

## Bedford Economic Development Commission

October 21, 2009  
Bedford Meeting Room  
10 Meetinghouse Road

A regular meeting of the Bedford Economic Development Commission (BEDC) was held on Wednesday, September 23<sup>rd</sup>, 2009 at 8:00 am at the Bedford Meeting Room, 10 Meetinghouse Road.

**Members Present:** Henry Bechard  
Councilor Bill Dermody  
Russell Marcoux, Town Manager  
Mark Prestipino  
Joseph Reilly  
Michael Sandhu  
Rick Sawyer, Planning Director  
Jack Sullivan  
Terry Wolf, Bedford School Board  
Matt Henry, Intern  
Alice DeSouza  
Pam Brown

**Members Absent:** None

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### Call to Order

- Chairman, Russ Marcoux convened the meeting at 8:00AM.

### Approval of the Minutes – September 23, 2009

- **MOTION** by Henry Bechard
- **SECONDED** by Mark Prestipino
- **MOTION CARRIED** Unanimously (9-0-0)

### AGENDA

- 1) **Meeting with the Executive Director and Board Chair of the Capital Regional Development Corporation (CRDC). Presentation and discussion of the possibility of incorporating their services that are available to businesses into our Recommended Report to the Council. (Info attached)**

Chairman Marcoux began by introducing Stephen Heavener who is the Executive Director of the CRDC. He then introduced Steve Laurence from TD Bank who is a fellow Board member. Chairman Marcoux made it clear that he will refrain from any discussion regarding the CRDC because of his role as a member of the Board. Mr. Heavener began by discussing a broad overview of what kinds of services CRDC offers their clients. He passed out a packet of background information that outlined their services so that he did not have to go into much detail.

CRDC is a “mission driven” economic development corporation. New Hampshire has ten economic development corporations that are spread out among various geographic locations. Each corporation has different competencies; however, the intent is that all ten organizations have a revolving loan fund where they provide enhancement lending services. The CRDC was brought into this area about 18 months ago. There used to be an organization called “Gateway” that was a regional development corporation for the area. However, they were unable to get their loan funding, staffing, or budget fully functional.

CRDC provides various levels of service:

- 1) *Lending*: CRDC deploys nine different resources. They are a certified SPA 504 lender throughout New Hampshire. They are focused on real estate lending for small businesses where the bank loans 50% of the fixed asset needs, CRDS loans 40%, and the equity injection is 10%. There are five other funds.
- 2) *Community Development Block Grants*: These are used in conjunction with individual Towns. If a specific company needs money, CRDC applies on the Towns behalf for \$500,000 grant provided the company had components such as a job creation plan or capital investment program. CRDC would then loan that money to the company. This is how CRDC has received most of their money for their lending. As the loans are paid back, the fund that is established is then earmarked for the respective community to be lent out again.
- 3) *Community Development Investment Tax Credits*: The state offers \$5 million.
- 4) *New Market Tax Credits*: Facilitates projects using this tax credit. The “Jack Pack” project uses the tax credit. However, it is Census Tract driven and Bedford does not have any Census tracts available to take advantage of that.
- 5) *Real Estate Development*: They serve this purpose when the Town needs a partner and invites the CRDC in. The Town shares costs, but the CRDC does not wish to compete with the private sector in real estate development. Airport Business Park in Concord is an example of CRDC performing as a developer. They also own a building in Concord.

- 6) *Offer a Fee Based Economic Development Service to Communities:* Communities that are too small to have committed, full-time, Economic Development Directors, may wish to use the CRDC's services to provide their municipalities with that function. This is the main reason for the CRDC coming to the BEDC meeting. Typically, the service has been small, terminal engagements with a defined deliverable.

Bow is one of their clients where the CRDC serves as their primary economic development function. CRDC charges Bow \$17,000 to provide the service. They conduct studies on how the Town can be more business friendly. They also conduct business visitations on behalf of Bow. The fee-based service is not very lucrative for the CRDC. However, when conducting business visitations the CRDC offers their capital investment program to businesses and that is a benefit to the CRDC.

