

Economic Development Advisory Council

5.11.11 Meeting minutes

Americana Room – Hampshire Hills

Present:

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

Excused:

Matt Ciardelli, Ciardelli Fuel Co
Heather Leach, Centrix Bank
John McCormack, TIFD
Rosie Deloge, Milford SAU

Chris Costantino, Conservation Commission
Janet Langdell, Planning Board representative
Bill Parker, Director Community Development
Mike Putnam, BOS representative

T. Sapienza called the meeting to order at 7:30AM, introduced the council members and welcomed representatives of the Pinnacle Advisory Group; Rachel Roginsky, Alan Suzuki, and Justine Avila.

Hotel Feasibility Study – Introduction of the Pinnacle Advisory Group

R. Roginsky gave an overview of Pinnacle Advisory Group saying their focus is 100% on hotels; we provide consulting, market studies, appraisals, operational studies, market reviews, litigation support, and tax work for appeals. We understand the market and its suppliers and generators. We are trained in understanding the demand for a hotel, what kind it should be and then provide some type of projections. Our staff has had formal education in the hotel industry. We have offices in New York, Miami and Boston with twelve (12) consultants of varying levels of experience and we work around the country but we do a lot of work in New England from our Boston office. We keep up with hotel branding, how they are developing and who their target markets are. The work that we do is accepted by most lenders and developers have a confidence in our work. We have all types of clients because our job is to look at this from an independent standpoint. Rachel, Alan and Justine then gave brief bios of their education and experience.

A. Suzuki explained that the preliminary study will look at supply and demand with a focus on demand in Milford. Bill and I touched base earlier and came up with an initial list of items. Our action plan will be to get an understanding of what Milford is, which businesses might generate overnight lodging and where the demand might be coming from. We will talk to those people to understand the quantity of demand and what type of hotels they are looking for in regards to pricing and amenities. The other aspect will be supply and we will interview select hotels from the clusters in Nashua, Merrimack, and Manchester to determine where their clients come from. They are in the market and have an understanding of the day to day decision making process of their clients. They might see this hotel as a threat which might mean there is potential for the Milford area. Our plan is to gather all that information, put it together and present it back to you. We will determine whether there is enough demand for a hotel and if it would be a good idea to move forward with us for a more comprehensive study.

R. Roginsky said we will attempt to quantify the demand base and clarified that the term demand equals lodging. She then explained the different segments:

- Corporate demand; the Monday through Friday business traveler
- Leisure demand; the weekend traveler for attractions and visiting
- Group demand; businesses looking for corporate meeting space, or social (Smurf) groups like sports teams or religious organizations looking for arenas
- Other demand; hospitals, military and universities for day visitors

We will also take the smaller motels and mom & pop hotels into consideration that are not generally defined in the competitive set and include them, if any, in the analysis. We will also look at various facilities to understand all components of demand and know where the competitive supply is. This phase will be a preliminary analysis

to determine if there is feasibility and if positive, to move forward. A market study is comprehensive with financial projections that can be taken to a lender or developer. B. Parker noted that the Pinnacle Advisory Group was recommended to us by Steve Dupree, a prominent developer in the Concord area. R. Roginsky said we are very thorough and have done a lot of work in Concord although we have worked for cities, towns, developers and lenders.

R. Roginsky said we would like to get input from this group regarding sites for development to focus our efforts on, and who we should be talking to from a demand base.

B. Parker referenced Alan's email and said he put a packet together with the basic needs. There are some sites we felt might be appropriate for a hotel. The 101 bypass carries most of the traffic through Milford at 25,000 cars per day and we've identified two sites on the east side of town near Walgreens and there's potential for a few sites on the west end where 101 heads out towards Peterborough. The packet includes basic zoning, some aerials and a list of contacts which include: Hampshire Hills, the main manufacturers Hendrix, Hitchiner, Cirtronics, Alene Candles and Airmar as well as the funeral home, the Chamber of Commerce, and the Mile Away Restaurant. R. Roginsky offered to write a blurb that could be used to email or notify the businesses that they will be contacted by Pinnacle.

