

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

**November 2, 2012**

**3:00 p.m.**

Chairman Arnold called the meeting to order.

The Clerk called the roll.

Present: Aldermen Arnold, Ludwig, Long

Absent: Aldermen Corriveau, Katsiantonis

Messrs: C. Wellington, L. LaFreniere, M. Brewer, B. O'Neill, 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 asked Chris, is there an update?

Mr. Chris Wellington, Economic Development Office, replied no. I'm just here to address any questions from the committee.

Chairman Arnold addressed item 4 of the agenda:

4. Discussion regarding a "How to Open a Business in Manchester Manual".

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

Mr. Leon LaFreniere, Planning and Community Development Director, stated I'd ask the clerk to pass out a draft of the document that we have been working on. I realize clearly that the committee hasn't had the opportunity to review this. I'd like you to just take the opportunity to provide it for your review. I will send additional copies out to the members who are not present this evening in hopes that we could get some feedback and comments from you perhaps at the next meeting.

Alderman Long stated thank you, Mr. Chairman. Leon, probably for the next meeting, are there drastic changes, something like a structural change, are there any solid structural changes that may help improve the system or do you think it is just smaller detail?

Mr. LaFreniere replied that's not the intent of this document. This isn't necessarily an attempt to change the process so much as to help define it and provide a guide to those individuals who need to use the process, business owners, developers, property owners and so forth. We have talked about the process related to making structural changes to the process. I think that's something that would be ongoing and would take us some more time. This is the low-hanging fruit, if you will, with regard to something that we felt was a concrete step we could take that could provide an improvement potentially to the process by making it more transparent, clearer and provide for a reference point for anybody who had to come and use the process. Something they could readily go to and have a pretty solid command of what the steps were that were required.

Alderman Long stated I'm noticing in the downtown area that some buildings are unique, some buildings when the variances changed or the ordinances changed it makes it a little more complicated. Like the Sunbeam building for example. From what I understand every new lease needs to come for parking and variance and to

me it seems like that's a long haul. I know I spoke with Ms. Goucher who had a great idea, and I believe she said she had mentioned that to this owner to come up with a full plan for all he owns, just guess at what it's going to be used for and if he stays within that perimeter, he doesn't have to come to the zoning or planning as long he stays within that perimeter.

Mr. LaFreniere stated we've actually made that suggestion to a couple of different property owners. The owner of the Leighton Shaheen is an example that I would use where it's a large building, multiple tenants, and as tenants change, every time there was change it would change the dynamic a little bit of what the previous board had granted. So we had suggested to that owner, and I believe that they're pursuing the concept of actually asking the Planning Board for a conditional use permit for percentages of uses. And then if they stay within the percentages, they wouldn't have to come back. So, yes, that is something that we've been working with applicants on. And I think that's something we can do without any ordinance changes.

Alderman Long asked okay, so the Planning Department has that flexibility?

Mr. LaFreniere replied yes.

Alderman Long stated that's great. Thank you.

Alderman Ludwig stated thank you, Mr. Chairman. Leon, is it safe to assume that this is all from city staff. How much input was solicited from outside agencies or whatever?

Mr. LaFreniere replied this is an effort of City staff. It is actually what I would call a comprehensive update of a previous document that was also developed by City staff some 15 years ago. We could have just updated this, but I didn't think that that was going to represent as significant a value in terms of a usable document, if you will. And not to criticize this effort, because frankly I was involved with this, but what we tried to do is really take a look at this and clearly identify, or as clearly as we could, those who are not familiar with the process what's entailed without overcomplicating things. If you take a look just by means of example at the previous document, this was the process that was identified and in an effort to try to make sure that everything that could possibly be included in a development process, would be here so that no one could say you didn't tell me that, that wasn't there. We've taken a different approach to that, we've taken a look at the actual process that most people would follow, it's a much simpler process than that, and we've brought it down to a linear chart that shows what the steps are and identified in some of the development examples what steps would apply to certain types of development. So it has really been a comprehensive approach to the update process. So it is a staff effort, and the reason is because it's really dealing with our existing regulatory framework and our existing ordinances. What I'm hoping now, and I feel that it was important to move forward in this manner, is that now we have a basis for discussion with this draft document, and I'm going to solicit comments from the Chamber, from some of the other business groups as well as yourselves, to how can we improve this to make it even clearer. As I stated when I was responding to Alderman Long, at this point, there is nothing in here that is proposing to change the regulations but I think it does stand to reason that if we can make the process easier to understand, that brings us a long way towards resolving some of the issues that people might have dealing with the complexities of the process.

