

## **Economic Development Advisory Committee**

### **5.6.09 Meeting notes**

#### **Americana Room – Hampshire Hills**

##### **Present:**

Rich Ball, Cirtronics Corporation

Tracy Bardsley, Do-it

Matt Ciardelli, Ciardelli Fuel Co

Heather Leach, Centrix Bank

Tim O'Connell, Butternut Farms

Tom Sapienza, Hampshire Hills Sports Club

Sean Trombly, Trombly Gardens

Dale White, Leighton A White, Inc

Chris Costantino, Conservation Commission representative

Rosie Deloge, Milford School District representative

Janet Langdell, Planning Board representative

John McCormack, TIFD representative

Bill Parker, Director Community Development

Shirley Wilson, Recording secretary

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T. Sapienza called the meeting to order at 7:30AM.

##### **Minutes**

T. O'Connell made a motion to accept the minutes from 4/22/09. D. White seconded and all in favor.

D. White said changing the wording from ombudsman to facilitator was a good decision. T. Sapienza asked if Bill had a chance to speak with Carole Ogilvie. B. Parker replied not yet. J. McCormack added that he would also be interested in feedback from her to see if a committee like this has merit and what form it should take.

R. Ball made a motion to accept the minutes from 4/29/09. J. McCormack seconded and all in favor.

T. Sapienza referenced Bill's email dated 5/5/09 regarding workforce housing and said the revised wording would go under #4 Incorporate housing-friendly goals and implementation strategies in the appropriate sections of the Master Plan that support local job growth by providing a diverse range of housing opportunities for both the existing and future local workforce. This subject was discussed early on and was an appropriate addition.

##### **Review and Discussion of Final Draft**

J. McCormack referenced the Land Quest proposal a few years ago and noted the taxpayer concern with the impact on the schools. A lot of these perceptions are misguided; in fact school populations are dipping downward. It is fundamental to support and encourage this on a regional and state basis and important to consider the fact that we can't do this strictly locally; we can't be the only community providing workforce housing for all the surrounding area. B. Parker agreed that there would be a resisting factor locally if the town was going to promote the concept, so it has to be regional. J. Langdell referenced the same email where Bill used the term diverse housing and said we're not just looking at one piece. According to the statistics, Milford has a broad spectrum of housing options available and when you look at the affordable housing legislation that goes into effect January 1st, we are right on the money not like Hollis or Dublin scrambling to comply. Everyone recognizes on paper that we need more workforce housing, but how we make the opportunity available for developers will be interesting. B. Parker said a lot of discussion at the Greater Nashua Workforce Housing meetings is focused on the first time home buyer who is just totally priced out of the market right now. Even in Milford, over the past ten years, there has not been much built in the way of starter ranches or capes and that is where he sees Milford putting a little more emphasis, to make that option available. J. Langdell asked if builders can afford to build that type of housing at an affordable level right now and said maybe the model will have to change. Maybe there is a happy medium between the starter home and the big box apartment building. T. Bardsley added that we have students coming out of the applied technology center that may want to stay here. If they can't afford to live, that's a huge deterrent.

T. Sapienza suggested revising the wording to say by continuing to provide a diverse range of housing.... so that people wouldn't be apt to say we are going to change everything.

R. Ball said that SB 217 was passed a year ago to provide financial incentive for towns to redo their master plan aimed at historic and environmental issues, but also encouraged towns to consider workforce housing. It was a way of incenting towns to bring in outside expertise to look at the different things that could be done. Unfortunately after the bill was passed, the Department of Energy's budget was cut and funding stopped. Discussion followed.

D. White said the economy itself will dictate the construction of workforce housing because right now banking dictates what will be built in the immediate future. The words workforce housing, in reality, is just another way of saying, providing starter home stock for people. There is a market for homes under the \$200,000 range and although it's not like it was in the 1990's, houses are selling. Dale said that his father's business has even been contacted about this type of housing in the Milford area and there are developers out there with funding that are waiting for opportunities. They look at how fast projects like this could go through the planning process and that is something that this committee could have a big effect on.

J. McCormack asked if there were statistics on rental units versus homes. B. Parker said there is more rental stock available right now and we do have a higher vacancy rate. R. Ball added that apartments, however, were still pricy and that is one of the problems. We are talking about housing for people with a reasonable income but the rents are still high. B. Parker conveyed a conversation with Kevin Slattery, a local builder, who is very involved in workforce housing projects with one in Pepperell and several in Nashua. He said that there is a change in the mindset of buyers in that they are going back to wanting to buy a starter home to begin their families and live there for a significant amount of time as opposed to what has been happening over the last fifteen years when people bought a house for an investment and then the checked the next day to see how much it had gone up in value. J. McCormack asked if a developer could come into Milford and put in something with a higher density right now. B. Parker answered no, not very easily; most available land requires two acre zoning. T. O'Connell said that Milford does have a diverse range of housing and said we might want to add the word *encourage* to diverse housing because this is really a public relations battle. D. White said it is economics and it has to be smaller lots because you can't build affordable housing on lots that cost \$90,000. A lengthy discussion on the size of homes ensued. J. Langdell added that it's not just town regulations, its banking and mortgaging, and it's a change in the safety codes that has driven the costs up.

