

# *Approved - April 11, 2011*

Durham Economic Development Committee  
Monday, March 28th, 2011  
7:00pm at the Durham Town Hall

**Members Present:** Thomas Elliott, Yusi Wang Turell, James Lawson, Ute Luxem, Jim Campbell, Ken Chadwick

**Members Absent:** Susan Fuller

**Public Present:** Kevin Gardner, Diana Carroll, John Knorr, Todd Selig, Doug Clark

## I. Call to Order

Chair Elliott called the meeting to order at 7:07 pm. He welcomed new alternate member Ken Chadwick to the Committee.

## II. Approval of Agenda

Ute Luxem MOVED to approve the agenda, this was SECONDED by Jim Lawson and APPROVED unanimously.

## III. Public Comments: Including a quick presentation by owners of newly-opened "What a Crock", Homemade Soups on Jenkins Court in Durham

Chair Elliott explained that the Committee invited a new Durham business owner to speak to the committee and introduced John Knorr from "What a Crock". John Knorr thanked the members and said he and his wife decided on opening their business in Durham five years ago as they were driving through campus one day and thought it would be important for the students to have a place to go for a simple, nourishing meal. He said a couple of years ago they began the process and on April 1<sup>st</sup> opened the first "What a Crock" at Pease Trade Port. Mr. Knorr said they signed a lease at the end of the year for property at 4 Jenkins Court and the restaurant opened two Saturdays ago. He said they hope to be up and running fully in the next week or so and are very excited to be here and to be part of the Durham community. Mr. Knorr said they plan to serve both the students and the residents of the town. He said so far they have had a great response from both.

Diane Carroll asked Mr. Knorr what days and hours they are open. He responded that the restaurant is open Monday through Friday 11 am to 7 pm and Saturday 11 am to 4 pm.

Jim Lawson asked if they had seen an interest from residents as well as students and if they feel residents could be a significant part of the business. Mr. Knorr said from the response they have seen in the first week it appears that residents will be the main staple of the business and their primary focus. Mr. Knorr said they have seen families who commented that they felt the restaurant is a good place for kids.

Yusi Turell said the 15 minute parking is a good idea for people who want to pick up food to go. Mr. Knorr said they feel most of their business will be take-out. Ms. Turell asked if there was a different approach between their Pease restaurant and the Durham restaurant. Mr. Knorr said they were both equally challenging to open for different reasons, but the menu approach is very similar. He said the idea is to provide nourishing, complete meals with the bread included. Chair Elliott said he was impressed with the restaurant and thought the quarts were a very good idea and was happy to see the eco-friendly materials being utilized. He asked if there were any problems with parking for his wife, employees and himself. Mr. Knorr said they have been using the parking spaces on Pettee Brook and they also have a permit they are sharing between cars. He said as they become fully staffed they will review their parking needs. Mr. Knorr said they have had no problems finding spaces for the permit parking and noted there are different types of parking available downtown. He said he feels the location is good and has had no customers mention any parking problems.

Chair Elliott noted that Mr. Knorr has a broad culinary background and asked him if he sees any other cuisines or market opportunities that are not already in Durham. Mr. Knorr said he would need to think about it a while, but noted that people are looking for simple, wholesome food and that the trend is leaning toward single option dining, as opposed to a full menu.

Town Administrator Selig said he had been to the restaurant on three occasions (twice at lunch and once at dinner) and has seen a mix of customers; families with small children, business people, trade people and students. He said the ambiance is very nice and comfortable and they offer 8 soups a day in three sizes, as well as cookies, brownies, salads and Squamscott soda and strawberry milk.

Chair Elliott said his business is in the same building on one of the floors above “What a Crock” and he is thrilled to have them in the building. He said it is an added amenity to his business. He noted that he has also tried the pizza from Clementos Pizza, which will be opening in the building soon, and it is very good as well.

Chair Elliott reminded Mr. Knorr that the committee meets once a month and offered their assistance.

#### IV. Approval of Minutes of 2/28/2011

Minor corrections to the February 28, 2011 minutes were suggested by members.

*Ute Luxem MOVED to approve the minutes as amended. This was SECONDED by James Lawson and APPROVED unanimously.*

V. PRESENTATION: Kevin Gardner, Chair of the Durham Energy Committee, to present on proposed summer pilot project to change traffic patterns and parking on Madbury Road from the Post Office to Pettee Brook Lane. Followed by Q&A and discussion.

