

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

August 6, 2012

4:00 p.m.

Chairman Arnold called the meeting to order.

The Clerk called the roll.

Present: Aldermen Arnold, Ludwig, Long, Corriveau

Absent: Alderman Katsiantonis

Messrs: J. Minkarah, S. Huard, P. Przybyszewski, R. Gagne

Chairman Arnold addressed item 3 of the agenda:

3. Update from Jay Minkarah, Economic Development Director, on economic development projects, if available.

Chairman Arnold stated Jay, I know that we have asked that this be a placeholder on each committee meeting's agenda. Is there anything additional to report since the last time the committee met?

Mr. Jay Minkarah, Economic Development Director, stated I'd like to just make one point; I want to talk a little bit about employment since it is relevant to the committee. Year after year for the most recent figures we have for June, unemployment actually ticked up slightly from 5.9% to 6%. But actually it's more of a bright spot than that would appear because during that period what we saw for the first time in a long time is that the labor force itself has actually expanded. So even though the unemployment rate went up, we've seen a net increase year after year of about 750 jobs, which given where we've been each of the preceding years,

that's pretty significant. Most of our employment gains have been in manufacturing and business and professional services, which is also kind of the nice areas where we'd like to see them. Things are still not moving along as quickly as we'd like to see them, but I was happy to at least see some positive employment numbers.

Alderman Long stated I have a couple of inquiries, Mr. Chairman. I read in the paper that Wholefoods and Trader Joe's are looking at Nashua, and I would suspect that the west side of Manchester would be more attractive with respect to a market than Nashua would. When I hear of initiatives like that, do we sort of weigh in, call somebody at Wholefoods or at Trader Joe's and say maybe off from exit 10 or maybe off from Hackett Hill or what have you, or if there are any other sites? Have we identified other sites that these big box stores would fit in if they're interested in Nashua?

Mr. Minkarah replied we do. Trader Joe's in particular we've been pursuing for years and it really is challenging. The Nashua store is jumping the border. There was an existing store in Tyngsboro that was serving the Nashua market; they have moved three quarters of a mile up the street, so that was a little bit different. They are expanding into our area and we'd love to see them come. One of the challenges that we face is one of the things that stores like that look for essentially is they want to be in higher income areas, and the general assumption is that people shop, especially grocery shop, in close proximity to their homes. So that's what they're doing; they're looking at a radius around potential store locations, they are looking at income levels, and too often we don't fare as well as some other areas do, some higher income areas, when it comes to stores like that. Stores like Trader Joe's and Wholefoods really are aiming at an upscale market so that's a challenge.

Alderman Long stated and the upscale market consists of what circumference? Is it a one, two or five mile radius or 50 mile radius?

Mr. Minkarah replied for something like a Trader Joe's you're easily talking more of a three to five mile radius.

Alderman Long stated which would encompass Ward 1, Ward 2, Bedford and Goffstown.

Mr. Minkarah stated I'm not saying Trader Joe's won't come here but that's been our challenge with Trader Joe's.

Alderman Long stated I would love to see something on the west side, and when I hear of Nashua getting this, I think we can suit their need.

Mr. Minkarah stated I agree. I think this market will, we will get there, they are expanding into New Hampshire, that's definitely a part of their plan. Hopefully we can attract them here. They tend to have a smaller footprint on a Trader Joe's so that is attractive. Certainly I would love to see that happen. That's definitely an outreach that we've attempted to make and will continue to attempt to make.

Alderman Long stated then the other inquiry is the airport. This committee is quasi... I'm not sure if it's economic development, I think it can have something to do with it. We expand the airport, we expand to Londonderry, Londonderry gets the benefit of the airport expansion. They've got companies going up there like crazy, and I'm thinking what are we doing? We're expanding our airport, it's our airport, it's on Londonderry property; I don't know if there is something we could work out or leverage with Londonderry with respect to these businesses.

We may not have the expansion, I believe we have the expansion to set up some of these businesses in the Manchester area, or are we pretty much leased out there.

Mr. Minkarah replied we really are. When it comes to the area around the airport, Manchester airpark, Brown Avenue, those industrial areas, they really are. There is one small vacant parcel that remains in the Manchester airpark and it's a challenge to use the property because of wetlands. So we really are built out in the airport area. There is redevelopment.

