

Town of Newington, NH
Economic Development Committee Meeting Minutes
Thursday, January 28, 2021 Remote Via Zoom

Attending Meeting by Zoom:

Chair Jeff Hiatt, Vice-Chair Mike Donahue, Selectman Chair Ted Connors, Jill Boynton, Bob Raymond, Brandon Arsenault, Alicia Busconi, Selectman Ken Latchaw, Economic Development Coordinator Karen Anderson, Consultant Jerry Coogan and Town Administrator Martha Roy.

Due to the COVID-19/Coronavirus crisis and in accordance with Governor Sununu's Emergency Order #12 pursuant to Executive Order 2020-04, this Board is authorized to meet electronically.

J. Hiatt called the meeting to order at 6pm.

Minutes Approval: T. Connors moved to approve the minutes of December 3, 2020. J. Boynton seconded the motion with all in favor.

Business Portal Website Update Subcommittee:

K. Anderson outlined the changes to the Business Portal noting the addition of a Business News section that contains the links to the Economic Development Newsletters, Town Newsletters, Minutes and Agendas of the EDC. The Demographics section has been renamed Local Characteristics and shows the percentages of the land use categories and the crime statistics as updated by the Police Department. The Major Business Sectors now has direct links to the businesses mentioned, which will hopefully aid in the "hits" to the website. The Infrastructure section has been revamped to address the improvements that Eversource has recently done. The Transportation section highlights the recent improvements to the Spaulding Turnpike.

Work is still needed on the Business Directory, which will be renamed Representative Businesses. Jill Boynton, Gerry Coogan and Mike Donahue all contributed to the improvements.

Budget Update and status of pending utility abatements

Town Administrator Roy told the committee that the EDC's 2020 appropriation of \$20,725 ended the year with \$9,318.47 remaining, although she believes there may be another bill coming in from the Consultant.

The Budget Committee, in reviewing the 2021 budget has recommended a reduction of \$4,999, expressing concerns with the role of the economic development consultant. The Consultant Services line item has been funded with \$1. M. Donahue thanked B. Arsenault for leaving \$1 in the line item because it gives the committee the flexibility to use a consultant if needed. The committee understands that they have to do everything they can to address the budget situation the town faces. The committee will have to really think about expenditures. With the pandemic, it is not known if the committee will

be able to have a marketing event in 2021. More will need to be done with less. B. Arsenault stated that the Budget Committee did recognize the importance of the Economic Development Committee.

M. Roy told the Committee that an important financial issue that the Board of Selectmen is concerned with is Education Funding at the state level. The donor town issue is being revisited again, which could possibly return Newington to a Donor Town status. Last year, the state initiated an education funding commission and their report uses the model that could have Newington funding education at a cost between \$1 million and \$8 million. The town is currently joining a coalition to monitor and oppose this.

EP Newington, the town's largest power plant has been valued at \$173 million by the state in comparison to Newington's assessment of \$290 million. The \$117 million reduction in the assessment could result in an increase of over \$1 on the tax rate. Negotiations are ongoing at this time.

With the uncertainty of both the utility valuations and education funding, the town departments have been working hard to reduce their budgets and the overall 2021 Budgets being recommended is a \$400,000 reduction from 2020. J. Hiatt asked how the tax payments from the retail sector have been. M. Roy said that the only one that has not paid is Seritage (Sears) with no payment made on their 2020 taxes, they owe just under \$100,000. B. Arsenault noted that there should be a lien for that amount and the town would get the payment at some point.

J. Hiatt asked M. Roy if there was any further word on the Brookfield property that houses J C Penny? T. Connors said that he expected to see it close in the next couple of months.

Presentation on Municipal Development Incentives, Darren Winham

M. Donahue said that he contacted D. Winham after the committee had a brief discussion about incentives to attract or retain existing businesses and he read an article B. Arsenault had circulated that referred to Darren's efforts with the State Legislature to create an incentive opportunity that municipalities could offer. He has been Exeter's Economic Development Director for the past six years.

D. Winham told the Board that there are misconceptions on incentives available. He pointed out that Newington's EDC website is very good, and that it highlights the nine business taxes that NH doesn't charge, that other states do. Those states can then provide incentives to reduce those taxes. In New Hampshire the incentives that work well are TIF Districts, RSA 79E Historic Districts and Economic Revitalization Districts. He said that an ERZ is easy to create and there are some state incentives for a company that is expanding. The new tax incentive program allows municipalities to provide property tax relief of up to 50% for a period of up to 10 years. He noted that Newington may have a difficult time getting voters to adopt that provision. Community Development Block Grant money may be available to some towns, although he did not believe that Newington qualified.

