

Minutes 08/19/2009

Bedford Economic Development Commission

Draft Summary Minutes

August 19th, 2009

Bedford Meeting Room

10 Meetinghouse Road

A regular meeting of the Bedford Economic Development Commission (BEDC) was held on Wednesday, August 19th, 2009 at 8:00 am at the Bedford Meeting Room, 10 Meetinghouse Road.

Members Present: Henry Bechard

Alice DeSousa

Russell Marcoux, Town Manager

Matt Henry, Intern

Councilor Bill Dermody

Rick Sawyer, Planning Director

Jack Sullivan

Members Absent: Michael Sandhu

Terry Wolf, Bedford School Board

Joseph Reilly

Mark Prestipino

Call to Order

Chairman, Russ Marcoux convened the meeting at 8:10AM.

Approval of the Minutes – July 15th, 2009

- **MOTION** by Mr. Bechard to approve the minutes.
- **SECONDED** by Councilor Dermody
- **MOTION CARRIED** Unanimously (6-0-0)

Agenda:

1) Review of WEB Site Development Schedule. (TW)

- **WEB site contract awarded to Virtual Town Hall.**

Mr. Marcoux started the meeting by talking about the progress of the website development subcommittee. He invited any member of the commission who was involved on the process to talk about the progress that is being made. Mr. Sawyer said that consultant interviews were done and the subcommittee decided on a vendor. The Town Council accepted the consultant that was chosen. *Virtual Town Hall* was the consultant who was chosen. The website should be up and running sometime in November. *Virtual Town Hall* has many municipalities which they service and they specialize in municipality websites.

Mr. Marcoux thanked the subcommittee for their hard work. He informed the commission that three citizens were contacted and asked to take pictures of what Bedford looks like from the eyes of a citizen. These pictures will be used as the masthead for the new website and elsewhere. *Virtual Town Hall* will also come back to train staff on how to use the website. Citizens will be able

to fill out forms and inquiries directly online as opposed to having to print them out. Mr. Marcoux said that the commission is really excited about this and he thanked the council for their support on the matter.

2) Review of Business Outreach Forums: (RS)

- **August 26** - **Professional Community**
- **September 16** - **Residents Forum**
- **Discussion of July 15 Development Forum**
- **Discussion on Business Visitations**

Mr. Marcoux informed the commission that the professional outreach forum is planned. Invitations were sent out to 60 business professionals around town based on our ongoing list. Marcoux said that due to the timing of the event, responses have been relatively slow when compared to the other forums. The summer is always a tough time to contact people. The Forum will be held on August 26th, 8:00am, in the McAllaster room at the Bedford Library. Mr. Marcoux said that the following forum will be geared toward town residents and will be held on September 23rd. All residents of the town are encouraged to attend.

Mr. Marcoux asked those who attended the last forum to talk about some things that were discussed there. Mr. Sawyer started by saying he is noticing that a lot of the same ideas are being mentioned at the different forums, which is a good thing because that means some consensus can start being made. It appears that everybody has had similar concerns. The planning process was discussed in depth. Many attendees addressed concerns regarding the overall length of the process. There was a positive tone about how receptive the town was, and the development community was grateful for the changes the planning department has made to alleviate these concerns in recent years.

Mr. Dermody said that there was a lot of praise for Mr. Sawyer at the forum. He said that the town was well served by his hard work and the development community is grateful for him and how he conducts the planning department.

Mr. Marcoux asked Mr. Henry to give the commission an update on how the business visitations were going. Mr. Henry said that they have been going slower than he had hoped and that he will keep trying and his goal is to have some sort of summary to hand out by next months meeting. Mr. Marcoux said that what he has found is that much of what has been said at business visitations has been positive and they are generally satisfied with how the town has been operating. Some additional feedback from businesses would be helpful though.