Alderman Long stated I'm wondering if there is anything that prohibits us from working with Londonderry. If the airport is going to expand, it's going to expand, if the best expansion is to Londonderry, then we really don't have any leverage. If we could somehow piggyback on the businesses that are going to the Londonderry part of the airport because there are some great jobs there and we're missing out on because it's not in Manchester. But I don't know if we could have them commit to 50% Manchester residents working there or what have you, but something. I don't know what. We're not benefiting from the tax base; Londonderry benefits from that. I don't know if there is something statutorily that we could change or do because it's Manchester's effort and Manchester's responsibility giving Londonderry cart blanche when it comes to the airport. They're just in a beautiful position. I don't mind that they are but I'd kind of like to see if we could somehow, somehow grab some of that.

Mr. Minkarah responded it's definitely something that we could look into. I don't know that it's been done but I do believe that there are statutory provisions to create kind of cooperative economic development groups, there are inter-municipal agreements, something I haven't looked at in a very, very long time. Whether they would see that as mutually beneficial, of course, is another question, but that's certainly something that I could pursue.

Alderman Long stated I'm sure we could persuade that it would be in their best interest.

Mr. Minkarah stated I would at least look through what statutory provisions there are now and maybe make a report back to the committee the next time the committee meets.

Alderman Long stated that would be great. I know with the expansion of the airport that the companies that are going to moving there, there are going to be more and we're giving them that benefit, and I believe that we should get something.

Chairman Arnold asked would there be any objection from the members of the committee for us to invite the director of the airport to come in and share his perspective on it as well? And maybe we're not talking about development in the first instance, maybe we are talking about redevelopment opportunities, but the airport being an economic hub for the region. I certainly would like to see that.

Alderman Corriveau stated I'd also like to add to that maybe get the airport on record about commuter rail. I was just at the airport last night and it's unbelievable to me there are just people out there waiting for cars. A lot of those people are coming from Nashua and central Massachusetts and greater Manchester and I know the airport has been an advocate of expanding rail up to Manchester and maybe beyond. But I think that's maybe a discussion we should begin to have as obviously the executive council voted on it earlier this year, but after November I'm sure there will be other opportunities to begin pursuing rail again. I've always just found it horribly ironic that we have a train on our city seal and no rail to service our city anymore. I'd really love to begin that discussion.

Chairman Arnold stated so Jay, you'll look into that as well and at our next meeting we can continue that discussion.

Mr. Minkarah replied absolutely.

Chairman Arnold addressed item 4 of the agenda:

4. Presentation from Dr. Susan Huard, Manchester Community College President, regarding program highlights at the college.

Dr. Susan Huard, President Manchester Community College, stated thank you so much for the invitation. To my right is Philip Przybyszewski who is our advanced manufacturing coordinator. I've brought some information for you that I will leave with you, but we have so much happening that we wanted the opportunity to tell you about what's going on at the college. You may have seen in the *Union Leader* yesterday an article about some of the expansion that's happening. We are in the process of building a two-story student center. We have just in the last week completed the addition of four classrooms to our automotive technology center, and this past week we've just begun a 4,000 square foot expansion to the welding area. There are a couple of other projects that will be coming as well. Our student body is about 3,000 students now, and about five years ago our average student was about 30 and he or she was employed and probably had children. Well, life has changed with the growth and the cost of tuition at private and public universities and now, although our average age has dropped to about 26, we have more 18 and 19 year olds than we have ever had, which is good news. In fact, the college is different from the other community colleges in our system in that our student body is pretty much split. Fifty percent of our students come in the daytime and 50% come at night. When people think of MCC, they think of the

