

DRAFT MINUTES

Lakes Region Comprehensive Economic Development Strategies (CEDS) Coordinating Committee Meeting

New Hampshire Ball Bearing
Laconia, New Hampshire
November 3, 2010

Committee Members Present:

Debbie Frawley-Drake (LRL Enterprises)
Mark Scarano (GCEDC)
Carol Pierce (Laconia Human Relations Com.)
Pat Farley (Tamworth Eco. Dev.)

Jack Terrill (Lakes Region United Way)
Tom Clairmont (LRGHealthcare)
Gary Groleau (NH Ball Bearing)

Others:

Karen McNiff (Tamworth Economic Development)
Rip Patter (Credere Associates. LLC)
Eric Senecal (LRPC)
Kimon Koulet (LRPC)

Call to Order / Acceptance of Minutes

Gary Groleau called the meeting to order at 4:05 PM. Eric Senecal of LRPC and Rip Patten of Credere Associates, LLC, both new to the CEDS group, introduced themselves.

G. Groleau took a moment to point out the various notes and outlines pinned to the wall from a brainstorming session that had taken place at NHBB prior to the CEDS meeting, saying that he hoped they could be some form of inspiration to the “ever-shrinking” CEDS committee.

All others present introduced themselves and K. Koulet further introduced P. Farley, explaining that she was recently elected to the LRPC executive board and had expressed a strong interest in economic development in the lakes region. G. Groleau asked for discussion of or additions to the minutes from July 28. A motion was made and seconded (Frawley-Drake/Farley) to approve the minutes of July 28th. The motion was passed.

CEDS Committee Reports and Updates: Measuring Progress and Performance – Updates

G. Groleau summarized the spirited July 28 meeting, recalling that the group had examined its identity, particularly as it applies to the sub-committees. He asked for an update from each of the sub-committees.

Live Here, Work Here Housing – In Linda Harvey’s absence, J. Terrill offered to represent that committee. He said that the committee had not met since the last meeting and he had no update. He reported that a housing development in Tilton had made progress but did not credit the committee with that. He had not heard from Bill Beyer in a while and was not sure if the committee would continue to meet in the future.

Building Employees – G. Groleau offered to give an update in Carol Cantin’s absence. He reported that they have been doing a number of things with Lakes Region Community College’s Hewitt Technical

Center and the NH Manufacturing Extension Partnership (NH MEP). G. Groleau talked about the Skills Through Apprenticeship Retraining (STAR) Program, offered at River Valley Community College (RVCC) in Claremont, NH, that trains potential employees in skills that are distinctly lacking in particular industries. It is a Department of Labor designed program that has been successful for RVCC. G. Groleau broached the subject of such a program with NH MEP in the Lakes Region and was told that NH MEP had some new funding for 'new operator' training. NH Ball Bearing is likely going to go forward with this training program. G. Groleau expressed his understanding that the CEDS committees are having a difficult time staying organized and maintaining momentum.

New Economy

T. Clairmont did not have anything to report from LRGHealthcare on the New Economy. K. Koulet then presented an update on the NH Broadband Mapping Program. He distributed a handout of the broadband availability map that has been produced as of 5/31/10. The program, administered by UNH was funded by the National Telecommunications Information Administration (NTIA) and is going through one final extensive round to identify broadband access areas. There was a forum in Ossipee on October 21, and another will be held in Plymouth on November 09. These forums invite people to come and identify areas where they know broadband is not available. The information will be added to the map and be made available online.

K. Koulet explained the planning component of the program and described the plans to create a broadband stakeholder group. He sees a great fit between the New Economy subcommittee and the idea of a broadband stakeholder group that would develop some type of broadband implementation plan for the region, and thinks that the New Economy subcommittee could be re-publicized for that purpose. He hopes to sit down sometime before January 1 with Henry Lipman and others to talk more about how to regenerate the New Economy subcommittee and implement the planning component of the broadband program. This planning activity will have funds to sustain it for 3-4 years from NTIA in the amount of \$12,000 per year. He recognized that funding is a critical element, especially given the loss of EDA funding for capacity and the need to implement strategies through targeted action steps. He hopes that this funding will help to support a staff person engaged on a regular consistent basis.