J. Langdell said Milford is the hub of the Souhegan Valley and asked if there were other large companies in the area that we could include as part of the demand area. After discussion, the following names were added: Franklin Peirce College, Sterilite, Label Art, NH Ball Bearing and Wal-Mart. R. Roginsky inquired if this project was confidential. B. Parker replied no. R. Roginsky said surrounding towns might also be able to benefit by having a hotel in Milford. B. Parker said the Chamber of Commerce is comprised of fifteen (15) area towns and the executive director is willing to provide assistance. He also suggested contacting the Peterborough Planner. J. Langdell said the challenge is that there is really no place to stay between Nashua/Merrimack and Keene, other than an occasional B&B or the Milford Motel. R. Roginsky said we will look at a much wider radius than just Milford area. The competitive set will be Merrimack, Nashua at exit 8, Manchester Airport, Leominster, and Fitchburg. D. White agreed that Milford is the hub, as Janet stated, for the Souhegan Valley and every little town in theory has to come through Milford to get to a major metropolitan area. Also, Rte 101 is the most travelled east-west highway in the state and it goes right through Milford. B. Parker suggested a half hour radius in all directions.

J. Siergiewicz said for leisure, there is an "antique trail" in the area. J. Langdell clarified that there is a concentration of antique dealers and shops in the Souhegan Valley, many of which run right through Milford and head west. Milford is also the gateway to the Monadnock Region with all its wonderful reputation for leisure and recreational activities. G. Infanti brought up the events and shows at Hampshire Hills that bring large groups into the area. T. Sapienza clarified that the Hampshire Hills facility has corporate meetings and weddings and the larger events and shows are held in the Hampshire Dome. He also noted that the only business they've lost was due to no hotel being within close proximity to the Dome and having one close by could add sports tournaments and additional shows that now go to Worcester. D. White said that the funeral homes in Milford and Wilton would also benefit greatly from a hotel here. J. Langdell said there is a winery expanding on 101 in Amherst. G. Infanti said the working winery scheduled to open in 2012 and will be a draw.

R. Roginsky inquired if there were plans for growth in the area. B. Parker said there is a lot of master planning happening right now for the Brox property on the west side of town for mixed use development with a 5-20 year build out and if we're fortunate we'll work with the state on an additional access to the Rte.101 bypass. The population growth has slowed down due to the economy, but we've been growing at 1 to 1.5% a year. J. Langdell added that the pattern of growth is heading west from Nashua and Bedford and we think the west side of town will build out. As an aside, we used to have places in addition to Hampshire Hills and the Mile Away to hold functions and we don't have as many opportunities for that anymore. She has casually heard that people would like to see another venue to book a big room. R. Roginsky inquired if any hotel developers have come knocking on our doors. B. Parker replied not recently, but about ten years ago a Super 8 was looking to located out on the west side of town, but it never panned out.

D. White brought up the vacant lot developed for the Ninety-Nine restaurant on the east end of Milford. Due to the economy, the restaurant pulled the plug, but it is a ready site with sewer and water and when that lot was originally developed it was with thoughts of a hotel behind that would have access to the eatery.

T. Hutchins said we are at the gateway to the Monadnock region with its many seasonal attractions. Mt Monadnock is approximately 40 minutes away, and Peterborough, Jaffrey, and the Sharon Arts Center are within thirty minutes. Milford has held the Pumpkin Festival on Columbus Day weekend in October for the past 22 years and although it is hard to quantify how far visitors come from, this year's attendance was 30,000-35,000. It's a huge draw and anecdotally, many people in the area plan family reunions and college students come home with friends. T. Sapienza added that the national world cup soccer tournament is also that weekend and some fields in Milford are used. It brings in millions of dollars to the Nashua economy and all rooms are booked for miles. G. Infanti added that they also hold an event Memorial Day weekend in Amherst. J. Langdell brought up the state swim meet in July. R. Roginsky said it sounds like the leisure travel will accommodate more of a Comfort Inn or Holiday Inn Express. The challenge may be to find the corporate side. It seems like the hotel would be booked on the weekends, but how will we fill it on a Tuesday night. T. Sapienza said from the amenities side, travelers sometimes look for a workout facility and Hampshire Hills might be willing to work out a reciprocal agreement with a hotel if it were close by. It would be a positive from two perspectives; one getting people to pick that hotel over other hotels and for the business traveler who is looking for a little upgrade and also for developers who wouldn't have to build the amenities. G. Infanti said this facility has a restaurant, three pools, full fitness facilities and meeting rooms. R. Roginsky said amenities can be very expensive to build and the ability to use this facility would definitely be a plus. T. Sapienza added that there are many restaurants in Milford. J. Langdell asked if there was any available land near Hampshire Hills. B. Parker said he included the land off Hammond Rd on Alan's list but the problem with this area is that north of the bypass, there is no water or sewer so it wouldn't be the quickest area to build on. Depending on the space needs of the hotel, there is redevelopment potential right on Emerson Rd and there would be utilities to the Cutts' land on South St.