technical side and the technical students represent more than 20% of the people who come to the college and they are enrolled in programs like welding and automotive and HVAC and construction technology. Right now I mentioned the younger population, which makes up about a third of our student body. These are students who have come and their intention is to transfer at the end of two years. So that is a change in the population that Manchester Community College has served in the past. We have about 20% of the population in the business program and about 20% in allied health. We have been very fortunate this year and we have received two very large grants. One in the area of advanced manufacturing, and I'll have Phil talk about that in a moment, and the other in the area of health care. We are working with the Elliot Hospital and four other hospitals; we have a \$5 million grant to upgrade the skills of hospital workers and also the unemployed. I've got some paperwork here for you about that program so that if you've got folks who you would like to send in our direction, we would be delighted. This is the end of my second year at MCC and my goal is for us to be the best business partner for the City of Manchester. Again, I appreciate being able to sit here. Besides advanced manufacturing, the next area that we're going into is facilities management. We have all of the pieces and we have all of these buildings and virtually every building has heating and cooling issues and needs project management so we see that as a very small step for the college. I'm always interested, however, in hearing about programming that you might be interested in seeing us pursue. We've been watching with great interest the potential for the development in the Hackett Hill area and whatever eventually comes into that area we will do programming that supports employment, whether we're talking about credit programming or non-credit programming. I'll ask Phil to just give you a couple of minutes of description of our newest endeavor.

Mr. Phil Przybyszewski, Manchester Community College, stated the advanced manufacturing program is something that I think the college has been wanting to do for a long, long time, and luckily we were the recipient of another federal grant that Dr. Huard mentioned that is focused on providing training and education for advanced manufacturing skills. As you probably know, manufacturing is the largest business sector in the State of New Hampshire and probably in the City of Manchester as well. Because of changes in technology, the skill sets required for workers these days is a little bit different than they were in our grandfather's manufacturing plant. So we were the recipient of a \$1.5 million grant from the department of labor. We are spending our money, and I say that collectively because all of us in this room are paying for this, to upgrade our facilities. We're building an advanced manufacturing technology laboratory classroom with about half of that money just to invest in hardware and equipment to teach mechatronics, robotics and other topics that will be of importance of manufacturers going forward. The selection of the program and the courses that we are designing and delivering was a result of several studies that were done here in the state over the last three years, including the Governor's Council on Advanced Manufacturing Education, as well as Deloid and a few other companies. We are in the infancy with one of those things Susan mentioned, which was the automotive group moving to the new building. We're the lucky recipients of their old space, so that will be fitted up with this equipment that we're purchasing and we're looking forward to working with manufacturing companies in the Manchester area. Part of my job is to outreach to those companies, so every week I call on one or two companies to find out what their needs are going forward and how we can address those needs as part of our curriculum at the Manchester Community College.

Dr. Huard stated in partnership with the Chamber of Commerce, on August 23rd from 7:30 to 9:00 p.m. we are sponsoring an economic roundtable and the whole reason for that is to give the business community the opportunity to talk to us about what it is they would like to see us working on.

Chairman Arnold stated I certainly think that event will be a constructive discussion, and for the members of the committee, Dr. Huard and I have met previously, and largely we've had discussions about Hackett Hill as well as you filling me in on some of the projects that the college has been involved with. I know Alderman Long has had an opportunity to visit the facility, but any other member of the committee that has not been up there, there are some very interesting things and commendable things going on with the expansion. The discussions that Dr. Huard and I had most recently was about programming and how the programs that the college is focusing on now and where they might go in the future related to job growth in the city, making sure that we have all the training programs that fit the market and how the city can continue to be a partner in that. With that, if there are any questions for Dr. Huard?

Alderman Long stated thank you, doctor. The 3,000 students; what is the percentage of Manchester students? Do you know that?

Dr. Huard replied I don't know exactly. They do make up the highest proportion of students at the college. Certainly more than 1,000 of the 3,000 students are directly from the City of Manchester.

Alderman Long stated so it's obvious that Manchester is a direct benefactor from your community college. If I may ask Mr. Przybyszewski, the advanced manufacturing and that grant program, are there requirements to get into the program?

Mr. Przybyszewski replied the requirements are very similar to anyone going to college, but part of the grant is to also provide the ability for people who need to be ready to go school, a work readiness program. So the grant includes focus on teaching basic skills, basic math, blueprint reading, those sorts of things, basic reading and basic math to allow them to be able to learn more going forward. The program is called Stackable Credentials and it starts at the very bottom and goes up to the top and the top being some sort of an advanced manufacturing associates degree. But right now we're more focused on developing certificate criteria that will allow the individual to get certain credentials, at least go to the market as quickly as possible with new skills that they can use in this new world of advanced manufacturing.

Alderman Long asked what do you anticipate the average age being what it is?