The CRDC is fully self sustaining and does not receive any government funding. Some of the other non-profit regional development corporations in New Hampshire are in fact government funded organizations. The reason the CRDC is self sustaining is that the CRDC has been around the longest (55 years). They started out as a for profit organization but evolved into a non-profit entity.

Generally, CRDC receives most of their business from banks. The CRDC maxes out their share at \$150,000. The industrial lender determines if the project needs an enhancement and then goes to the CRDC. The CRDC fixes their share for 20 years and therefore is very desirable to deliver a predictable debt service to their customers.

Specifically for Bedford, the CRDC envisions their role in Bedford could be on the enhancement lending side to individual businesses. Heavener indicated that he does not see the CRDC serving Bedford as a real estate development tool since the private sector serves that purpose very well here. CRDC is here if the Town seeks to use their fee-based service as an economic development entity in the Town. The CRDC can conduct business visitations, project negotiation, and collaboration, for Bedford just as it does with Bow.

Mr. Heavener introduced Mr. Laurence to discuss where the CRDC has come the past 5 years. Mr. Laurence is a member of the CRDC Board. The CRDC demands a lot of their Board because there is only 5 members and they serve such a large area. Mr. Laurence said that the knowledge of economic development of CRDC is its greatest attraction. CRDC is reaching out to communities in NH as they are looking to expand as they have recently.

Mr. Heavener mentioned the Grappone Conference Center in Concord as one of the major projects they have been involved in. CRDC also raised \$4.2 million in CDIP tax credit money to help develop the land for the conference center. That enabled the establishment of the downtown Concord development fund called the "Opportunity Quarter Fund" that enabled development of the Capital Commons Building which houses

the Red River Theaters which is an alternative arts movie theater. They have also been heavily involved in the Claremont Mills investment and the Airport Business Park. Overall, the CRDC serves as an enhancement tool with the two primary missions being tax-base enhancement and job creation.

Ms. DeSouza asked what the difference between communities has been with regard to how effectively they use development funds to promote economic development. Mr. Heavener responded by saying that Newport brought the CRDC in to establish a TIF program to establish an industrial park. Bradford also has worked with the CRDC in identifying borrowers that are interested in services. CRDC also worked with the Pittsfield Economic Development Commission trying to educate them. They conducted business visitations there, but no longer work with Pittsfield because Pittsfield had the expectation that CRDC would serve as the developer by purchasing buildings. That was not something the CRDC was interested in doing. Economic Development is a long term process that when investments are made take years to see the return on investment. It is important for Towns to make investments so that they are a major player in the market. It is tough to be truly dedicated on a volunteer or part-time basis.

Ms. DeSouza asked to what extent Bedford should rely upon “neighborhood assets” to market Bedford. Mr. Heavener said that in recent years economic development has largely taken a regional approach. Often, the residents of a community work in surrounding areas. That is why the regional approach is so interrelated. How does Bedford take advantage of its proximity to Manchester while also getting their fair share? That is the underlying question that your commission should consider. Bedford is doing well at distinguishing itself as an office park area. Some businesses are moving from Manchester to Bedford for its office space and retail opportunities.

Mr. Reilly complemented Mr. Heavener on their services and said that Centrix Bank is a user of CRDC’s services and the timeliness of them speaking with the commission is appropriate as the BEDC approaches the recommendations portion of the draft.

Mr. Prestipino asked about some of the trends that Mr. Heavener sees as to why Bedford cannot depend on past market-driven development any longer. Mr. Heavener said that there is a “new normal” that is resulting in a fundamental shift in the manner investments take place. New Hampshire is increasingly becoming over built and it makes it increasingly difficult to perform economic development because of that. The future of economic development will most likely be less vacant development and more redevelopment of existing commercially zoned land. Municipalities should determine what land is being under-utilized and work to develop those areas. There will also be continual trends of doing more business with fewer employees. While traditionally CRDC has focused on job creation, now the new indicator is beginning to focus on job retention which is equally important. Currently, 70% of the United States economy is in the retail sector, which is different than other countries. The strain on consumers will result in less retail development in New Hampshire as well.

