

**SPECIAL COMMITTEE ON  
JOB CREATION/JOB RETENTION & ECONOMIC DEVELOPMENT**

**April 16, 2012**

**4:30 p.m.**

Chairman Arnold called the meeting to order.

The Clerk called the roll.

Present: Aldermen Arnold, Ludwig, Long, Corriveau, Katsiantonis

Alderman Katsiantonis left the meeting at 5:00 p.m.

Messrs: J. Minkarah

Chairman Arnold addressed item 3 of the agenda:

3. Presentation by Jay Minkarah, Economic Development Director, regarding recent economic development projects.

Mr. Jay Minkarah, Economic Development Director, stated what I thought I'd like to do is expand on that topic a little bit, and since this is kind of the kick-off meeting of the committee, maybe give some background information on Manchester's economy generally, what we focus on, why we focus on it, and hopefully walk through the initiatives that we're currently working on. If I may, this isn't all that formal of a presentation; a lot of these are talking points so I'm more than happy to take questions as I go along. First of all, and some of you are aware of this, I want to of ground us with talking about what develops our policy guidelines and strategies and there are a few key documents. The Global Economic Development Strategy by Angelo Economics that was done in 2005, and I understand that you did get a copy of a portion of that, actually has three sections to that; sections one, two and three, and I think you got section two. There is a lot of good information in section one. Section three is what I'm going

to be focusing on, that's where the strategies come from, it's a lot of material, and it's worth looking at. All three sections are on our website so I'm not quite sure what you got, but I do have copies here. They are very, very large and quite honestly printing the whole thing out is probably more than you want to do, but maybe peruse through it when you have a chance. It was a very comprehensive study done in 2005, so it is a little bit dated, but there is a lot of good information there. That was actually done under a \$75,000 contribution from the Manchester Economic Development Corporation. That was fairly expensive at that time, but it's something worth looking at again. In 2008 we did the comprehensive economic development strategy; I can also get that for anybody who is interested. That's actually a requirement by the Economic Development Administration if you want to get certain kinds of funds, but that is primarily focused on development initiatives. It kind of talks about what and where our development priorities are. That was adopted by the board in 2009. That's also, of course, a guide for us. Then, of course, the master plan I actually put up here was adopted in December 2009. We don't have that on our website so I just copied for you two sections of the master plan that deal a lot with economic development. There are other sections, but really the downtown section, and of course the economic vitality section, and those also informative of what we do. So when you kind of look at the goals that we have and the strategies that we have, that's really where these come from. We also have the Regional Economic Plan that was developed by Southern New Hampshire Planning Commission in 2010. That's not an official document of the City but it does apply to the region so we also rely on that. That has actually validated some of the stuff that we did in the past. Posted are our overall goals. You have seen on tomorrow night's agenda there is a much detailed section of goals so I'm not going to really spend a lot of time talking about this. Obviously our overriding goal is to develop the economy of the City. That's expanding the tax base, job opportunities, business investment opportunities; you can kind of see where we focus on a lot of areas. I'm going to get into focus areas

a little bit more as we go along. Unless you want me to dwell here, I'm going to move on a little bit. What I have posted is hard to see but getting an understanding of where we are in terms of employment in the City is very important, and it's going to play into some of the things that we talk about in a moment. Overall I didn't put this up there, but right now our most recent unemployment estimates are 6.3%, and that's of course higher than we would like to be. We compare favorably to most of the country; we're at about 5.7% as a region, so we are a little bit higher than our region and a little bit higher than our state. Right now just about the slight majority of Manchester residents, people in the workforce, work in Manchester. It is about 52% so almost as many people commute into the city as commute out. We only actually have a net of a couple of thousand more people commuting in. So there are a lot of dynamics at play; that's kind of why the region does matter. What you're looking here are the top economic sectors that people who are working in Manchester are employed in. Towards the middle of the screen you can see healthcare and social assistance really, really jumps out at 10,800. That's overwhelmingly the largest category. You could also see if you go over to the left, and by the way, at the top of the page you can see for jobs in the city what the average weekly wage is, which is the \$968 figure. So even though healthcare is generally often seen as high paying, this category does include a lot of relatively lower paying jobs. This includes things like nursing homes, for example, and a home health aid worker who don't make quite as much. But that's a major category for us. Next is retail trade, also somewhat of lower paying, although not as much as we might think. Food service is a much lower paying, that's actually about two-third lower than the average weekly wage, but that's another big one for us. Very importantly what you see is professional and technical assistance or services. That's another very important concentration for us, and almost to the top of the page is manufacturing. I think some people don't fully appreciate how important manufacturing still is. There are over 6,000 manufacturing jobs in the city, at 150 different facilities, and again, the average

