

Economic Development Advisory Council

11.02.11 Meeting minutes

Americana Room – Hampshire Hills

Present:

Brad Chappell, Chappell Tractor
Matt Ciardelli, Ciardelli Fuel Co
George Infanti, Milford Paint
Janet Langdell, Planning Board
Heather Leach, Centrix Bank
John McCormack, TIFD
Sean Trombly, Trombly Gardens
Dale White, Leighton A White, Inc

Excused:

Chris Costantino, Conservation Commission
Rosie Deloge, Milford SAU
Tracy Hutchins, Do-it

Bob Cavanna, Jim DeStefano, and Dan Scanlon of Grubb & Ellis

Bill Parker, Director Community Development
Shirley Wilson, Recording secretary

M. Ciardelli called the meeting to order at 7:30AM.

Minutes:

D. White noted that Andre Tremblay's name was spelled incorrectly. G. Infanti made a motion to approve the minutes from the 9/14/11 meeting as corrected. D. White seconded. J. Langdell abstained and all else voted in favor.

Grubb & Ellis/Northern New England: Pine Valley Mill

J. DeStefano distributed marketing information pertinent to Milford and the Souhegan Valley Area and said we are still seeing an office vacancy of 20%, and a rate in the mid-teens for industrial vacancy. There is certainly more activity and many inquiries are coming from companies relocating to NH from MA, but the problem in coming to southern New Hampshire is that there isn't much product available for 100,000+ SF although there is a lot of class B and C low bay, non-modern inventory sitting around. The multiple vacancies in Nashua also affect us, as well. There is a slow recovery with pockets of new construction, so we are faced with opportunities to redevelop existing assets to bring them up to their highest and best potential. We're trying to incentivize investors and users to take a look at some of these properties and one of them is the Pine Valley Business Center.

D. Scanlon gave a brief history of the property and businesses at the Pine Valley Mill and referenced the composite plan from the printout. The 60,000SF main building is approximately 70% occupied and accessible from the rear, with a 4,000SF building in front. Across the street, lot 6/14 an eight (8) acre parcel, lot 6/15 a seventeen (17) acre parcel and a dam actually located in Wilton also goes with the property. The hydro facility in the lower portion of the mill building can generate significant cash flow by selling power to the grid and the owners are in the process of becoming certified to sell tax credits. The property is in the ICI zone, designed for hi-tech, light manufacturing, some retail and office, and by special exception, senior housing. Our primary mission is to find tenants for the empty space in the building but we are also exploring the sale of the property. This summer a variance was granted and a subdivision plan approved for the eight acre lot on the west side of Wilton Rd. It is still unknown if that will move forward, but it raised the question as to whether there is a need and if the Town would be willing to approve additional housing out there. Shoreland Protection affects land on the other side of the railroad tracks and the scope of the easement from the railroad is unknown. We think that these parcels could provide an opportunity for pure investor, a user/owner to use this building and land as an incubator, or redevelopment opportunity. J. DeStefano added that there is an interested party and they are trying to facilitate something.

B. Parker said we have had department level discussion regarding additional housing opportunities in that area and we are keeping an open mind for higher densities. There was a brief discussion regarding current uses and tenants in the building. J. DeStefano said two of the larger mill buildings in Manchester are becoming attractive options for housing. Economics still play a major part in their development, but the parking issue can be solved

by having the residents park at night and businesses park during the day and that type of scenario could be translated here, as a mixed-use testing ground. Hopefully there will be an open mind with the possibilities.

B. Cavanna explained that he is working with David Hammer on the sale or lease of the former Milford Lumber site that has good redevelopment potential in a great location that is accessible to the sewer stub next door. We are also marketing 4,000SF of retail in the Gurney Automotive site. J. DeStefano said he would follow up on any ideas from the board as this is a team effort.

J. McCormack asked if the development will be there in a year or so. J. DeStefano said he hopes that new construction will be driven by the end users. New England Woodenware is looking for a 16,000 to 100,000 SF facility with fifteen acres, high bays and highway access. We're only able to come up with maybe two dozen properties in the entire Southern New Hampshire market. There is not a lot of inventory when you consider that one of those sites is in Farmington and one in Pelham, etc. Existing inventory is simply not there for modern business in New Hampshire. Corporate real estate is less sensitive to staying here and if they do stay it's because they live down the street and only keep the corporate office here. D. Scanlon said advanced manufacturing and hi-tech manufacturing are strong and driving things right now; airport area companies are looking for help and looking to expand their existing space. It's still cheaper to buy than build, but if you can't find what you need; one would think that supply and demand would force new facility construction. These companies don't want to go to isolated regions; they want to be at a highway exit with twenty acres of flat land. The same is true of excess space, but most users we run into are looking for a specific kind of space in a specific location; it doesn't matter where all the excess inventory is.