Mr. Przybyszewski replied the grant is kind of geared towards lots of different interested parties. Traditional high school kids, underemployed, unemployed, returning veterans, TAA or people impacted by companies moving out of the area and moving outside the United States so it is a wide gamut. We suspect we'll have people from 18 to 60. The demographics are yet to be determined, but my guess a lot of them will come from the older generation.

Dr. Huard stated and what we're intending is that once they get their initial job, we'll set up our classes in a very flexible manner so that they can come back as they want to take that next step. It occurs to me you might be interested in knowing that the college partnered this summer with the mayor's summer youth employment program, and we have this program at the college that's sponsored by the governor's office called Work Ready New Hampshire and 20 youths have already gone through the program, and in going through the program people can

achieve a national credential. It's not that popular in the northeast yet, it's very popular in the south and the west. Essentially a person walks away with a certification of bronze, silver, gold or platinum. Each of those means something; they are tied to a national skills set and the most recent summer employment class just finished and out of the 20 students who were in the class, 18 of them achieved some level of certificate. There were a number of students I was disappointed did not even make it into the program because you have to read at least at a high middle school level in order to achieve the program. Those students who didn't make it in, however, learned a hard lesson because the test is a national standard and they could see that if they are ready to graduate from high school and not yet at the level. So we have some good news and bad news from the result, but we do have 18 Manchester high school students who have achieved this national credential. Part of the program through the governor's office and employment security and the community colleges is now to work with the employers and to help them identify what level their particular jobs are, so that as time progresses we're hoping to create an environment so that an employer can say I need a silver level employee and we will know what that is, employers will know what that is and participants will too.

Alderman Long stated on health, what skill set would that be focused on?

Dr. Huard replied it is focused on a number of areas. It's focused on taking our associate degree level nurses and moving them to bachelor of science nurses. New Hampshire has the lowest number of BSNs and 60% of our nurses in the State of New Hampshire are ADN, associate degree nurses. So that is the first group. The second group are those people who work with electronic medical records, health information management. It also involves information technology professionals who work within the electronic medical records field to teach them the greater security that's going to be required in October 2014, but really it can

include anybody who is working. For example, there's a person who is a maintainer at one of our local hospitals who wants to upgrade his skills and he's going to be served under this program. What's wonderful about this program is that it actually gives tuition money. So 50% of the cost of his tuition and fees will come from the grant and about 40% will come from the hospital and 10% will come from the individual. There is also the unemployed piece of that, and we're working in part with a program from Lutheran Services called HPOP, and we actually have an HPOP office on the Manchester campus. I've tried to cluster everybody so that they can essentially take an unemployed individual who comes into the college and direct them and everyone that the person would need is right there.

Alderman Long asked this health care is not tied to HPOP, this grant that you're talking about?

Dr. Huard replied it is not. It is a completely separate grant. H1B is actually a visa status and that's the visa that permits companies. It's usually IT companies, hospitals, people looking for highly technical workers who say that they can't find that skill level in the United States. So this is the companion grant from the department of labor to create that labor force within our own country.

Alderman Long asked is there a language issue? I know HPOP addresses some language barriers.

Dr. Huard replied it does, and what we're trying to do is create a pathway where HPOP will deal with the language issues, and in some cases people also have childcare issues and transportation issues. Generally that group of people would qualify for federal financial aid, so they can do their remedial work with us and

then they can actually proceed and benefit from the H1B grant, which we have for another four years. So it is a nice pathway.

Alderman Long stated thank you.

Alderman Corriveau stated thank you. Maybe we can just start at nuts and bolts here. Explain to me advanced manufacturing. I heard you say a few words and robotics was one of them. My impression is that Manchester isn't really a manufacturing hub anymore. That's how our city came into being, that's how we became prosperous, but there aren't major manufacturing employers anymore in Manchester. There is no one that employees 1,000 or 2,000 people making goods or products. Explain to me the outreach you're doing. If you can explain to me advanced manufacturing, the outreach you're doing and maybe what some of these companies do because what I'm curious about... I certainly understand the importance of these jobs. These are jobs that can't be outsourced and so I understand why the government is prioritizing them with this grant, but ultimately what I'm curious about is if we're creating a workforce hoping a market will come to us or if we have a market already in this city that demands workers, these specialized workers.