Alderman Ludwig stated I'm good with that. Thank you, Leon.

Chairman Arnold stated Leon, I have a couple of comments. The first is thank you for this document. Has it been distributed to the stakeholders?

Mr. LaFreniere replied I wanted to make sure that your committee had it first. I've given Mr. Stewart from the Chamber a copy this evening; I will be distributing copies from this point forward.

Chairman Arnold stated I appreciate that and I look forward to hearing the feedback, particularly the Chamber of Commerce, representing the business community and the individuals that own businesses that they speak with, how we incorporate their feedback into this document. The flow chart I like; I appreciate what you said about sort of taking a different position on how to put in a graphical form the process compared to what was done 15 years ago. I agree; I don't think we need to account for every conceivable scenario in whatever new version of this that we adopt. On the other hand, I notice the flowchart here sort of presumes that someone is coming to Manchester having to purchase a piece of property and develop it.

Mr. LaFreniere replied not necessarily. With the chart as you see in the document before you, if in fact someone comes in and purchases a piece of property to build a new building, there is a process that's defined. It starts at step 1, step 2, then it goes through steps 3 through 6, and then down to step 7. But if it's just changing a business in an existing building, for example, then steps 3 through 6 don't necessarily apply, and you could jump from step 1 right to step 7. And that was the intent here, to try to say these are the various steps, but a preliminary discussion with the planning staff or an identification of the specific requirements of the development can easily identify which steps apply to a given proposal.

Chairman Arnold stated as I said, I like the format, and I think the comment you made a few minutes ago about just making the process easier to understand to the public, that is certainly what we're trying to accomplish here. I think this flowchart sort of says okay, the scenario where step 1 starts from scratch, a lot of people might be coming into a location that previously housed a similar business, so maybe you're right, if you don't have to acquire the property and it is already zoned for this, go ahead to step 5 or something like that.

Mr. LaFreniere stated and immediately following the chart of the process, if you will, there are examples of six different typical developments and the process associated with those typical development types are identified. For example, if there's a given type of proposal, restaurant development for example, there are four steps that are identified if it is not constructing a new building, on a raw piece of land. So there is an effort here to try to tailor it and provide a real world example for the typical types of development proposals that we may see that aren't as complex as a raw land development proposal would be.

Chairman Arnold asked is there any other discussion? It would be my hope that feedback from the stakeholders, namely the Chamber of Commerce, is made to your office or coordinated through your office over the coming weeks and that when this committee meets again in December, we can hopefully have a far more detailed discussion about what we'll be recommending for adoption to the full board.

Mr. LaFreniere stated and I just would add to that. My hope is, and certainly I think that we would want to have the board's endorsement for whatever we did move forward with, but I wasn't necessarily thinking, and I'm just sort of planting the seed so that the committee can think about this concept as well, of having this be a formally adopted City document by the board. The reason being that I see

this as a document that will have the greatest value if it can be kept as current as possible. In my way of thinking I'd like to be able to change it as changes are needed. For example, personnel changes; I wouldn't want to have to come back to the board to get a change to the document or if we could make process changes we would just be able to incorporate those into the document and make it as relevant as possible.

Chairman Arnold stated if I could briefly respond to that and then I'll recognize Alderman Long. I want you to have the flexibility to make updates as appropriate. At the same time, I would like the board of aldermen to adopt something so that this now becomes the standard that there will be this document that is not something that in a couple of years can just start collecting dust on a shelf, but we ensure that there is a successor document that is always available to individuals who want to open a business in Manchester.

Mr. LaFreniere stated and I'm sure we can find the right way to do that to make that happen.

Chairman Arnold stated I look forward to that.