H. Leach said the builders she works with on workforce housing are mainly building across the line in Massachusetts through the 40D program which allows higher density. The state of Massachusetts also has a program where one out of four houses is put into a lottery and sold at cost, but the net/net for the builder works. It's the development costs, not just the land that make clusters more affordable, there is less infrastructure with the roads and utilities being shorter. Our role as a committee is to encourage the town to look into options such as that. We are a free market economy so most builders will not do this out of good will; they need to make money to stay in business. B. Parker agreed that the program is working down there. H. Leach said it is a beautiful project and gave more details. R. Ball said land costs are the real issue and described the ten lot project at Harvest Lane. The ¼ acre lots on town utilities sold for \$75,000 to \$100,000. That was only the land cost so what can you build for another \$100,000? Teachers, police, firefighters and construction workers would have a problem qualifying for a \$200,000 house. H. Leach explained that the general rule of thumb for development costs to put the road, the swales, the utilities and the drainage in for a two acre lot is approximately the same as the cost of the land and then you have to bond it, so half is the cost of the land. Discussion ensued. J. Langdell said when we talk about workforce housing, we also have to remember what parameters we are looking at. The state uses the median income for a family of four for home purchases and the median income of a family of three for rental units. What about a family of one?

M. Ciardelli brought up Peacock Brook in Amherst off Rte 122 saying four or five of the units have sold for \$249,000 and that is Amherst's affordable housing. B. Parker said he was not familiar with Amherst's inclusionary zoning and it is written into those deeds that the price has to remain at a certain level. J. Langdell added that you can't buy it as an affordable piece of property and then turn around and sell it for a huge profit.

T. O'Connell said, in looking at the Master Plan, we can't say we are going to support job growth by providing affordable housing, but we can encourage affordable housing. T. Sapienza said Milford is not that far off track and we have to think of the taxpayer and let them know we're not going to change things, just fine tune them. J.

Langdell suggested that we should *continue to encourage*. T. Bardsley said using the word “continue” shows that we are already on track and that the problem isn’t going to be solved today or even in the next five years. J. McCormack said that we should also work the word *regionally* in, as well. T. O’Connell said that this is the number one issue out there for many groups including the Chamber of Commerce and the BIA and at least it’s on the regional radar. J. Langdell said maybe we could add something in terms of working regionally for workforce housing or commercial development or under traffic and transportation but we have to understand that the regional perspective goes well beyond housing.

C. Costantino asked if the developer made the same amount of money building thirty starter homes or ten mega homes and how much of the land price goes back to the land owner who is trying to make their money. D. White explained a fifty acre scenario and said that although the open space/cluster development is cheaper we still have to be careful of the burden that is put on the developer because after all, those costs are just added onto the homeowner. The cost of the land is impacted by what can be built on it. J. McCormack referenced the Reserve saying it has a greater density and in theory it should be a lot less expensive, but that is not the case. D. White explained that all the trails and extras costs get added into the price. A discussion on housing markets followed. D. White then mentioned the dilemma for baby-boomers in trying to downsize and reiterated that the economy is dictating everything right now. H. Leach added that the way the regulations are currently written, the developer can’t put those thirty homes in. The cost of the land is the same either way, whether you build a \$200,000 house or a \$500,000 house and the bankers feed right into that because our lot release amount is independent of the price of the house. That is where the zoning comes in for higher density. J. McCormack referenced the book *Communities and Consequences*. J. Langdell said as we get into higher density, we are going to have to look at the larger issues. Will we allow some mixed use to maybe include a convenience store for the residents?

R. Ball said we have had discussions on the Brox property and how it can help our situation, so what if we took fifty acres of Brox and put it into a high density arrangement. We could build one hundred homes in a cluster and put the extra land into trails and what if we gave the property freely to the developer with the stipulation that they would not increase the price some percentage over their costs. Let them make their profit and sell those houses. That means every year those one hundred homes with their \$3,500 tax bills would generate \$350,000 in tax revenue and if you add stores to make it a little community it might even enhance the rest of the property as far as availability for low end industrial development because there is your workforce. At the end of twenty years the town would get \$7M as opposed to sitting on a piece of land that is not moving. I am not advocating doing this, but just saying that there are scenarios that with the right people may make some sense to address. J. McCormack said the counter would be the cost of schools. R. Ball said Bill can verify that even though the apartment load and house loads were different ratios, the end result was the same, ½ a student per household. B. Parker ended a brief discussion by saying it goes back to this group becoming an advocate.