Kevin Gardner, the Chair of the Durham Energy Committee presented a proposed summer pilot project. He said this is an idea that is being proposed to the Town Council and the Traffic and Safety Committee. Mr. Gardner said this proposed project would interest many different types of constituents. He said the ideas in the proposal have been envisioned in the Master Plan for 30 years. Mr. Gardner said the focus of the proposal is to get kids through the downtown safely to

the middle school and the new library. He said that the Town Administrator has asked the town engineer, Dave Cedarholm, to work on this proposal, to bring this to fruition for this summer.

Mr. Gardner presented a power point presentation to the members explaining the proposal. He summarized the proposed changes (including a larger, redesigned island, the addition of a two-way bike lane with a barrier and additional parking spaces).

Chair Elliott said he finds it frustrating to not be able to pull into the Store 24/Tedeschi lot from Madbury Road and asked if that would be possible. Jim Lawson said he would suspect there would be some concerns about having an entrance to the parking lot at a point with a high number of cars. He said the cars breaking and turning left into the parking lot could create opportunity for accidents. The members discussed further the possibility of this change and the pros and cons of such a change and the creation of possible backups being caused. Mr. Gardner said if traffic becomes backed up perhaps, it would create an incentive for people to use the UNH exit onto 155A rather than driving through town. He noted the more holistic solution is what has been suggested by the B.Dennis report (two-way streets), but that is an expensive change. Mr. Gardner said this proposal is an attempt to make a change that does not require a lot funds. He said a second part of the proposal is to change Main Street to one lane and add “head-in” parking spaces along with a one-way bike lane.

James Lawson commented that Chief Kurz’ summary in the Friday Updates said that one third of accidents occur on Madbury Road from the Main Street intersection to Garrison Road. He said this is a high concentration of accidents, considering how much roadway there is there versus other areas of town. Mr. Lawson also noted there is data that show the area is not pedestrian friendly.

Ute Luxem asked if the bike lanes would be extended into the neighborhoods. Kevin Gardner said the major focus of the proposal is the downtown area to the schools and the library. He said they did suggest there are many other roads that could benefit from realignment (such as faculty road). Mr. Gardner said that for many neighborhoods it is not as much of a factor, because the traffic reduces greatly. He said he is not sure if it is worth pursuing on lower volume roads.

Chair Elliott said one-lane traffic on Main Street is appealing in some senses but may have many consequences. He asked if that portion of the project is recognized as being the harder of things to do. Mr. Gardner asked if he thought there would be backups. Chair Elliott said he is not sure what the consequences would be – but those changes will have impacts and should be attempted in the summer first. He asked the Town Administrator if the town staff feel this is something to try for. Town Administrator Selig said 15,000 to 25,000 cars a day go through the corridor – that is a lot of traffic that needs to be managed and this proposal mitigates fast traveling traffic.

Chair Elliott asked what the decision making process is for this proposal. Town Administrator Selig said Public Works and Dave Cedarholm are working on the Madbury Road segment to come up with a workable plan, they will then go to the Traffic Committee and the Energy Committee; if all agree to the plan it can be implemented as a summer-time pilot project. He said they would not be focusing on the Main Street section at this time.

Yusi Turell asked if it is counterproductive to be reducing lanes of traffic to one and putting in additional parking if we are heading towards two-way traffic on Main Street eventually. She said people might become accustomed to the additional parking on Main Street and perceive a change to two-way as removing some of the extra parking spaces.

Mr. Gardner said the two-way street design has some major changes that requires a lot of money and may not be acceptable in the short term. He said the idea is to make changes that get the town moving towards what is in the Master Plan.

Chair Elliott noted that the B. Dennis report says that two-way traffic can only occur with more streets feeding into town and creating more parking spaces on those streets.

Chair Elliott asked how the committee can be helpful. Mr. Gardner said speaking in support of the proposal with Town Administrator Selig and the Town Council would be helpful. He said the concept is that this is not just something to reduce energy, but has a lot of interest from different groups and residents in town.

Chair Elliott said the EDC supports the proposal because a more walkable and bikeable Durham is a more shoppable Durham. He said this proposal would provide a few more parking spaces, and create an ambiance that would make the downtown more attractive to shop. He asked the members if they had any concerns.