Alderman Long stated thank you, Mr. Chairman. I understand where you're coming from. This is a working document and it's going to be working five years from now. So an approval process, the Board of Mayor and Aldermen will approve a concept, not necessarily approve a document. This gives you the flexibility. My question is, are there any uniquenesses that need to be addressed? I understand employees want it to be black and white, I understand that, that's their job is to not have gray areas or not make their own decisions, but I'm thinking in the future are there some things that the board may be able to do to show on some uniqueness? I don't know if the planning department has areas

where this really isn't addressing and it is monstrous to get through the process like this. Are there areas that you could think of? I'm thinking it must be mostly structures that are already built; existing structures and they have a change. Just food for thought. Keep it in the back of your mind, if there is some uniqueness that if we could make the process quicker, maybe that could go forward to the board and we could approve whatever. I understand, as an employee I wouldn't want to have to make that decision because if I make a bad decision, I'm getting blamed for it. If there are those uniquenesses, then bring them to the board, we'll make the decisions, and that way there they have that flexibility to make a common sense decision or what have you. Just to float around in the background.

Mr. LaFreniere responded I think we can have a discussion about that. We're constrained in some ways by the statutory framework, but there certainly are things that we have done and hopefully can continue to do to make the process respond as effectively as possible to these atypical circumstances.

Alderman Long stated great. Thank you.

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

Chairman Arnold addressed item 5 of the agenda:

5. Discussion regarding the Manchester Development Corporation.

Chairman Arnold stated I had requested item 5 be placed on the agenda. I had conversations with the chairman of the Manchester Development Corporation, and we had agreed that this committee would be an opportunity for representatives of the MDC board to come before the aldermen and give a perspective on that

organization's role in promoting economic development and job growth in the city. I'll ask that we postpone that discussion until the next meeting so that the committee members are aware that we do hope to have the MDC chairman and/or other board members in to discuss it.

Chairman Arnold addressed item 6 of the agenda:

6. Discussion regarding economic development initiatives around the Manchester-Boston Regional Airport.

Chairman Arnold stated thank you for coming, Mr. Brewer and Mr. O'Neill.

Mr. Mark Brewer, Airport Director, stated good afternoon. I see on the agenda that you'd like to have a discussion. If I may, Mr. Chairman, I'd like to start out with a little bit of an overview about the economic impact of the airport. We do have a little flyer that we can give to you. Back in 2008 the airport actually undertook an economic impact study that showed the airport at that time had an economic impact of \$1.24 billion each and every year. Depending on who you're talking to within the state, it's either the largest economic engine in the state or one of the largest economic engines. From the perspective of jobs, which I know is a focal point of this committee, there are 1,900 jobs on the airport. If you look on one of the trifolds, there is a chart that shows you where those jobs are. You see the largest components are actually in the air cargo business, we also have some federal jobs, TSA, FAA, along with the airlines and other private industry, such as the Frudenburg NOK, which is an automotive car parts manufacturing firm located right on the airport. So we have a diverse stream of jobs on the airport. There are also another 1,920 jobs directly off the airport that would not be there if it wasn't for the airport infrastructure and the airport being there. Some of which, as you can imagine, down on Brown Avenue, UPS has some of their

distribution center that is not on airport property, you also have a number of hotels that even have Manchester airport in their names. Those are the kinds of jobs that are associated with the airport. I know you wanted to also talk a little bit about economic development initiatives around the airport. We clearly, as you know, work closely with Jay Minkarah and MEDO; we also work with DRED up at the state with George Bald and his group up there. As a matter of fact, we have a group coming in next month from Spain looking to have a greater relationship of international exports between New Hampshire and the country of Spain. They will be flying in, meeting with us, and one of their meetings is at the airport because it is important for them to understand the infrastructure that's available when they come to New Hampshire. In addition to that, we also have about 22 parcels of land that are around the airport. We are in the selection process now for a commercial broker to help us market those parcels and get those available out there so that there are developers that could be building new facilities and hiring folks as well on those parcels. One other initiative I wanted to bring to your attention, as I'm sure you're all familiar with the roundabouts that are at the main entrance to the airport. Adjacent to that first roundabout right by the bridge when you go under the bridge to the airport terminal building, up on the right-hand side you see the blue buildings and the large jet fuel tanks that are up there. We're working with a developer now to put a gas station and a convenience store up in that area. Not only to serve the airport customers, but also local community for fuel sales and so on associated with that, but also to take it to the next step and add in a CNG, compressed natural gas, component. What we would like to do for environmental reasons is convert some of our airport shuttle buses and equipment over to CNG. So once that facility opens up that will be some additional jobs available around the airport as well. I think I've laid out an outline of what the airport currently has, what we're working on, and some of our partners for economic development with MEDO and DRED and others. If there are any questions, we'd be glad to answer them.