Mr. Prestipino asked if the private sector is interested in redevelopment. Mr. Heavener said that the primary developers, Dick Anagnost and Alex Ray, are moving in the redevelopment direction as opposed to developing “green land”.

Mr. Sullivan asked if there was a client looking to do business in Bedford, will they call Concord or the local bank. Mr. Heavener said that most of the time the call comes from the Bank. However, they will do it in any manner the customer wants to do it. CRDC operates under a very flexible model.

Mr. Marcoux summarized Mr. Heavener’s presentation with regard to lending, services, and real estate purchase/retail.

## **2) Review of Web Site Development Schedule.**

- **A preview of the Web site progress (TW)**
- **Update look at the Web’s Economic Development page (ADS)**

Ms. Wolf began by saying we are about 80% completed on the Town website. The structure and content is there and we are now in the fine tuning stage. There is a meeting this morning with Virtual Town Hall to go over the checklist. Staff training is next week and we are on target to go live on November 1<sup>st</sup>. Ms. Wolf that if anyone has any suggestions please e-mail them to her or ask her now. Mr. Dermody asked if we have transported all of the information from the old website yet. Mr. Marcoux said that it is one of the tasks for the VTH discussion after the meeting, to ensure that the transition of information and documents will be smooth. The completion date to get all of the data turned into VTH is October 26. That does not mean that the site after the 26<sup>th</sup> is complete, changes can always be made after that date. The process is much more interactive than the previous website.

Mr. Dermody asked what happens to the information from the old site. Mr. Sawyer said that personnel will still have access to the information from the old site. Mr. Marcoux thanked the subcommittee who was involved in website development. Mr. Sullivan asked if the ads from the website were going to go to the council as a means of sustainment or will it go to the council as an annual request for funding. Mr. Marcoux said that the type of advertizing available on the website has not been discussed yet. Ms Wolf said that it is in the report in “items for discussion”.

Ms. DeSouza began discussing the separate economic development webpage that is in the very early stages. She handed out a sheet of paper that gave an overview as to what types of information should be on the website. Immediately upon clicking on the economic development webpage the user would go to a “landing page” that would describe Bedford in the broadest manner. It would describe why Bedford is a great place to grow your business. It would also describe what types of businesses are best for Bedford and it would highlight specifically the location of Bedford and its proximity to major highways and the airport. She suggested there be specific photos that relate to businesses in Bedford. Bedford could also do testimonials from businesses located in Bedford and use some quotes or photography from them.

Ms. DeSouza then described four other sections of the website:

- 1) *Profile of Bedford:* Describe proximity to metropolitan area's, workforce demographics, population, education, transportation, tax rate, and other specifics.
- 2) *New Hampshire Statistics:* We could pull something off of the NHDRED website. It is important to also market New Hampshire because Bedford would benefit from overall New Hampshire attractions. This page could include links to other state websites that a business would wish to look at such as [nheconomy.com](http://nheconomy.com), [nh.gov](http://nh.gov), and [urbancenter.com](http://urbancenter.com). There should also be a button that allows the navigator to return home at any time.
- 3) *Commercial Real Estate Available:* Will cover expansion, relocation, and new business. The business listing could go under new business rather than placing a database in this section. This sections primary responsibility would highlight the land lease/sale information. Relocation assistance, business incentives, licenses, permits, and financing information should also be included in this section.
- 4) *Living in Bedford:* This section would be devoted more toward the residential side. Demographics of residents, housing, schools, arts, culture, shopping, dining, would all be a part of this webpage.

Mr. Dermody said that there are more than 1,700 businesses in Bedford including very small businesses run out of their home. Mr. Henry's list only had about 250 businesses which were obvious. Part of the responsibility of businesses in Town is retention and expansion. Giving businesses that sort of exposure would be a benefit. If we developed a sort of directory, we could charge a small fee that could go toward the maintenance of the website. He then complimented Ms. Wolf on her hard work on the website.