Ute Luxem said she thinks it is a great idea. She said if a resident can take a bike to go downtown, it helps. Ms. Luxem said if this is done as a pilot project and it works, it can be made permanent, if it does not work traffic patterns can go back to the way it was. She said there is a lot to gain and little to lose.

James Lawson said he thinks it is a good idea and could have a positive economic impact. He said the benefits to gain from safety, walkability and bikability outweighs any parking spots lost. Mr. Lawson said having a safe downtown trumps everything else.

Kevin Gardner said the University is working on plans for the campus to make it more bicycle friendly. He said having more students and faculty on bicycles would be good for downtown businesses. Mr. Gardner said Bike Share ideas would be something to look into in the future.

#### Public Comment:

Doug Clark said he is concerned about bicycles going against traffic and noted the only way to work would be with barriers. He said it seems unlikely we will ever have bike and pedestrian ways due to the road widths in town. Mr. Clark suggested exploring the possibilities of getting bicycles on their own paths and off the road.

Diana Carroll said she is glad to hear that bicycles are being talked about seriously. She said she agrees that Durham roads and the space available are not adequate to have cars, bicycles and pedestrians together. Ms. Carroll said she feels there is a need to separate cars from pedestrians and bicyclists by more than a stripe on the road. She suggested a more ideal design would be to have bicycle paths and pedestrian paths separated by grass islands from each other and from the road. Ms. Carroll said there should at least be a curb between cars, pedestrians and bicycles to separate cars from bikes and walkers.

She said she is glad proposals are being made to address traffic calming. Ms. Carroll said that the town needs to bring the speed down in such a small downtown area.

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

Jim Campbell reported on the following:

Master Plan: The forum report is out summarizing what happened at the forum held at the end of January. The Survey Subcommittee finalized their work and sent a report to the Planning Board. The Planning Board took it up at the last meeting, discussed it and will send suggestions to me. I will meet with the cooperative extension representative to see if the changes can be made. It will be a couple of weeks before the survey goes out.

Zoning Changes: These are still in process and moving forward - hopefully the changes will be coming out of rough draft form and ready for public hearing in the next month. Will meet with the consultant this week and assess what needs to be done, after that, we will elicit EDC comments. Chair Elliott asked if it would be reasonable to think that there would be a discussion at the May meeting. Mr. Campbell said that may be possible and a draft should be available by then.

Planning Board: Capstone proposal is in deliberations. Planning Board set a special meeting for April 6<sup>th</sup> – hoping to get through deliberation and make a decision at the meeting.

Chair Elliott asked when the Zoning Board would hear the appeal from the landlords. Mr. Campbell said the appeal was turned down and their next step is to go to superior court.

Ute Luxem asked if there was any news regarding the home for the elderly. Mr. Campbell said the elder care facility for Hickory Pond Inn was approved and will be moving forward.

Mr. Campbell said the Concession Trailer for 10 Pettee Brook was approved with conditions.

Ms. Luxem asked if there were any new inquiries from possible new businesses. Mr. Campbell said the Town Administrator has spoken with some interested parties.

Mr. Campbell said the UNH Business School had a public hearing and is looking to start construction this summer. Chair Elliott said the \$50 million, 115,000 square foot building will have 12 classrooms, office space for faculty and meeting and event space. He said they see the Business School site as replacement for the New England Center for large events and conferences. Ms. Luxem asked what the University plans for parking. Mr. Campbell said they would use existing facilities.

Town Administrator Selig reported on the following items:

Kane Company: Town Administrator Selig said the Kane Company continues to be interested in locating a hotel in downtown Durham and are actively speaking to landowners to acquire land. He said he met with Kane Company representatives and they were very interested, this was followed up with another discussion, then by a meeting with a financing agent. Town Administrator said a key part of the hotel complex would be a parking structure and the question is who would pay for it. He said Kane is evaluating if they could build a structure, lease a number of spots to the Town, and together market the spaces. Town Administrator Selig said this plan would allow the structure to be built without the Town incurring debt. He said it is exciting that they are willing to consider this plan.

