

Approved – August 22, 2011

Durham Economic Development Committee
Monday, July 18th, 2011
7:00pm at the Durham Town Hall

Members Present: Yusi Wang Turell, Jim Campbell, Jim Lawson, Tom Elliott, Doug Clark, Ute Luxem

Members Not Present: Susan Fuller, Ken Chadwick

Also Present: Don Jutton, Todd Selig

I. Call to Order

Chair Tom Elliott called the July 18, 2011 meeting of the Durham Economic Development Committee to order at 7:10 pm

II. Approval of Agenda

Chair Elliott moved to amend the agenda to remove the approval of minutes and to move the Presentation by consultant Don Jutton to follow Public Comments, with Committee & Staff Roundtable and Updates to follow the Presentation. This was SECONDED by Jim Lawson and APPROVED unanimously.

Doug Clark MOVED to approve the agenda as amended, this was SECONDED by Ute Luxem and APPROVED unanimously.

III. Public Comments – none at this time.

IV. Presentation by consultant Don Jutton regarding TIF District planning

Don Jutton reported he has looked at the Commercial/Business area and the Churchill area as potential TIF districts. He said, as is required by statute, they identified each property by map and lot number, by address, identified owner and identified current assessed value and determined the land mass of each property. Mr. Jutton explained there are two limiting factors: (1) land mass cannot exceed 5% of the entire town – he noted the area reviewed is less than 1% and (2) the valuation cannot exceed 8% of the Town's total valuation. Mr. Jutton said the areas being discussed fall within a couple of a hundred thousand dollars of the limits.

Chair Elliott asked if it is permissible to exclude properties within a district.

Mr. Jutton said it is allowed if there is a rationale for excluding the property. He said in theory, the improvements need to be made within the district.

Todd Selig said he and Jim Campbell spoke and were not able to come to a consensus as to what parcels should be in the TIF. He asked the members for their assistance with this. Mr. Selig explained that Mr. Jutton has been working for three months on integrating GIS data and is able to look at the entire town by text map, geological contours, photo imagery, map and lot number and to overlay water lines and sewer lines. He said the data is a very powerful tool that the town has not had access to in the past.

Jim Lawson suggested looking at the properties to see if there is more than 40% residential in those areas combined. He said he would feel more comfortable with less residential and more of a business focus.

Chair Elliott asked if there is an advantage to having a larger TIF district.

Mr. Jutton said the ability to generate revenue is higher with a larger TIF district. He noted that the Town should be strategic in terms of the properties selected for the TIF district. Mr. Jutton said the downtown is fully developed, so selecting that will mean that the revenue will be smaller. He said the more improved the property is, the less potential there is for incremental revenue, so including underutilized parcels or raw lots creates a greater potential for incremental revenue.

Chair Elliott said he understands the theory, but believes Durham may not fit that mold.

Ute Luxem asked if the 8% threshold is related to each single TIF district or to the overall TIF districts in the Town.

Mr. Jutton responded that each individual TIF district has a threshold of 8%, but the total threshold for all TIF districts combined in a Town is 16%.

Mr. Jutton demonstrated the map created for the Town using the GIS data that is available on-line. He said specific parcels can be viewed and their individual information accessed to see if the Town is interested in including it in the TIF district.

Jim Lawson asked if it makes sense to include a large block of property in a TIF that experience shows there will not be any development in the near future. He suggested it is better to keep that property out of the TIF and if development looks to occur in the future make another TIF to include that property. Mr. Lawson noted that the Historic District (some of the Churchill area) has constraints and asked if there will be development of that area that will add to the value of TIF. He said it does not make sense to include the portions of Madbury Road and Strafford Avenue with apartments, sororities and fraternities in the TIF. Mr. Lawson suggested that Main Street, Pettee Brook Lane, Mathis Terrace and abutting properties of Mathis Terrace should define the TIF district.

Chair Elliott said the downside of including a set of properties that are not likely to be developed is that you may end up having properties in the TIF that are not part of the potential redevelopment.

Chair Elliott asked Mr. Jutton what governance requirements there of a TIF.

