

**City of Nashua  
Business & Industrial Development Authority  
Minutes for Thursday, September 2, 2004 at 4:00 pm  
Mayor's Conference Room**

Members Present: Mayor Streeter, Mike Monks, John Stabile, Vincent Cappasso, Jack Tully, Mark Prolman, David Fredette, and Gerald Prunier (arrived during latter half).

Others Present: Jay Minkarah, Economic Development Director, Carol Anderson, Finance Director, Mark Sousa, Ricia Velasco, DRED, Jay Gonzales, Esq., Palmer & Dodge and John Thomas, Esq., Palmer & Dodge.

**I. Call to Order**

In the absence of Harold Acres, Chairman, Jay Minkarah opened the meeting shortly after 4:00 PM. He distributed a meeting agenda to those without copies and other background materials.

**II. Industrial Revenue Bonds**

Mr. Minkarah explained that previously, the BIDA's meetings had been focused on organizational issues and general discussions of alternative actions and funding sources. He noted that one of the possible funding sources that has been discussed is the use of Industrial Revenue Bonds (IRBs) to finance BIDA projects. In order to develop a greater understanding of this financing tool, Jay Gonzales of the City's Bond Counsel firm, Palmer & Dodge, LLP, was invited to attend the meeting.

Mr. Gonzales introduced himself and explained that he was not an expert in this area so he invited another attorney from his firm, John Thomas, to discuss IRBs with the group. Mr. that there is legislation before the Board of Alderman that will allow a name change from Industrial Development Authority to the Business and Industrial Development Authority. It was noted that the scope of the IDA was already changed to allow a broader business focus, but that specific legislation was also required for the name change.

General discussion occurred as to whether the Board could use Industrial Revenue Bonds (IRBs).

**III. CROP Zones**

Mr. Minkarah stated that he was expecting Mr. Chris Hodgins of the Chamber to discuss Crop Zones, a state enabled economic development tax incentive program. Due to his absence Mr. Minkarah went on to explain Crop Zoning with the assistance of Ricia Velasco and Mike Monks. It was explained that the City could designate certain areas as CROP zones, such as brownfields, abandoned industrial buildings, low-income areas and others. It was noted that much of the area from the Merrimack River to the Turnpike that

includes the Millyard, Downtown, the Tree Streets and East Hollis Street areas would probably qualify. The Board of Aldermen would have to approve the designations. It was explained that businesses locating with these areas could qualify for tax credits toward their business profits or enterprise taxes. Mike Monk asked for examples tax savings that could be realized. Ricia Velasco replied that she would look into obtaining such examples.

#### **IV. Business Improvement (or Betterment) Districts**

Mr. Minkarah stated that as requested at the last meeting, he and his staff had done some research into what other IDA's around the state were doing and would discuss that later. Mr. Minkarah noted that the summer intern, Nelson Leese, had looked into IDAs in New Hampshire and found that Claremont seemed to be the only one active. Troy has an IDA, but not presently active. Keene has a regional economic development corporation that is not organized under the same statute. It was noted that Manchester spends money from its CDBG funds on economic development projects. Nashua could do so also, but has increasingly dedicated these funds to social service agencies. Manchester has also used its housing authority as an economic development agency. The City's Housing Authority could expand its scope to include development as well.

John Stabile asked how the new Land Use is going to affect what the IDA can achieve.

Mr. Minkarah responded that the BOA's Planning and Economic Development Committee has been reviewing the Land Use Code moving through it in timely manner. They have already reviewed several portions including the permitted use tables, general use restrictions, wetlands and other sections. Mr. Minkarah stated that the new Land Use would have definite impacts on the City's development potential. While there are some significant benefits such as the proposed transit-oriented development district, it would also result in an overall reduction in the City's development potential. The cumulative impact of changes such as the proposed reduction in allowable building height in the PI, GB and D districts, a significant expansion of the wetlands buffer requirements, increased parking lot landscaping requirements, and other proposed changes would effectively reduce the area available for new development or redevelopment.

Gerald Prunier stated that he believes the new zoning ordinances are more restrictive, especially in an administrative manner. The cost of getting approvals or variances is going to be much higher than they are now. Mr. Prunier stated that he served on the Chamber's committee to review the ordinances and knows that they sent a 16-page letter of recommendations; however, he does not know if any of the recommendations were used. Mr. Prunier stated that it is important for Nashua to look to the future and attract businesses, not discourage them.

Mr. Stabile stated that the city needs to be more flexible. For example, the Burke Street development sites will become nonconforming. Mr. Prunier added that the city

needs to be proactive versus reactive. Mr. Monks stated that with out development opportunities the city's tax base would go down. The city needs to encourage redevelopment of properties.

Mayor Streeter stated that in this case he feels that it is better for the Planning and Economic Development Committee to go slowly in reviewing the new zoning ordinances.

Mr. Stabile asked if anyone has looked into costing out what expenses the new ordinances will cause property owners and what economic impact that could be. Mr. Minkarah noted that the new ordinances actually increased flexibility downtown, however, other areas are not provided similar benefits. The ordinances have a very significant impact on the 101A area and on certain types of businesses such as auto related uses.

Mr. Minkarah distributed a CBRE study of vacant Office and Industrial space in Nashua and other communities along the Rte.3 corridor. Mr. Monks stated that quite a bit of this space is not functional in its present condition and would need redevelopment. Again, some members showed concern that the new ordinances would choke the possible redevelopment of these spaces. Discussion continued about how the IDA could contribute to the review of the ordinances. One suggestion was a case study of 2 or 3 properties that would be a positive use to the City, i.e. The Budweiser development on Northeastern Blvd. It was stated that the IDA should request that Jay Minkarah provide them with a case study that highlights the changes in possible development comparing the old code to the new code.

#### **V. Other issues of Concern**

Ricia Velasco discussed other possibilities for development in the city of Nashua. She discussed tourism, i.e. other cities have Granite State Ambassadors. Developing the cultural arts and higher education was also mentioned. It was noted that the new ordinances do not encourage higher education. Rivier, however, is proposing amendments to the proposed HE overlay that could change this.

It was noted that the Passenger Rail development might be a possible project for the IDA. It is going to be a huge transit-oriented, mixed-use development project.

#### **VI. Adjourn**

The meeting was adjourned at 5:25. The next meeting is scheduled for October 7<sup>th</sup> at 4:00 pm.

Submitted by Jennifer Mulstay