Sora Holdings: Town Administrator Selig said Sora Holdings of Maryland came to Durham to look at student housing projects. He said they previously tried to acquire the Mill Plaza, but the owner was not interested in selling. Mr. Selig said he phoned them a month ago and they flew in for the day to meet and expressed an interest in coming back. He explained that Sora does large master plans and works to acquire and work with universities to acquire large tracts of land to completely redevelop in partnership with the Town. Mr. Selig said the most

recent project is Rowan University in Glassboro, New Jersey. He said this is a multi-use development with some campus buildings, some student housing and a large segment, which is housing above with retail below, also parking structures throughout the development with a lot of green space.

The Grange Building: Town Administrator Selig said Peter Murphy, who recently built student housing on Rosemary Lane submitted a proposal for the Grange Building. He said that after his presentation to this Committee two months ago he visited with the Historic District Commission and the Heritage Commission. Mr. Selig said the Heritage Commission was interested in the sale of the property and moving the Grange closer to the road – which would highlight the Grange and allow the rear portion of the lot to be redeveloped. He said Peter Murphy submitted a revised proposal in which he proposed purchasing the property and moving the Grange to the road. Mr. Selig said the existing Grange will house a community or commercial space on the first floor in the front of the building; the rear of the building and above will have three units of affordable housing and a new structure will be built in the back (student housing at this time) with one unit on the bottom floor being ADA compatible. Mr. Selig said he will follow-up with Mr. Murphy about the project. He said he thinks it is an innovative approach to the building. Chair Elliott asked if the latest version of the proposal would be brought back to the EDC before going to the Town Council. Mr. Selig said he did not believe it would come back before the Committee, but the feedback from the Committee has been included. He said the proposal would go to the Town Council and see if they and Mr. Murphy can arrive at terms and then go to a public hearing. Yusi Turell asked what the thoughts are on community space versus commercial space. Mr. Selig said the proposal lists both uses and states it is to be determined. He said the student housing to the rear is the economic engine driving the project. Mr. Selig said the walkway from Main Street to the Plaza would be improved with added lighting and a widened path. He said Nick Isaac is the architect and he has designed the new housing unit to look like a barn with cedar shingles to coordinate with the Grange building.

The members discussed if the entire project would qualify for the 79E tax program. Mr. Selig said part of the terms of the project would be a covenant that would be for affordable housing and to ensure the aesthetic look. He said if the Town is asking for things that will affect the value of the property, the builder would want compensation for that. He said a project with a community benefit can be guaranteed for up to 5 years – if it is a historic project the guarantee can be extended to 9 years for the project. Mr. Selig said he believes this is the perfect project for 79E – and it can be argued that the only way to restore the property would be with a nine-year exemption that would also provide affordable housing, community space etc. He said all would be considered a community benefit that would be required to be retained at the property for 18 years and with a covenant on the sale, it could be ensured for perpetuity.

Ute Luxem asked if the community space could be used to relieve some of the overcrowding in the Town Hall building. She suggested using the space for some town offices. Mr. Selig agreed that is one possibility but said one challenge is the parking. Chair Elliott suggested using the space as a Council Chamber. Mr. Selig said he has had some conversations with representatives for the property adjacent to the new library site who may have interest in talking about the sale of that parcel. He suggested one option would be to sell the current Town Hall building and relocate the Town Hall to the parcel adjacent to the library. Ms. Luxem noted that it would be best to seek cost neutral solutions for any overcrowding issues at Town Hall. She said purchasing new property and building a new building does not meet this standard, however, using the improved Grange would be a cost neutral alternative.

Yusi Turell asked if the first floor space of the rear building could be used for commercial space. She said a new building would be very attractive to some professional businesses. Mr. Selig said the ADA housing on the first floor of the rear building could possibly be used as commercial space. Chair Elliott said the second floor of the front building would be good for commercial space. Mr. Selig said he anticipates speaking to the Town Council about this project sometime in April.

Revolution Energy: Mr. Selig said Revolution Energy responded to the Town's RFP and will be collaborating with the Town to look at town buildings to see if they can be more energy efficient. He also reported that the Town received a refund check from PSNH for energy efficient blowers at the wastewater treatment plant. He said these funds will be set aside for renewable energy features at the treatment plant.