D. White said visibility is the key, in addition to the chain. Look at Super 8 versus Marriott. R. Roginsky said the name will help fill the hotel and Marriott is one of the most well know chains. What we look at are the reservations generated off their reservation network system and there are many loyal Marriott travelers. A Super 8 is generally perceived as budget oriented and may not be the most desirable for a business traveler. There is also a big difference in development costs. A Super 8 will cost \$50,000-\$60,000 per room while a Marriott Courtyard will cost \$120,000 per room. The brand will justify the cost and will drive business to the hotel.

D. White said we want to be told what will work and it's the consensus of this committee that we do want something that is not too upscale but still creates an image that we want to portray, for the future as well. R. Roginsky said their report will recommend what will bring the most business in, and will look at the economics for development. We will look at all the factors when we finalize our report. P. Seaver asked if the report will contain guidance for the future. R. Roginsky said she doesn't know what they will find, but if there is only one of the three components, they will give future suggestions for when the economy improves, or if development increases.

D. White asked if they would work with developers outside the area. R. Roginsky said they work with a lot of developers in New England who are always looking for opportunities in this area like Steve Dupree and the Roedel family. However, the interest is mainly regional and she is not sure if a national developer in California would build in this area. Development is slow and the economy has hurt this business hard. There is no money available for financing and although lenders are becoming interested again and we are doing more and more development studies because it has to make sense. D. White said there is a NH bank that has expressed interest in lending to a hotel. R. Roginsky said most developers would be very interested in that information. P. Seaver asked if we would be in conflict with anyone else. R. Roginsky said no, and when we talk to other towns we'll ask if any studies are in process. B. Parker noted that Dave Roedel owns property on the west side of town and is a member of our TIFD Board. R. Roginsky said she met with the Manchester Airport Authority in January and they were interested in hotel development and the demand. There may be other towns out there with interest in hotel development that have land and sites that are ready to go. J. Siergiewicz asked how much land would be needed for a hotel? R. Roginsky said 1.5 acres for a 125 room hotel. Once we know if the demand is there, we can look at height and parking requirements.

T. Sapienza thanked our guests and a brief intermission followed.

T. Sapienza said that this information may be useful for the contributors and to guide the town with other projects as well, regardless of the outcome; it is money well spent. B. Parker read the list of contributors and said he will do a thank you letter to Airmar, Alene Candles, Bean Seaver Smith, Centrix Bank, Chappell Properties, Ciardelli Fuel, H2O Recycling, Hampshire Hills, Hitchiner, Leighton White Construction, Marmon Utilities/Hendrix, McKenny Law Firm, Smith & Heald, and Public Service. So far, we've received \$1,950. The quote was \$3,500 plus expenses including a \$1,500 retainer. D. White noted that the contributors were very quick to respond. B. Parker said he will email the list of contributors and also the list of contacts so that we send the revisions back to Pinnacle by email.

Brief announcements/updates from Subcommittee:

Land Use

J. Langdell said we are moving along really well. We are working with NRPC on the development of the West Elm St Corridor guidelines. We've done a visual preference study with many of the groups in town and it is now out on survey monkey. B. Parker noted that it will be announced to the public in the Granite Town Quarterly.

Website Development/Branding

T. Bardsley said again there is not much to report but the new town website is up and running. T. Sapienza said we may be ahead of ourselves with the branding piece. B Parker said we will be meeting with Mike this week regarding the Community Development section of the website and to develop the business aspect. J. Langdell said it is a vast improvement and inquired if software running the new site had the flexibility for all the pieces or was that the part of the challenge for your department. B. Parker replied that it has certainly been a challenge but we will continue to work on it.

