixes" to ordinances that are discreet, doable and encourage economic development. He said 3-1 zoning (3 floors residential above 1 floor of commercial) is also being suggested.

Chair Elliott said he was asked to raise the issue regarding two buildings downtown that went before the Planning Board requesting permission to install a private laundry facility on one of the four floors for the use of the residents in the building. He said currently the code reads 2 floors of non residential use (not 2 floors of commercial use) so technically this is an allowable use, but asked if this meets the goals intended by the code.

Jim Lawson said he would have some concern that the opportunity for commercial space is lost by this model.

The members briefly discussed the Capstone Development project and the discussion regarding different types of student housing and the need for such projects. It was noted that it may be best to let the market decide what is desirable and needed.

VII. Energy Committee Update and Discussion – News from the Committee related to energy work and Durham businesses. Kevin Gardner – Chair of Energy Committee.

Kevin Gardner said the legislation enabling PACE was passed. He said they are in the process of working with individuals who wish to go through the process to receive funds. Mr. Gardner said there are a number of interested individuals and noted this is also an opportunity that businesses can take part in. He said the Energy Committee has put a lot of effort into this program because it has been shown in locations where this has been implemented that there has been a great change in the amount of renewable energy and energy efficiency. Mr. Gardner said for

businesses the maximum amount that can be spent to improve energy efficiency is \$60,000 for homeowners the minimum is \$5000 and the maximum is \$15,000.

The members discussed pending litigation against the program regarding the bonding for this program staying with the home, even after being sold. Mr. Gardner explained that this does not affect homes without mortgages.

Mr. Gardner said the committee will go to the Town Council and request bonding for the program at the second meeting in December. He said the Committee is interested in beginning with a small pool of individuals in order to establish how the program works. Mr. Gardner noted they will most likely have more interested individuals and businesses for the program in months to come and will request additional bonding at a later date.

The members discussed strategies for providing this information to businesses in town such as sending a letter to all property owners of downtown businesses, contacting the Durham Business Association and the Durham Landlord Association and beginning a “business Friday updates” which could include information such as this.

Mr. Gardner said the Energy Committee is drafting a letter to the Town Council with specific ideas regarding possible changes to downtown transportation with the idea of making the town more walkable and bikeable.

Chair Elliott said there is a significant investment in the budget to enhance Pettee Brook with additional sidewalks and being bike friendly.

Mr. Gardner said student groups are working on designs for safe routes to school and better biking routes.

Doug Clark noted that these decisions need to be made with economic development in mind. He said the point is to enhance businesses downtown and make it more likely that people will go downtown to shop and hangout.

Mr. Gardner said the Energy Committee wants less energy used and the Economic Development Committee wants to help businesses. He said he feels the different perspectives can align and have the groups work together.

Chair Elliott said there are opportunities to enhance the walking experience which would also help parking issues in downtown.

Chair Elliott complimented the Energy Committee on arranging the bulk purchasing agreement which will save the town \$43,000 per year. Mr. Gardner said he would like to see a program instituted where moneys saved through better energy pricing or smarter energy investments be put back into other energy retrofits such as better lighting with LED, bike paths to the new library through safer routes, etc. He said UNH has a revolving fund program where a portion of funds go into a fund for future energy projects

Chair Elliott suggested that the Energy Committee become involved in the design for the parking garage and the possible use of solar energy for the structure.

VIII. Master Plan Survey Questions – Review draft economic development related questions posed to Durham residents.

Ute Luxem reported that the subcommittee would like to have two questions in the survey with several sub-questions regarding economic development. She said she was asked to bring this to the committee today because the subcommittee would like to have a draft before the December holidays. Ms. Luxem said she believes an hour to 90 minutes is needed to discuss the questions. She suggested it would be better to delay the process a little than too rush through it to meet the deadline. Ms. Luxem suggested that she and Jim Lawson work on the questions and bring them back for the January meeting for the rest of the members to review and approve and then move them forward to the MPAC in January.

Jim Lawson said the survey is very important and deserves a lot of time and energy. He said the current draft questions were crafted by the UNH extension and feels the questions associated with economic development need a lot of work.

Chair Elliott asked if the goal is to have the survey ready for the January 28th forum. Ms. Luxem said the survey is to go out after the forum, but the problem arises because the individual from UNH extension that will be putting the questions in survey form will be gone most of January.

The members decided to have Ms. Luxem and Mr. Lawson work on the questions and communicate with the members via email. The members will provide individual feedback for the draft questions and discuss at the next meeting of the Committee on January 24th.

IX. EDC Committee Review – Discussion on EDC structure, positions, and work thus far in 2010 and how to adjust and improve.

This item will be discussed at the January meeting.

X. Next Agenda and Assignments

The members decided that the January agenda would include a discussion on the Master Plan Survey questions, on the EDC structure, appointing a Vice Chair, and how to adjust and improve the committee; a discussion and presentation on TIF; a discussion with Tom Johnson regarding alternatives on redevelopments; and a local business owner starting the meeting (arranged by Yusi Wang Turell).

The members suggested a draft presentation from the market analysis be discussed at a separate meeting. Doug Clark said he thought this would be a good idea because the outcome of the survey may lead to some conclusions as to what direction the committee wants to head. Yusi Wang Turell said phase one may be just data which may be helpful in telling the committee which markets to actively pursue.

Ms. Turell suggested inviting another town's Economic Development Director. Chair Elliott said this would be a good idea for the February meeting also.

The next meeting date of the Durham Economic Development Committee will be Monday, January 24, 2011.

XI. Adjournment

Ute Luxem MOVED to adjourn the November 2010 meeting of the Durham Economic Development Committee at 10:22 pm. This was SECONDED by Jim Lawson and APPROVED unanimously.