Market Study: We received the initial draft of the market study one and a half months ago – the subcommittee who gave feedback to DCI reviewed it – they submitted a second version one week ago. The subcommittee met last Thursday and is providing additional feedback. Ian (from DCI) will come to present to the EDC on April 11<sup>th</sup>. Chair Elliott said the EDC will dedicate most of the April 11<sup>th</sup> meeting to the market study. Ute Luxem asked when the committee could expect the draft. Chair Elliott said the draft would likely not be available until just before the 11<sup>th</sup> and then DCI will make a presentation at the meeting. Yusi Turell said it would be good for the committee to receive a draft copy prior to the meeting. Chair Elliott said the consultant would get the draft to the committee as soon as he can.

Parking Plan: Chair Elliott asked for a quick update on the parking plan that was sent to the Committee. Jim Lawson noted that Town Administrator Selig distributed the report and information. Mr. Lawson said the report contained no surprises. It noted the town has adequate inventory of parking for present and has the capacity to accommodate some additional development (21000 sq ft). He said the report addresses parking through implementing recommendations in the B. Dennis report (parking structure, pricing structure, technology for implementing metering and a strategic plan). Mr. Lawson said for the near future the focus would be to develop ordinances to start managing spaces on Pettee Brook Lane and create an opportunity for us to get feedback regarding the use of the parking systems (kiosk system). Town Administrator Selig said the purpose of the new parking strategy is not to raise additional money from parking revenue but to ensure that everyone more actively and fully utilizes parking. He said the most desirable parking spaces will be higher priced and less desirable parking spaces will be lower priced. Mr. Selig said another benefit of the license plate kiosk is that you will not need to return to the car and the Town can have fewer kiosks. He said the Kiosks can be programmed to have Durham license plates in the system; and Durham residents could get discounted or free parking for a certain time period. Chair Elliott asked if there is anything legally that prevents us from having resident parking be free and charging others. Mr. Selig said there is no legal restriction and noted that residents get 2 hours where others get 1 hour. Ute Luxem asked if it is possible to have the first 15 minutes of parking free. Mr. Selig said it would be. Mr. Selig said the broader plan needs to be discussed a great deal more, but for short term the town is looking at meters on the new spaces on Pettee Brook. Mr. Selig said they are looking for the meters to be put in by the summer and that the town will move forward with some enhancements to Pettee Brook lane; such as ornamental lighting and minimal sidewalk work and installation of the kiosks at that time. Ute Luxem asked what the cost of the Kiosks would be. Mr. Selig said each Kiosk would be between 7 – 10,000 dollars.

Yusi Turell provided an update on the visitation project:

The survey for the Master Plan and the Market Study has been delayed as well as the visitation project. She anticipates being able to make a presentation in two weeks – perhaps at the Durham Business Association meeting.

Chair Elliott reported that 9-11 Madbury Road will be coming down soon and will begin work on the new building that will include a 12-15,000 sq ft of commercial space on the first and fourth floors.

Chair Elliott noted that the Committee needs to re-elect leadership (a new vice chair). He suggested briefly discussing this at the April 11th meeting. Mr. Selig said ideally the appointing of new leadership would be after May 1<sup>st</sup> when terms end for the existing members.

## VII. Review and discussion of Fire Department/Parking Garage Charrette and implications for downtown

Chair Elliott said there appears to be a fairly strong consensus that C lot is a good future location for the Fire Department. He said there are questions about location and if parking will be associated with it and questions about the cost. Chair Elliott said some people questioned if that was a good location for a parking structure to aid the downtown. He said C lot is the preferred location for the Fire Station from the town staff perspective.

## VIII. Continued discussion of a potential TIF District for the Central Business District

Chair Elliott said the committee has expressed a desire and intention to create a TIF district in the downtown zone whose point would be to capture incremental value in that district. He said the Town has seen a skeleton proposal from MRI to fill in the factual needs to create a TIF district. Chair Elliott said the main portion of the proposal is how the money would be spent. Jim Campbell read the three proposed projects for the TIF that the subcommittee is proposing. Doug Clark said the memo was in response to having the TIF district projects defined. He said the three projects listed are ones the subcommittee felt were important but do not have a plan for. The three projects suggested were:

- 1) additional access to Mill Plaza
- 2) acquiring the store 24 parking lot and redeveloping
- 3) implementing structured parking in the immediate downtown area

Yusi Turell asked for more information regarding the additional access to the Mill Plaza. Chair Elliott said the undeveloped land between the edge of the plaza and the tall red building next to the community church would be an area that could accommodate another entrance to the Mill Plaza. He said there are several possibilities of creating “cranky side streets” in the area and leading to the Mill Plaza. Chair Elliott said the Plaza owns some of the property and others own some.