Ms. DeSouza then described the importance of search engine marketing of the Town of Bedford. It would be great if the Bedford website was in the top ten of search results. Mr. Marcoux asked Ms. DeSouza to e-mail the handout to Ms. Wolf. Ms. DeSouza said that it is going to take a lot of writing. We may not have the manpower to conduct the writing that is required to make the website. Mr. Marcoux mentioned that Mr. Henry was here for another month and a half and Ms. Wolf had great abilities that the BEDC has at its disposal. Ms. Wolf said that she really did not have the time to commit to this. Ms. Wolf said that we could put up what is done soon, and then add portions as they get completed. Ms DeSouza said that she would send the handout to the other members of BEDC as well.

### 3) Updates:

- **Update of Airport Master Plan Review Committee (BD)**

- **Update of SNHPC Regional Plan Review Committee (BD-HB)**
- **Update - Joint Meeting with Master Plan Steering Comm. (BD-MP)**
- **Upcoming MetroCenter-NH Economic Dev. Summit, Nov. 12 am**

There was nothing to report.

#### **4) Program Development, Report to the Council (MH)**

- **Discussion & Work on Draft Report to Council (PB,HB,TW)**
- **Discussion on Economic Development function plan (JR+HB)**

Mr. Henry began by thanking members of the BEDC for e-mailing him their respective sections. He said that any changes that he made were for fluidity, and were not meant to change any content of the sections. Mr. Henry asked the members to contact him if there were any issues with any changes he may have made to the sections. The draft oversight committee met to discuss the document and Ms. Wolf created a framework that was meant to guide discussion.

Ms. Wolf began by asking BEDC if the document was missing any major topics. Mr. Bechard said that that question was cleared up through the consolidation of sections by the oversight committee at their meeting. Ms. Wolf said that the retention of businesses should be stressed more in the document. Ms. Wolf said that it could go in the “Successful Economic Development End State” section.

Ms. Brown said that there should be a “Key’s to Success” section that summarizes the key items that we have heard throughout the research process. She said that she was aware of Appendix A, however, this section should be separate and included in the document. It could go under the “Planning Premises and Guidelines” section.

Ms. SeSouza said that the purpose of economic development is to grow existing businesses, retain businesses, and attract the right types of businesses. The draft should set that stage for what we have learned. Ms. Brown said that the draft does not touch upon the trend of the future economy as much as is necessary. The recent trends we are experiencing are a justification for our conclusions.

Mr. Prestipino described how he and Mr. Henry looked back 15 years and examined the disproportion of residential vs. commercial assessments and how it contributes to the shift to an undesirable residential tax burden. We have to articulate that section well enough to justify our recommendations. Much of what we did in looking 10 years into the future is done later in the document as well and we need not be repetitive. As Mr. Heavener said this morning, the market was the primary reason for the Town’s successful development. We are encountering residential build-out now, and we need to identify those things that are different now.

Mr. Henry said that he and Mr. Prestipino discussed whether to move the “looking forward/back” section later in the document due to the relevancy to Mr. Reilly’s function

section. Mr. Heavener mentioned that it is important to be proactive and address issues before they are problems. Economic development will lag in seeing results when a function is put in place so we should mention the need for an overlap by having a function in place well prior to build-out occurring.

Mr. Dermody said that things are changing and what has happened in the past will not happen in the future. We do not need to spend time discussing the past since we are in a new paradigm now. We could simply reference the Master Plan Steering Committee chapter. Mr. Prestipino said that the report should stand alone without having to reference the Master Plan. Mr. Prestipino said that since the BEDC presents a good four months prior to the Master Plan, the BEDC report should have the information in the document.

Mr. Prestipino said that he was approached by an individual after one of the forum's who said that Bedford should stop all development. That is the worst action to take as costs continue to rise. However, if we model that through targeted development we can add dollars to the tax base, we will have a good argument for our recommendation. Mr. Dermody said that he agrees with what Mr. Prestipino said so much and he hopes that the report articulates that clearly. Mr. Marcoux asked Mr. Prestipino to put what he said into words and add it to the looking forward section of the report.