Mr. Przybyszewski responded I think it's a combination of things. In the packet that Dr. Huard has for you there's a document that actually has an explanation of what advanced manufacturing is. In essence, there's been a transformation of manufacturing skills in the companies across the board, not just here in Manchester and New Hampshire but everywhere. So the way things were done in the olden days when I first started working aren't done the same way today. There are automation tools, there are things like six sigma, lean manufacturing, other kinds of advanced skills that a worker 20 years ago never even heard of. So things being done in a more automated fashion using different tools. So the worker

today, without spending a lot time on the details, instead of working with their hands to do something, they're working with their brains and they're programming PLCs and other types of devices that are used on the manufacturing floor. So there's a transformation that's taking place and if people are going to gainfully employed and have a chance at making better income, they are going to need to learn those skills. The other factor is there is some phenomenal number like I read every day is that 1 million people reach the magic age of 65, so a lot of older workers are aging out, if you will. They're getting ready to retire after many years of work, so companies like Freudenberg, which the North American headquarter is right down the street from here, employs 1,300 people in the state of New Hampshire. They employ quite a few at their operation at Ammon Drive at the airport and another one in Londonderry. They are looking at us to help them spruce up their workforce to be able to have the right skills to move forward. This is just an example. My outreach is to go out, understand what their skill sets are, I was even at Wire Belt the other day, which is in Londonderry, sorry it's not in Manchester but it is close, and they're looking at ways to automate manual jobs because they have to do things faster and cheaper to be able to compete in the world. So every company has that kind of requirement, most of them do, and the ones that recognize it need to do something with their workforce to be able to get there.

Dr. Huard stated what I would add is that you're right, we don't have any companies that are employing 1,000 or 2,000 people, but manufacturing has changed. It is actually much more productive but use far fewer people because of the automation. So the work that we're proposing to do beyond robotics, we talked about mechatronics. Mechatronics is that person, a technician, who knows how to operate and how to program equipment. We've been to probably half a dozen groups at this point and we've met with quite a number of small manufacturers and there are actually several dozen of them right within the city doing things as

diverse as making medical devices, and they may only employ three dozen people but they need the skills. So it is not the same as it would be in another part of the country where we would be training hundreds of people to work in a very large plant. But manufacturing is actually the largest business in New Hampshire. People usually think it is tourism, but it's actually manufacturing, but there aren't a lot of people who are doing it. But we're choosing to educate that small number of people.

Alderman Corriveau stated I have a follow-up, Mr. Chairman. Could you explain to me what is MCC's relationship with the Manchester School District? I imagine if 1,000 of your students come from Manchester, then that's a major, major part of your enrollment, and looking forward, I assume those numbers probably don't vary a lot. Manchester will probably always be your biggest feeder of students. Are you doing any outreach right now in terms of saying whether teachers at the school of technology or wherever in the school district, these are the jobs that are coming down the pike, these are what we're focusing on and if you have students interested, put them in touch with us. Maybe you can explain to me a little bit. We're not the School Board, but if you can explain a little bit about the collaboration you have with the school district.

Dr. Huard replied we have a variety of collaborations and our relationship varies from high school to high school. We have a very strong relationship with Manchester School of Technology.

Alderman Corriveau asked so you don't have a point person?

Dr. Huard replied I have several point people. It depends on what we're talking about. There is a program that's called Running Start, and the program allows high school students, juniors and seniors, to pursue college classes. It costs them

only \$150 and we actually have some scholarship people so you have people sitting in all of the Manchester high schools that are taking college level classes, they're being taught by high school faculty who have been vetted and they're using the college syllabus and they're being awarded college credit. Fourteen hundred students did that in Manchester this year. So leaving their high schools or any place from three, depending upon how they plan it, they actually could walk out with about most of their freshman year done. So we have that level of relationship, we sit on the advisory boards for the Manchester School of Technology, so there is a lot of collaboration between our technical faculty and the MST faculty. We have been part of the planning board for changing the school to a four-year school. We are connected with all of the guidance offices, we hold onsite acceptance programs at all of the area high schools, we lend speakers to them, and we sit on many of the advisory committees that various programs in the school have. Frankly one of the challenges to me is to help people understand what it means to be a comprehensive community college and that we really have the ability to serve not just one particular kind of student. Then the other thing I would say to you is we have that group of people who are coming directly out of high school but our bread and butter historically has been the folks who have gone out into the real world and discovered that they need an education and they come back and pursue whatever degree program that they're interested in.