M. Ciardelli inquired if users are looking to own or lease. J. DeStefano referenced DevTech Labs and said that most companies prefer to own or have a long term lease to protect their investments, especially if they are putting a lot of improvements into the building. Interest rates are outstanding right now and if you're in a good business you can get financing. J. McCormack asked if this would have any impact on the Brox land. J. DeStefano said Andover is not able to advance anything there until they know how or even if it can be developed. D. Scanlon said it is not just Milford. The large scale Hackett Hill project in Manchester may die and it's a catch 22 situation because you need to get one in place to get the other. The Cabelas project at exit 11 on I-93 died a while ago, as did a very premature development in Hooksett that would have rerouted 3A, although the town is taking very proactive approach. They created a TIF District and they are working on a project to bring sewer under the river to service properties at exits 10 & 11 because the town recognizes the development potential, especially at exit 11. Wal-Mart in the same area is moving forward with a project, on its own; to connect to the sewer system and they are not sizing it to accommodate other businesses. In fairness to Wal-Mart, they worked with the town for quite some time to get everybody to participate, but didn't get the response they needed to make it feasible to wait and to size it. So they are moving forward.

J. McCormack inquired if we were proceeding on pace with our planning and zoning development with Andover. B. Parker said yes we are and will be meeting with Ryan tomorrow to get input on the Commerce and Community District regulations. The Planning Board has been very involved and seems to have a very good understanding of what is being proposed. J. Langdell said we are deep into this and need Andover's input.

B. Parker said we've had talks with David Hammer regarding the sewer issue on Elm St from Contemporary Chrysler going east and asked how much is the lack of sewer a negative to marketing the old Milford Lumber site? B. Cavanna said being stubbed next door, it may not be the biggest detriment but the expense is certainly a consideration, in addition to other factors. That whole area becomes a dead zone because you are limited to what you can do there. B. Parker said the Water and Sewer Commissioners are supportive of extending sewer and they have paid for an updated design. It's becomes a matter of how and who will pay and a lengthy discussion followed. D. White said the Hammer project could help spawn interest from the others who would benefit from the sewer connection. Everyone could pay a percentage, the Town would pay a percentage of the infrastructure costs, and if the Commissioners would step to the plate; Dale would.

Proposed Powers Street Economic Revitalization Zone-Request by DevTech Labs/Preforms Plus:

B. Parker distributed a copy of the DevTech letter and map of a new proposed ERZ on Powers St and explained the relatively simply process that is a great tool for the town. We were approached by DevTech to see if we'd be

interested in pushing for an ERZ to be created on Powers St. Sarah Marchant put together a map to outline the district and the Planning Board gave their unanimous support last night.

G. Infanti made a motion that the EDAC was in full support this new ERZ. D. White seconded and all in favor.

J. Langdell said she just noticed where the line was drawn at 43/28 and asked why the red barn was not included. B. Parker said it could be included. Their zoning is LCB and they would be limited to certain uses while the rest of the ERZ would be industrial; however, that wouldn't matter for an ERZ.

J. McCormack mentioned putting signs up to identify the ERZ area. B. Parker said he would look into finding a way to get some produced. J. Langdell inquired if the signs might be borrowable from the State. D. White suggested a press release in the paper.

H. Leach asked if there are other things like this at the State that we as a committee could do some legwork on. B. Parker said he would check with Gary Chabot. D. White said that we should keep in touch with Gary and DRED to have their ear and keep Milford on their radar. H. Leach said even if people don't use the job credits, these types of programs shows that Milford is trying to be business friendly. This gives us a good image and our quick response to this request gives good energy and PR for the town. B. Parker said that is also a good lead into hotel feasibility.

Hotel Feasibility Study:

B. Parker referenced the Union Leader article and said that he and Guy met with representatives of PSNH, Allison McLean, the new community development director, Elizabeth LaRocca and Jennifer Turner, who runs the local office who are very much "pro" Milford. They were very interested in the study because, at times like this, they have no place to house their crews. The recent Chamber of Commerce event with the Governor was also good exposure for Milford, so we are making progress and are very much on the radar.