weekly wage there is pretty high. Going back to professional and technical assistance, again going over to the wage side there, you're looking at over 50% higher average weekly wage. That's a very important category for us. What you kind of find as you go along, there are different ways that these kinds of categories get lumped together very commonly. For instance, professional and technical service you might see and these other ones like finance are lumped in, information technology is lumped in. This kind of puts a playing field as to where our major employment concentrations are. Another area that we look at, of course, a lot is vacancy. This is the industrial market for Manchester, and you can see I put up some other cities and you can compare us to just for comparison sake. Manchester being in the middle of page, my highlighting didn't seem to translate. We have just under nine million square feet of industrial space in the city and our vacancy rate is just under 10%. That compares very favorably to the rest of the state, which is 13.9%, and to some of our competing cities. Nashua has the largest concentration of industrial space, so it is very, very close and sometimes you will see that we kind of flip to the top position. Sometimes they are on the top position because vacancy is much higher there. This is something that we look at closely. There's actually not a great deal of vacant industrial space in the city. Most of what we find are fairly small blocks of space in kind of multi-tenant buildings. Our biggest concentrations, of course, are out in the East Industrial Park Drive area and around the airport.

Alderman Corriveau asked Jay, of the roughly 10% vacancy rate for 2011, how does that compare to prior years, especially once the economic downturn started in 2008, 2009?

Mr. Minkarah replied it's higher, but it's not a lot higher. We were about in the 8% range I think at our low point. So there really isn't a whole lot out there when it comes to the industrial. A lot of the space, and this a challenge for us, the good

space gets gobbled up very quickly. There are a fair number of people out there looking for good industrial space, and by that I mean particularly modern high-based base. A lot of what you see out there that's vacant now is tougher to lease. You do have some decent stuff out there, but the stuff that's really in demand, there's very, very little supply of that right now.

Alderman Corriveau asked is the vacant commercial properties, industrial properties, anything along those lines, is it concentrated more in any particular part of the city or is this a citywide issue? How would you kind of explain that? Is it downtown oriented? Is it industrial park oriented? Retail? I don't know.

Mr. Minkarah replied what you're seeing up here is strictly industrial space, and most of it is going to be out in East Industrial Park Drive area or around the airport. We don't really have large, empty buildings. What you find is you've got a multi-tenant building in some part of the city that has maybe commercial condos in it, industrial condos in it, and you've got one or two that are vacant. That's typically what you see. There are some exceptions to that. We do have a couple of buildings out there that are vacant, but there isn't a huge amount. You have some in other areas of the city. For instance, on South Elm we have two buildings now that would be classified as industrial that are vacant. Realistically those are probably going to become some sort of commercial use, probably not an industrial use when they sell. So we see that kind of a thing. But probably the biggest challenge we face isn't filling the vacant space that's out there, it's meeting the demand for that new type of high-bay space that there is very, very little available right now. That is a challenge. Of course, also looking when you compare looking at a community like Nashua, which has more space than we do, the vacancy rate is much higher, but do notice as I always do, Londonderry and Bedford, both of which are neighboring communities, have a lower vacancy rate than we do. Our challenge for the future is where are we going to develop new

space that's going to meet new demands. Of course that's why you're going to see running through this in a few places, it is why places like Hackett Hill matter because it's one of the few opportunities that we have to do that, if that's what you choose to do.

Alderman Long asked does this include the millyard?

Mr. Minkarah replied it does, but most of the space in the millyard isn't classified as industrial. There is some that's classified as industrial that will be in here, but most of it isn't, and that's kind of going to lead into my next slide, which is office space. This is where we have a more significant challenge. First of all, just looking at the figure there, with almost 7.5 million square feet of office space, Manchester has overwhelmingly the largest concentration of office space in the state; 40% higher than the next largest community. That's because we have this huge concentration of business, professional and financial services. The largest chunk of that space is downtown, and as you can see, when you look at the vacancy rates it is 17.4%. That's a significantly higher percentage than we would like to see vacant. You look at the state as a whole at 17.1% and that is also high. Kind of looking up and down that whole list, vacancy rates for office are high generally and there are a number of reasons for that. It is our challenge because we have so much of it, especially downtown, it's a challenge generally because there are a lot of trends that are happening out there that are impacting the way office space is being used and it is something that we have to really think about. I'm happy to dwell on that or come back to that or just kind of move on. We'll come back to it a little bit later. This comes out of the Angelo study, and I don't know if you had the chance to see it. But when we focus our economic strategies, we have to focus them on something and basically what we look at are target industries, we want a broad base of industry, we want a good mix, and when I say industry, I mean business and industry, I don't just mean manufacturing. But we