Ken Chadwick asked what the economic impact of the three options would be. He said it appears that the entrance to the Mill Plaza would not have an incremental benefit to the town like the taking over of the Store 24/Tedeschi parking lot and adding retail would have. Chair Elliott said by having another access point to the Mill Plaza with streets where more development could take place would convert low or untaxed land to high taxed land so retail opportunity would be greater. Doug Clark said it is a good question and noted that the committee may want to do some rough calculations to see what the costs and benefits created would be. Ken Chadwick suggested rephrasing “access road” to make it clearer that it will be a town road with retail located on it.



James Lawson said by concentrating on a new road into the Mill Plaza in the area being discussed, TIF benefits are moving away from the downtown and not being applied to the Main Street downtown area.

Doug Clark said he reads the Master Plan as intending the Churchill to have professional offices located on the first floor of the buildings and be part of our downtown. He said he was thinking of the TIF as being a motivator to repurpose those buildings and have them more connected to the commercial center. Mr. Clark said he envisions having the road wind around and reconnect to Main Street.

James Lawson said this plan in combination with the other ideas might work – but this specific one does seem to have the benefit of the TIF benefits moving away from the downtown core district. Chair Elliott said the presumption here is that one of the great redevelopment opportunities in the next 20 years is the Mill Plaza. He noted the redevelopment of the Grange Hall might increase the level of development in the Mill Plaza and without a second entrance/exit to it that would be difficult. Chair Elliott said the subcommittee felt that the extra street would also provide more on-street parking and uses of commercial and professional space, while expanding what our sense of what is the downtown (rather than shifting focus away from the downtown).

James Lawson said he agrees that the plaza represents the best opportunity for development but suggested that a developer coming into the Plaza would have the interest in taking the initiative to do the second entrance and therefore the TIF funding would not be needed. Chair Elliott suggested that the TIF funding would be an incentive to a developer.

Ute Luxem said the town wants to broaden the tax base and if we are creating a TIF district with no specific plan for it we are depriving the tax players in Durham of the tax increment for development that might have happened anyway. She suggested if the hotel comes to fruition, than would be the time to create something for this specific project. Town Administrator Selig said in regard to the second egress to the Mill Plaza that would cross the Red Tower property; it should be noted that one of the purposes of the Church Hill Zoning District is to provide a buffer and transition zone between downtown and residential neighborhoods. He said the committee should not think that a new roadway through that area will have four story buildings – they should be two story buildings that get smaller as they get closer to the neighborhoods. Mr. Selig said he had not thought about focusing a TIF on the Red Tower area. He said he had been thinking of focusing a TIF on the plaza and with respect to access onto Mill Road and Main Street, development on C lot location, conversion of downtown to two-way traffic, enhancing sidewalks, enhancing lighting, a new parking structure and underground utilities. He said he is intrigued by the suggestions of the subcommittee and interested.

Chair Elliott said there is the concept of capturing money now for something we are vague about or waiting for a specific project. He said it could be argued that one way of being forward thinking is to have a TIF district in place that could be an accelerator for a project. He asked Mr. Selig if he is suggesting that the TIF not be tied to a specific project.

Jim Campbell said he feels having one project in mind but having the flexibility to be able to amend to include another project is a good way to structure the TIF. He said he sees the development of Church Hill in a different way – as the only way for the central business district to expand. He said he feels the best idea is to allow uses within the Church Hill district but ensure the building keep the historic value of the structures and the look and feel of the area.

Town Administrator Selig said when the Master Planning for the Mill Plaza was being done, the planner (Pat Sherman) advocated starting to build high on Main Street and step down as you got closer to the residential neighborhoods (tapering within the zone).

Doug Clark said he does not feel the subcommittee has strayed from anything that was in the B. Dennis plan. He said structured parking is an obvious plan for the TIF – it can be an accelerator. Mr. Clark said looking at a second entrance to the plaza also could be an accelerator to the plaza in that it is more likely to be redeveloped than a hotel being built in town. He said the Store 24 parking lot and Pettee Brook are in dire need of improvements that would facilitate a commercial center. He said he does not think lights and sidewalks should be thought about until it is decided how we want the town to be laid out.

