

Approved Minutes

Exeter Economic Development Commission

October 20, 2015

- **Call to Order**

Vice-Chairperson Lizabeth MacDonald called the meeting to order at 8:39 AM in the Nowak Room of the Exeter Town Office Building. Members present were: John Mueller, Dan Chartrand, Ken Knowles, Town Manager Russell Dean, Chris Surette, Brian Lortie, Ian Smith, Madeleine Hamel and Town Manager Russell Dean. Also present was Economic Development Director Darren Winham.

- **Approval of Past Minutes**

Mr. Chartrand moved to approve the draft minutes of the August 11, 2015 meeting as presented; seconded by Mr. Lortie. Motion carried.

- **Updates (Old Business)**

- Vice-Chairperson MacDonald announced that we would go directly to the discussion of the project that Todd Baker and Keith Patterson of Baker Properties in Portsmouth, NH had come to present to the Commission.

Mr. Baker began his presentation explaining that his was an economic development business in the form of real estate renovation on existing properties that are not in use, trying to fix them up and make them more valuable for use.

Mr. Winham cued up the project saying that it was a \$30 million-ish project on 62 acres of land belonging to Kevin King on Epping Road/Route 27 corridor that they had been trying to move ahead on for 1 1/2 years. They haven't been able to move forward on the use of this property and need they support of the commission to make a change in the Epping Road corridor zoning that would help this project move ahead.

Mr. Baker and associates had met with the ZBA but were not approved for a zoning variance, which would be necessary for them to use the back portion of the property, a 200' parcel for mixed and residential housing. In this area there are some commercial developments and nearby there is residential housing, but this was not approved for the particular area they wish to develop, bringing both housing and commercial enterprise to this corridor.

Why has this parcel never been developed: Mr. Baker noted that there were a few reasons: 1) it has fairly limited visibility as the land near it is a Fish & Game

conservation area and it cannot be seen from 101; it has a small frontage on Epping Road. 2) It is a challenging lot due to wetlands and a sizeable granite ledge that would be expensive to develop. There is some plant life, but no wildlife in this area. A wetlands engineer was engaged to delineate and mark the area; his conclusions were that it would be expensive to develop because of the need to put in a road, water and utilities. Retail and commercial interest has not been there because of the cost, more than likely, and it is not currently zoned for mixed or multi-family residences. Baker Properties requested that the ZBA give them a variance to have such residences built there, but it was denied, even though there are such residences a few feet away.

Mr. Baker noted that he has 6 months to go on his contract with Mr. King and would like this Commission to help him get the variance he needs to go ahead with the project. If it is not approved, he will have to fall out of the contract or renegotiate it. He feels that this project will bring jobs to the area, new business, and increased population that will help to improve the economy. He suggested that the change in zoning could be beneficial to that entire corridor.

Mr. Winham then asked why Mr. Baker felt that the corridor should be developed for residential use rather than commercial use.

Mr. Baker replied that they did a level of scrutiny with EPA and DES on the encroaching 3 acres, and it would add hundreds of dollars in expense and time to fill the wetlands for commercial purposes and those smaller footprints on this property would be expensive for small businesses. The residences proposed would sell for about \$200/square foot.

Why would residential units here be a good idea? People want to come to live in Exeter. There are not a lot of new units here. Sterling Hill has been very successful and, are in fact, sold out except for the newest building being built.

Mr. Baker said that he realizes that the expense of building on this property with the granite ledge and the wetlands and visibility concerns would still be worth it because he feels there is a demand for housing. A commercial building is unlikely to go in there due not only to the expense, but also environmental concerns (the wetlands).

Mr. Winham asked Mr. Baker to explain efforts made to date to bring this plan to fruition. Mr. Baker responded that he looked into developing a retail center here, but no larger concerns wished to go in here, there is a large and successful commercial development now in Epping, Seabrook, and Portsmouth and there would not be a large enough demand from the population data he researched.

His plan to do mixed use and multi-family residences would entail building 5 buildings with 32 units in each, and they would not be age-restrictive (maybe 20 children at most within these developments).

Why not a hotel there? Figures indicate that population and demand not there.