Alderman Long stated thank you, Mr. Chairman. Thank you for this update; this is great. But my concentration is on Manchester with developing the airport that's going towards the Londonderry side.

Mr. Brewer stated I'm not sure I understand what you're saying.

Alderman Long stated it seems to me that Manchester... I don't even know if this can be done, but I just thought I'd throw it out there. What I'm looking for is the Londonderry side has more land use that they could use to entice companies to come in that want to abut an airport. And they're collecting that benefit and I don't blame them, that's fine for them. What I'm thinking of is how can we transform some of that, if we even can, like maybe there's going to be a business that's going in to 40,000 square feet, it's manufacturing or whatever it may be. Is there some agreement we may be able to do with Londonderry to commit to 40% Manchester residents or something, which they'd probably hire Manchester residents anyway because we would have the largest source of employees that they could pull from. I know the economic development; I'd like to see where this economic development affects Manchester, how it affects Manchester. The 22 parcels of land you spoke of earlier, are they all over.

Mr. Brewer replied only five of those 22 are actually in Manchester.

Alderman Long asked and the service station? Don't tell me that's going to be in Manchester.

Mr. Brewer replied that's in Londonderry. If I may, alderman, I think one of the prime locations that the airport currently owns is a piece of land immediately adjacent to the Holiday Inn on Brown Avenue. There are 5.8 acres immediately

behind that, that's all in Londonderry, it's all part of that industrial development. I mentioned the 1,900 jobs on the airport; back in 2006 there was also another economic impact study that was done and it showed that 47.7% of the employees at the airport are Manchester residents. So I would suggest that although Londonderry has 700 to 1,000 acres immediately adjacent to the airport, 20 of those acres are airport property, 20 of those acres we could do what we can to facilitate Manchester residents getting those jobs. With that said, I think that a rising tide floats all boats, I think as economic development occurs around the airport, that's going to be good for Manchester, it's going to be us again, as it says in the airport's name, it's Manchester-Boston Regional Airport, and although we are a City department, of those 1,900 jobs there are only about 75 that are actually City employees. The rest are private companies or they are federal government employees who are working at the airport as well.

Mr. Brian O'Neill, Airport Assistant Director, stated back in 1992 there was a feasibility study done before we actually started construction of the new terminal, which unfortunately two thirds of the airport sits in the town of Londonderry, but there was a feasibility study done to see if we were going to be able to site the terminal in the city of Manchester, it was the will of the board to try and site the passenger terminal in the city of Manchester. Unfortunately, because of our runway configuration, it wasn't feasible to put the airline terminal on the Manchester side of the airport district. One of the challenges associated with the future economic development is that a lot of those industries want to be near the services provided by the airport. So whether it's the cargo ramp, or whether it is the general aviation and business ramp, unfortunately because the two thirds are in Londonderry and a very small portion of developable land sits in the city of Manchester, a lot of that development has gone into the town of Londonderry. We did look extensively at trying to put the airline terminal in the city of Manchester back then. I've got some artist renderings that I know there was a lot of support

for, but unfortunately it just didn't work; the feasibility study just showed that it wouldn't work putting the terminal on that side of the airfield. But I do think that a lot of the ancillary business that has grown, has grown in Manchester and not so much in Londonderry. And I don't mean the businesses that are right around the airport, but I'm talking about the numerous hotels that have developed in the Manchester side of the airport. There is Spring Hill Suites and the Home Wood Suites and the developments off from Huse Road. We worked closely with them to make sure that we have enough hotel rooms for the business clients that are flying in there. I think Londonderry has one hotel, the Sleep Inn off from exit 5. But if you look at all the hotel development, and I've got a list, there are numerous hotels that have been developed in the past decade and they are all on the Manchester side of the airport. So the airport is a regional economic engine; but as Mark said, 47.7% of the employees who work on airport live in the city of Manchester, and a lot of the ancillary development that's happened with the hospitality side of it has happened in the city of Manchester.