Mrs. Wolf continued by asking the Commission members for additional topics. Mr. Marcoux said that the "Target Industries" section was received yesterday and can now be added. Mrs. Wolf asked if we are getting the order correct. Particularly, the marketing section on the surface seems like a recommendation and we should discuss where to put that at our next meeting. Mr. Bechard said that we discussed moving the "Road Bonds" section into the "weakness" section. Ms. Wolf suggested that that section get trimmed down to a few paragraphs. There also seems like there could be more priority needs to be added.

Mr. Marcoux said that Bedford is already beginning to address priority needs such as workforce housing. A conceptual review of a workforce housing project was presented to the Planning Board on Monday evening. It is a priority that Bedford is going to have to address. The Council will be discussing the Road Bond issue at next Wednesdays meeting as well. Mr. Sawyer said that Route 3 and 101 as well as Water & Sewer are higher priorities. Road Bonds in general insinuate local roads, but main roads are of highest priority. Ms. Wolf suggested changing "Road Bonds" to just "Roads". And changing the overall title to "Infrastructure" and add a paragraph particularly about Water & Sewer.

Ms. Brown said that there should be specific functions mentioned that justify a position. Perhaps something less detailed than a job description that cannot be sustained by its current structure. Mr. Reilly said that he has been struggling with how far to go with the possible options section. Mr. Prestipino asked if a paragraph before the function section that defined success would be helpful. Giving the reader a depiction of what success looks like should help sell the function piece. Ms. Brown said it would be helpful

because it is important to say what functions the position is going to perform prior to recommending it.

Ms Wolf said that she is not concerned with the length of the document. She suggested the Commission add 20 or so articles to the Appendix in addition to some other supporting documents and we can always take them out prior to finalizing the report if we decide to. The Commission agreed.

Mr. Reilly began to explain his piece on the function. He described the four options that his subcommittee decided upon. They were:

- 1) Hiring a full-time economic development position
- 2) Partnering with surrounding communities
- 3) Using contracted services
- 4) Reorganization of Town Administration

Mr. Reilly said that the BEDC should determine both short and long term preferences. The BEDC could rank them, or just advocate what they feel are the best preferences. Mr. Marcoux said that any decision made should be done by the private commission members and not the staff. There should also be a catalyst such as the Airport Access Road and Route 93 projects mentioned and short and long term recommendations. Mr. Marcoux said it is very important that he Mr. Sawyer omit themselves from such discussions regarding a function.

Mr. Dermody said they should not give the Council options and have them pick, but should provide a thoughtful recommendation. Mr. Dermody then asked what the Commission felt should be the role, if any, of the CRDC. Mr. Reilly said that he agrees that there should be a recommendation along with a first and second choice. Mr. Reilly asked which way the members may be leaning as to what the recommendation might end up being. Mr. Marcoux added for the BEDC to specify both short and long-term options as well. Mr. Prestipino said he believes a full-time position is necessary to prepare for the future challenges. Mr. Prestipino said that it would be too difficult to perform the function on a volunteer basis.

Mr. Marcoux said that there really is no need to partner with anybody at this point. If the Town decides to do that in the future, that is possible. However, it is not necessary to finalize a partnership in the final report. The BEDC could simply recommend a partnership without specifying the organization they are to partner with. Mr. Dermody said that he does not feel like the BEDC has discussed all of the options. He asked Mr. Reilly to make a list of the options that were available. Mr. Reilly said he was unsure of what Mr. Dermody wanted beyond the list of the five possibilities he has already drafted. Mr. Dermody said he may have missed that section in the report when reading it.

Ms. Wolf asked 1) what skills will this position require 2) are there any creative means of funding this besides through the town budget. Mr. Prestipino said that we should not be concerned as much with cost, but talk more about return on investment of a position.