Alderman Corriveau stated thank you, I appreciate it.

Dr. Huard stated one other thing, we are a site for the JAG program, Jobs for America's Graduates. So one of the things that I have a personal interest in is working with high school dropouts and getting them to complete their GEDs, and then potentially to come to college, depending upon their wishes and they are right on our campus.

Chairman Arnold asked any additional questions at this time? Dr. Huard, thank you very much for coming in. I hope this is not the last time that members of the committee have the good fortune of having this discussion with you, and I hope that we keep the lines communication open.

Dr. Huard replied thank you. I would appreciate that; I would really love to hear about programming that you're interested in or your constituents are interested in.

Chairman Arnold addressed item 5 of the agenda:

5. Discussion regarding the Hanover Street closure.

Chairman Arnold stated Jay, I think that there was a communication that you had submitted sort of tying up the feedback received from the temporary Hanover Street closure. It has since been forwarded to the entire Board of Mayor and Aldermen, I believe. I wanted to give the members of this committee an opportunity to discuss it here. If you have any general feedback you wanted to kick off the discussion with and then I believe some of the committee members have some thoughts that they want to share.

Mr. Minkarah stated I'm not sure if the members of the committee have had an opportunity to read the letter, but I think as is obvious we have wrapped up four weeks of the pilot program and last weekend was the last weekend unless some further action is taken. I would just say overall I think it was successful. It was a very, very limited program but for the businesses that participated, they did find it beneficial, and they have requested, I think you probably also see in the agenda packet for the full board's meeting, to extend it through October 15th. The committee that was formed by the city to review this has made a recommendation

that it be continued through September 1st. I think that is agreeable to all of the participants, and I'd be happy to speak to any particulars or answer any questions.

Alderman Long stated actually the extension is through Labor Day. Is that correct, Jay?

Mr. Minkarah replied yes, it is that Saturday, Labor Day Weekend.

Alderman Long stated not October 13th.

Mr. Minkarah replied no, September 1st.

Alderman Long moved to approve extending the closure of Hanover Street through September 1st, reduce the required police detail from 10:00 p.m. to 2:00 a.m., allow the Friday evening set-up to remain set-up through Saturday, and there will be no seating in the street until 6:00 p.m..

Alderman Long stated if we could get clarification from police that that was the thought. I spoke with Lieutenant Tessier who had said that 10:00 p.m. to 2:00 a.m. Then allow Friday evening set-up to remain through Saturday being conditional on there will be no seating until 6:00 p.m. in the street, and that's a heavy condition. We'd have to ask that business to pick up their barriers if they are seating out on the street.

Chairman Arnold asked Alderman Long, were there detailed logistical issues?

Alderman Long replied my concern is how the street closure is going to be set up. I spoke with Lieutenant Tessier with respect to barrels and if we need to get that... I'm not sure if Mr. Hopkins would know if that detail has been settled. Okay. So we're good on that. Somebody has taken responsibility for that?

Chairman Arnold stated Captain Hopkins is indicating in the affirmative.

Alderman Long stated and once again the reiteration of no seating on the street until 6:00 p.m. We don't want anybody on the street while that street is still open and people are able to drive by.

Alderman Corriveau duly seconded the motion to approve extending the closure of Hanover Street through September 1st, reduce the required police detail from 10:00 p.m. to 2:00 a.m., allow the Friday evening set-up to remain set-up through Saturday, and there will be no seating in the street until 6:00 p.m..

Chairman Arnold stated I will add that I had the opportunity to go down as a patron and I liked what I had to see. I know other aldermen had the opportunity to spend some time down there. Alderman Long and I have had conversations about how this pilot program may be transformed and grown into something more, and I hope that those discussions continue and perhaps entertainment opportunities brought to this area as well.

Alderman Long stated just one more comment. It is imperative that those organizations or businesses, and they are clear on that now, form their own entity so that the Board of Mayor and Aldermen aren't telling them what to do, they have their own entity. They could take control. I don't know what will attract people down there, they are their businesses, they know best, but anything we can do. For example, I still need to figure out the opportunity from businesses that have

frontage to either lease out their sidewalks to vendors or what have you, but it would go through this entity so there is not a hotdog vendor or cotton candy vendor out there, that there is maybe a caricature from the Institute of Art, a painter down there. They'll have control of that area of their businesses, and it's imperative for them to set up this entity to take that control because personally, I believe it is their responsibility. We did ours; the government in this case did what they can do. Now it is up to these businesses just to capitalize on the opportunity.