B. Arsenault said that there are so many incentive programs in places like Dover, but it seems like they never get ahead of it. M. Donahue said that the town agrees not to collect taxes from them for a while – creating a different revenue challenge. You can offer the tool and if the town votes it in, the BOS can award the tax incentive based on the amount of public benefit, such as investment and job creation. D. Winham said that communities that have trouble attracting business offer it and are successful when companies are looking at different states. M. Donahue said, from a real estate tax perspective, Newington is going to continue to maintain an advantage with an attractive tax rate, under \$10.00 as long as we can increase building to offset the utility reduction. B. Arsenault agreed that Newington already has a tax rate 50% lower than other communities. Dover has all these incentives and the town is putting in a lot of money and they are still increasing the tax rate.

D. Winham said that the town should market Newington's low tax rate more. He told the committee about two opportunities to network with other Economic Development professionals to share ideas, learn about potential opportunities and hear what is going on throughout the state that Newington should have representation on. There is a half-hour conference call every two weeks with Taylor Caswell, Commissioner of Business and Economic Affairs for state updates. There is also a weekly Seacoast Economic Development Stakeholders call weekly that emphasizes the regional approach. These groups are not marketing efforts and there is no cost.

G. Coogan asked about the compatibility of the Economic Development efforts in Exeter with the town's Planning Board. D. Winham said that when he first started the Planning Board worked very hard to get success. Later a workforce housing development in a commercial zone was proposed that brought out a lot of people opposed to the project and they later got on the Planning Board and ZBA and that is currently making the relationship difficult. G. Coogan said he asks that question because every town does it differently, some believe the committees are incompatible and others work together.

D. Winham told the Committee that when this pandemic started, he solicited the Secretary of State for the businesses in good standing and was sent a list of all businesses. He said that he has used that list for Exeter businesses to send out information related to Covid-19 programs. Exeter businesses can sign up to receive his emails as well. D. Winham said that he will send Newington's lists to M. Donahue. He said that it is important to be reaching out to the business community.

J. Coogan explained the Seacoast Economic Development Consortium, which is a marketing group that works together to place an ad in the NH Business Magazine. Different towns are highlighted each issue at the cost of \$2,400 for 6 ads over the year. It reportedly is a way of being involved with the other members of the consortium and network. D. Winham said that he is not aware of that and recommended that someone from Newington be appointed to participate in the stakeholders call with Taylor Caswell – Monday's at 10:30 AM every other week and the Economic Development Director's group that has a weekly call on Tuesday's at 9AM. B. Raymond volunteered to do the

bi-weekly call with Commissioner Caswell. K. Anderson volunteered for the Tuesday calls. J. Hiatt noted that there would be a cost associated with that and the committee will discuss that further.

Seacoast Economic Development Joint Advertising:

J. Coogan said that an ad in NH Business is \$400. The joint agreement would be for 6 ads for a total of \$2,400 for the year. Gerry said he thinks it is a good opportunity for referrals for Newington and it could be tried for one or two years and see how it works. M. Donahue thinks that at this point the stakeholders approach will give us a chance to test drive it rather than spend \$2,400 in a tough budget year. J. Hiatt said that he is suggesting that the committee not proceed with the ad this year.

M. Donahue motioned that the committee table the ad with the SED Consortium and rather take the opportunities that were suggested by D. Winham. Seconded by B. Raymond, Vote was Unanimous.

Business Appreciation Effort

K. Anderson noted that the February EDC Newsletter will be going out next week and highlights McGovern Auto, Aldi's and the Business of the Month is James Verra & Associates, recognizing their 30 years in Newington. The next issue will have an article about Custom Pools, as they will be 50 years in Newington in a few months. A citation will be prepared, similar to what was done for Rockingham Electric for the EDC and BOS to sign.

Retail Sector Update

A. Busconi shared a recent market report from Boulos commercial brokers with the committee, noting that Newington is showing the largest office vacancy rates of the Seacoast area at almost 30%; asking rents are \$14.50 sq. ft which is a little higher than others (except Pease and Portsmouth). On the industrial side, Newington had no vacancy with an average rent of \$6.25 sq. ft. The low rent shows how hard it is to build an industrial building where the investment required cannot be covered by the low rent.

A. Busconi explained that if the mall were to convert to a distribution center, the rent would be at a much lower rent than a retail use. B. Arsenault pointed out that the office space shows a small sample size only 93,385 sq. ft., with an average asking rent that is really high. Alicia is going to look into the specifics for this.

The retail sector shows that the daytime population size is pulling from the other communities. A. Busconi pointed out that it is interesting to think about the population that is going to Newington during the day and what they are supporting. Food uses are very popular and strong. If there is a redevelopment plan for the mall, would there be the office space need to be filled at that location. A. Busconi said she will email the report to the members.