Mr. Dermody asked whether they were satisfied with the status quo or they were happy that the commission is reaching out to businesses hoping to help them in the future. Mr. Marcoux said that his impression is that businesses are not satisfied with the status quo, they appreciate that they are reaching out and addressing economic development, however, they feel like they do not have anything additional to offer the commission. We are now sending out letters to new businesses welcoming them to the community as well as providing these businesses with the contact information for the Chamber of Commerce of Manchester. Such

businesses have been very responsive to this, but the status quo is not desirable.

Mr. Dermody asked if Mr. Henry could send out an updated list to the commission so that businesses that have already been visited are not visited twice. Mr. Henry said he would.

Mr. said he is pleased with the input that the commission has received. Though at times the attendance has been lacking, those who show up are very insightful.

Ms. DeSousa said that there really has not been a lot of negativity in the conversations. Generally, business owners have a positive attitude and want to genuinely better Bedford. Mr. Marcoux agreed and said he has received a phone call after the forum apologizing for being critical. Mr. Marcoux said that there is no need for any apologies and being critical is what these forums are for. We want to hear the bad with the good.

We are also getting groups of people coming in and saying they want to start doing things in Bedford that is not happening right now. One example is that women from the Bedford Garden Club came in with a plan on how to beautify Bedford. They were very stern with their plan and he was pleased with their dedication but said he was hesitant to have the Town of Bedford do what the state should be doing, particularly with Route 101 which is state owned. If Bedford starts providing maintenance there, Bedford may start to own the responsibility permanently.

Marcoux said that Centrix Bank has also approached us with the possibility of providing the town with their “Community Outreach Program”. We discussed the possibility of applying for their participation in replacing the welcome signs in town. Mr. Henry is working on researching cost and feasibility of replacing the signs so we can apply to Centrix. He will look at what other towns did to replace their signs. There are good things coming out of what we are doing and we seem to be reaching out more than we may think we are.

3) Program Development, Updated Road Map (MH)

- **Template for Draft Report to Council**
- **Budget/Economic Development Impact Analysis**

Mr. Marcoux said that Ms. Brown and Mr. Henry have been working on a very early draft of the final report. He reiterated to the commission that this draft was in the earliest of stages and is meant for discussion and any changes in assumptions that the commission would want to make. Marcoux then invited Mr. Henry to brief the commission on his economic development analysis he has been working on.

Mr. Henry started by saying that he and Ms. Brown had met at the beginning of his internship and discussed what the first steps should be of the draft. They both agreed that while official recommendations should not be drafted, it would be helpful to start writing things such as the executive summary and research method portions so that the commission had a working document to work with. Mr. Henry told the commission not to be shy about being critical of any drafts he is to pass out.

Mr. Henry said that the outline is a hybrid of both Merrimack's and Ms. Brown's outline. Ms. Brown's outline was very detailed and Merrimack's was less detailed so it was his hope that the one he passed out was somewhere in between.

In addition to the report, Ms. Brown asked Mr. Henry to conduct an experiment that shows the impact economic development has on the tax burden of its citizens. Mr. Henry said that he created 4 hypothetical situations and compared them to what he called the "base scenario" where there was a 3% rate of growth in the budget and assessments. He chose 3% because it was the typical rate of inflation.

Mr. Henry said that in order to justify if 3% was a realistic number to use for annual increase in assessments, he went back 15 years and examined the increase from 1993-2008. In 1993 the assessed value was \$1.1 billion. In 2008 the total assessed property values was \$3.3 billion for a median increase on assessments was 4.1%.

Mr. Henry then said that in order to justify whether 3% was a realistic number to use for annual increase in the budget, did the same experiment that he did with assessments. He found that the budget in 1993 was \$21 million. In 2008 the budget was \$62 million, for a median annual increase of 6.2%. Therefore, 3% is not only a realistic, but a rather conservative estimate for both the budget and assessments.

Also, an interesting change that occurred from 1993-2008 was the change in the tax ratio that residents paid in the 15 years. In 1993 residents paid 77% of the tax burden while businesses paid 23%. However in 2008 that ratio changed and the residents now pay 81% while businesses pay 19%. The increase has been regular and steady.