do want a good broad base, but our resources are limit, there are certain places where it makes sense to concentrate and there are certain places where it doesn't make a whole lot of sense to concentrate. What this chart shows you, you see the dotted line kind of going up in the middle... First of all, New Hampshire is that, at least to my eyes, the purplish color, the darker bar is Manchester. So we're comparing Manchester and New Hampshire, and what that dotted line means is the national average. So anytime that you see, as I'm looking at it, you see our lines going to the right of that dotted line, it means we have a higher concentration of business in those industries than the national average and some of them are quite to the extreme. So when you look up at semi-conductors, the manufacturing of semi-conductors when this was done, was 5.6 times higher in the Manchester area than the national average. That means we have a very strong concentration in that area. We have a very strong concentration in electronics, aerospace and defense; you can kind of go down the line. When you see in apparel and textiles, by the way, that's primarily Velcro because Velcro is considered textile. That kind of threw me when I first saw that as well. So when you look at these clusters where they are so strong, naturally those are areas that make sense for us to concentrate in. That is where we have the skills, and that's where we have the industries that can benefit from working with each other. The next posted chart is hard to read but the bottom line is concentrating on industries primarily that are on the right upper quadrant are what makes sense. Without going into a whole lot of detail, the size of the bubble is the relative size of that industry concentration in our area, and basically you can kind of see if you are on the lower part, we are weak in that area locally, if you're on the left-hand side, this is an industry that's shrinking nationally. So what we want to be and what we want to focus on are industries that are first of all growing nationally, they are on the right-hand side, and ideally are areas we have strong concentrations in. You can't read it that well, but this is dated 2005. For instance, that gray bubble that you really can't see well, that is construction. As we know, construction is not going in that direction

anymore. So there are some changes that we need to look at, but this is where you kind of see why we want to concentrate on areas like software and IT, business and professional services, healthcare as well, electronics, and this kind of informs us of how we get to our target industries. These are the target industries that were recommended in the Angelo study, and for the most part, these are still true today. There are a few areas where I deviate a little bit, but again, you can see business and financial services, software and IT, defense and advanced security, medical life sciences, and aviation. When you look at target three, that's where most of what you see before is semi-conductors and electronics, most of them are focused somewhere in that defense and security chain. So they can be used for a lot of things but that's primarily what they're doing. Companies like EPE are an example and there are many, many more examples. I don't want to spend a lot of time on this next subject, but this kind of talks about why we look at these niches, why we have the strength in these areas and why it makes sense. And these are still true. These are areas that, despite the recent economic issues, are growing, we have strength in them, they are high paying, and it makes sense to concentrate on these areas. Software and IT is an area that has grown tremendously, again, despite what has happened economically. This is companies like Dyn, providing Internet services, or Single Digits, it's also software firms like AutoDesk, a very, very important and growing niche for us. It doesn't show it here but also a high-paying niche, and because of our proximity to Boston in particular, this a really, really good area for us to concentrate in. Again, we have mentioned defense and security. There are a lot of different businesses that are focused on feeding into this supply chain. We have a lot of manufacturers that are suppliers to say BAE, Raytheon, so this remains an important niche, although I will say we know that cuts in defense spending are coming eventually, it appears likely, and that's a little bit of a concern in the back of my mind. I'm always concerned about different trends out there. Medical and life sciences are areas that make sense to concentrate on because it is growing nationally because of our proximity to

Boston. I will say though that when it comes to life sciences, everybody is focused on life sciences, that really is a challenge for us because we don't have a research based hospital or a research based university in Manchester. And although we're close to Boston, which is great, not having that makes it a challenge. Medical devices we have a much stronger likelihood of attracting here because a lot of that can also relate to electronics and to some of the other industries that we have. We do focus on life sciences but we put more of an emphasis on medical devices. Aviation, of course in relation to our airport, makes a lot of sense. When we say aviation, you can see the kinds of things that we're talking about, primarily things like freight that matter and your aviation related businesses. We do have some manufacturers also. Companies like Aviation Technology that are providing testing and repair equipment, so that is a decent niche for us, but of course, we're always concerned seeing passenger activity drop off, that makes me a little bit nervous. I mentioned areas that we focus on, but the whole city obviously matters but there are certain areas that we do focus on a little bit more. Downtown, the millyard always is a focus for us. It's because of its relative importance to the City's overall economy, and we have had in recent years put a very high emphasis on the South Elm Street area, River's Edge to Granite Street, including to where the Market Basket is going in, housing development by the ballpark, and that whole South Elm area we see a lot of redevelopment potential, gaslight district, etc. On the west side it's really that commercial core that I would say is between the Piscataqua River roughly and the Amoskeg bridge and kind of McGregor Street to the river, where CMC is, where a couple of the parcels that we have focused on on Granite Street, and Hackett Hill has also been a target area. Getting into what kind of projects do we focus on, and I'll just kind of step back because I don't know if it is clear in the presentation, but there are three key areas that we focus on: development projects, business assistance and marketing, and promotion of the City. There is a lot of overlap in these areas. A lot of the bigger development projects, our role has really ceased. Things like