Mr. Jutton said the governance is advisory, but needs to be from property owners within or abutting the district. He explained there is a rule that if the TIF is residential a certain percentage of the governing body has to consist of residents within the district.

Chair Elliott asked what the minimum size is required for a governing body.

Todd Selig responded that the Stone Quarry TIF had a 5 member advisory committee.

Yusi Turell asked Mr. Jutton is he saw any risk of coming close to the cap for the town.

Mr. Jutton responded that he did not see that risk. He noted that there might be a benefit to not including the Mill Plaza in the TIF district. He said the plaza and the community as a whole would benefit from the property tax on the plaza rising and the likelihood is that the site is built out – excluding them does not create a problem.

Doug Clark said his opinion is that the commercial area is underdeveloped. He said he feels there is a lot of parking space, which is not developed, and a TIF is a means to figure out a way to create density and enhance economic development. Mr. Clark said he envisions creating density in the commercial district to allow a more developed core and spread this to the Churchill area.

Ms. Luxem questioned to what extent the Churchill area can be developed because it is part of the Historic District. She suggested not including areas in the TIF that are very hard to develop. Ms. Luxem said the TIF should benefit the people that are paying into it and the businesses included in the TIF should benefit from the improvements that will be done. Ms. Luxem suggested including only portions of the Churchill area.

Mr. Clark said he feels the purpose of the TIF district is to make that area more multi-use.

Chair Elliott said he does not think a TIF is a visionary instrument, but it is a functional instrument with a short time period and a well-defined set of tactical goals. He said he feels including the Churchill area dilutes the tax base and involves and engages people that may be unhelpful.

Mr. Clark noted there is a lot of land that is undeveloped in the Churchill area.

Chair Elliott asked Mr. Jutton if it is possible to amend a TIF after it has begun.

Mr. Jutton said a TIF district could be amended within the first five years. He said the process would be to go back to the Town Council and request approval to add properties to the list.

Chair Elliott asked if including a property in a TIF district has a positive impact in terms of encouraging the owner to think bigger or if there is a negative consequence to being included in the TIF district.

Todd Selig said he feels it is only helpful to include a property if it allows the town to have the resources to collaborate on future redevelopment of the site. He noted with the Mill Plaza, the Town has spoken about building a roadway coming out of the plaza and across a property to

Main Street. Mr. Selig said if the Town feels such a road is desirable and will create an incentive for the parcels to be developed in the future, the parcels should be included in the TIF district.

Chair Elliott noted the revenue from a TIF district can be spent out of the district if a compelling case can be made.

Mr. Jutton said a major advantage for a developer or a property owner of property in a TIF district is that it is a statement of where the community intends to take the area.

Mr. Lawson said he has reconsidered his view of the Churchill area. He said he considers the Churchill area an area where a lot of us have a vision for changes and improvements and would require some infrastructure and is an important part of Town, and therefore should be included in the TIF district. He suggested the central business district downtown, Main Street, Pettee Brook, Mathis Terrace, a portion of Madbury Road and a portion of the Churchill area for the boundaries of the TIF district. He said he is uncomfortable with the TIF extending up Garrison and Strafford Avenue where the fraternities and the sororities are located. He said it may make sense to include the plaza, so funds could be spent on developing the plaza.

Jim Campbell noted that the Henderson properties are for sale.

Ms. Luxem asked if it would make sense to include those properties.

Mr. Selig asked what the money would be spent on with regard to those properties.

Chair Elliott said he is not sure that is the question to be asked, but rather if those properties are in the TIF district and allows the Town to capture their increase, that is helpful.

Mr. Selig said there is a need to grow the tax base to support the Town, so he is cautious about what to include, because the new tax revenue will be captured in the TIF and cannot be included in the Town.

Mr. Lawson noted that not all of the revenue needs to go to TIF district.

Mr. Selig said there is a lot of consensus that the central core is the perfect place to invest for development and change and there is not that consensus in other places in town. He said the central core is most likely where we see will see development. Mr. Selig asked if the Town wants to capture all that in the TIF and not be able to use some of it for paying for Town issues.