Mr. Dean then asked Mr. Baker to share with the group more about the site, challenges to be met in developing it, and why the traffic figures would not support retail. Mr. Baker replied that the demographics of the area show that Exeter has a low population density (as with much of the lower Seacoast area) and "traffic" would refer more to people who live in the area, not the cars passing by, looking at a 1-3 mi radius.

Mr. Baker then noted that tax revenue from this proposed housing project would be based on 192 units @\$250,000 each, and taxes of \$6,000 per unit. That would be \$1,250,000 tax revenue for just the property taxes; additional taxes and service fees would add to the value to the town. Baker Properties is hoping to obtain a zoning ordinance change at the March meeting, to add the residential use to the existing zoning in the corridor.

Ms. MacDonald then asked but does that answer the issue of the wetlands? Mr. Baker responded that they had a lot of work to do yet and they are had met with DES and EPA and talked about their plan. Those organizations thought it was a reasonable plan, so he had good indications from them.

Mr. Surette asked if they had done a matrix with the 2 hotels downtown as they only have a 72% occupancy. Mr. Baker explained that he had looked into that and it was deemed there were enough hotels in Exeter now, and not a demand for another one at this time. Analysis showed this to be true. In the future, this may change, with a demand for more office space and a retail center also.

Mr. Surette asked Mr. Baker what the repercussions would be on his contract if this did not go through, and Mr. Baker explained that they can purchase in the next 8 months, but if they get a negative reply, then they would fall out or renegotiate the contract.

Mr. Chartrand noted asked Mr. Baker to talk a little more about the ZBA and the adjoining parcel. Mr. Baker replied that their denial noted that residential use was not compatible with the other uses permitted there.

Mr. Chartrand then said he brought that up because a key element of the ZBA saying no was related to TIF investing in infrastructure with more of a demand for certain uses, and some abutters felt residences were not compatible with what was allowed there.

Mr. Winham noted that the Commission was definitely moving ahead with one development project and probably another and that perhaps Mr. Monahan was worried about the timing of the request. He didn't think he had a problem with residential use in this area and would agree that multi-use of property would be compatible. If allowed, do you believe that 192 units @\$250/square foot could work for the good of the economy and would that approval help you drive to do this?

Mr. Baker replied that those people would have a big impact on the economy in the area in both growth and dollars.

Mr. Winham asked Mr. Baker how he would address the concerns of people that live along that corridor as regards to retail being included, and Mr. Baker replied that he would say that commerce along that corridor would work well with the residences.

Mr. Mueller noted that perhaps the timing was off with the ZBA for asking for the variance since the TIF was newly approved, including residential development. Question to Mr. Baker: can you go back to ZBA with the same plan again or could you do a phase development plan putting commercial first and then residential?

Ms. MacDonald noted that they could probably not go back with the same plan.

Mr. Baker noted that there would be risk for the residential project and he would want to start without delay on the whole project as it is residential units that there is demand for now. Not sure phase development would be beneficial. He has to go to EPA, DES and all the town boards for approvals, which will take a long time as it is.

Ms. MacDonald brought up concerns about substantial increases in water and sewer future rates that would be a concern for residents. Could note that benefit is that the infrastructure already exists, so less costly.

Mr. Dean noted the complexity of this site and the challenges. Are we facing increased costs for water and sewer for the consumer? Yes, no questions about the increase in sewer costs - an EPA mandate. Water rate increase will be in the future anyway, as there is a new groundwater plant. Town of Exeter has not increased these rates for awhile and there is a need to continue modernizing infrastructure.

Ms. MacDonald wanted to know if it would help the average resident of Exeter to note that more development will cause an increase but it will be spread over a

larger number of people. Mr. Dean noted also that more rate payers would be a good thing, as new customers would produce revenues to offset water and sewer increases.

Mr. Knowles asked if anyone had started drafting the zoning changes? Where do we stand? If wait much longer, won't get on March warrant.

Mr. Winham replied that he has met with members of the Town Select Board, the staff, and the Planning Board on this. Let's see what this board thinks of Baker's plan. It will be out to residents now via newspaper.

