

Economic Development Advisory Council

2.16.11 Meeting minutes

Americana Room – Hampshire Hills

Present:

Tracy Hutchins, Do-it
Brad Chappell, Chappell Tractor
Matt Ciardelli, Ciardelli Fuel Co
George Infanti, Milford Paint
John McCormack, TIFD
Tom Sapienza, Hampshire Hills Sports Club
Penny Seaver, Smith, Seaver & Bean
John Siergiewicz, Hollis Line Machine
Sean Trombly, Trombly Farms
Dale White, Leighton A White, Inc

Chris Costantino, Conservation Commission
Rosie Deloge, Milford School District
Bill Parker, Director Community Development
Janet Langdell, Planning Board representative

Excused:

Heather Leach, Centrix Bank
Mike Putnam, BOS representative

Guests:

Leighton White
Sarah Marchant

T. Sapienza called the meeting to order at 7:30AM and welcomed George Bald and Gary Chabot.

Discussion with George Bald, Commissioner – NH Department of Resources and Economic Development and Gary Chabot, Regional Resource Specialist, NH DRED

George Bald began with good news saying that the state's economy is in good shape and growing. New Hampshire's economy is very diverse and while the manufacturing and medical products industries are doing well and even growing, the construction industry has taken a real hit and is not coming back as strong. We do have concern with the 5.5% unemployment rate and the governor's budget has some deep cuts in state services, but forty-five other states would give their right arm for our economy. Our narrow revenue stream relies mainly on the business profits tax, the business enterprise tax and room and meals taxes, so we follow twelve to eighteen months back. I am convinced that the revenue picture will improve because companies are doing better; however, we just have to get through this next two year period. The legislature has some tough decisions to make and will need to consider the long term implications.

G. Bald gave a brief summary of his experience, background and career. Because of his municipal background, he has a soft spot for cities and towns and is mindful that every business is not only located in New Hampshire, but located in a community. There has to be a partnership between the state and the local community and patience and attitude are as important as water and sewer. We sometimes work with companies for two or three years before they make their decision and it is important that you be proud of your community.

He gave an example of how attitude can affect decisions.

The president of a company who had plans to build a factory and employ four hundred people in a specific city in the Midwest was making several stops. In a different city, on his way to the potential site, he asked his cab driver about the area. The cab driver spoke highly of his community saying people work hard here, there is a lot of cooperation; we have a good school system and parks. It's a good place to live. At lunch in the same town, he asked his waitress the same question. She also said we really like it here; there is a good school system and a lot of recreation. We have difficulties like any place, but we always work it out. The president then talked to a cab driver and waitress in the town where the factory was to be located. They both were very negative saying the town is a mess, the local leaders are always at each other and if you read the paper nothing good is happening. The waitress added that if she had the opportunity to leave, she would. There is much more to the story but, the president of the company re-located that factory in the first city because of the people's attitudes.

Think of the implications with four hundred employees. That is four hundred families that were affected by people's attitudes. It is not unusual for prospective companies to read the local paper or go online to see what is

happening in potential communities. There will always be differing opinions but it is how you deal with those problems that makes the difference.

- Be positive because you never know who you'll be talking to or who will be reading what you've said.
- Every single person in Milford is responsible for economic development; it's not just one individual or just this group. It spreads by word of mouth.

I could have put a \$100,000 ad in the Boston Globe and never connected with the company below:

While working for Rochester, a person from Maine called him saying that he knew a company from Woburn MA who was looking for a new location and asked if George would mind giving them a call. George said he appreciated the opportunity and did so. He worked with that company who eventually relocated to Pease and it all started from an individual employee of a company who wanted to work closer to home and save the Massachusetts income tax. The rest of the story is that we had a good relationship with the company and at the end of 2010 that division of Ingersoll Rand was bought out by FlexEnergy of Irvine, CA and they have plans to expand, adding more employees.

- It's that long term relationship and remembering that everybody in the community plays a role in economic development. You want to highlight the things that you're doing so more people in Milford know exactly what you're doing and also give you suggestions.
- It is very important to be sure the businesses you have here are happy before trying to attract new businesses.
- Call on each local company at least once a year.
- It is very important to visit every business in the community especially the large employers and manufacturers.
- Have a breakfast meeting with city officials and the major business individuals, sort of a state of the city.
- For new businesses, give a list of every single business in the community and say feel free to contact anybody and ask what its like to do business here.