Mr. Clark said the projects spoken of are expensive projects. He said the TIF outline suggested by Mr. Lawson is very close to what he would support. Mr. Clark said he feels it is an incentive for someone who is developing their property and to know that a percentage of their increased property value will go to developing that area.

Mr. Jutton said there are approximately 70 properties to be decided if they should be included in the TIF district. He suggested creating two committees to each look at half of the properties and review their current assessment and the likelihood of seeing a significant increase, and if being in the TIF district would be a motivation for such an increase.

Chair Elliott suggested focusing the rest of the discussion on how funds will be used. He noted the conversation at the committee level has revolved around the savings account model (or the Peterborough model) which is to have loosely defined projects, be planning and banking for the future. He asked what level of specificity is needed to present the TIF and the use of those incremental funds. Chair Elliott said there is some consensus around supporting parking and some consensus around intersection improvement to two-way traffic and land acquisition to support redevelopment.

Mr. Selig suggested new roadways and new access to the Plaza, and creation of new streets that do not exist (possibly from Pettee Brook Lane across Pettee Brook lot, across the Gangweir parcels to Main Street and another street from Pettee Brook Lane up to Main Street). He said along Main Street the water sewer system is in good shape but there is no recent detailed analysis to evaluate the limits and demands.

Mr. Selig asked how specific the plan needs to be. He asked if it would be sufficient to list parking, roadways and infrastructure for the plan.

Mr. Jutton said the plan needs to be a verbal description of the vision. He said it sounds like the cornerstone is parking, so keep it simple and have the primary focus be the assemblage of the land and development of a parking garage.

Chair Elliott asked Mr. Selig the latest thoughts on two-way traffic.

Mr. Selig said there is an analysis being done with a series of two-way simulations and a one-way, one lane simulation. He said the Public Safety Committee is intrigued with the one lane, one way, with additional parking and biking lanes.

Mr. Clark asked if that option is favored because it is the least expensive or because it is the best.

Mr. Campbell said the cost is secondary, but the committee is looking at it as means to keep traffic moving and make it safer for bikes and pedestrians without putting burdens on other intersections.

Mr. Lawson said he is intrigued by the one-way, one lane model with the possibility of different sidewalks with landscaping and bike lanes. He said there are some limitations with two-way traffic, unless investing in traffic control that is out of character with the downtown.

Robin Mower said she believes the focus is on changing the experience of being downtown. She said there is the possibility of shifting the intersection of Mill Road and Main Street for it to join up directly into Jenkins Court and with that and a one-way, one lane road could have cars going straight into Pettee Brook.

Chair Elliott said he believes there is some value in considering constructing the flow of traffic downtown to travel to or past any planned parking garage, to make it easy to get there and use it.

Mr. Clark noted that the "B. Denis Report" said one-way loops are usually the death of a downtown. He suggested a hybrid of a one-way and a two way. He said the goal is to make it easier to access the businesses downtown.

Ms. Luxem said the two-way traffic is not needed as long as traffic can be calmed. She said if a major development comes along and needs the traffic changed, that can be done. Ms. Luxem said she feels calming traffic on Main Street would add value, as would wider sidewalks on Main Street which would allow for tables and chairs on the sidewalk.

Ms. Turell said she feels the TIF is in some ways a visionary instrument, by defining geography. She said the development of the Store 24 parking lot is a worthwhile goal. She suggested beginning with that, which would naturally lead to the parking issue and the parking structure. Ms. Wang said it would be good to improve the attractiveness and livability of the downtown and save for strategic acquisitions. She said the three together would be a compelling package to present to the Town Council.

Mr. Lawson suggested making it broader and not having it tied to parking alone. He suggested having the plan include: parking infrastructure, roads and road improvements, water and sewer, creating urban green space in the downtown to improve the experience, creating pedestrian ways, improving utility and power distribution, traffic control and traffic patterns and strategic land acquisition. Mr. Lawson said he feels the list needs to show there are different things the Town might choose to use the TIF for that would benefit the downtown.

Chair Elliott said the first question from the public would be who decides how to spend the TIF money.