River's Edge, we're no longer actively involved, we're not the developer, and we're not actively involved at this point in at least part of the Hackett Hill property, although I think it's a good juncture to kind of throw out there again that we have the northwest business park at Hackett Hill. We also have 300 acres at Hackett Hill that are not a part of that deal; that's something that's just worth us keeping in mind. Brownfield redevelopment has become a significant focus for us and quickly, that's the redevelopment of any property that is somehow tainted by contamination, whether that's hazardous materials like petroleum. It might sound scarier than it is, that's extremely common in Manchester just because of our industrial history. We got a \$400,000 grant that we've spent. It's a three-year grant, we're in the middle of it now, and we've spent about half our funds on four redevelopment sites in the city and hoping to continue to be able to use those funds, because essentially what we're able to do is cover costs of all of the site investigation work, development of remedial action plans, everything except for actual cleanup and that's been a really, really significant benefit to some of these properties. MDC development loans we focus on as well. The LaQuinta was the most recent one. We've actually had two that were just paid off for Benefit Strategies.

Alderman Corriveau asked Jay, what are the four redevelopment sites for brownfields?

Mr. Minkarah replied the Queen City Inn, the Coca Cola building on the west side, the Granite Street property where the Dunkin Donuts is going, and mill west. MDC right now still has in the area of around \$2 million to lend, so it is something that is out there potentially for more of these projects. Amoskeg, millyard, historic district certification I have put here, I could have put somewhere else, but we're in the final steps of getting national park services approval of our local district, so we can get that 20% tax credit available here. We think that's a really significant

incentive, so we're hoping that that will go through. The revolving loan fund under the business assistance, these are kind of the key areas. The revolving loan fund has been a key one for us. We've done a number of businesses this past year, actually fewer than in the last two years. Activity I think has dipped a little. Not all of these businesses succeed unfortunately, but we think that this is still a very, very good program. Code compliance and façade grants; we've had a lot of activity with those. These have been very, very popular. There is no longer any funding for those but we hope that there will be at some point in the future, and at any one time we have at least a dozen businesses that we're working on, usually start-ups or people looking to locate in the city.

Alderman Long stated could you go back to the 20% tax credit. Could you just expand on that? Twenty percent tax credit, is that for the developer?

Mr. Minkarah replied yes.

Alderman Long asked and tax credit on their personal income tax?

Mr. Minkarah replied yes. Basically the way it works is right now you can qualify for a 20% federal tax credit. If you're doing a substantial rehab of a building that's either on the national register individually or it's in a national registered district... Twenty percent is a really nice incentive, that's 20% of the cost of the rehab work. The catch is if you want to look at it that way, you have to follow national park service standards. So you have to restore it in its historically appropriate way. So that is the trade-off. We are not a national registered district. What we discovered though was that you don't have to be a national registered district if you can get your state office of historic preservation to certify that we meet the standards of the national district, but our local district is as stringent. So that is what we've done, we've got in the hands of the national park service, with

our EDA grant we hired a historic preservation consultant to help us make the argument, so we're crossing our fingers now. It's in the hands of the national park service and we're hoping that we'll get that approved. This will be a very nice incentive.

Alderman Long asked with the application process, does the City have any involvement? Is it passed through the state or is it a federal application?

Mr. Minkarah replied the state made the recommendation to the federal government. We're not involved in it, there's no City tax credit involved, and it's all federal.

Alderman Long stated as a developer I would apply to who? The feds or the state?

Mr. Minkarah replied you would probably have to hire a consultant, and you apply to the national park service. You do have to work through our state historic preservation office as well.

Chairman Arnold stated if I can, and I realize there's a lot of information here, and I thank you very much for taking the time to go through it because you brought up a couple of different things, one being the Manchester Development Corporation and the other thing being the revolving loan fund. I just wanted to ask for clarification for individuals who might not be familiar with the revolving loan fund and how that relates to jobs in Manchester. This isn't just a special committee on economic development activities, but specifically job growth and job retention, which is certainly something that the people of the City can understand personally and very acutely. We can acknowledge generally that businesses create jobs but people in this building are in a position to help facilitate

job growth. So if you could further explain sort of how the revolving loan fund works.

Mr. Minkarah responded absolutely. I will start with how it is funded. It is funded from two primary sources. Originally most of the money came to the Community Development Block Grant program, so there are CDBG funds that the City allocated to the revolving loan fund. Once those are lent out and paid back, the money goes back into the fund, and you can use it to keep making additional loans. In fact, that's all you can use it for. Manchester Development Corporation has also made about \$800,000 available to lend through that program. In both cases the funds have to be used by new or expanding businesses specifically that are creating jobs. So job creation is a key part of it, and that's a requirement and something that we also have to document.