James Lawson said the Peterborough model intrigues him because if enough resources can be accumulated because of the TIF and then activities that need public/private partnership occur we would have the resources to do it. He said he has trouble trying to predict what the needs of the town will be in the future, but the idea of having resources available to move quickly is attractive. Yusi Turell said it would be a tremendous advantage to have flexible funds, but it would also be difficult to start a TIF without a specific project. She said she thinks the Mill Plaza access is a bold vision and may be what the town needs – but for this idea to go forward it may be the attaining of and redeveloping of the Store 24/Tedeschi lot that would be the best project to justify the TIF. She said there is the opportunity for a land swap with the lot by the train station. Ms. Turell said she prefers to keep it flexible and said she is concerned with the parking structure idea. She said she would not want us to have all the incremental gains paying for a parking structure without giving us the flexibility for other projects.

Doug Clark said the committee does not need to get specific today, but needs a way to save money so when a project occurs the Town will be able to be a part of it. He said if TIF district funds had been available the last time the Plaza redevelopment was being discussed, the town would have had something to offer the owner to encourage him to proceed with redeveloping the plaza.

Chair Elliott said he likes the idea of selling a TIF district by building a structured parking facility and then developing the Store 24/Tedeschi lot. He said that would provide a meaningful tax base increase.

Ute Luxem asked how long it would take to get a TIF district approved. Town Administrator Selig said if the Town waits for a developer to come to town and then realizes we need a TIF; by the time, we develop the TIF the developer will have moved on. He said we need it in place and need to have it be flexible enough so that when the project comes to us we can make it work at that time. He said it ends up being a 6-month process to create a TIF. Mr. Selig noted that the last TIF district took 9 months to a year to implement. Chair Elliott noted that the current TIF district has been under discussion for months.

Ute Luxem said it concerns her that we are taking money for development that will happen anyway, putting it away in a TIF, and not lowering property taxes for residential property owners. Yusi Turell said she has brought this issue up in the past, but after thinking about it feels we need to be bold and think for the long-term health and long-term sustainability of the town, which will require major investments, that will only be possible through something like this. She said TIF districts allow saving by not paying the school or county tax portion.

Chair Elliott suggested that if a spreadsheet was done it may show what the relative amount of money lost to tax stability would be compared to what may be gained if we had a TIF in place.

Jim Campbell said not all projects would happen anyway. He said that with a TIF district you have more incentive for people to do projects. Mr. Campbell said if there are infrastructure needs and we do not have a TIF district in place and can't pay for the needs we will have to bond for it which will cost tax payers more money.

Ute Luxem said she is not opposed to TIF districts. She said she is concerned about making a good plan but not having the customer to buy into it at this point. Ms. Luxem said a TIF district would need to be structured in a way that many people could buy into it.

Town Administrator said if a TIF district is established the incremental revenue will not be used to lower tax rates – but it should be considered that if a TIF district results in improved structure in the downtown core it will result in the areas surrounding the downtown core becoming a more vibrant community. He said this would result in housing prices increasing and other fringe investments into the area around the TIF, which would lower tax rates.

Yusi Turell said Mr. Campbell's point is a good one. She said we do not know what investments we would miss if there were no TIF district in place. Mr. Turell said the perception about doing business in Durham shows that this TIF district would be a powerful and positive message to developers.

Doug Clark suggested that the Town would not spend the money gained until a developer is ready to move forward. He said he sees no risk to create a TIF with big projects in mind, while still having the option of using the funds for something that has not been thought of.

James Lawson said with a TIF district the town can see what the increments are and depending on the project can make bonding decisions based on the increments. He said this not only creates an opportunity to save to make investments but also creates an opportunity to do bonding with less risk. Mr. Lawson said he likes the idea of a TIF district being there and different projects being the triggers, if the project meets the requirements, and benefits the downtown community.

Chair Elliott summarized that the majority of the committee believes we should move forward and not wait for a specific project; but to focus on structured parking makes sense. He said that MRI is looking at drawing the boundary lines. Chair Elliott asked the members if they want to have the Store 24/Tedeschi lot as an area to spend down the funds.