Mr. Campbell responded that the Town Council and the District Administrator would decide.

Chair Elliott noted that the Town Council could chose to limit the control of the District Administrator.

Chair Elliott summarized the feelings regarding the TIF plan as having it be undefined in a positive way for future needs and have people in the district governing the TIF and the Town Council ultimately having control over how to spend the funds. Chair Elliott asked what the next step would be in moving forward.

Mr. Selig said the Town would ask Mr. Jutton to prepare a draft, which will be fine-tuned.

Mr. Jutton said he had received good input from the evening's discussion.

Chair Elliott suggested having a small working group of Ute Luxem and Jim Lawson working with Mr. Jutton to develop a draft for the August meeting. He asked Mr. Jutton if a draft would be ready for the August meeting.

Mr. Jutton responded that he would have a draft available in the next two weeks and noted that the Town would need to identify the district.

Mr. Selig said the next meeting date would be August 22nd at 7 pm, so a draft would be required by August 18th to give the members time to review the draft before the meeting.

V. Committee & Staff roundtable and updates

Planning - Jim Campbell reported:

- 1) An extension was granted to 10 Pettee Brook Road. He explained that conditional uses expire after a year. The owners asked for and were granted a one-year extension.
- 2) The Planning Board opened and closed a public hearing on the introduction of regulations for workforce housing. The Planning Board recommended approval. Chair Elliott asked if the Economic Development Committee would be able to weigh in on this issue. Mr. Campbell said he would send the introduction to the Committee for them to review. He said the first reading to the Town Council would be August 1st.
- 3) The Planning Board accepted the application and set a public hearing for the 9-11 Madbury Road property to discuss the burying of utility lines.
- 4) The Planning board accepted the application for site plan review for Scorpions to build a 22 x 30 ft deck on the back of the restaurant/bar. The Public Hearing will be on the 27th and the site walk will be on the 27th at 5:30 pm.
- 5) The Planning Board accepted the application for DHL, LLC (Peter Murphy and the Grange building) and set the public hearing for the 27th and the site walk also for the 27th at 6 pm.
- 6) The Planning Board accepted the application for a subdivision on the Beaudette property and set the Public Hearing for the 27th with the site walk to be held on Saturday 23rd at 9 am.
- 7) The Planning Board approved an extension for 111 Madbury Road of 6 months.
- 8) The Planning Board will hold a special meeting on the 20th with Lisa Henderson from the Work Force Housing Coalition, who will present findings from the charrett regarding the Goss property on Route 155 in Durham for a housing development for workforce housing. Ute Luxem asked if there are conceptual plans for workforce housing in town. Jim Campbell said there were plans for those at the Goss property and the Grange building will offer 3 workforce housing units.
- 9) There is an update from the Traffic Safety Committee with two preferred models. All studies have been based on AM peak, but no PM peak models, which are needed. Mr. Campbell said the Town would need to hire people to do the PM peak study so it will need to be requested in the budget for next year. Mr. Campbell noted that Stop signs have been installed at the Post Office and parking spaces have been stripped along Madbury Road and a four-foot bike lane will be added shortly.

Chair Elliott asked if the Stop sign is considered experimental.

Mr. Selig responded that it is considered a pilot program.

Jim Lawson noted that the Stop signs are very well marked and there have been no issues with people not seeing the Stop signs.

Master Plan and Zoning Changes - Jim Campbell reported

- 1) He had a phone call with the consultant regarding the zoning changes to discuss working on incorporating suggested changes. Mr. Campbell said the document would be sent to this Committee and the Planning Board. He said the target date is August. Mr. Campbell said there would be some significant changes that will need to be discussed.
- 2) He said they are looking to do a press release disseminating the information from the Master Plan survey.

Jim Lawson suggested adding a discussion of the Master Plan Survey information focused on economic vitality to the August agenda.

Jim Campbell asked what is being done with the results of the EDC survey and what the plans for moving forward with it are.

Yusi Turell said a committee will provide greater guidance to the consultant writing the Master Plan and she envisions the EDC's efforts as being part of that effort.