There was a company with an aggravating issue that could have easily been corrected by the town, but nobody from the town contacted the company. Once communication was opened up, both sides took action and eventually the company expanded.

It is so competitive now and businesses can go anywhere. It is remarkable what other states will do to attract business, so it is important that Selectmen and EDAC members visit all businesses in town and tell them how much they are appreciated. You don't want to read in the paper that one of your businesses is expanding in another location.

- Work with DRED recruiters and get into the database.
- Provide up to date accurate information for businesses to use.
- Work with real estate brokers.
- Network and connect with others.
- Make sure the community knows what is going on.
- Patience and attitude are as important as water and sewer.

Techno Weave in Rochester got very good at their product for the aerospace industry and grew steadily. They were recruited by other states and eventually sold to AEC, Inc but they said the community was really good and our workforce likes it here so they stayed in Rochester, building a 40,000SF addition. In November they announced more expansion with a 100,000SF building and 250 new jobs.

- The work you are doing today will have implications five to ten years from now.
- Again it is so competitive out there and some states give incredible incentives. There is no way that New Hampshire can compete with that, but we do have a business friendly state and business friendly communities.

Gary Chabot gave a summary of his background and said he currently works with Hillsborough County, from Derry to Peterborough including Manchester and Nashua. New Hampshire wants to be a competitive state; we have certain limitations but we also have programs available that business and communities can take advantage of.

- Job training grants that will pay for half the tuition costs for skills development.
- Economic revitalization zones (ERZ).

G. Chabot explained ERZ's and said approximately thirty-five communities are taking advantage of this program and some even have multiple zones. An ERZ is an area in town that would be designated as a target area for redevelopment; a tract or collection of parcels that are underutilized or vacant. There would be a government process and the Selectmen would have to vote to create the area. A company would move into a building in the identified zone, they would put money into that building and add jobs. They would then get a direct tax credit against the business profits tax; up to \$200,000, collectively split over five years. It is a good tool for the community to use as an incentive to entice businesses, increase the value of real estate, and add jobs. It turns into real money for business who could realize \$30,000 to \$50,000 in tax savings.

- The ERZ can be used as part of a package that can include financing through the local and regional Development Corporations and the Business Finance Authority.
- DRED has a good relationship with other state agencies that can be pulled in to help with business relocation or to expedite solutions.
- Important to root companies to our state and build a relationship so that it is harder to for those companies to pick up and move out of the community.
- You can get contacts for other companies through the existing businesses.

J. Siergiewicz gave a history of Hollis Line Machine's Milford plant and said the town was very helpful. We created 28 new jobs and recruited employees from other companies, but the average age of his employees is fifty years old and he has faced great difficulty in getting young high school aged people to join the industry. This is a technically complex trade to learn and the young people just don't seem to want to work.

G. Bald offered to set up a meeting with Gary and Employment Security to discuss several programs that might work. There is one program that places unemployed individuals and covers their salary for a specific time frame in addition to various job training programs.

J. McCormack said he has been involved in industry for more than forty years and bought up his experience with Alcan. The company had an opportunity to produce a highly technical new product that required a different mindset for the employees who were very set in their ways. The key was a recently hired young woman engineer who had a different skillset. She was able to convey a passion for what this change was about and got the workers onboard to solve the problems and the union to agree to skill tests. We had a tremendous success and eventually she went on to become president of a division of the company. She showed us that you have to be open to different ways of changing skills and mindsets.

T. Bardsley asked what is the most likely characteristic of a town that would attract business, in terms of a positive attitude. G. Bald said there are certain things, like geography, that you can't change but you can create an attitude where people are positive and feel good about the things they do within the community like recreation. The decision maker for a company looks at whether they can live in the area, what the schools are like and if they can attract employees to the area because you can only poach local employees for so long.

A former manager of Fidelity said he really advocated for New Hampshire because he used to vacation here; it is a place he would love to live in and hopefully can attract others to live here.