He also asked if we could add multi-use zoning to the existing zoning and can we do it this year? He does not think we can do the whole area zoning this year, but does it make sense to adjust this year just in that 200' frontage on Route 27? It will take time to propose and vet through the Planning Board.

Mr. Knowles noted that end of October is near and voting will be in March. Need to think about this now, to present the project to the Planning Board before they meet on Zoning change. Think about change for whole area for a future presentation; this project would be good for Planning Board to hear and understand.

Ms. MacDonald then thanked Mr. Baker for his presentation, taking the time and making the effort to come before the Commission.

Mr. Surette noted that there would be others coming in down the road from here on in.

Mr. Winham noted that any developer would have to agree to pay infrastructure to pay off TIF, and could Mr. Baker guarantee that they could do enough development to pay this.

Mr. Baker said that he would commit to that, that water and sewer are critical to this project and will have a huge impact on this corridor. Baker Properties then left the meeting.

Ms. MacDonald asked what steps does the Commission have to take in support of this development. Mr. Chartrand noted to Mr. Knowles his concerns about the timing for this.

Mr. Knowles answered that in March is the meeting; the wording and advertising need to be done well in advance of that meeting. Mr. Chartrand noted that if this Commission is going to make a recommendation to the Planning Board re this project, it needs to be done as soon as possible. Mr. Knowles noted that

there are two meetings of the Planning Board scheduled for the next two months and the language must be made official, be done and voted on before the Planning Board meeting in January.

Mr. Winham expressed his concern that it will be hard to get the zoning ordinance changed, but that he does not want to lose this project. Baker properties has done their homework, invested their money, time and effort and it would be hard to find someone else who would do that. It would be worth it to pay off the TIF. It is a sensible plan for that corridor and he feels that the Commission would be smart to support it for this year and see how it goes. Also to get the Planning Board and the public to back it.

Mr. Dean asked the Commission to vet this concept carefully, to ponder it, challenge it, and ask questions, and to talk and debate any reservations. He then asked if there was data yet on how the zoning change for this project would impact other areas within the corridor that are part of the TIF.

Mr. Winham replied that he didn't want to see CT1 impacted. You'd have to look at it to anticipate what could happen.

Mr. Dean noted that a zoning analysis along that corridor could impact other parcels. We would need to know that.

Mr. Winham said that he didn't think there was time to do that; they would have to hire someone to do that. The \$26=27 million would pay off the TIF for the water and sewer development along this corridor for that project. Mr. Baker is ready to go and would start right away.

Mr. Chartrand noted he was hearing varying things. Do we push ahead, but vet carefully, looking at the history. There's a concern about the money and the changes in zoning. Must remember that the town is in process with a new vision about how to develop. About to hire new planner and recently hired a new Development Director. Lots of changes. While this Commission would love to see the new development take place, this may not be the time to push so hard. Need to balance preservation and development with being developer-friendly.

Ms. MacDonald noted that Commission will always be ahead of the town. It is charged with encouraging Economic Development and should support this project; need to be on the forefront of this.

Mr. Dean noted that the community issue is not a Town Manager issue. Want to see this Commission see, discuss and decide how to proceed. The process belongs to the EDC and the Planning Board to decide what to support. The wetlands issue is something else.

Ms. Hamel said that Baker Properties did their research, have gone before many board, the Commission, and other groups at different govt. levels; studied population, needs and financial concerns, and she thinks we should support them in going forward. If we don't allow that, we won't have the opportunity to see the rest of development projects along that corridor that we have envisioned. The rest of the Seacoast is moving forward and we don't want to be left behind.

Mr. Chartrand agreed and said that the Commission's voice needed to be loud and clear. Mr. Surette also agreed, saying that an opportunity like this doesn't happen that often. This group has done their homework and we should give them our full support.

Mr. Smith noted that we should support and listen to them. If we let this slip through, another product won't change the challenges. What would be the disadvantages?

Mr. Winham said the issue is that the corridor they wish to develop is not currently zoned for the type of development they are proposing. Our #1 priority should be to develop this corridor. We need a town-wide economic development plan and this would start the process. This project is a very good plan. If we wait, we may lose it.