Ms. Turell asked Mr. Campbell what the time line for getting the results to a steering committee would be.

Mr. Campbell responded that the committee will be formed in August and meet with the consultant. He said he believes the majority of the work will begin in September.

Ms. Turell asked what the composition would be of the committee.

Mr. Campbell responded that he is hoping to have representation from different town committees and a wider portion of the public.

Chair Elliott asked Mr. Campbell to prepare a review of the survey data, the work to be done for the master plan and a road map plan for the EDC's part in moving forward for the August 22nd meeting.

Mr. Campbell reported that the Durham Business Park have gone to the Planning Board with a conceptual consultation looking to subdivide the property into six different lots. He said this is an attempt to expand the search and look at smaller commercial activities. He said there has been no application yet for the subdivision. Mr. Campbell noted that the owner was represented by MJS Engineering.

Town Administration - Todd Selig reported:

- 1) The Town is monitoring the impact of the approved State budget and the downshifting for municipalities. He said the Town is slated to lose a significant contribution towards retirement costs, which may mean making some new-year budget adjustments.
- 2) In 2012 the Town will begin giving departments guidance with respect to budget development. He said next year will be a challenging year and they are hoping to offset through reductions in spending. Mr. Selig said the challenge is that 75% of what the Town spends is on personnel and the tax base has not been growing as hoped. He said, on the positive side, they do see signs of some expansion.
- 3) Matt Crapes project downtown was done with some tax incentives, so the Town will not see the benefit to the tax base for three years.
- 4) The hotel project has come to a halt. The Kane Company was not able to come to terms with the landowner.
- 5) Sora Holdings, Inc. remains interested in doing business with the Town. They have discussed the idea of a hotel and office space, high tech. office space and research space.
- 6) Durham was featured on channel five's Chronicle Mystery Main Street, including footage of Julian Smith diving into his pond. Durham will be featured Wednesday night at 9 pm on Man Vs Food.

Chair Elliott asked if parking metered infrastructure would be implemented this summer.

Mr. Selig said they brought forward an ordinance to regulate the 21 spaces on Pettee Brook Lane, which the Town Council approved. He said an RFP was circulated for the acquisition of automated parking meters. Mr. Selig said the Police Department has asked us if we think it is worthwhile to transition to the automated meters. He noted the question the police department has is that they are not familiar with the repairing of the kiosks and that there may be clitches in the software. Mr. Selig noted on the positive side, the kiosks allow for paying by credit card, the use of the transponder system which could be shared with other communities and encourage people to shop in Durham. He said he suggests using the Pettee Brook Lane parking spaces as a pilot. Mr. Selig said they would need 3 or 4 kiosks and it would provide further testing to see if they would be successful in Durham. He asked for the members' feedback on this suggestion.

Ms. Luxem said the cost of each kiosk is rather substantial.

Chair Elliott said he does not believe it benefits the Town to be using old technology. He feels it would send the wrong message and that the Town needs to be modern. Chair Elliott said he feels it is critical to have the better pay and display structure.

Mr. Clark expressed his displeasure with the system in the City of Dover.

Chair Elliott suggested the use of the transponder, which is compatible with systems in Manchester, Portsmouth and Dover and hopefully soon in Durham.

Mr. Lawson said his experience has been in Portsmouth and he likes the system. He said he no longer needs to worry about having quarters, the system also takes dollars or credit cards and a user can specify the amount of time needed. Mr. Lawson said he feels the benefit outweighs the problem of needing to walk to the kiosks.

Ms. Luxem suggesting speaking with neighboring communities to see which systems work the best and to take into account the winter climate and difficulties associated with that.

Chair Elliott asked for an update on the Grange project and the Capstone project.

Mr. Selig said the Grange concept was approved by Town Council and hope to have the purchase and sales agreement ready for their review on July 26th or the first meeting in August. He noted there is a limited amount of risk and that the purchase price is \$240,000. Mr. Selig said the terms allow Mr. Murphy to repay the purchase price over five years at 7% interest. He said Mr. Murphy would provide a letter from his bank approving the financing of the project and his financial report. Mr. Selig said Mr. Murphy has also provided a credit report. He noted the Town would take a secondary position on the mortgage of the Grange parcel and a third position on the 22 Rosemary Lane project. Mr. Selig said the goal is to begin construction this fall and have it completed for Fall 2012.