Chairman Arnold stated if I recall correctly, part of the interview process or the application process that a business or a prospective business has to go through is demonstrated in great detail about how many jobs, what sort of jobs, are they full time or part time, etc. to the selection committee. Is that correct?

Mr. Minkarah replied yes, absolutely. I will go on. Broad range of assistance I think is the other point, a lot of referrals, a lot of working with different businesses on a variety of issues. Marketing and promotion is a big part of what we do. The funds are limited so we leverage them as much as we can. The website that you can kind of barely see posted, but that's yourmanchester.com website that we maintain as our main vehicle. We also use social media.. The Manchester Development Corporation gives us \$20,000 a year, or I hope that they will continue to do that, but they have for the past few years. That's helps supplement what we get on the City side so we have to be very, very selective. Mainly what we're using their funds for are advertising and trade shows. Of course as you can

see, our trade shows tend to be very focused to our target industries. This commercial that you're about to see runs once every morning, five days a week, between the hours of 5:00 a.m. and 9:00 a.m., it runs in four Boston submarkets, Boston, Cambridge, Lowell, and what I like to call the W's. What you're going to see now is the general ad, we have switched this out now for a Small Business Week ad, so sometimes we do change it out, but we think it works. That is our pitch in 30 seconds or less. I mentioned we do trade shows, but we don't do too many. The big one we have coming up is the Electronics and Bio-Med Show in Boston that is later this month. We do a lot of what we call co-op ads and this is just an example. In this case it is restaurants. Fine dining is a focus of ours because it helps to kind of build the quality of life in the community, it's attractive. When I say co-op ad, basically in this case we partnered with six different restaurants, and basically we buy a full-page ad in a local magazine so we get a better rate for everybody by a larger buy, we run six of them, we participate as a 7<sup>th</sup>, so for basically pretty small money, everybody benefits and they get a lower cost ad. Each month a different restaurant is featured but everybody gets to be on the ad. These are two examples. We have done the same kind of thing with law firms, with banks, with colleges and universities. It's a great way of leveraging our resources, benefiting them, and again, making the point that we're trying to make, we're a financial center, we're a business center, we're a fine dining center. A few of the other things that we do is we do a lot of special programs and events. We can partner with a lot of other groups to make these happen and we leverage these for marketing purposes. Things like Small Business Week is a way of helping businesses grow and start in the City by connecting them to resources. It's also a way to market and promote, and some of you will have heard at the Manchester Development Corporation's annual dinner the TV commercial that we're doing, now is running the radio commercial and this will be running in all of New Hampshire, northern Massachusetts, Maine, etc. It is the same kind of thing; we're promoting the event but we're also marketing and

promoting the City at the same time. Obviously the chili cook-off is another example of that, and we'll be doing something similar to that, and if we can afford to, we'll be doing TV commercials as well. We'll be switching out what we normally do with this, radio, we do a number of other events, conferences in the City and again, it's a way of bringing people here by marketing and promoting it. I mentioned the downtown office issue and that's a significant one for us that we also have some of our EDA funds to bring in a marketing consultant, actually a site selection consultant, named John Rhodes who is the same guy who did Southern New Hampshire Planning Commission's plan, so we actually developed a kind of targeted strategy just towards that issue. This is basically the strategy for filling office space vacancies, and I'd be happy to make that available to anybody as well. We have an arts and cultural initiative that we focus on, we have some higher ed initiatives that we're also focused on. These are all key issues. I don't have time to get into all of them now, but I imagine as time goes on we might spotlight some of these areas perhaps and get into them in more detail. That is my presentation.

Chairman Arnold stated thank you very much, Jay. A comment that I wanted to make before any additional questions are entertained is just to let the committee members know what I envisioned for this committee was this being its first meeting; it would be largely organizational in nature. I asked Jay to come in to make a presentation to make sure that all of the members of this committee and anyone else following along is aware of the resources that we have already, invested time and those who provide data to us that are sort of target industries, where over the last several years we have monitored growth where we at this point, see ourselves going in the future for additional growth. But I wanted Jay to come in and sort of give that foundation of knowledge. I'm sure he's happy to entertain any questions right now that committee members might have. Subsequent meetings what I anticipate, and of course I'd be happy to entertain

discussion from the committee, is bringing in perhaps a different stakeholder each committee meeting for a brief presentation. I see a representative from the Chamber of Commerce in the gallery today and we're discussing putting them on our docket for the next meeting to have them come in with some representatives to voice what they believe to be concerns that should certainly be on the radar screens of people at city hall and how we can help address these issues. With that, if anyone has any comments or questions for Jay.