M. Scarano explained that GCEDC is going forward with a business incubator in Plymouth that he hopes will have a great effect in the region, especially with PSU on board as a full partner. K. Koulet asked where it would be located. M. Scarano said it will be physically in Plymouth but that the plan is to engage Belknap County via virtual programming as well. K. Koulet asked M. Scarano to explain what an incubator is. M. Scarano explained that typically most businesses fail in the first few years of existence, and that an incubator is available rental real estate and programming dedicated to supporting businesses in their early years through affordable tenancy, mentoring, networking, and connections with angel or venture groups. GCEDC currently co-owns an incubator with Dartmouth College, in Lebanon, NH, which has created 180 jobs since 2006. That incubator is technology oriented, but the Plymouth one will host a multi-use program. Programs are not only relegated to the businesses that have rental space within the facility. PSU is taking a broader view and is planning outreach to businesses in commercial facilities or even home-based occupations. Typically, assistance lasts 1-5 years. Businesses leave the incubator when they are financially viable on their own and knowledgeable about how to excel their business.

M. Scarano said that a feasibility study showed that this would work in southeast Grafton County, but that it would need an expanded scope in order to have an appreciable scale to other

entrepreneurial activity. PSU will lead programming, staffing and outreach and GCEDC will be funding the real estate purchase in downtown Plymouth.

Sustainability

No representatives present

Social Capital

D. Frawley-Drake began by acknowledging that the subcommittee exists and sometimes thrives thanks to Alan Robichaud. She thanked J. Terrill for bringing him on at LRUW so that there can be a paid staff person to help coordinate projects in the Lakes Region. She shared a list of activities that the subcommittee is directly or indirectly involved with. These include the Laconia Service Integration Initiative, working with Verizon and the School District; the Community Needs Assessment, working to identify needs for healthy schools in the region. The school department has initiated a full service community school and started an initiative called '200 by 2020' in with the goal of getting 200 businesses in the region to commit to bringing on an intern or student to teach them about the business and career opportunities. This initiative will be rolled out to area chamber members to begin to think about opportunities to open up a position for a student or intern.

M. Scarano alluded to the notion that it is generally difficult to find qualified skilled labor, and he mentioned that GCEDC has a similar program that has been funded through a \$235,000 grant to develop high school internships with a number of area businesses.

D. Frawley-Drake continued by mentioning the Human Relations Committee, the WOW Fest, Better Together, and multi-cultural day, and said that the Social Capital Committee is generating good will and new faces in all of these programs.

G. Groleau summarized the subcommittee reports by concluding that the initial purpose of the committees to look at discrete issues has evolved to a point where projects that each group may be passionate about seem to serve as a catalyst for collaboration. He thinks success is less related to specific actions than to efforts and projects each group and its members are attaching themselves to.

D. Frawley-Drake told the group about an upcoming large open house meeting at Blooms in Laconia that is aimed at discussing/showing available commercial space in the downtown on November 19.

Brownfields as an Economic Development Engine

K. Koulet introduced Rip Patten, Principal at Credere Associates, LLC, which was one of the environmental consulting firms that competed for the \$400,000 that LRPC received from the US Environmental Protection Agency (EPA) for the Lakes Region Brownfields Program. K. Koulet continued to introduce the Brownfields Program and discussed the Phase I and II environmental assessments that will be conducted in order to clarify site issues prior to redevelopment. He mentioned that a database of Brownfields sites exists, and that to date, a number of Phase I assessments have been completed, including one for the Lakes Region Correctional Facility, the site that most people may be familiar with.