Mr. Dermody said that the funding aspect is something that should have been discussed a long time ago. He said that while members of the commission may use a business model to make the BEDC recommendations, that model will not work for the Town. Businesses are supposed to make money, while government should be concerned with spending tax dollars frugally and with the most benefit to the community. We have yet to make the argument that this is a worthwhile investment. Mr. Reilly said that he is frustrated that on one hand the BEDC is tasked with picking a recommendation to the Town Council, while on the other hand are being told they are wasting their time because of budget restraints. Mr. Marcoux suggested Mr. Reilly schedule a meeting with the nine private members in order to make recommendations prior to next meeting.

Mr. Prestipino asked why Mr. Sawyer and Mr. Marcoux felt they could not be part of the discussion. Mr. Marcoux said he wanted to make sure everyone was aware that he was not leading the discussion and it is important that the recommendation come from the business people in Town.

Mr. Dermody asked again how CRDC fit into the final Report. Mr. Marcoux said that there really is no role that they play yet. The BEDC does not need to make a decision about any partnerships they choose to enter into. Mr. Dermody said that Mr. Heavener will offer Bedford their service that was most relevant for \$17,000. If Bedford chooses to employ them that needs to go into the report. Mr. Bechard said that CRDC is only one of the sub-options that would tie into option #3. Mr. Sawyer said that we should not individually mention specific companies/non-profits that Bedford plans on using because we could not possibly include every company. Mr. Dermody said that if the Town is going to use CRDC's services, Mr. Marcoux should resign so that there is no appearance of a conflict of interest. Mr. Marcoux said that he would resign if the Town were to employ CRDC. Mr. Prestipino asked if any proposal has been made to Bedford by CRDC. Mr. Dermody said an offer was made to Bedford last year to perform economic development in Bedford for \$17,000. Mr. Marcoux reiterated that if he is asked, he would be happy to resign if any business with CRDC is performed.

## **NEW BUSINESS**

Mr. Marcoux said that the tax rate has been set and the blended rate is \$19.33. That is Town, School, Education, and County tax. The budget message was also sent to the BEDC, and the Town Council met Saturday for a Budget work session.

Mr. Dermody mentioned that the chances of Bedford being placed back on the NHDOT master plan was slim. Paul Goldberg (Planning Board Chairman), Mr. Dermody, Mr. Marcoux and Mr. Bechard have approached the State Representatives in order to bring attention to the issue. Mr. Dermody asked other BEDC members to lobby those at the state level to address Route 101 infrastructure needs. Mr. Marcoux said that he was pleased with the actions Mr. Bechard, Mr. Dermody, and Mr. Goldberg in drafting letters of protest to those at the state level. Mr. Marcoux suggested influencing the Executive Counselors specifically since they make up the GACIT commission. This has been a

priority project for years, but it keeps getting put off. It is a \$6 million project that represents only a small fraction of the ten-year plan.

Mr. Marcoux mentioned that there was a fantastic editorial about the BEDC in the Journal. Mr. Dermody wanted to clarify that it is a decision of the Town Council as to what they will do with the Commissions recommendations. It is not an issue that will be going on the ballot. It s not a referendum item as the Journal may have implied.

## **COMMISSION MEMBER COMMENTS**

### **ADJOURNMENT ( NO later than 10:00am )**

Any person with a disability who wishes to attend this public meeting and needs to be provided a reasonable accommodation in order to participate, please call the Town Offices at 472-5242 at least 72 hours in advance so that arrangements can be made.

### **NEXT MEETING: November 18, 2009, 8:00am**

## **Adjournment**

- **MOTION** by Mr. Prestipino to Adjourn.
- **SECONDED** by Mr. Bechard.
- **MOTION CARRIED** unanimously (7-0-0) (Councilor Dermody and Mr. Reilly left early)

**December 11<sup>th</sup> – Deadline for the final report to the Town Council**

**December 16<sup>th</sup> – Discussion of the report with the Town Council**

**Next Meeting: November 18<sup>th</sup>, 2009 8:00am**

**Respectfully submitted: Matt Henry**