Alderman Long stated the airport is an enterprise fund. I'm more interested in increasing the tax base

Mr. O'Neill stated and also Wiggins Airways, which built a 96,000 square foot facility. That is housed solely in the city of Manchester. So they are a significant taxpayer to the City, and a lot of those business that are up off of Bouchard Drive are somehow aviation related or the development was associated with the airport, and they're all taxpayers for the city of Manchester as well.

Mr. Brewer stated we understand that. As airport property, it sits as tax exempt. If we can turn that into revenue generating for us and it becomes taxable for the city as well, as well as jobs.

Alderman Long asked do you pay property taxes?

Mr. Brewer replied no, sir. We pay a payment in lieu of taxes to the town of Londonderry. That is right.

Chairman Arnold stated gentlemen, I recognize the airport as a significant economic development engine that we have, it is a significant resource we have right now, and I agree with you that while the actual number of individuals working at the airport, City employees, might be relatively low, airport related industries account for thousands, I think, several thousand jobs in and around the airport. I'm interested in growing that. Growth of opportunities, growth of business, growth of jobs. Alderman Long and I form a good partnership where we're both concerned about the same things. He chose to emphasize the growth of the tax base; I actually would take the counterpoint and say the growth of jobs is something that I'm particularly interested in. My question is, what is it that, in your opinion, the City could do to help the airport become more competitive? Is it a broader or more aggressive plan to educate individuals in Boston or in the Boston metro area that we are an appropriate alternative to Logan or some other airport in Massachusetts? Is it additional infrastructure improvements, is it us being able to incentivize additional airlines to come to the Manchester airport or is it some combination of all of those things?

Mr. Brewer responded it's all of the above. Let me try to take them one at a time. One is from an economic development perspective. We are a partner with the City, with the state, with the region to grow jobs and to get unproductive land onto the tax rolls. That is important. The way that the airport does that is we are not an economic development agency per say. By running a safe, secure and efficient facility we are the infrastructure that helps these businesses do their jobs. So partnering with MEDO, partnering with DRED and others to highlight the

benefits, the ease of access, the transportation options, the low costs. One of the ways that airlines measure one airport versus another is by what they call CPE, costs per emplaned passenger. Our cost at the airport is one half of what it is at Logan. It is only two thirds of what it is at Providence. We have the highest load factor, meaning passenger sitting in the seats on the aircraft, of any other airports in the area. So our airplanes are going out full. When we talk about competitive response not only to Logan, the airlines are looking at that airplane that is in Chicago that is coming here, it can fly equally well between any two cities. So we have to, when we go and meet with the airlines, make the best economic case that it is in their best interest for their stockholders to bring that airplane from Chicago to Manchester versus Chicago to Tulsa or Chicago to Tucson or to Los Angeles or wherever. A lot of people think that we are competing with Logan Airport; we're competing with every other airport in the country. The way the airlines measure success is their yield is measured in the cents per seat per mile that they can get. So if they can fly that airplane from Chicago to Manchester and make ten and a half cents per seat per mile or use that same airplane and fly to another destination making eleven and a half cents per seat per mile, they just increased their profitability by 10%, and that's what we're up against. Frankly, if you could fill up an airplane in Boston or you could fill it up here, a 137 seat airplane, because our cost is half, all of that would drop to their bottom line. It sounds impressive and it is, but the challenge is that the airport costs that we talk about are only 3% to 5% of the operating costs of the airlines. So there is a lot of competition going on down at Logan Airport, there are a lot of low-fare carriers that are down there, and there's a market share battle that's going on. So I think if there's a message that we could ask the City and your leadership and the aldermen and anybody else that we can talk to, is use the Manchester airport as much as you possibly can. One of the ways that we can attract additional airline service is by filling up those seats that we have, although we're at 98% load factor already, fill them up sooner. The airlines recognize at 120 days out from a flight's departure, they should have,

I'll make these numbers up, 37% of the seats full. In 90 days they should have 50%, and 30 days out they should have 80%. If we can give them 80% full 120 days out, they know that there is more demand than they have the capacity to fill. Every time you hear of somebody who says I just flew out of Logan airport, it sends a signal to the airlines that there is no reason for us to add additional capacity in Manchester because we've got them at Logan, and that's one of our challenges is keeping it local, keeping the demand high, and then we have a better case to make because we have no delays, you're not 22<sup>nd</sup> in line for departure out of Manchester. We've got the lowest cost around and we've got super infrastructure that's well maintained, well operated, we've got the best snow removal crews in the country. In fact flights that get diverted from Boston, come here because they can get in here and they can't get into Logan. So we have a great story to tell. We just need to make, that people with their credit cards when they're booking their flights, look at Manchester first.