Alderman Corriveau stated Jay, I think you alluded to it, but when you have that report on vacant office space, could you make that available to the committee or maybe even come to the committee and testify so we can read the report and ask you any questions.

Mr. Minkarah responded I would be happy to do both.

Alderman O'Neil stated thank you, Mr. Chairman. It was very informative and for me it was very refreshing as someone who has been around here a little bit. So thank you, Jay, for that, and thank you for your efforts. There are two things, Mr. Chairman, that I think we could spend some time on, not necessarily today, but one of the things I think would be important that this committee coordinates with the Public Safety, Health and Traffic Committee. I believe there is a parking update going on now. I think it's in its infancy. I think Alderman Long is a little bit in the loop on it, but Alderman Long and I have spoken how that is a challenge and that study as well, I think, is about six or seven years old. We were on a roll with doing some studies and moving forward on some things, which is a good thing. But how is parking in the millyard affecting opportunities to bring jobs into the city, how is parking downtown, as Alderman Long points out to me... They are two totally different areas to address. We can't group them together because their needs are much different. I think that's something that would be good for the

committee to get a handle on, that parking study and what changes could be made in the parking study and working with the Public Safety, Health and Traffic Committee to implement and to help improve opportunities. The second one, and I had a chance to glance at Mr. Stewart's letter from the Chamber, I think the regulatory and permitting process is an area that the committee can work on. We have a lot of good people but everybody is in their own silo and that's not what we need. I found Mr. Stewart's memo that was reflecting many members of the Chamber, very informative, helpful, and to be honest with you, very frank. He didn't dance around on anything. So I hope that the committee takes that and tries to create a system where we can be a little more user friendly and not have all of the various departments that have regulatory control operating in their own silos. Thank you, Mr. Chairman, for your time.

Chairman Arnold stated thank you very much, Alderman O'Neil. I agree with you, particularly in regards to the letter that was submitted by the Chamber. I've had some conversations with Will and I think several of us on the board have had conversations amongst ourselves about the need for a streamlined process and consistent process for regulatory issues. I certainly hope that that's an issue that this committee takes a look at and perhaps makes recommendations to the full board moving forward. Any other comments from the committee?

Alderman Ludwig stated thank you, Mr. Chairman. Jay, I just happened to be reading in yesterday's paper about this company up in the lakes region. How do they find out about Manchester? Do we reach out to them? Obviously you've heard of them. And I find it a little bit strange that the person who is hosting a roundtable seems to be coming from the side of the table that doesn't always encourage education and things like that. It sounds to me like it is really important. Tuition costs were something they mentioned that were getting very high in the state of New Hampshire, yet during my daily activities of watching

some of the news stations, I think I just heard that 8.2% unemployment rate nationally, but only 4.2% when you come to kids with a college education. Is Manchester heading in the right direction? I don't think we are right now heading in the right direction in terms of some of the things. We are doing some things with the school of technology changing around and maybe some of those other things, but when I read things like this in the paper, it is troublesome to me that when they say they're coming south, hopefully they stop at Manchester and don't keep going. I don't know, are we in the right place and are we doing the right things? And my second comment is, I was having breakfast with an individual the other day and he was talking to me and he has a sheet metal business here in Manchester and is kind of a grumpy guy. He had 100 employees at one time, went down to 20 at one time, and now he's up to 60. But he told me point blank at breakfast that he's having a hard time finding employees, skilled employees to do those kinds of jobs, and these are jobs that will pay \$20, sometimes \$25 an hour. The other thing he complained about, and I don't have my arms around this one, was what he has to pay for taxes. But again, he could just have been a grumpy guy that day. But I said we don't pay any taxes on anything around here as far as I'm concerned, for the most part, but his property taxes were a concern of his and on his business as well. But here is a guy who I like to hear about that's not just... This is no knock on the restaurant business for sure, but it's something more than a \$7 or \$8 an hour job. Those are some jobs that are serious stuff, and I'm thinking that a company coming like down from Laconia and have you had any interaction with them since they had it in the paper, Jay?

Mr. Minkarah replied since they've been in the paper, no.

Alderman Ludwig asked have you had interaction with them prior to it being in the paper?

Mr. Minkarah replied not direct. Generally I don't comment on businesses, to be honest, that we are speaking with.

Alderman Ludwig stated I know, I get that, and I think that some of us fail to understand why didn't we hear about this and why didn't we hear about that. But I guess that's the disconnect for me. I don't exactly know what are we doing to keep the people that we have here here. The guy in the sheet metal business, we may not be able to do a thing for him, but I listened to him. I think he was happy just to have me listen. I didn't do anything; I didn't even buy him breakfast, but the fact of the matter is I listened and I said the City wants to be more involved in reaching out to businesses that are here to keep you here, and I think of a business a number of years ago that left South Willow Street, maybe it was because of the economic times, Donovan Spring and they went to Londonderry. Those are \$20 an hour jobs or more. Now they're coming back a little bit. Are we in the right position to offer anything to these people to come back here? All this stuff is great stuff, but when I see somebody coming here that's bringing 200 jobs, that's great stuff to me. Two hundred jobs that pay \$15, \$20 dollars an hour...