T. Sapienza said that Bill has added the executive summary to the beginning, numerous tweaks throughout, and a summary at the end to this latest revision. B. Parker said he took the liberty of saying that this committee is pleased and proud to present this report, hopefully that is the case; there was no objection from the committee. B. Parker also noted that Guy has been put on notice and will be invited to next week’s meeting. Bill read the list of possible additional reviewer names and it was decided that the reviewers will receive a personal phone call and then the draft would be sent out electronically. Bill will do a letter of transmittal that will be sent with the document. The committee would like the reviewers to comment on whether anything is missing, if there is clarity, if the reader can understand and if it sounds reasonable. Comments and feedback should be sent back directly to the initial contact via email which will be forward to Bill by Tuesday the 12th so he can finalize the draft for the meeting. The consensus of the committee was that they wanted to see the raw data and that all the discussions between the committee member and the reviewer will be forwarded back to Bill so that the translation or intent does not get lost in the end response.

- D. White will contact John Morrison, Hitchiner
- T. Sapienza will contact May Balsama, Chamber of Commerce
- H. Leach will contact Dave Asselin, Portrait Homes
- R. Ball will contact Ted Kranz, Airmar
- R. Deloge will contact Scott Austin, Milford Lumber

T. Bardsley will contact Bob Hall, Souhegan Cycleworks

B. Parker said that a power point of the presentation to the BOS will be available to go on PEG access.

Additional items:

Page 7, the vision statement was repeated in II #C and III. B. Parker said that was done for re-emphasis.

Page 9, the recommendations for Issue II are duplicated; #1 and #2 are the same wording

Page 11 & 12, T. O'Connell said there are a couple of things the committee should be aware of with reference to the Souhegan River.

The Souhegan River is part of the River Management program and Chapter #483.9.C deals with instream flow protection. The Souhegan and Lamprey Rivers were designated as pilot rivers to maintain quality of habitat. Although the technical work and study have been done, the program has not been implemented. It comes down to how much water should be flowing through the river at any given point. T. O'Connell explained that new flow regulations might affect Sean who might not be able to run those overhead irrigation pipes 24/7 or Monadnock Spring Water might who may not be able to pump during the day or something like that. R. Ball said there is a Federal Energy Regulatory Commission (FERC) issue with the dam at the Wilton/Milford border in that the minimum flow has to be maintained at fifty cu yards per second, if available.

There is also a movement tied in to the Souhegan River to remove dams for the salmon program. He doesn't think that the Town would be too happy if those dams in the center of town were removed, because the river flow would be slowed down to a trickle in July and August. We need to consider this when looking at Issue III, action #B *Increase the focus on the Souhegan River as a riverfront amenity, natural resource asset and economic draw*. The Souhegan is an underutilized resource and it is an asset and value to the community, so we should try to maintain or improve its present state. B. Parker said he would try to work in the economic importance of the Souhegan River because it affects agriculture, as well as the downtown. D. White suggested increasing the focus on the river ... *and important economic resource*. D. White ended a brief discussion on maintenance of the river banks by saying that this committee could certainly make recommendations to Guy that we pick up the trash and clear the brush. S. Trombly said that we have to be careful with the Shoreland Protection regulations. Further discussion ensued. R. Ball suggested volunteers. J. Langdell said that sounded like a "gateways project" where we pick the four entrances into town and have a volunteer effort to do what needs to be done to keep them looking attractive. The adopt a highway program was then referenced.

**Other business:**

R. Ball said that Rosie has arranged for Rich Paiva from the Applied Technology Center to bring some students to Cirtronics for a visit. We'll show them some of the potential jobs after graduation and what is expected of Cirtronics employees. This is a positive step for both the school and businesses.

T. Bardsley invited everyone to attend a workshop featuring Barbara Wold on May 19 at the Amato Center from 6-9pm; she is an expert in small businesses and marketing and this workshop is very timely. We'd love to have the Amato Center filled. J. Langdell inquired if that would be available on video tape as she has another commitment that night. T. Bardsley said she would inquire. D. White asked if students were invited. T. Bardsley said she will forward the email to Rosie and who will follow up with Dana.

The next meeting date was set for Wednesday May 13th in the Americana Room at 7:30AM.

The meeting was adjourned at 8:50.