

**MINUTES  
NON PUBLIC SESSION/WORKSHOP  
DOVER CITY COUNCIL  
WEDNESDAY  
FEBRUARY 2, 2005**

**6:00 P.M.  
CITY MANAGER'S OFFICE  
NON-PUBLIC SESSION**

The City Council will be meeting in non public session to discuss Personnel Matters.

NOTE: This meeting is not open to the public per RSA 91-A:2 (c).

**7:00 P.M.  
CITY COUNCIL CHAMBERS  
WORKSHOP:**

Those present: Councilors Perry, Lewis, Trefethen, DeDe, Mayor Pro-Tem Hindle, Councilors Keays, Mayberry and Mayor Myers. Also Acting City Manager Joyal was present along with Planning Director Steve Stancel, Business Assistance Director Beth Thompson. Councilor Colwell-Ellis was absent.

1. Pledge of Allegiance

Councilor Keays led the Pledge of Allegiance.

2. DISCUSSION RE: Planning and Economic Development Initiatives

Joyal says Steve and Beth will give us an over view of the land issues and Beth will also review Economic Development.

Steve felt it was important that we review how the land initiatives are working, (see power point presentation in 2/2/05 council folder), He explained growth is out of control and he hopes to show this.

He stated the City needs a better balance of industrial vs. residential zones. Mayberry arrived at 7:07 pm.

Steve would like more of the burden placed on the industrial instead of on the residential properties. He continued explaining the consultant's survey from 1998 and 1999. He showed we have a relatively stable population; the master plan identified the mix of population also as well as the household income distribution. So what has the City done since 1998; the City has conducted a major re codification with over 90 code changes. He explained some of the changes that occurred in the zoning updates. He also showed how we were first in New England to input some of these zoning changes. Some of the successes are in terms of developable land there is 74% available land for residential and 24% for industrial. Housing has stayed relatively stable as well. He feels this is a healthy growth.

Also there has been a shift toward condominiums instead of rental apartments. He did a school enrollment comparison over the past 10 years. There has only been a 126 student increase in the last 10 years even though there has been over 1000 new houses built. He explained how the impact fees work as well, they have also encouraged in fill developments with 238 units in the urban core. We have also had several parcels protected through open space. He showed

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examples of open space by displaying several developments including Ezra Greens subdivision open space plan. He continued with several examples of open space as well as conventional developments.

There have been failures or missed opportunities as well in the Tolend and Littleworth Road area. Also the assessed value is of concern and this is up on residential units. He continued with future initiatives. He added there are a couple of other transportation projects coming along including the bike trails and rapid transit project.

Perry asked about the where the impact fees go, Steve says some of the recent projects are grandfathered and cannot be charged but we will be accumulating and eventually the impact fees will be charged to any new developers. Perry commented Steve had listed condos as separate in the dwelling types. Steve wants to be able to show different housing types. Perry asked if he has noticed some difference in land use patterns that seemed to result for the state tax issue. Steve feels Beth will know that information. Some companies are fed up with the commute over the General Sullivan Bridge and starting to move to Dover. Perry observed the value of residential property has increased significantly.

Trefethen commented on the missed opportunities and he wonders if we have learned how to be more successful in the future. Steve says many of these issues have been tried several times but there are some areas because of neighborhood coalitions that it will be difficult to re-zone no matter what. Steve feels the City is taking a positive approach by setting money aside for open space projects.

Perry feels we need to emphasize the social implications of not having places for people to shop or utilize for services.

Stancel continued the real estate market is what sets how many units are built. Hindle wants to know where we are on impact fees with regards to the new fire station and the schools.

The Mayor asked if there will be a recreational development fee in order to create a park or ball field in a certain area of the City. Steve feels these are issues that must still be worked out; maybe we will just shift areas that are covered. The Mayor also thought it was interesting that Dover is 50% owner occupied and 50% rental units. Hindle wants to hear from Steve about how other communities are putting moratoriums on growth. Steve says most of these communities are in Maine but these are state mandated. NH can put a moratorium on for a year while they create a new master plan if needed. You can't really put one in that is going to last very long in this State. The proper way is long range planning in NH. The Mayor says where we only have a modest number of units coming on line each year in the amount of about 150 to 250 which is not very large. Steve says what you are seeing is encroachments and suddenly people are noticing vacant fields are being developed. The Mayor asked about 55 plus developments and what we are doing to encourage them. Steve explained this makes sense because the population is aging and there are not many if any children in these developments. The other advantage is in terms of traffic, those 88 fifty five and over units on Rt. 155 will create less traffic than conventional units.