Mr. Mueller then stated that the residential issue is a huge one for the community. It will be hard to get community support for this zoning change. But Exeter needs more young people, more families. He would give this 100% support.

Mr. Chartrand reiterated Mr. Mueller's call for more young families and more diversity in the population; more school age children.

After some debate over the wording, Ms. MacDonald moved that the Commission support a change in the zoning with respect to C3 to include mixed use and residential use in that zone with an appropriate setback from Epping Road/Route 27, and to draft a zoning amendment for the Planning Board to consider. The move was seconded by Mr. Mueller. Motion was approved, with abstentions by Mr. Knowles and Mr. Dean.

Ms. MacDonald then said that the next step was to move the project forward. Mr. Winham said he would write this up and circulate to see who was onboard. He noted the need to get a lot of vetting and he would have Mr. Baker present this at that Planning Board meeting. Mr. Chartrand advised to be mindful of the

fact that this should be done for the next meeting and not to wait until November.

- MRI Planning Process Findings/Recommendations

Mr. Dean distributed MRI executive summary and recommendations sheets to Commission members. They have made recommendations as to how to address issues within our process and answers from survey of land use. The board is reviewing issues and conversing about these recommendations. Hope to take these recommendations and observations and make improvements to our process, working with the Land Use board , staff, and EDC.

- Epping Road Site Walk Recap

Mr. Winham commented that the Epping Road Site Walk was very successful and informative. Anyone who wishes to see this site is asked to contact him and he will make himself available for the walk. He would like to do this with all the members of this board. He extends his thanks to the Exeter Chamber of Commerce for providing a bus and food. Much information was disseminated at this event, everyone had a great time and a video of the walk will be available soon.

Ms. MacDonald suggested that a letter of thanks be sent to the Exeter Chamber on our letterhead.

Mr. Chartrand noted that he found the walk extremely enlightening. He got a good sense of the lay of the land and the challenges therein. He feels that the walk is an essential activity for all members.

Mr. Winham commented that you can probably see everything in about 1 1/2 hrs.on the walk, including Mr. Carlisle's property. Could possibly use the COAST bus, but would need to check the schedule.

- COAST Ride Recap

Mr. Dean said that the ride went well. Good to see the modifications of the route in place with the 3-day service. The route connects to Wildcat and it will be good to see how that works out.

Mr. Chartrand noted that 5 members from the Commission went. The new route extends to Newmarket and back. He urged that the Commission promote mass transit in this area. For every \$1 invested in public transportation, \$4 will go to economic output.

Ms. MacDonald commented that the bus company understood EDC's interest in the town's public transportation and is willing to work with EDC and others to do more promotion of the transit system.

- Ioka Status

Mr. Winham noted that communication between elected officials and owner of this property has been very positive. Owner would like to see something happen with that property. At the Budget meeting tomorrow this will be discussed. CIP is interested in purchasing the property but Mr. Winham will not push the issue as it is a private party interest.

Ms. MacDonald noted that she has had a conversation with Steve Kaneb. He had discussion with the operator who is very interested, so good negotiations are ongoing.

- EDC Ordinance/Not for Profit

Mr. Dean said there are no formal updates as of right now. They have received a renewal notice from the Secretary of State to renew the non-profit piece. He'll take with the Treasurer about that. There will be more information in the future.

- FY16 Budget Items

Mr. Dean noted that COAST has made their request, which is lower than last year's. All items are being considered within the town budget proposal. The Downtown Parking Study is being worked on by Mr. Winham. There is a need for a Commission member to work alongside Mr. Winham. As to Capital improvements, they are talking about the articles and vetting them re: bicycles, pedestrians, etc.

Ms. MacDonald asked if anyone from the Commission would wish to be the liaison to work with Mr. Winham? She also asked what the commitment would be for that person.

Mr. Dean said that individual would be apprised of the process as it unfolds; would need to be in touch with the Budget Committee and serve as an established contact.

Mr. Chartrand noted that he has spoken to the Planning Board re the Parking Plan, so he would be willing to be the liaison for this area also.