Mr. Henry then described the five scenarios that he studied. He made the disclaimer that this model is exclusively theoretical and is not meant to predict what is to happen, but just to show they impact it has. The base scenario would result in everything remaining the same throughout ten year period. However, when commercial/industrial assessments were altered at a rate of -5%, -3%, 5%, and 7%; respectively, the impact of economic development was isolated and therefore its influence on the tax base could be studied.

Mr. Henry showed a graph that showed the yearly savings on a \$250,000 home. The raw tax savings was significant, over \$1000 from worst case to best case. Bedford should not only be concerned with expanding economic development but also combating economic regression from occurring. Mr. Henry then showed a graph showing the impact it would have on the tax rate. It would clearly have a positive impact. Mr. Henry said that the graph he showed assumed there was no reassessment in the ten year period.

Mr. Henry then showed what he said was the most important slide. The residential/business ratio is an important indicator of Bedford getting the most use out of their tax dollars. Because it can be assumed that there is no change in services if the budget

increases exclusively by the rate of inflation, the resident's would pay less of the bill while still receiving the same amount of services in the ten year period. The more economic development that occurs, that lessens the portion of the budget the citizens of Bedford are required to pay. When compared with their peers, Bedford does not rank favorably with regard to the residential/business ratio. Right now, Bedford is in the Derry range where it would be beneficial for them to move in the direction of Londonderry or Hooksett.

Mr. Henry then posed the question to the commission: Is this helpful? How much of this should go in the report? Should any of it go in the report?

Mr. Sullivan asked if from 1993-2008 the raw number of businesses decreased with the ratio. Mr. Henry responded by saying he just looked at assessments, which the raw number increased, but at a slower rate than residential. Mr. Dermody agreed that it was a good question and that if we put it in the report, the commission should focus more on tax stabilization than a tax decrease. The way the presentation is now, it depicts a decrease which is most likely not going to be the case. Tax stabilization would be a more realistic because the town will probably demand more services when the tax base is broadened.

Ms. DeSousa said that the relevant slide in the presentation was the "seesaw" slide which showed the ratio change in the past 15 years. Shifting the balance should be the focus of the commission. Mr. Dermody agreed but said that the seesaw should be flipped showing the residential burden on the ground because it is the "heavier" end.

Mr. Sullivan said he was surprised by Henry's findings, especially the part that compared Bedford to other towns. Derry struggles with economic development but Bedford is in the same category as they are. Bedford should work to bring it to where Hooksett is. Ms. DeSousa said it would be interesting to see the numbers if the school had not been built. Also, the land for development is rather scarce right now. Mr. Henry said that the reassessment in 2004 alleviated the raw tax rate and that was the time the school was put in which offset some of the burden the school placed on the tax rate.

Mr. Sullivan asked if there was ever a loss of businesses in these years. Mr. Sawyer said that though there was certainly no loss of businesses, in fact commercial business assessment tripled during those years. However, the assessments were slower than the residential assessments. Mr. Dermody suggested that there be a slide depicting the growth of business during that period so the reader does not infer that businesses were leaving during that time. Mr. Sawyer said that data is not available; however a footnote could explain that.

Mr. Dermody reiterated that the difference between Londonderry and Bedford is the amount of land that is available for development. To maximize the rate of return on Bedford's land, they should concern themselves with the types of businesses they are willing to attract. We should get to the highest benefit that we can with the economic development function.

Mr. Henry then pointed out that it may or may not be the role of the commission to assign a ratio, however, if Bedford moves in the 60:40 directions, the quality of living would be impacted. Mr. Dermody agreed that Bedford should not go in the "Manchester direction".