M. Ciardelli asked if there was any more positive feedback on the study results. B. Parker said that Dave Roedel has recently contacted him to talk about hotel feasibility and we will coordinate a meeting within the next week or so. B. Parker also distributed a copy of a NE Real Estate Journal article saying that the hotel industry is showing some stronger signs of coming back. Andre Tremblay also responded and Bill read from Andre's email in response to the letter from Pinnacle, *The market for a new hotel in Milford is shallow, they conclude that additional midweek corporate nights would have to be sold and/or municipal incentives would need to be offered to make a small hotel feasible. Obviously this is a fairly small market for a new hotel. Given the dismal economic times, it might make sense to wait until the business climate and general economy improve prior to constructing a hotel. The other issue is that if you build a new hotel you might be OK for a while but if new competition entered the market, it might tank the project because there are only so many room nights which will be bought. It looks to me that the project is premature.* B. Parker said he is personally optimistic and a brief discussion ensued. J. Langdell inquired about getting the information on the website. B. Parker responded that we are still in process.

Community and Commerce District:

A lot of work has gone into this, both by staff and the Planning Board. It is a complicated document to look at and to understand, but not to implement. J. Langdell said it is just a different take on zoning based on concepts taken from form based code where one would start at the streetscape level and then work in by use and design. B. Parker explained that it is based on master planning large parcels. Once the master plan is approved then developers and builders can just come into the office, go through the checklist, turn in their plans and get their permits without having to back through the Planning Board. That was one goal of the Andover Group to master plan the area and then go out and market the properties. This is cutting edge for our area and is exciting, but challenging. This is not unique to the rest of the country including Massachusetts where there are several projects. J. Langdell said the expediting comes on the back end and the users and developers will only have to meet with a review team made up of department heads; the burden is on initial set up. B. Parker added that we've done all this without consultants and that additional cost. We will see implementation five to ten years from now.

West Elm Street Overlay District:

B. Parker said the Land Use Committee meets next week to go over the final draft. The Planning Board has been reasonable and very much in favor of the content.

Properties & Regional Development Activity/Trends

Recent Local Development Activity:

JP Chemical is moving ahead with their new training facility on Hammond Rd.

The Ciardelli storage units are under construction.

The Do-it office moved to the Library Annex.

Subcommittee Reports:

Land Use

H. Leach said the committee meets next week.

Website Development/Branding

B. Parker said the website is on hold for now and the Community Development Office is working departmentally to pull our vision together that will include the Business Development website. We are working with Mike to resolve some tripping points with the software. J. Langdell ended a discussion by saying that we should not lose sight that this new website is far better visually than the old one. B. Parker agreed that there have been huge gains and reiterated that we are working with Mike to get the website where it needs to be.

Policies and Procedures

J. McCormack said we haven't met for a while and plan to meet with Guy to confirm the review of the policies, procedures and objectives with the two new department heads, Jack Kelly and Rick Riendeau.

Other Business:

B. Parker said the Capital Improvements Plan (CIP) has been distributed by email to keep the board in the loop. We made sure we got the infrastructure for the TIF District in 2014 or 2015, timing it with the Andover Group.

As we get into voting season, warrant articles and letter writing, EDAC endorsements may be important. J. Langdell said we will still need to do active public education. B. Parker noted that the Cabinet Press has helped in the past and may do so again. H. Leach suggested that the subcommittees be included in the letter writing campaign.

H. Leach inquired about the status of the South St improvements. B. Parker said they have been moved forward full steam ahead for spring construction. H. Leach asked if there was anything we could do to help from our group? B. Parker said he didn't know at this time.

D. White said the P & P subcommittee seems to be idling right now; what else can we do to further economic development? J. Langdell suggested going back to the original fostering document to see what we've accomplished so far and maybe there is another task or area that we take on. J. McCormack said he would like to challenge Guy with that question and also to talk to staff to see what they need. B. Parker said right now we need to get through the next month or so and keep talking economic development. H. Leach said the Land Use subcommittee will also be done once the warrant goes to town vote. J. Langdell suggested that would be a good topic for the next meeting to go back to the fostering document and see how we can rejuvenate branding or some of our original recommendations.

D. White inquired about the results from the pumpkin festival. H. Leach said we haven't gotten all the information in yet, but it was well attended and it was a success. Do-it is focusing on improving it, but not growing it; we need to keep within our resources and the number of issues has been greatly reduced from the town's standpoint. Having the fireworks on Friday night kept the people downtown and some of the restaurants said their business was up 30%.

J. McCormack mentioned that Bill Parker received a special commendation from Governor Lynch for his efforts in planning and economic development.

Next meeting: The next regular EDAC meeting is scheduled for January 11, 2012.

The meeting was adjourned promptly at 9:00AM.

Minutes of this meeting were approved on 1/11/12.