R. Patten explained the history of the EPA Brownfields Program and the context for its inception in 1995. The EPA wanted to know why so many abandoned properties and buildings were not being redeveloped. They realized that developers were facing high due diligence and clean up costs, and

were siting developments on outlying greenfields instead. EPA provides communities funding to help conduct the necessary due diligence so that these properties can be redeveloped.

Rip introduced the LRPC Brownfields Assessment Program and clarified the accepted definition of a Brownfield, emphasizing that even the perception of contamination or a use history that complicates the redevelopment of a property is sufficient to categorize a property as a Brownfield. Eligible sites can be owned by public, non-profit, or for-profit entities. Assessment work is 100% grant funded, and the standard environmental due diligence is required. If a Phase I assessment finds issues, a Phase II investigation followed by a remedial action plan is required. Phase I entails a paper study looking at site history, but Phase II is a physical analysis of site soils, water, air and building hazards. The results can be incorporated into a redeveloper's pro forma to see if the redevelopment will be financially viable.

The current LRPC grant is for assessment only, with no funds for clean-up. K. McNiff asked a question about reporting being in the public realm. R. Patten responded by saying that it can be downside to the program and a positive outcome, depending on the perspective. A potential benefit is that by interfacing with EPA and DES early on to come up with a scope of work, once the developer's work is done it is typically accepted right away, rather than being sent back for further investigations. Potential downsides include the voluntary structure of the program, requiring owner access agreements, and the potential for owners to opt out at any time. Also, because EPA and DES are reviewing the work, progress can be somewhat slower than it might be otherwise. K. McNiff asked if reports are then available to future developers. R. Patten explained that they are and that it can help developers know right away what is required. R. Patten says that often it helps the marketability of the site.

G. Groleau asked if there was a publically available inventory of these properties and what happens if there is serious contamination. R. Patten said that owners have to deal with contamination anyway, and that it is better to be proactive, partnering with EPA and DES. He said there was no public inventory because 'Brownfield' is a subjective term and they are not aiming to call out specific sites.

R. Patten next explained the EPA Clean-up program, which could be utilized following the completion of Phase II investigations and remedial action planning. Up to \$200,000 is available per site. Private entities are not eligible to apply for clean-up funding. However, public/private partnerships can work to put clean-up funds to use. An important new criterion for clean-up applications is that the public or non-profit entity must now own the property at the time the application is submitted. This has complicated clean-up investments, but is a result of applicants failing to close on planned purchases after receiving clean-up grants.

R. Patten explained the EPA Revolving Loan Fund Program which offers low interest loans to non-profits, municipalities, and for-profit entities for the same types of clean-up services eligible under the clean-up program. It is up to \$1,000,000 and NH DES has a revolving loan fund available as well.

The final program R. Patten explained was the NH DES Petroleum Clean-Up fund. It is funded through a per gallon tax on gasoline and oil, which goes to remediation investigations and clean-up for petroleum contaminated sites.

K. Koulet asked what other options exist for sites that need more than the \$200,000 to do clean-up. R. Patten said that there were a number of ways to get creative with the available funding sources. You could first go to the revolving loan fund, but waivers are available for the site specific maximums if the site is particularly good. Sites can also be subdivided into separate lots in order to maximize available clean-up funds.

M. Scarano pointed out that GCEDC and BCEDC both have their own revolving loan funds as well.

R. Patten then gave an overview of six sites currently moving forward with Phase I assessments in the Lakes Region Brownfields Program.

