

MINUTES OF ECONOMIC DEVELOPMENT COMMITTEE  
MEETING  
EXECUTIVE CONFERENCE ROOM

JULY 11, 2014 – 8:00 A.M.

Committee Members present: Councilors Sean Collins, David Witham, Dale Sprague  
Councilor Jonathan McCallion, Chair, arrived at 8:15 a.m.

Administration/Staff present: City Manager Bob Belmore  
Finance Director Scott Smith  
Director of Planning and Development Dave Sharples  
Economic Development Manager Christine Soutter  
City Clerk Diane DuBois

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Vice Chair Witham called the meeting to order at 8:06 a.m.

1. APPROVAL OF MINUTES.

**Councilor Sprague made a motion to accept the minutes of the April 17<sup>th</sup> meeting. The motion was seconded by Councilor Collins and passed 3-0.**

2. RAIL SERVICE ADVISORY COMMITTEE, RE: RFP DEVELOPMENT.

Councilor Sprague said they considered it was time to put out an RFP study on passenger rail service and open a line and possible connection to the Downeaster Rail. Tony Donovan wrote the RFP and we put it into our standard form. A draft was sent out yesterday.

Councilor Witham said this would put data behind it such as the current condition of rails, population centers, and the best site for it, etc.

Councilor Sprague said it would give us a number on what it would cost to do the work.

CM Belmore said it would look at different types of facets such as economic development, businesses, commercial, industrial, etc.

Councilor Witham said the thing that strikes him as beneficial is that it tees us up for grants that might be available.

Councilor Sprague said we have to have a study that gives information. We need the RFP to have a transparent process. This could cost between \$15,000 and \$20,000. There might be some grants available for this. Senator Watters plans to put this in the ten-year highway plan for study for the seacoast. Portsmouth is really talking about this also and other communities want to get on board. The rail that goes through Portsmouth services the Navy Yard. The more people you have on board the better off you are.

City Manager Belmore said because we had the presentation and workshop on rail service and because we have a Rail Advisory Committee, he feels comfortable with working with staff to get this RFP out. We are spending staff time and going with it without going to the full body. We will get this on Channel 22 and the City web site. He would like guidance on who should receive direct mailings.

Councilor Sprague said there is a Rail Committee that would have all the correct contacts for this type of thing.

Dave Sharples said he will reach out and see if he can find out the right contacts to mail this to.

Chairman McCallion arrived at this time.

City Manager Belmore mentioned that the Transportation Fund could be utilized for this if we get a proposal that looks worthwhile and affordable.

**Councilor Sprague made a motion to have staff develop an RFP with regards to a rail service study. The motion was seconded by Councilor Collins and passed 4-0.**

3. HILLTOP SCHOOL BUILDING REUSE, RE: ECONOMIC DEVELOPMENT.

Chairman McCallion mentioned the Mayor has met with various officials plenty of times at the Hilltop building.

City Manager Belmore stated there has been some development regarding the Hilltop School Building. Mayor Hilliard and Councilor Soldati will be sponsoring a resolution to see if the City Council wants to direct the City Manager to engage the Bond Council to pursue a possible bond for needed improvements. We have met several times to see if we can get the numbers down from what was presented by the architect. We were able to eliminate one improvement to one side of the building that brought the cost down by \$250,000. It would still cost between \$3M and \$4M to bring the building up to code. We could go after some grants for fixtures, etc., and as much as \$1M through a federal Economic Development Grant, but then we might still be looking at bonding between \$2M and \$3M. There will be a resolution so the City Council can discuss whether they want to go after the money or come up with a different plan.

Finance Director Smith explained that there would be two parts if the Council decides to go for a bond:

- City Council will have to hold public hearings to develop and establish that the project is for economic development purposes.
- Find out whether it is taxable or non-taxable for municipal financing.

It is a little different than traditional practices and we want to go through the proper process. We would be looking at bonding for ten to fifteen years. Based on a twenty year bond, we would be looking at about \$240,000 per year.

Councilor Sprague said he does not know what the plans are from the Hilltop Committee. He does not see this. It was supposed to be the hilltop people, now it has become our funding project.

Councilor Witham said he floated the idea of the bond so the Council could discuss it and make an informed decision. Those that strongly support this feel that arts and culture would benefit the community and be part of an economic development strategy.

Councilor Sprague said before he agreed to spend that much money on this project he could vote to hire more cops to clean this City out so that more people would move in.

#### 4. MISCELLANEOUS.

Councilor Witham said we had discussed the idea of selling the parking lot behind Nard's and wondered what became of that.

City Manager Belmore said it was tabled until the downtown project is done.

Councilor Sprague said he thinks we should, as a City, pull out of the Chamber of Commerce. He feels it is a conflict of interest because we have a Council member who is the Director of the Chamber. When we have been looking at bids we have sometimes been asked if they are a member of the Chamber of Commerce. We should be thinking as a City of pulling out of our own Chamber.

Councilor McCallion said that if something inappropriate like that happens it should go to the Mayor to be referred to Government Operations or the Ethics Commission. The Chamber of Commerce is like a cheerleader for businesses. They have to have a good relationship with the City and community members to grow businesses.

Councilor Witham said he believes the City belonging to the Chamber of Commerce is a valuable relationship. He does not have a strong compelling need to take us out of the Chamber.

Director Sharples said that SB347, relative to municipal enforcement of land use ordinances, was signed into law on 5/27/14 to be effective 1/01/15. We are researching what action needs to be taken by the City Council to enact this legislation.

City Manager Belmore said we have a landlord who owns 3 properties on Main Street that are in disrepair. He has taken care of the more immediate hazards, but we still have a series of code violations that concern us. We will be holding a conference call with our City Attorney to finalize what action we will take and where we go from here. The Fire Chief has contacted the State Fire Marshal's Office. We will partner them with our legal counsel and will move forward.

Councilor Sprague asked if there is any way we could put someone on probation for two years when we encounter these kinds of situations. City Manager Belmore said we had a discussion regarding that a couple of years ago. We can revisit this.

Chairman McCallion commented that if we adopt SB347 it will help our community. He wondered if there is a way we can expand on it. Director Sharples stated we can only do what State law allows.

Chairman McCallion said he noticed a big sign on the Garabedian property. He wondered if they have contacted anyone in the City regarding any plans they have for the property. The sign has been up for a couple of weeks. We should start some dialogue with them if they haven't contacted us.

City Manager Belmore said the RFP's for the former police station are due on 7/17/14. We usually get bids a day or two before the due date.

5. ADJOURNMENT.

**Councilor Sprague made a motion to adjourn. The motion was seconded by Councilor Collins and passed 4-0.** The meeting adjourned at 8:53 a.m.

Respectfully submitted,

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Diane M. DuBois, City Clerk