- EDC Projects at other Board Meetings

Mr. Dean reported that MRI recommended that any plan the Planning Board has re site plan review that exceeds 65 days should be reported to the Select Board. This would improve our process in understanding delays.

Mr. Chartrand said that the initial report from MRI was received about 2 weeks ago. In this report there is an example of what is in the MRI information received today. He urged all members to study the report very carefully, and noted that a fuller report will be issued within 3 weeks.

Mr. Dean noted that not every project will be 65 days, so members should note that there is a need for a waiver needed only if it's beyond the 65 day review time, and it should be reported out.

Mr. Knowles noted that at the last Planning Board meeting 80 Epping Road was discussed. There will be more of that discussion again this week.

- Project Updates/Announcements

Mr. Winham said that Holland Way looks good and still moving forward. The owner has endorsed the sale to a developer/abutter Lou Garguiolo. It would allow him to execute the sale. He had to put up his own money to do the survey and is in the processing of doing so. Has met with developer. DOT being very pliable. Property is behind and next to McDonald's on Portsmouth Avenue.

Mr. Winham also commented on the interviews for a new Chamber Director, noting that the candidates were excellent. Staffing did a great job in finding the candidates and writing up their interviews and scoring them. Kudos to the Chamber for a job well done.

Mr. Winham then reported on the Epping Road corridor. Developers and interested parties say that they have to spend a lot of money to do the work necessary and bring in experts to figure out what is developable. Mr. Winham has been meeting with Mr. Shafmaster for over a year and he has done a great job of mapping the property and the challenges and setbacks. He went to great expense to figure out what would be most appropriate for that property, considering the market of today.

Mr. Winham said also that Mr. Monahan has done the same. He has had his property logged and is working on one commercial project. There is a better than 90% possibility that this will happen. Same with Mr. Shafmaster on a similar project where Calamar did not go. This is being worked on and there is a better than 90% chance that this will be a go.

Mr. Winham reported that he was sent to an Economic Development Academy where he learned a lot about how things are done in New Hampshire. There was a speaker/colleague who addressed the process in Rochester on a very large project. Mr. Winham was impressed by how tightly the EDC and Land Use Board worked together to proceed quickly on the project. All was done in one meeting.

Mr. Winham is working with the State and REDC to bring speakers to talk at the Town Hall about 45-60 days from now. It will be an opportunity for the various parties involved to get together with the public re what we and they think about multi-use on commercial parcels as well as residential. Also to talk about age-restrictive vs. market rate vs. a combination of both. Mr. Winham will host this talk. It is important for the Commission to face this head on.

- New Business

Mr. Winham noted that an Intern Request was made to UNH. It is in the Economic Development FY16 Budget request.

Mr. Dean mentioned that he had read the sub committee report where they recommended a smaller amount of money for this. Would it be in our interest to support interns in general? Someone needs to help Mr. Winham with the website plus other projects needing attention; it would be good to find an intern with real interest in Economic Development.

Ms. MacDonald noted that the next meeting of the EDC is scheduled for November 10.

Mr. Mueller then announced that he must step down from the Housing Committee due to personal reasons.

Mr. Dean noted that we would need another representative to fill his place. We need to get working to get that committee going. It would be beneficial to do this by November 10.

Mr. Dean also noted that the Master Plan will be a big topic at the next Select Board meeting. Chapter 1 & 2 are being updated by Cliff Sinnott and his group at RPC. In respect to land use and housing conclusions as to what is developable and what is not are almost complete with data. They are also working on other data re affordable housing and how much workforce housing is available. Exeter is well above the State requirements in the area of workforce housing. Data points are being put together and refined and will be brought to the Select Board and the EDC. Numbers from the American Community Survey are HUD related.

Ms. MacDonald felt that the numbers might be skewed by the fact that the pool of properties is not that many.

Mr. Dean noted that Exeter data is lumped in with Portsmouth and there has been a change in the census track.

Mr. Chartrand moved that the meeting be adjourned.

Mr. Lortie seconded the motion.

Meeting was adjourned at 10:20 AM.

Next Meeting November 10, 2015

Respectfully *submitted,*

Donna M. Goldfarb, Recording Secretary Temp