Mr. Selig reported that the Capstone project has begun site work at the site and are in the process of constructing an entrance driveway and roadways, as well as parking for equipment. He said the company is in the process of dealing with the conditions set out by the Planning Board; one of which is ensuring that a specific stretch of land be conserved.

Chair Elliott asked what the outcome of the lawsuit regarding the project was.

Mr. Selig reported that the superior court judge ruled that Rivers Edge did not have standing, Rivers Edge did not appeal the decision so the project is free to move forward.

EDC – Chair Tom Elliott reported:

- 1) 8 Jenkins Court property has a new office tenant, which is a local software firm. He noted the building is close to 100% occupied.
Chair Elliott noted that he leases commercial space in this building.
- 2) He met and participated in a panel with a representative from Goss who has a successful web based platform to do coupon marketing named “Goss rsvp”.
- 3) Toby Clark at Goss is tentatively scheduled to give a talk at Idea Greenhouse regarding their windmill business. Chair Elliott said he believes this is a good example of innovating from within a company.
- 4) The Kostis wrote to inform him that they have a lease for their formerly “Wings Your Way” building. He said the new tenant would be a Thai/Japanese restaurant.
- 5) He has had conversations with the UNH administration regarding the broad band grant they received to provide world-class fiber based internet around New Hampshire. Chair Elliott said they mentioned that a line to Jackson Laboratories on Adam’s Point would be implemented, which will require rooting it through middle of downtown Durham. He said they are currently negotiating bringing the feed to the fourth floor of Jenkins Court. Chair Elliott said New Hampshire Optical Systems is partnering with UNH and is responsible for managing the sales support and he will be meeting with them next week. He noted that the fiber will be in downtown Durham on poles (not underground) and will be less expensive this way to get into buildings in the area.

Robin Mower suggested the addition of signage at the Portsmouth and Lee traffic circles as a means to direct regional traffic into town.

Chair Elliott asked Ms. Mower for a report on Revolution Energy.

Ms. Mower said the Oyster River School District is moving forward with some possible collaborations with Revolution Energy – primarily solar. She said the Town of Durham has opened its doors to the various facilities for them to review. Ms. Mower said they would provide documentation to the Town Administrator and review ideas with him.

Mr. Selig said Revolution Energy has discussed the addition of portable solar panels in the parking lot of the Town Office Building, solar panels at the public works facility on the roof, solar panels on the roof of the ice rink at Jackson Landing, a major array of solar panels at the wastewater treatment plant. He said it is hopeful that these will be visible from Route 4. Mr. Selig noted that Revolution Energy would also like to add solar panels on the roof of the carport at the Police Department building. He said the goal is to keep the energy prices constant rather than see a spike. Mr. Selig said the agreement is for a 50-year lease between the Town and Revolution Energy, during that time electrical prices would stay constant or drop slightly, but after 50 years, the Town would own the equipment and the prices would drop.

Mr. Selig reported that the tax credit for this type of work would end on December 31st of this year, so construction needs to begin before end of the year.

Ms. Mower said Revolution Energy is interested in sharing information about the technology with the school district.

VII. Continued discussion of a potential TIF District for the Central Business District – all discussion was reported under the Presentation section.

VIII. Next meeting and action items and Adjourn

Chair Elliott listed the action items for the next meeting as: (1) review of the TIF draft, (2) review of survey data, (3) plan for EDC involvement in the Master Plan, (4) have a representative from Unitil speak to the Commission.

The next meeting of the Durham Economic Development Committee will be held on August 22nd at 7 pm.

Ute Luxem MOVED to adjourn the July 18th, 2011 meeting of the Durham Economic Development Committee at 9:16 pm. This was SECONDED by Jim Lawson and APPROVED unanimously.

Respectfully submitted by,

Sue Lucius, Secretary to the Durham Economic Development Committee