When George worked for Rochester, he knew the days of the garbage routes and would avoid those days when he was showing a prospective company the area. He did not want to highlight the negatives and wanted them to feel positive about what they were seeing. He would always tell the truth, but wanted to get the plus column to be more.

It's very important to have more in the plus column to present than negatives and you've got to have:

- Available space
- Workforce, which is a key piece in how New Hampshire can do so well.

George offered a business representative a ride to the airport after a disappointing meeting where they didn't find any buildings that would work. They chatted on the hour ride down and George also sent a follow up package to the representative's home regarding new construction. George didn't hear from him for several weeks so he sent a note thanking him for the opportunity to look at Rochester. The representative called and set up a meeting on a holiday to come back and look at some land. That is how Teledyne Lars selected Rochester and relocated from Toronto hiring 120 people. The company has since been bought out by Bradford White, and some time later, he got a call from the city of Rochester saying they may relocation because of auditors' statements about New Hampshire's tax structure. George arranged a meeting between the president of the company and the commissioner of revenue. Correct information was exchanged and the business stayed in Rochester.

- It important to use the relationships you have to help your existing businesses.

A person addressing group of UNH students was asked if he enjoyed it here. His response was that he loved this state; he could get to anybody in this state on two cards from his rolodex. It's remarkable. When he was finished speaking someone asked what's a rolodex.

B. Chappell inquired about George's position in Rochester. G. Bald replied that he was the Director of Economic Development; he was physically located in the Planning Department but reported directly to the mayor. He could help businesses understand the planning process, which can be abusive sometimes and assist with good customer service. Developers have no problem following the rules as laid out, but the frustrating part is when the community tells them part way through the process, oh... we forgot about x, y, and z.

- It is important to give good customer service, whether it is for a citizen, a business or a developer.

George gave an example where he and a customer had stopped behind city hall, in a no parking zone. A police cruiser pulled up and said "move it now," which was extremely embarrassing. On his way to the mayor's office, he realized that the police officer wasn't in tune to economic development. Economic development is not intuitive but it is important for citizens and police to be polite for citizens and businesses.

- It is the responsibility of community officials to make sure that everybody in the town is paying attention to economic development. Involve the police chief, the fire chief and the building inspector in economic development activities. You can't turn economic development on and off, so you always want to make an effort.

B. Chappell inquired about ERZ qualifications. G. Chabot said explained that the key word is underutilized. If a property is underdeveloped, vacant, has a previous past or even brownfields for that matter.

S. Marchant inquired if any local communities are using ERZ's. G. Chabot replied Nashua, Manchester and Peterborough which has several zones.

G. Infanti said the Amherst ZBA just approved a winery with vineyards on Rte 101 which will be another draw to bring people to the Souhegan Valley area. There are so many different and diverse businesses here. J. Langdell said this also speaks to social capital that makes our area more attractive and the need to take a little more of a regional perspective.

- Branding is people's perception of the town. What are the key words for what it's like to live in the area?

T. Sapienza gave a brief background of the EDAC and said that one of our focuses is on branding, but it's really hard to get our arms around that. We are also working on processes and communication which tie into the perception of the community. We have had some comments that it is hard to get things done in Milford, but we have discovered that things are not as bad as reported although we have to address that perception. We are looking at zoning in town and working with local businesses and residents of the Elm St corridor to address the gateway into town from the west. A recent subcommittee has just started working on the feasibility of recruiting

a hotel to Milford. G. Chabot said he will talk to their recruiters because they have some connections with various companies. G. Bald said the current climate is rough but it is very locational.

- Keep State elected officials informed of what EDAC is doing and send occasional invitations to your meetings because there is always an opportunity for communication.
- It is important to have something to offer; be candid, but remember that you have to have some building or land inventory available. It is hard to attract business without inventory.

J. McCormack said Milford has a large vacant parcel that we're trying to develop and voters are reluctant to spend money on infrastructure. G. Bald said it certainly goes to why economic development has to be at the forefront all the time and referenced the recent development in Claremont, NH. There was a determination to attract business there and they understood that they really needed to make an investment. Although it was very difficult, their efforts did attract Alex Ray of the Common Man restaurants and the project evolved. Again, the market is so competitive; you want to have a leg up. It is best to have a building, but the next is ready land. G. Infanti referenced the Brox property saying we have 150 acres right off Rte 101, but the reality is that its raw land.

