

Exeter Economic Development Commission

January 06, 2015

1. Call to Order

Chairwoman Kathy Corson called the meeting to order at 7:04 pm in the Nowak Room of the Exeter Town Office building.

Members and Town staff present were: Dave Hampson, John Mueller, Selectmen representative Dan Chartrand, Brandon Stauber, Madeleine Hamel, Brian Lortie, Economic Development Director Darren Winham, and Town Manager Russ Dean.

Guest: Peter Francese

2. Exeter's Demographic Profile

The Chair introduced Mr. Peter Francese as guest presenter for the meeting. Mr. Francese is an Exeter resident and coauthor of the publication *Communities and Consequences: The Unbalancing of New Hampshire's Human Ecology and What We Can Do About It*.

He thanked the Commission for the invitation to speak on Exeter's demographic profile and how it may relate to the Town's economic development. Since his publication, NH has grown from the 7th aging state in the nation to 3rd, with Maine 1st and Vermont 2nd. With an aging population, it is difficult for economic development; any developer faces the challenge of a diminishing work force.

In spite of the State passing legislation stating a town or municipality could not deny affordable housing units, there has not been an upsurge in such projects (work force housing) around the State. The idea that children mean higher property taxes is not necessarily true. Agreed, the entire cost of education does fall on the towns, but he wishes to dispel that myth. Various professional studies demonstrate it does not occur. But with this State, and the other New England states with the desire for local control he does not feel that will change. But the aging population will continue to rise while the age of the work force diminishes.

Referencing a prepared handout graphing Exeter's changing age profiles from 2000-2010, it details his statement that Exeter is one of the older towns in the state with a median age of 45. (The State median age is in the 40-42 year range). Residents age 65 + now outnumber children ages 5-17 and those age 65 + are likely to increase by at least 45%, while children and young adults may (and he re-iterated "may") continue to decline. One contributing factor to the rise was the increase in age restrictive housing (ARH) units constructed (and more in the planning stages) in Exeter.

Chart 2 demonstrated an upswing in the number of births in the past two years and the spike in 2009. He felt that was good news for Exeter as young families are moving to town unlike our neighboring communities that are experiencing a decline in school age children; often with the threat of closing or consolidating their elementary schools.

Concluding, he stated Exeter needs to find a way to build more housing that is open to all ages and added when it comes to spending monies in the community, it is by far the families with children that spend the dollars for the needs and wants of the children and all the associated costs. He added a full day kindergarten program is a major influence when a young family is considering a move. He has talked

with the school board on providing this program and would like to see on March 2015 ballot but doesn't feel that will happen. Board members are uncertain voters will approve the dollar amount necessary for initiating the kindergarten program. He felt it was an absolute necessary piece of economic development; good schools and good housing opportunities and urged members to contact school board members to place the initiative on the ballot.

When asked about subsidized housing and its effect on economic development, he remarked we are incentivizing developers to maximize their profit by allowing them relaxed density standards when constructing ARH on a property.

As for abatements, he cited a figure of almost one million dollars given in tax abatements to people over 65 and as this population grows, this will become a (financial) burden and force young people out as they are paying this property tax. After more discussion Mr. Chartrand summarized what he felt was being said by noting we (the town) have inadvertently through our density rules, zoning regulations and the tax policies (elderly exemptions) have interrupted the natural cycle of a how a community evolves and stays young; all under the guise of allowing residents to stay in their homes. Mr. Francese agreed.

Mr. Francese reminded members we are where we are today because of public policies; discouraging reasonable cost housing units because of school costs. He did say Exeter already has an advantage over neighboring communities with older homes on smaller lots. What would round out that advantage would be the availability of full day kindergarten. From this discussion/topic members of the Commission agreed to invite a member of the school board to a future meeting to pursue the issue in more depth.

Wanting to return to the issue of tax emptions, Mr. Stauber asked what could be done at local level to help resolve this issue. Mr. Stauber spoke of possibly modifying exemptions so the taxes may be deferred until the home is sold and a portion is returned; is this realistic or not. Mr. Francese stated Exeter is among the top ten NH towns with rates such as ours for the elderly tax exemption. As for reform, perhaps strengthen regulations and pursue the concept of deferment of the taxes as in the Open Space program. Mr. Dean later added the State allows towns to give the exemption but it is the local government that determines the amount and regulations (and they are only given to those residents over 75).

Mr. Hampson asked what else the Town could do to move forward. Mr. Francese felt there were a number of opportunities to attract 21st century businesses; internet based businesses, incubator spaces for the start-up entrepreneur. Exeter has a number of old buildings that could be renovated to accommodate such small units. Exeter also has public services available, recreational amenities (the construction of the Y is huge) and an equally important advantage is the Amtrak train service with 5 weekday roundtrips to Boston as well as the proximity to I-95 and Route 101. Exeter does have the infrastructure to attract businesses except a ready and trained work force. Work force issues need to be addressed but will take time as housing construction is not done overnight. He ended his presentation noting Exeter is doing a great job and has a lot to offer but needs to continue with it.

3. Economic Development Director Report

Mr. Winham prefaced his presentation by saying he has been working on a TIF proposal since last meeting (November) that would create infrastructure to support and develop projects on certain

properties. He outlined on a PowerPoint map the areas of focus; the C-1, C-3 and I zones along Epping Road, indicating where sewer and water would be located to support development and an industrial road up through a right of way to access an 18 acre property with approximately 600' of Rt.101 frontage. It would take water and sewer from where it presently ends (Continental Drive) up and through existing sleeves on Rt. 101 up Rt. 27 (Epping Road). He also indicated where projects are planned along Continental Drive and lower Epping Road already served by water and sewer.