Chairman Arnold started Jay, you say in your letter the issues or concerns related to access have been resolved or are resolvable. That is your position?

Mr. Minkarah replied yes.

Chairman Arnold stated I know I had been CC'd on a concern from, I think it was a local business owner, I think the rest of the board was CC'd on it recently as well, that's been dealt with.

Mr. Minkarah replied yes.

Chairman Arnold called for a vote on the motion to approve extending the closure of Hanover Street through September 1st, reduce the required police detail from 10:00 p.m. to 2:00 a.m., allow the Friday evening set-up to remain set-up through Saturday, and there will be no seating in the street until 6:00 p.m. There being none opposed, the motion carried.

Chairman Arnold addressed item 6 of the agenda:

6. Discussion regarding business start-up how-to manual, if available.

Chairman Arnold stated I thank our representatives from the Greater Manchester Chamber of Commerce for attending tonight's meeting. I did have a phone call from Leon LaFreniere, head of the planning department, earlier today and he is unavailable for this evening's meeting due to a medically related issue, but I did want to share with the members of the committee the contents of the conversation. After the last action taken by the full Board of Mayor and Aldermen that the chamber, along with the economic development office of the city, and the planning and building department of the city meet and discuss and basically put together a how-to manual for perspective business owners. The stakeholder group did meet and it was discovered that this idea has been developed in the city before; I believe it was 15 or 20 years ago there was such a manual created, and rather than reinvent the wheel, I believe there was the consensus of the stakeholders to draw on that document and update it as appropriate and then bring back that revised document to this committee for feedback and input. It is my understanding that all of the members of this committee have not yet been provided a copy of the document from the 1990s. Is that correct? Okay. We'll make sure that the entire committee gets a copy of that, and if it's okay with other members, I'd like to not wait another whole month before dealing with this issue. If there's an opportunity to meet in the interim, we can take that up then at which point I suspect Leon will be available to come in and solicit feedback. We'll defer that item until a future meeting if that is okay.

TABLED ITEM

7. Communication from Alderman Arnold regarding economic development incentive programs and required enabling legislation.

(Note: Tabled 6/18/2012; Communications from the Economic Development Director and the Assessor are attached)

On motion of Alderman Long, duly seconded by Alderman Ludwig, it was voted to remove this item from the table.

Chairman Arnold stated I'd like to ask Mr. Minkarah and Mr. Gagne to come up please. Thank you both for the documents you submitted, which are included in the committee agenda. The communication that I had sent to both of you in regards to the 79-E program concerning economic development incentive programs, and the enabling legislation that might be required for any similar programs yielded the materials that Jay and Bob have submitted. I'd like to get their feedback on where we go from here, and if there are any questions or comments from the committee, we can take that up then.

Mr. Minkarah stated I realize there's a large volume of material. Manchester was the first community to adopt the provisions of RSA 79-E. That happened in 2006; we had it in place for a while, we rescinded it because of concerns basically about the scope of the legislation and the lack of discretion that it gave local communities. There was a danger that what really should have been an exception could swallow the rule, and that's because the bar was set so low. So after the board rescinded 79-E, I worked with then Senator Betsie DeVries to amend the statute, and we made some substantial amendments that allowed a great deal more discretion on the part of a community. What I have included is a copy of the amendments that were made to what was Senate Bill 128, and that's in your packet, and you can see the most significant one is what is a qualifying structure. The way the statute was worded, a qualifying structure was almost anything really,

anything within your downtown area. The other very, very significant one is what does substantial rehabilitation mean and substantial rehabilitation meant any work on a qualifying structure the dollar amount that was 15% of the assessed value or \$75,000, whichever is less. Obviously when you look at downtown Manchester, almost any office fit-up or store fit-up is more than \$75,000, and that was never our intention to have a tax incentive that would essentially apply to almost any work that happened in the downtown area. There were some other changes as well as to the meaning and intent of the public purpose test. Again, the public purpose test was so loose and so vague that pretty much anything that happened you could say it increases economic vibrancy therefore it meets the test. What we did was amend the statute to address those issues and a few others and again, you can see all of that in bold. And then what I did is include a copy of the statute as it now exists. There have been other changes as well since that time, and then lastly I put in what I would consider some suggested language. If we were to move forward, these are some of the changes that I would suggest making. I'm mindful that we only have about five minutes, but that's kind of it in a snapshot.