- The Lakes Region Facility - had a complete Phase I assessment done with LRPC Brownfields funds because they were not eligible to use their own funds since they are the responsible party. Due to the size and number of buildings, a Phase II is not within the budget of the Lakes Region Brownfields program. The state will have to decide what it will do with this property before additional work is done. If the state gets another entity to purchase the property, it could be subdivided and clean-up could be addressed incrementally.
- Mica Building in downtown Bristol – acquired by town through a tax deed and exempt from CERCLA liability. Tax acquisitions relieve towns from liability but not from the responsibility to clean up the property. Bristol has applied for a clean-up grant for this property.
- The Turchin Estate – on US 3 in Tilton. Town has a purchase and sale agreement to acquire property to build a parking area and trailhead to connect to the Winnepesaukee River Trail. Phase II investigation will begin to see if Town will be able to redevelop this site.
- The Packard Facility in Ashland – Phase I is just beginning. Private developer has plans for mixed use development and an educational facility centered on the existing hydro power generation on site.
- S. Main Street garage site in Franklin – being acquired through tax deed by the city and Phase I assessment is just beginning.
- Former Polyclad site in Franklin – site has already had a lot of work but Phase I assessment will answer any outstanding questions.

R. Patten then presented a few additional sites outside of the region. G. Groleau asked about the legal implications of purchasing sites with unresolved legal issues. R. Patten said that EPA and the State realized this concern and created the ‘Covenant Not to Sue’ program that protects the owner from liability if they submit a Phase I and II report and implement the identified clean-up measures.

K. Koulet told the group that he asked R. Patten to present because it is an area wide program, despite focusing on four target communities, and that the identification of important local sites to the Brownfields Advisory Committee could potentially move a site into the program and move it up for immediate assessment. M. Scarano asked if this was an annual grant that LRPC would be applying for. K. Koulet explained that LRPC just submitted another application in October.

K. Koulet asked R. Patten for an update on the Colonial Theater site, as this site was identified as a high priority site in the inventory. R. Patten said that it came down to a lack of interest on the part of the owner to put the site in the program. The owners of Bloom’s Variety seemed interested, but they were not sure that there were actually a lot of environmental issues that needed to be addressed.

Though the Brownfields Program could still assess that site, the owners were not concerned that environmental issues were complicating the marketability of their site.

EDA Application Status

K. Koulet distributed a handout summarizing the CEDS purpose and what it aspires to do. The opportunity to get stable funding into the CEDS effort, in order to provide staffing to help with facilitation and specific project implementation actions, is important. LRPC applied to the EDA in September for another capacity building grant to update the CEDS by re-visiting the visioning goals and opportunities, reaching out to the communities for project ideas and eligibility, and updating the industry cluster analysis to identify trends that may not otherwise be readily apparent. Access to NH Department of Employment Security data can help identify trends to build on. When LRPC reached out to commissioners about next steps for bringing long term sustainability to the CEDS process, they learned that the best position a region can be in to stimulate economic development is to be part of an economic development district. There are currently only a few economic development districts in the State, and the EDA field representative in Portland, ME has said he would like to see two or three more economic development districts in NH. K. Koulet said he remains cautiously optimistic about the potential for funding to come through. A decision on this may be reached by the end of the year. K. Koulet emphasized that the credit for this will have to come from the private sector. He is hopeful that there may be an opportunity in the near future to act upon the recommendations in the existing CEDS through professional staffing. If LRPC received funding, they would receive planning funds to maintain the planning side of the CEDS, as long as the district is maintained. D. Frawley asked where implementation funds would come from if all of the EDD funding is for the planning side of things. K. Koulet said that grant application assistance would come from this EDD funding, and that filling that gap would be an important step in support of implementation.

K. Koulet explained that as a member of an EDD, you are eligible to apply for a higher percentage of federal dollars toward projects than if you were not in an EDD. As an EDD member, the applicant can apply for up to 60% of the project cost from the EDA, whereas without EDD status only 50% funding is available. He clarified that strategic planning to identify goals, action steps, and implementation plans, as well as periodic review of priorities can occur now through the CEDS committee.

Other Business

G. Groleau asked if there was any other business. There was none.

Next Meeting and Adjournment

The next quarterly meeting was tentatively scheduled for February 23.

M. Scarano asked if it would be possible to have a tour of NHBB at the next meeting. G. Groleau said that he would plan something, but expressed a desire for a tour to accentuate the meeting agenda in some manner.

The meeting adjourned at 5:48 pm.