This is a property developer type of TIF where no action is taken unless there is a project. There is to be a bond for the amount to cover the costs. He explained because of time constraints he is writing the proposal himself so as to get on March 2015 ballot. He is also drafting a zoning change amendment addressing the wetland buffer width (setbacks) in those districts proposed for economic development. He has been working with the State to determine, if appropriate and the property is vetted by a wetland engineer, to be able to fill if we want and are able to do so and divert the funds that will be necessary to do so to go into something that would be of an ecological benefit to Exeter. This amendment will be presented at the 2nd public hearing session of the Planning Board later in January.

Because of time constraints, he apologized for not utilizing the EEDC members but if successful will involve them in additional proposals for next year.

With questioning, he affirmed the monies will only be used for water, sewer and the associated costs along with the corridor to access the Rt. 101 frontage property. It is to be a 20 year bond and hopefully paid before the due date; the TIF district will then go away and the funds go into town's general fund.

For the March ballot they will need the specifics of the TIF and the enabling legislation. Acknowledging education of the public is a key component for acceptance, he hoped the Commission members could be of assistance in that arena.

Mr. Stauber expressed his support of this TIF model and suggested looking at Rochester (NH) as a model for the recent development of their industrial complex. Mr. Winham thanked him for the support and noted he would add Rochester to the other models he is referencing.

Mr. Chartrand added when this was first proposed to the Selectboard, they were uniformly in support of this TIF as it is designed to take the incremental taxes generated by this development and put directly back into infrastructure that will enable development. He feels it is different from last year's proposal and has a high degree of success once it placed on ballot and understood by the voters.

Mr. Mueller, referencing Mr. Francese's presentation, asked if he was hearing the lack of a trained work force being an issue. Mr. Winham replied he has not received those inquiries as most developers he is hearing from have a desire to do ARH as it is more profitable at this time.

Mr. Lortie asked about activity in the ERZ. Mr. Winham replied he does receive calls about it and he forwards them on to the appropriate person at the State level but acknowledged it has not been marketed as he intended to do.

Mr. Hampson voiced his concern that perhaps the failure of last year's TIF proposal was lack of education and what should we do to ensure that doesn't occur this year. The Chair suggested perhaps a small number of individuals work with Mr. Winham and then report back to Commission on what they would like to see happen. Mr. Stauber re-iterated his feeling that it was a well-conceived plan and would help in some way. When asked if he would also help with the education component, Mr. Chartrand declined because of other obligations between now and March meeting but did add he would be vocal about the issue as he runs for re-election.

Mr. Stauber referencing attracting 21st century businesses asked about installing the infrastructure needed to support these business i.e. broadband, fiber optic cable as we are digging up the street(s). Mr. Mueller was also in support of digital infrastructure; underground connection a strong plus. Mr. Stauber stated Exeter has better than average broadband service but power and connectivity are a challenge throughout New England. Mr. Winham responded because of the time line he would be unable to get a cost to include in bond amount and he feels too much detail might cloud the proposal. He agreed it was needed but we don't know what (properties) will go where.

Ms. Hamel returned to education and asked about planned public meetings. With a number of suggestions of possible venues, it was stressed the need to seek out audiences not necessarily engaged with this type of proposal. Ms. Corson did re-iterate the role of a subcommittee to assist Mr. Winham. Mr. Chartrand felt with the presence of a full time staff employee to speak to the proposal we are in a better place than last year when it was the sole responsibility of the EEDC to speak to the article.

Mr. Dean reported there will be three articles associated with this proposal: the bond article, an article to enable the legislation and a third with the description of the TIF and establishing the advisory board. He did feel one concept that needed to be stressed during the education phase is the bond article because that will appear first (on ballot) because of the "mechanics of the warrant and the adoption and formation of advisory board will appear later on warrant. References are made in the warrant article that the bond does not go into effect unless the other two articles pass. Also, the borrowing on the bond would not occur until there are TIF district revenues guaranteed to pay the debt services associated with the bond. There will be the required bond hearing on January 20 and will hold a hearing on the legislation to establish the district in February.

As for monies being spent on marketing, Mr. Dean cautioned public monies could not be spent to support a warrant article: members of the Boards/Commissions can speak to the avocation of. Private groups or individuals may provide funds for support of an article.

4. Goals for 2015; Economic Development Master Plan Committee

Ms. Corson suggested delaying this action until after the March vote; the TIF should be the Commission's priority; members concurred.

5. General Announcements

Ms. Corson said she spoke with Mr. Sandberg and reported he has decided to step down from the EEDC because of current commitments but did say he was willing to serve on subcommittees. Ms. Corson

remarked he was an integral part of the Commission and will be missed. Mr. Chartrand also added his thanks to Mr. Sandberg and the years he spent as Chairman. For him, Mr. Sandberg resurrected the EEDC and allowed the Commission to accomplish some major accomplishments. He wished him well and the best going forward.

Ms. Corson, as the Planning Board representative reported the stakeholders and other members of Town committees met that afternoon and had what she felt a very good meeting with support being expressed for the Flexible Zoning Initiative for Portsmouth Ave. The 2nd public hearing will be on the January 22nd meeting of the Planning Board.

Mr. Dean reminded members the public hearing for the TIF will be on February 9, 2015 and suggested as many members that could attend for support would be appreciated.

6. Next meeting will be February 3, 2015 at 7:00 pm

7. Approval of minutes

Mr. Chartrand moved to approve the draft minutes of the November 10, 2014 meeting as presented; seconded by Ms. Hamel. Motioned carried.

8. Motion to adjourn

Mr. Chartrand motioned to adjourn; seconded by Mr. Hampson.

Meeting adjourned at 8:35 pm

Respectfully submitted,

Ginny Raub

Recording Secretary