James Lawson said the Store 24/Tedeschi lot could be an example of how the TIF funds could be used if the project makes sense. He said he does not have issues with good examples but is concerned about tying the TIF to two specific types of projects. Mr. Lawson said the TIF needs flexibility.

Chair Elliott asked Mr. Lawson what he would recommend. James Lawson said he would recommend the concept of the Peterborough model; which would put in place the TIF district with mechanisms for careful management. He said this would create a savings account which would be available and in place when the time comes to work with developers and make decisions about projects.

Chair Elliott said the struggle is what is doable politically in Durham. He said it is important to tie the TIF district to projects that would garner public support. Chair Elliott said he thinks it would be difficult to get a TIF district passed if it is not tied to structured parking. He said the Store 24/Tedeschi lot is universally thought of as needing redevelopment.

James Lawson asked how complex the TIF plan needs to be. He said he fears this detail will take too long and the town will lose the opportunity.

Ute Luxem suggested the best path would be to go with the Peterborough model. Chair Elliott said the Peterborough TIF district plan did have some specifics in it. Doug Clark suggested that would be a path to attempt – do not state a location for structure parking, but that structured parking is desired. He noted there is a difference between what can be legally done and what the Town will want us to do. Mr. Clark said residents might feel uncomfortable about a TIF district plan if no specific project is stated.

Jim Campbell said some councilors would be hesitant to vote for a TIF district if there were no specific project attached to it. Yusi Turell said someone to work on the language would be advantageous.

Chair Elliott asked if any member does not like the idea of using TIF district funds to develop structured parking. Yusi Turell said it might be best to emphasize it is a priority – but may chose to use the funds in another way if another funding mechanism is found for the structure parking.

Town Administrator Selig said he envisioned the funds from a TIF district being used to create access points to different parts of town, for the creation of new roadways, to improve the look and feel of downtown Durham. He said his preference would be to create a broad mandate that describe types of things that the money could be used for and when a project comes forward, the Town can say we have a program in place.

James Lawson asked if a project came before the Town, who would be approving that the TIF money could be spent that way; the Town Council or the TIF board. Jim Campbell responded that the Town Administrator and the advisory board would make the decision. Town Administrator Selig said the Town Council would still have a primary role in appropriating monies within the district or approving debt service on a project. He said the Town Council would be actively involved in the discussion.

Chair Elliott said the next meeting of the EDC on April 11<sup>th</sup> will focus on the market study. He said the next EDC meeting after that would be on May 23<sup>rd</sup>. He asked if the Committee wants the TIF district to move forward what should be done to get it before the council. Town Administrator Selig said a document needs to be developed (with help of the consultant) that this committee is comfortable recommending to the Town Council. He said a public hearing would follow this.

Chair Elliott asked if it is possible to have a TIF proposal for the EDC to review, endorse and move forward to the Town Council by our May 23<sup>rd</sup> meeting. Town Administrator Selig said it would be more likely that this would occur in June. Mr. Selig said there might be a draft available for the Committee to discuss and make comments on by the May meeting. He said a rewrite would then be done and brought back to the Committee for approval in June, after which it would move forward to the Town Council.

Chair Elliott suggested holding a subcommittee meeting in mid-April to work on the language and the math associated this. Mr. Selig said the Town has the basic template crafted, but the kinds of things we want to spend money on needs to be inserted.

Town Administrator Selig said the other challenge is having the end dollar amount, which will be tied to the end vision of improvements. He said costs of structured parking, and the costs of new roads need to be determined and attach dollar amounts. James Lawson said he could work with the Town on that.

Yusi Turell asked what the status of the new Economic Development Director is. Mr. Selig said his hope was that the Market Analysis would give us some focus for the job description of the Director. Chair Elliott said it would be best to get through the Market Analysis before moving forward with the job description for the Director. Ms. Turell stated her hope to hold a joint EDC/Town Council meeting to focus on economic development.

IX. Next Agenda and Assignments (Next meeting date is tentatively set for Monday, April 11th)

*James Lawson MOVED to adjourn the March 2011 meeting of the Durham Economic Committee meeting at 9:56 pm. This was SECONDED by Ute Luxem and APPROVED unanimously.*

Respectfully submitted by,

Susan Lucius, Secretary to the Durham Economic Development Committee