Mr. Robert Gagne, Assessor, stated I did provide a spreadsheet with those.

Chairman Arnold asked could you just outline them for the record please?

Mr. Gagne stated 20 Concord Street, which I believe is the Firefly Bistro building. The easement was recorded in May of 2008 and the term of the agreement as far as the tax value is 2009 through 2013. The second building is 30 Amherst Street and that is the Consuelos Taquiera building with offices on the upper floors. That agreement was signed in May of 2008 as well, and the tax period is 2009 through 2013. With 790 Elm Street, that is the old Merrimack Restaurant where Portland Pie Company currently operates. That agreement was recorded in May of 2009, and the tax period is 2010 to 2014. The last building, which is the largest one, is

the Pandora building at 88 Commercial Street. That agreement was recorded in March of 2010, and the tax period is 2010 through 2014.

Chairman Arnold stated thank you very much. It is my understanding that this program, if enacted, there's no cost to the city. In fact, I was a little uncertain as to the justification for repealing it at the city level in the first place, but for this program certain pieces of property would not have been rehabilitated and would not have the businesses in them that we have today. Is that a fair statement?

Mr. Minkarah replied I couldn't speak for the motivations of the property owners', but I could certainly say that the existence of the program was a significant factor, absolutely.

Chairman Arnold stated anecdotally that would make sense. I think that I would like to see us get a little bit more information, but I hope that this board would seriously consider reenacting it given the legislation in Concord that was most recently passed seemed to address whatever concerns previous boards had. I will yield to any other member of the committee who wants to speak on it.

Alderman Long stated thank you Mr. Chairman. Just briefly if I can, with the March 2010 approval... I thought we stopped in 2009. How did this March 2010 approval get done?

Mr. Minkarah replied I think the vote was actually January of 2010.

Mr. Gagne replied I think it was an application that was received while the program was still open.

Alderman Long stated okay. Mr. Minkarah, just to be sure, this committee is looking at reestablishing this, I think, and with that we would need to qualify structures, qualify districts. Is that what we need to do? Qualify structures, qualify districts, modify what we feel is in the best interest of Manchester as far as a modification if not the structure of the policy, whether we do shorter years, more years and we could also modify requirements. So I think it would be in the best interest of this committee to get those done prior to sending it to the full board, but in the meantime, I know there is one in the gaslight district that was looking for implementation of this but it's not set right now so they can't use it. But you would hear more as to who would benefit and what their parameters are and maybe they fit everything but one thing. You know what I mean? It would seem that your office would know, maybe I'm wrong. Maybe I could sit with you and we could come up with some qualifying modifications and perimeters with which we want to work on before we bring it to the full board and also we have to define what structures and we have to define what districts, and I would say the district is bigger than the downtown. It could be on the west side, it could be on the east side and we can qualify areas as districts. Is that correct?

Mr. Minkarah replied we can and we have to a point. What I did put together in your packet is some suggested changes, and clearly that's a starting point, that is something that you'd want to look at. But I put in some suggestions as to what I thought would make sense for a qualifying structure, for what substantial rehabilitation should mean, what the public interest test should be. I did that in part by reflecting a lot on what the applications we had previously approved were, would they or would they not meet this test. And to your point, I gave a lot of thought to some of the other buildings and properties that are out there that I think are good candidates for this, would they meet this test or not. Definitely I think it's worth taking a look at that language. Again, it's a starting point, and also with the way the statute is written, downtown, the central business district, would

qualify if we passed it, it would be in. What the last master plan update did was also identify neighborhood business districts across the city that we would characterize as village districts or village settlement areas and those would also qualify, again, if we chose to include them, those would qualify.

*On motion of **Alderman Long**, duly seconded by **Alderman Ludwig**, it was voted to place this item on the table.*

Chairman Arnold stated we can hope to revisit it at our next meeting.

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

A True Record. Attest.

A handwritten signature in black ink, appearing to read "Matthew Arnold". The signature is written in a cursive, flowing style.

Clerk of Committee