Mr. Sawyer said he was initially skeptical of the scenarios that Mr. Henry formulated, however was surprised to see how consistent the town has been with its growth. He said that doing these simple scenarios hits the overall purpose of the BEDC. Mr. Sawyer recommended that the scenarios go in the report. He recommended just using the 3% hypothetical growth from the base scenario to simplify it to the reader. That alone would show that by focusing on commercial development it stabilizes the residential tax burden significantly. Mr. Dermody agreed with Mr. Sawyer and said that when he was initially looking at it he could not figure out the punch line until it was explained, so taking Mr. Sawyer's advice would simplify it to the reader. Mr. Dermody also agreed with Mr. Bechard regarding the footnote about the raw number of businesses.

Mr. Marcoux pointed out that revaluation of property was left out for consistency, but in reality revaluation occurs every five years by state law. In New Hampshire there is no difference in the commercial/industrial tax rates and the residential rates. For example in Massachusetts there is a difference. In Massachusetts they have the ability to shift the burden, but in New Hampshire we do not have the burden of deciding the ratio. Also, population increases is probably the cause for the increased residential assessments. It may be helpful to put that in the report as well.

Mr. Marcoux posed the question that Mr. Dermody posed earlier as to whether Bedford should dictate what types of businesses Bedford should attract. That can be both an advantage and a disadvantage. Perhaps targeting businesses is not a good idea or easy for that matter. Mr. Bechard said that generalizations could be made rather than specific companies. Mr. Dermody said that Bedford could simply woo businesses that they want in town but not discourage others. Mr. Marcoux also said that the commission should also begin discussing what should go into the final report regarding how to implement its recommendations.

Mr. Henry then described the report that he had drafted. He again said that he wrote a hybrid of Ms. Brown and the Town of Merrimack's report. Mr. Henry began writing some of the preliminary assumptions and premises that the commission is working under, but no final recommendations or consensus yet. Mr. Marcoux asked that the commission read it and e-mail Mr. Henry their thoughts and changes that should be made. Mr. Dermody asked that Mr. Henry e-mail the commission a copy of the Merrimack report.

Ms. DeSousa suggested that when the website is up and running they assign a group of ten people to review the website and look at it critically to make suggestions as to how it should be changed.

4) Infrastructure Master Plan – Progress (BD)

- Update of Airport Master Plan Review Committee

- Update of SNHPC Regional Plan Review committee

Mr. Dermody said that the airport master plan steering committee had their first meeting. The minutes of the meeting that was 6 weeks ago were just released and the representative from Goffstown reprimanded them for releasing the minutes so late. Mr. Dermody said that the minutes did not really say much of anything. The business record for the past few years was briefed as well as some of the things that were going to happen in the future from the traveler's standpoint. US Airways are going to the LaGuardia market. Delta is picking up as a result of that and Delta is picking up its Boston use. Overall there was not too much "meat on the table" from the consultants at the Airport Master Plan Committee meeting. Mr. Dermody invited comments and

feedback regarding services the airport provides or should provide.

Mr. Dermody said that the SNHPC Regional Plan Review Committee will meet next Friday. Mr. Bechard, Mr. Paul Goldberg, and Mr. Dermody were appointed by the Town Council to be representatives to the committee. The goal is to develop a regional economic development plan that will move the metro center in a progressive direction. The Metro Center should be more than an advocacy group. The project will take 10 months and will cost \$70,000 to do this project. Mr. Dermody wants to capitalize on how the regional economic development function could benefit the town of Bedford.

Mr. Bechard said that nobody knows exactly what this regional function will look like. We will find out more on August 28th, 2009.

Mr. Marcoux said that he and Mr. Henry met with the Hooksett Town Manager, the chair of the HEDC, Director of SNHPC, and the VP of the Chamber of Commerce. The point of the meeting was to see what the two towns could do cooperatively and how the potential of a Metro Center could serve the two communities. The reason Bedford and Hooksett in particular were invited was that they are undergoing similar restructuring when it comes to economic development. They found that they are facing the same challenges that Bedford is. Every business is facing similar challenges because they all wish to perform an economic development function, but may not have the resources to hire a staff member to perform those functions. Hooksett does have more space for development than Bedford does.