Mr. Minkarah responded there are a few things in your comments. First of all, manufacturing is critical, it's the wages that they pay, but it's also the reality that unless you're making something, unless you're producing something, it's really not a value added industry. So when you kind of look up there and you see 6,000 people working, that matters, but it's that value added that really matters. Those are primary industries; most of the retail we have, food service, whatever, that servicing an existing market. Our healthcare largely is servicing a local market, so we need to be making stuff that's exported out of this region that brings money in. It's absolutely vital and are we the right location. At the end of the day it depends on the industry, it has to depend whether or not we have the available space because often times we don't. If you're a large manufacturer looking to locate

somewhere around here, we probably don't have a location for you. That's also why we focus on small and mid-size because we can fit you in some of our available space. Taxes; I do hear complaints like that. What we always try to come back with is if you look on the whole for the taxes that you're paying, we really are competitive, we are a better location. The education and skill level is a bigger concern and I hear that a lot like a company saying we can't find the skilled workers that we need. That's on the manufacturing side, that's people who say are machinists, it's also for some of these high-tech companies that are growing that can't find the engineers that they need. So that is something that we do hear a lot of. Some of that is getting addressed. For instance, Manchester Community College has a grant that's going to be focusing on the manufacturing side, so that's going to help us build some of those skills. But it is a bigger challenge in that education costs are high and also we have to look at what's being offered and where it is being offered. It's one of the reasons why we wanted to expand UNH Manchester to include apply to technology engineering. Maybe it doesn't have to be UNH, but that's an area that we put a lot of focus on, although it's kind of a low key project, we've got a group of our higher educational institutions now that are looking to work together to raise graduation rates because that is a key area. How do we help provide access to people to get to higher education? It's not a dig, but Manchester Community College is located out from the central city. There is one bus that goes there once an hour. You miss the bus; you've missed your class. Just issues like that of how do we get education to the people who need it is an issue. Cost is an issue, it's a bigger issue than I can solve, but it's an issue that I'm very, very mindful of.

Alderman Ludwig stated just a final comment. I think for the people who are listening, you have to follow it from the top down. It's not your fault, but I think when we have budget plans out there in higher places than this that eliminate PELL grants and things like that for people, I think that's huge. And if they buy

into that, they are going to be a sorry group of individuals over time. Kids are graduating with huge amounts of debt, but hopefully they can turn that around and that debt turns into a useful job. But certainly the budget that I've watched on television being presented is not the way to go.

Mr. Minkarah stated I can't really comment on the budget issues, but I can say that if you look at the reality of our economy, not just in Manchester, but in New England, we don't have significant natural resources, we don't have oil, we don't have coal, we don't have precious minerals that people are looking for and we don't produce a significant amount of agricultural products here. Our biggest resource and asset is our people. It is the skill level of the people that we have, and that is something that's absolutely essential to maintain and to continue to build on.

Chairman Arnold stated it would be my hope that among the stakeholders that this committee hears from it would be the higher education institutions, including Manchester Community College, and hopefully we can develop ways to further mutual interests and relationships there.

Alderman Long stated thank you, Mr. Chairman. Actually that was one of my points, the higher education and our collaboration with them. I think it lacks in Manchester. I know I've been trying to spearhead some initiative with respect to refugees with engineering degrees from other countries, and Ms. Huard from Manchester Community College is very helpful in getting these people into a course and getting them Americanized and getting their documents Americanized. I have to agree with Alderman Ludwig, these are all fine and dandy stuff, but every now and then I read something like Will Stewart gave us here and prior to reading this I'm sensing that we're on the right track. Working with Mr. Smith from Benefit Strategies, he said this was absolutely wonderful. I did a major

project and Manchester was fantastic, not an issue, everybody worked with us. So once again, and at the beginning of the project he met with me and a few other people and said here's what I'm doing, I need to go through a smooth process, and we worked on that. So a lot of the times it's not... I'll hear a lot from downtown businesses that expanded after-the-fact, and I get frustrated because it is after-the-fact. There is no need to wait until it is done to say you have an issue in Manchester. Let me know as the process is going. This may be an unfair question, but I'm going to ask it anyway. In your opinion, what do you think we as a government can do, what action can we take relatively soon, short term, to enhance... There may be five of them, but just in your opinion, give me one that you feel this committee could steer the Board of Mayor and Aldermen in enhancing your ability to attract economic development or companies with jobs.