Mr. O'Neill stated the airport has a fairly significant marketing and advertising budget. It is about \$800,000 a year and we are very aggressive with marketing in the northern Massachusetts market where air travelers have a choice between going to Manchester and going to Boston. Unfortunately, ultimately the decision comes down to what was my airfare, what's the schedule, and those are really the decisions that drive. Although as Mark said, we have low cost parking, unprecedented convenience and a customer friendly terminal, it comes down to what was the schedule of service and what was my airfare. Unfortunately those are two elements of air travel that we have no control over. However, the second part of your question you asked was aggressively recruiting new airlines. We have an air service development program that we've been out hawking to the airlines for the past couple of years. It is right to the limit of the allowable contribution the airport is allowed to make to airline's operation allowed by the FAA in their 2010 guidance. We can't offer anymore. Unfortunately, as Mark said, we can give the

store away at the airport but it only represents 3% to 5% of their cost. What is more important is what is the price of a barrel of what jet fuel is doing, what's the price of a barrel of oil, and as the price of a barrel goes up, when you look at a geographically challenged area like the northeast, to get to some of those long distant domestic markets like Las Vegas and Phoenix and Orlando and some others, it falls below the line of profitability for those airlines. So really all airports are dependent on what's the cost of a barrel of oil. Most of the airlines have built a profitability model on \$70 to \$80 a barrel, and when that hits above \$80 and gets into \$90 and to \$100 a barrel, they start making decisions based on the profitability of each individual route. So you can have the plane full, but unfortunately they're not getting enough in airfares to make that a profitable route.

Mr. Brewer stated let me just offer one last point. I'll leave you with three numbers; 47, 17 and 1,000. We have 47 flights a day; those flights go to 17 non-stop destinations where you can connect one stop to over 1,000 locations. So you can get literally around the world one stop from this airport. We have a lot of service that's available, people are taking advantage of it, we're making the case, as Brian mentioned, our incentive program is up to two years of free landing fees and up to two years of waived terminal building rent. Two years, imagine if you were starting your business and somebody gave you two years of free rent and two years of free landing fees from an airline perspective. I've been here since 2005, we've had that available since 2005, and we've gotten zero takers. It is because it's not enough to override a market battle that's going on at Logan, and it's not enough to override the great fluctuations in fuel prices. That is what they're looking at. For a little bit of comfort level; in August, I couldn't find the September number, but in August of 2012 versus August of 2011, there were 21,400 fewer flights in the US on commercial airlines than there were in 2011. So it is a nationwide issue where the airlines are trying to work their way into

profitability by the old supply and demand. Shrink supply, raise demand, and raise the fares. We're all part of that synergy.

Chairman Arnold stated thank you both for coming. Your statements were sobering, and I learned a decent amount about how the airport and airline industry works. I hope that we keep the dialogue going, and I hope that as additional opportunities develop, that the city considers whether we're talking public transportation opportunities or related ventures that might further incentivize individuals taking flights out of Manchester rather than going somewhere else, I hope that we're good in communicating those issues with each other as say the airport and the individuals in this building.

Mr. Brewer stated thank you, Mr. Chairman. I know we have your support, I know we have the support of the entire Board of Mayor and Aldermen. We are working hard every day to keep us the most safe and efficient airport in the area, and we're keeping our costs low and we're doing what we can to attract additional service.

Chairman Arnold stated if wishing made it so that this board could control the price of oil, and yet I'll say that I agree with everything that you just said, I think very highly of the airport every time I've had a flight that goes out of or comes into the airport. It's been an incredibly pleasant experience. Hopefully in the coming months we'll do whatever it is that we can do to make sure that members of the public are aware of that as well.

Alderman Long stated just one other thought. The airport authority, the committee... Is there any role in that committee for what we had discussed with respect to job creation and tax base increase? I'm not familiar with what they do. Is there a role for them in just following that?

Mr. Brewer responded the airport authority is an advisory committee for us. We run our budget through them, we keep them up-to-date on all of the things that we're doing, these economic development initiatives, they are all aware of it. We run every component of this by the airport authority for their feedback. As you all know, they are local business leaders.