B. Arsenault pointed out that there were many ways to look at this information, one way is that Newington is surrounded by office rich communities that have low vacancies and may benefit by how full the other towns are.

Upcoming Commercial Property Owner Meetings

J. Hiatt told the Board that he has scheduled two meetings with commercial property owners that will be conducted through Zoom and welcomed all members to participate. To be in compliance with the Right To Know law, the meetings will be posted. The first scheduled meeting is on February 10th with Christian Stallkamp on mixed use opportunities and the Newington Office Park. M. Donahue noted that Stallkamp was a commercial broker w/ Boulos the firm that prepared the study Alicia presented and that he currently represented Newington Office Park in offering their property for sale.

On March 3rd he will be meeting on Zoom with representatives with Waterstone. That has done redevelopment of the former Southgate Plaza in Portsmouth which is now known as Portsmouth Green and has a residential component with documented low school impact. J. Hiatt is also working on presentations by others, including Greg Mikolaitis a site engineer on how mixed use can be done. A link will be put on the website and the presentations will be posted.

Contact with Rollins Farm River Terminal LLC

J. Hiatt said that he had some limited email with the property owners and they are reluctant to further any other interactions; he'll keep trying and report if anything results.

Meeting with Planning Board

J. Hiatt said that a joint meeting with the Planning Board has been discussed and needs to be set up. Jeff will again reach out to Planning Board Chair, D. Hebert about that. M. Donahue noted that one obstacle to a joint meeting was that the P Bd. was not as yet using Zoom to meet remotely. B. Arsenault said that coordination between the two boards is important and the consultant position was that liaison. Currently the Planner is not authorized to work with the Economic Development Committee. G. Coogan said in an ideal world, the planner would also assist the EDC. All agreed that the coordination with the Planning Board is very important.

New Business

Funding/Priority obtained for Upper Piscataqua River Turning

M. Donahue reported that the good news that \$18.2 million has been included in the USARMY Corp budget for fiscal 2021 as a result of the efforts over eight years by Town of Newington, Pilots Association, Senator Shaheen and the State Congressional delegation. The funding is to enlarge the turnaround basin in the Piscataqua River. Currently, to turn around ships have an 800' radius, this project has been designed to provide for a 1,200' radius. The project should increase the potential capacity at the terminals and be a safety factor. All permits are in hand. In addition to the \$18.2 million, the State of NH appropriated \$7.6 million that is under a freeze right now. The last step will be for the Governor to release the funds.

News Communications/Topics

Upcoming newsletters articles will report on the basin project, and perhaps the medical community and in-home businesses in Newington.

Proposed Zoning Changes

The committee discussed the proposed zoning changes that will be voted on in March. The articles add additional negative wording to the existing regulations that already prohibit residential uses.

J. Hiatt said that he is concerned that this won't make Newington look favorable to the developers.

M. Donahue had concerns that the Economic Development Committee was not aware of the articles. He wrote a letter as an individual, stating that the process was flawed, which was reviewed by the Planning Board and then the meeting proceeded.

B. Arsenault said that he was under the impression that you couldn't put residential in the commercial and office zones. M. Donahue confirmed that current zoning doesn't allow residential uses in the commercial, office or industrial zones except for a small area of the office zone west of the Spaulding where workforce housing is allowed. His perception is that the wording is superfluous and to highlight conditions such as noise, fumes and vibrations risks losing businesses that we are trying to retain and attract and is not necessary. J Hiatt added the ordinance would be better amended to be friendlier to mixed use rather than to add language that creates more barriers to any potential mixed use. The Master Plan speaks about the rural character of the town and if the tax rate increases, people will be forced to subdivide their land, resulting in less farm land and open space in the residential district.

Potential contact with Taylor Caswell, Commissioner, NH Department of Business & Economic Affairs

G. Coogan pointed out that Commissioner Caswell is the State's contact for the offshore wind project and it could be important to invite him to Newington for a site visit and show him around and express Newington's interest. M. Donahue said that though it is up to property owner for the Rollins Farm (Mahoney)property to suggest that location, it would be good if it could be considered for the marine support facility.

Recommendation of designated POC for companies interested in Newington

M. Roy said that currently she and John Krebs take the calls from developers or businesses interested and share as much information about Newington as they can. She said that she keeps the Board of Selectmen informed. She will check with the Planning Board about putting the Town Planner's contact information on the website.

Adjournment

B. Arsenault moved to adjourn at 8:00 PM. M. Donahue seconded the motion with all in favor.

Respectfully submitted,
Karen Anderson
Economic Development Coordinator