Mr. Minkarah replied the easy answer is always more funding, of course. In terms of getting out there and doing marketing and promotion, so second to more funding would be market and promotion and more staff. Honestly I think that the City really has provided... Obviously we know we have financial challenges, and if I put those aside, I feel as though there has been a lot of support out there. I think what has lacked, if I may, is there hasn't been a forum like this to talk about economic development issues generally, and I think that really is extremely beneficial and helpful because most of the time when I come before the board with an economic development issue, it's an approval of a contract or a specific project or some step in the way. So to have the ability to have these conversations broadly, I think is really, really beneficial. We have a lot of groups out there that we work with. We do a lot of collaboration, we necessarily have to, with groups like the Chamber or maybe it is an ABI Innovation Hub or some other group that's out there that are doing something that's economic development related. I think that has worked fairly well in the community. Having a forum like this to bring all of that together, I think could be enormously helpful.

Alderman Long stated one last thought. You talked about attracting the qualified employees. Are these in conversations with potential companies moving here or is this companies that are set up here and when they go to grow, they find this barrier with respect to qualified individuals? It seems to me that if we have a heads up on this, I know several secondary education facilities out there that would be more than willing to work with us or to work with whatever company to streamline a course specifically to them. There are four colleges that I spoke with that do it now. I'm wondering if we're getting the heads up enough?

Mr. Minkarah responded it's both, and not always, and it depends on the company, it depends on how large it is and whether it's a national or multi-national firm. But for the most part you see it coming from both ends. First of all, we have businesses that are already here that express to us that they have challenges in attracting the qualified help that allowed them to grow here. So that is something that we hear all the time. It doesn't mean it is impossible that they never get there, but it is a challenge and sometimes that causes them to think about maybe not 'I'm going to leave Manchester', but maybe instead of expanding here, 'I'm going to expand somewhere else where I can tap into that pool of talent'. We've gone out and done some recruiting and we've absolutely heard that, particularly from firms in the Boston area, Cambridge, where they are very tied to the higher educational institutions there and one of the reasons is the talent that's coming out of those areas, their ability to get those workers and they have some skepticism as to whether if they located a facility in Manchester they could still do that. Of course a lot of our challenges are getting them to realize that we're not in the middle of the woods, we're a lot closer than they think, we have highways, airports and everything. So that's a bit of a challenge, but we hear it that way, but you also see it from larger companies that are looking and oftentimes we won't even know this. They just look objectively, they look at the degree programs that are within an

hour radius, however many miles, how many of them are there and are they producing the number that we're looking for, and they look at some of the occupational data that I put up there before. If they see that they have 6,000 or 2,000 people who are working within a particular industry, it's reasonable to assume that if you come here, there are people there with the skill level that you need. If you see that there are very few of them, we might not even make the short list, and that kind of thing is going to happen often without our even knowing it because you can find all of this data online. We're vetted online primarily before anybody ever knocks on our door or says hello. They're looking at the skill level, they're also looking at those wage ranges. In this region we are very competitive. Nationally, not necessarily depending on where you are, and that's not all they're looking at. They're looking at energy costs, depending on their industry, and there's a lot of information that they're looking at, but the skill level is critical. If you can't find the workers, you're not going to locate in an area.

Alderman O'Neil stated you've had a lot of great discussion on a lot of items, but the importance of this committee I think is connecting those silos, connecting the dots, whether it be the colleges and universities; they're out there but they've been in their own silo and how do the colleges and universities tie to job creation, job retention and economic development. Parking, the airport, we saw that on the 30-second ad that Jay showed. The Amoskeg incubator and even state government... I think if you can connect the silos together somehow you make great progress. There are a lot of good things going on but they're not tied together, that's the problem.

Chairman Arnold stated I agree with you, alderman. Jay, thanks for the presentation. Perhaps the next meeting we can continue a discussion about maybe some specific downtown development projects as well.

Chairman Arnold addressed item 4 of the agenda:

4. Discussion relative to downtown development projects.

Chairman Arnold stated I'd like to get a motion to table the correspondence from the Chamber of Commerce to our next meeting where they will come in to be here in person.

*On motion of Alderman Corriveau, duly seconded by Alderman Long, it was voted to table this item.*

Alderman Long asked do we plan on, for example, getting education?

Chairman Arnold responded how I envisioned it was sort of a different stakeholder group at each meeting. I'd be happy to yield to whatever this committee wants to do. I think the Chamber is already slated to come to the next meeting, but if it is the will of this committee to have education somewhere else on the list, I certainly will make those comments known.

*There being no further business, on motion of Alderman Ludwig, duly seconded by Alderman Long, it was voted to adjourn.*

A True Record. Attest.



Clerk of Committee