Policies and Procedures

D. White said that we've met with a number of departments and department heads early on and then with a second round this spring; however, two of those department heads are no longer in their present position, so it will be important to meet with those new people once they get up to speed. Jack Kelly has been named as the new Fire Chief and the process for the DPW director has started. At some point, we should talk to them about economic development and supply them with the mindset of what has already been presented and where we think we need to head. We will also add the Police department and the Budget Advisory committee to our meeting schedule. Infrastructure is probably our biggest capital expense outside the schools and that is part of economic development. We need to continue to maintain our infrastructure, not just use it to attract new business and that will show that we are serious about economic development. M. Putnam said, at the Selectmen's level, we are working on fixing the roads. The former DPW director was to submit an implementation schedule; however, now we are looking at repairing the main corridors and foregoing some of the side streets. J. Langdell inquired when the Budget Advisory Committee will be selected. M. Putnam said Peter Basiliere is actively working on that and noted that the budget process is currently being looked at by the Selectmen. We are considering going back to the old process where the BOS and the BAC were on either side of the same room to listen to the department heads present their budgets. J. Langdell said she had the opportunity to go through the process in Amherst where both groups had the opportunity to hear the presentation at the same time and had the ability to hear those initial questions from both sides; there is more clarity for both boards that way.

D. White said the Policies and Procedures sub-committee may now need some additional direction from this group as to where we should head next and if there is something more advantageous for us to focus on.

Pending Development:

- The Planning Board will be looking at a proposed ten unit residential subdivision across from Pine Valley Mill being developed by Kevin Slattery of Etchstone Properties,
- Ciardelli Fuel made it through the ZBA to put in self-storage units where the Woodman greenhouses are located,
- JP Chemical is looking at a new building on Hammond Rd for their business expansion,

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- Hendrix is looking at demolishing and rebuilding a portion of their building to accommodate their new business,
- Andover/Ecotech is in the due diligence phase for development of the former Police Station property and Brox.
- G. Infanti said things are looking up and there is more optimism and more action out there. Small businesses are doing better and he has two P&S's at Perry Fields on Old Wilton Rd and his property across from the transfer station is full.
- T. Hutchins said there will be a new bagel shop and a gun shop opening on the oval; however, there has also been a business closure due to rent issues. A consignment clothing store will also be moving in. B. Parker noted that staff is working with the owner of the building on the corner of Nashua and South Sts.
- J. Langdell said Autos for Animals is doing some landscaping.

M. Putnam asked if Bill could send this information out in an email.

Minutes:

D. White made a motion to accept the 2/16/11 minutes as written. G. Infanti seconded and all in favor.

OTHER BUSINESS:

J. Siergiewicz brought up issues with hiring employees for his machining business and discussion about work ethics followed. T. Hutchins said that the Chamber of Commerce is having a member breakfast with a speaker that will be addressing these issues. J. Siergiewicz said he's heard many speakers, but his frustration results from the reality of needing twenty more logical thinking employees. T. Sapienza said it is a huge issue and asked how we can translate this back into an action plan for this group within the confines of our charter. J. Langdell asked if John belonged to a national group. J. Siergiewicz replied yes, the National Tooling and Machine Association. J. Langdell then inquired if, at a nation level, there are programs put in place from other areas of the country that have worked. If so, maybe you could bring examples back to us to give direction or to see how we can address these issues at a local level. B. Chappell noted that the National Association of Equipment Dealers has national education and training programs available to attract people to the industry. M. Putnam added that it's not just the machining industry. The state plumbing board said that there will be a lack of plumbers in the next fifteen years because young people are not getting into the trade at the ground level.

T. Sapienza inquired about the timeframe for the improvements at the Emerson Rd intersection. B. Parker said the RFQ should be out by the end of summer with the work starting in 2012.

T. Sapienza noted that next week is "green commute" week. J. Langdell said more information can be found at www.nashuarpc.org.

D. White inquired about the work on South St. B. Parker said it has been complicated working with both PSNH and the businesses but if all goes well we will try to get going on the east side of the street, where the easements are less complicated, by summer or fall. We are pushing along.

Next meeting

The next regular EDAC meeting is scheduled for Sept 14, 2011.

The meeting was adjourned at 9:00AM.

Minutes of this meeting were approved on 9/14/11.