T. Sapienza thanked George and Gary. G. Bald reiterated that he has a soft spot for communities; there are a lot of rules, regulations and responsibilities shifted down from the State and he would be delighted to help any way he can. You have a wonderful organization and your enthusiasm will make a difference. Again, the more the community understands economic development, the more supportive they will be. Milford has some wonderful companies that could connect you with even more business.

The city of Rochester actually bought 150 acres from PSNH and the mayor requested the appropriation for the bond to put the utilities and roadway in. A lot of people certainly said that was crazy, but opportunities came fairly quickly. What precipitated this was that a company looking at relocation loved Rochester but the land wasn't immediately available and they said we're picking a different place. We didn't want to be in that position ever again. After we developed the property, a number of buildings went up and property tax revenues exceeded what the city had spent on economic development over a ten year period.

- Jobs are more important than revenue because jobs affect the entire family. Twenty jobs impact twenty families and it is worth the effort. It makes a difference in people's lives and hopefully helps to make a better community.

There was a brief recess called at 9:00AM.

Review of EDAC 6-month update to the Board of Selectmen

T. Sapienza said the review went really well and we did speak in support of the warrant articles. B. Parker added that it was very positive and he received an email from Tim Finan who was very supportive of our efforts. T. Sapienza said he appreciated the show of support.

Brief announcements/updates from Subcommittee:

Land Use

G. Infanti said they reviewed the majority of the zones and made a number of recommendations that will go forward to town vote. The Planning Board has been very supportive. We've looked at Elm St and had a successful breakfast and our intention is to move forward in positive nature. J. Langdell added that the west end development piece is a continuation of work that the Planning Board had already put into motion. As a board we're glad this group was willing to take it on and move forward. We are also looking forward to the Visual Preference Survey next Tuesday.

Website Development/Branding

T. Bardsley said there was not much to report. T. Sapienza said George gave us some great information to work with.

Policies and Procedures

J. McCormack said they've had two follow up review sessions with two more to go. The message of better communication and policy streamlining has gotten out and the sessions were well received. Also, the departments are more aware of the importance of economic development. J. McCormack then commented on today's discussion noting that we should include the job justification in the letter to the editor. We've visited some of our existing businesses but will work on that. We should revisit our inventory; buildings and land so that we're ready to hand it out. We could also involve our elected officials more.

Letter to the Editor – Brox / TIF District development / former police station warrant articles – Bill Parker
R. Deloge asked Bill to have a conversation with Mike McInerney to put something together for the government and education channels as a way to put this information out to educate the voters. T. Bardsley suggested an interview. R. Deloge said Mike would have to take the lead.

G. Infanti suggested drawing up a letter with signatures from local businesses and submit it as a Letter to the Editor in the Cabinet. B. Parker asked how best to make that happen. Many ideas were suggested and T. Sapienza offered to help draft a letter from EDAC and a letter from the business community. B. Parker said any thoughts should be sent by email today.

D. White said we've already started what George was talking about and we did it from the grass roots standpoint. The reinforcement will help us stay the course and there is a lot we can continue to do. The most important thing will be to get the information out to the public. He suggested adding the police department to the meeting schedule for the policies and procedures group. We also need to get an image for this town. The roads are terrible and we need support from the people to go forward.

T. Bardsley said maybe its time to hold another business roundtable to bring people together and let them know what has been accomplished since the original forum.

T. Sapienza noted that Bill's letter to the editor on economic development was great. B. Parker said that he is in the process of doing a guest editorial to explain the warrant articles for the Brox property and tomorrow's Cabinet should have Economic Development - Milford meets the challenge.

Minutes:

D. White made a motion to accept the 1/26/11 minutes as written. J. McCormack seconded, J. Langdell abstained and everyone else voted in favor.

OTHER BUSINESS:

Next meeting

The next regular EDAC meeting is scheduled for May 11, 2011.

The meeting was adjourned at 9:27AM.

Minutes of this meeting were approved on 5/11/11.