Mr. Marcoux asked for Mr. Henry's impression of the meeting. Mr. Henry said that it was more or less preaching to the choir and it would have been good to bring in other communities. Mr. Marcoux agreed and suggested that the managers and development personnel get involved earlier in the process. Mr. Dermody said that it is important not to rush into anything prior to doing the proper "homework". Bedford needs to ask ourselves exactly what it is we want in town, particularly along the airport access road. We should ask ourselves "what exactly is a businessman looking for?" Dermody reiterated we do not want the Southern New Hampshire Economic Development council to determine what will go on the Airport Access Road.

Mr. Marcoux responded that the meeting he was referring to was geared more toward how to do it rather than what we want in each community. The real question was whether we want surrounding communities to work closer together on economic development. Typically a business that approaches Bedford already knows where they want to locate already.

Ms. DeSousa said that from the towns point of view there is a certain vision that we wish the town to embody. There is nothing wrong with putting broader, philosophical statements that can direct where economic development should go. We also need to think about what exactly we should put on the Airport Access Road that will bring in the best "bang for our buck". Typically, businesses go where like businesses are, competition means more choices to the consumer which means more business. The common misconception is that it cuts business in half.

Mr. Dermody brought up that the Master Plan is being updated right now and he is concerned that the BEDC is not on the same page as the steering committee. He suggested that we have a meeting with the steering committee to ensure that both the documents mesh. While he said that the two groups are not at odds with each other, it is worth a meeting to ensure that the two documents compliment each other. Mr. Marcoux suggested that the commission reread the master plan chapter and schedule a meeting so that any concerns could be addressed then. Mr. Sawyer said it was indeed possible. He said that the steering committee would be surprised to hear Mr. Dermody's comments. Mr. Marcoux said that we will be first on the agenda on

September 3rd and he requested BEDC commission members to forward any questions, comments or concerns to Mr. Henry to summarize and submit to the steering committee prior to BEDC meeting with them.

Mr. Dermody said that there may not be an end to the conversation on September 3rd, but it is a good start. Mr. Marcoux suggested that members of the Master Plan Steering Committee could come to the September 23rd meeting too. We should get members there, not the consultant. Ms. DeSousa said that the town would be disserved if there were two different economic development reports circulating.

5) Updates:

- Progress on economic development function strategy (JR)

- Possible Ambassador Program with S.C.O.R.E. (HB)

Russ apologized for Mr. Reilly that he was unable to report about a function strategy and he should have something at next meeting.

Mr. Bechard said he has little to report regarding SCORE. Said he is looking to meet with SCORE counselors and have a proposal by next meeting.

New Business:

1) New Business

· Possible reversal of Sept. dates for meeting and forum

Russ asked if the commission was ok with flipping the September forum with the meeting due to the ICMA conference that Mr. Marcoux and Mr. Henry will be at during the September 16th meeting. There was no objection to the proposed change.

The forum will now be on September 16th and the BEDC meeting will be on September 23rd.

Mr. Marcoux mentioned that Bedford is reaching out to new businesses coming to town and welcome letters were sent out along with an invitation to the BEDC Forum next week. The financial company *Aspen Cross* has moved to Bedford from Nashua and we extended a welcome to them along with a change of ownership that has taken place at *Gloria Jean's*. The Commission

complemented Russ on the letter that he sent out to the owner of Gloria Jean's.

Commission Member Comments

Mr. Marcoux mentioned that the Greater Manchester Chamber of Commerce is undergoing transition right now. They are redefining what their future is going to look like. They will be having a variety of meetings in the future and when he gets such information he will pass it along to the commission.

Adjournment

- **MOTION** by Mr. Dermody to Adjourn.
- **SECONDED** by Mrs. Brown.
- **MOTION CARRIED** Unanimously (6-0-0)

Next Meeting: September 23rd, 2009 8:00am

Respectfully submitted: Matt Henry