Alderman Long asked they are Manchester stewards. I know there is a representative from Londonderry on there.

Mr. Brewer stated there are two from Londonderry and five from Manchester.

Alderman Long stated so they are sort of the clerk of the works for Manchester, advisory for the airport, probably not necessarily for Manchester but just the airport.

Mr. Brewer replied Attorney Bob Dastin is the chairman and he is from Manchester.

Alderman Long stated there probably isn't a role. I don't know so I was just asking. Would there be a role? I don't even know if it's appropriate, but I just thought that you have five from Manchester, two from Londonderry, maybe some conversation could be happening at that level. I just thought I'd throw it out there.

Mr. O'Neill stated they certainly have proven to be a valuable sounding board for the airport and they are a conduit back into the community. I think it was in 1997 when the charter changed that they took the authority away from the authority, so they are more of a sounding board for the airport. I will tell you that we get a lot of valuable feedback from them and a lot of our initiatives that we're undertaking

at the airport, we share with them and get their feedback, and I think it has been a valuable relationship since the change from authority to an advisory board.

Alderman Long stated I don't know if it would help if either Chairman Arnold or I would get on the agenda for a five-minute time just to give them what we had just discussed here.

Mr. Brewer stated we'd be more than happy to. We have a meeting coming up later this month.

Alderman Long stated I don't know if it even fits into their role.

Mr. Brewer stated I think it would be important for the airport authority members. I think they all know that they represent the City. I think that they all know that the Board of Mayor and Aldermen are supportive and certainly the mayor is supportive of the airport, but hearing directly from you I think that they would be more than pleased to have that. We will get you on the agenda.

Chairman Arnold stated if you could just provide the meeting details of the next airport authority meeting, that would be helpful.

Mr. Brewer stated I think it's November 17<sup>th</sup>, but I'll double check that.

Chairman Arnold stated I appreciate that very much. Thank you, gentlemen.

**TABLED ITEM**

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

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)*

Chairman Arnold stated last time that we discussed this Mr. Minkarah from the Economic Development Office and Mr. Gagne from the Assessor's Office made a presentation, and I'm wondering whether we tabled it to receive additional information. Am I making that up, Alderman Long? Is there additional information that you were looking for? Did you ever get it to your recollection?

Alderman Long stated this Chapter 79-E is already in effect at the state. We can do this. But was there anything else that MEDO could think of that we may be able to change the statute or whether the Assessor's Office has anything.

Chairman Arnold asked the city had this program last time, right?

Mr. Robert Gagne, Assessor, replied that is correct. The City had an issue with the threshold, I believe, of \$75,000 and needed more flexibility in that area to adopt whatever figure was appropriate for the City. I wasn't here at that time so I'm not aware of any specific issues. The only other observation I would make is, and of course Jay would be the one to answer this, I haven't had any developers approach me about whether there's anything like this available, but I may not be the person they would see first on that.

Chairman Arnold asked is it fair to say that the program is cost neutral, because if the program works the way it is supposed to, you're going to have development of a project or parcel that otherwise wouldn't be rehabilitated or developed?

Mr. Gagne responded looking at the five that we have in place, the largest one of those was pretty far along in its development before the developers decided to enroll in this program so I'm not sure that I'd be able to say that that is the case. I think that if a building is worth redeveloping, that it's probably going to happen whether this program is in place or not. But it may happen a little quicker or maybe a different type of development, a higher quality development, if this were available. Again, Jay would be the one to answer whether there have been any queries about the program.

Chairman Arnold stated I certainly hope to continue the discussion at our next meeting with Mr. Minkarah.

Mr. Gagne stated one other observation; I think if someone does come along who might be interested in this program, it may take too long to readopt a local ordinance to go along with Chapter 79-E if you wait until that point. So it may be appropriate to get something on the books before someone comes forward.

Chairman Arnold stated for what it is worth, I am of the opinion of why not have it on the books particularly if it's not costing us anything. I was opposed to repealing it in the first place at the time that it was repealed. Are there any questions at this point for Mr. Gagne or do we just want to save questions for a discussion at the next meeting?

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

*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 Normand". The signature is written in a cursive style with a prominent initial "M".

Clerk of Committee