Ron Cole, Planning Board chairman thanked Hindle for asking the magic question about moratoriums. If anything we may be a little overbalanced with regards to rental properties. He gets asked every time he goes down town why are we building so many houses. He feels balanced growth is healthy. He commended the Planning Department's excellent job they are doing in curbing growth. The re-codification is to manage the growth not stop it. He commented on the missed opportunities that come from the city council because it has elected officials; he urged them to not listen to the 8 people that may not want something built next door but to listen to the 27,000 or 28,000 majority who do want it built. We must utilize the land that we have left. He concluded with that. Mayberry asked about 55 and older developments and

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about the enforcement of 55 and older as it seems to drift as people move in and out. Ron says there are no guarantees in life. Mayberry wondered if the Planning Board could review the covenants. Steve says the Planning Board can require that as a condition and get their approval. This also pertains to the private roads and how and when properties are sold and the new people want services and their road plowed. Steve says they are working on this issue but when the plan gets recorded this is important so that when future owners know when they are buying on a private road. The alternative is to make every road public then you would lose your creativity. Mayberry says but some of this benefits developers. Ron feels there is a strong working relationship between the Planning Board and the city council.

The Mayor asked about the 55 plus area that was rezoned last summer, Ron feels most everything is done on this issue. There were some outstanding engineering problems Steve stated. And they have just received the request to do the land swap that was requested.

**The following is from Beth Thompson's notes that she submitted to the City Clerk:**

When you ask someone what economic development is, 9 out of 10 people will tell you that it is all about jobs and tax revenue.

It is that, I agree, but ultimately it is very much about quality of life and building our communities for tomorrow's environment.

Because of this more broad definition, we consider ourselves as promoting Economic Opportunity. We recognize that the traditional economic development activities of recruitment and retention have an impact that is far greater than just the taxes generated or the jobs created. It affects a regions' residential development, its infrastructure such as roadways and water/sewer capacity, its school systems, as well as the amount and quality of other commercial development. In essence, it affects the entire quality of life in a community.

When you land an industrial business, for example, they will attract employees, who in turn, demand services where they live and work. Retail and hospitality industries also grow around these centers of commerce. In our global economy we need to keep in mind that what happens in Dover also affects what happens in surrounding communities and vice versa . Conversely, businesses will locate in different areas based on their needs such as an ample supply of labor or great telecommunications infrastructure, for example.

As far as economic development opportunities are concerned, Dover has positioned itself to take us into the future over the next several years despite some current and future shortages of opportunities in certain zones that Steve has already pointed out. However, there are many positive elements that will continue to make Dover a great place to locate a business.

Let me address some of the very basic reasons businesses will locate to or remain in Dover.

Just by the very nature of our location, we are situated near things that are critical to the success of the businesses community. We are 6 miles away from UNH and the educational and training opportunities and partnerships available there and we're just 10 miles away from Pease, Portsmouth, and the Port of New Hampshire. We are just an hour from Boston, Manchester, and Portland, Maine. We have a plentiful and educated workforce. Additionally, over the years we have ensured that we have a great roadway infrastructure; and we have abundant housing.

Now, when we look at Dover in the context of what is happening elsewhere in the region and in the state, it is very predictable that we would be seeing the changes that we've experienced over the last several years. One of the things that is driving our Dover economy is the fact that space at Pease and in Portsmouth is expensive. On top of that, a majority of the workforce lives north of the Little Bay Bridge. Locating closer to that workforce to a more affordable location is viewed as a good move by more and more owners. We find employers are paying more attention to

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employee morale since it is more expensive to train new employees than it is to retain the existing ones. For this reason, there are several companies that in the past couple of years have relocated to Dover from points south. We can point to eCoast Sales Solutions which has grown tremendously since it made the transition to Dover two years ago. They now have upwards of 100 employees. CA Design purchased a 30,000 sf building at Crosby Road and have added employees over the past year or so. And of course we must include Measured Progress that has consolidated its 3 sites, including its Pease location, to Dover.

In addition, our Dover economy, mimicking the national trend, is evolving to a more service-oriented economy. More and more our nation sees our traditional manufacturers closing and being replaced by the service industry. Here in Dover we can point to the closing of Moore Business and look at the opening of the many office and medical buildings as evidence of this phenomenon. Our local hospital, for example, has been growing exponentially over the past few years. Advances in this field have facilitated this growth. Besides the facility expansion, the hospital has recently leased 20,000 sf at the Cochecho mill for some of their back office departments. We also see the many medical offices that have grown up in the area between the hospitals in Portsmouth, Dover, and Rochester. Also, we have 50,000 sf of between 2 new office buildings on Indian Brook Drive that have been in great demand. Again, I will use Measured Progress as another example of this changing economy with the 125,000 sf it is building and the 800 people it will employ.

A major result of the 1988 rezoning effort was more than 900 acres that went from residential to Industrial, Business, and Executive Technology in the Sixth Street corridor. The City also spent several million to upgrade Sixth Street and install the water and sewer infrastructure. Since that time we have seen the Liberty Mutual project, Measured Progress, the Credit Union as well as a couple of smaller offices locate here. Shortly we will be seeing the New England Equine Hospital building going up. Additionally, there are a couple of as yet unnamed companies currently looking at building opportunities in this zone at least one which we hope to announce in the coming weeks.

At that same time Dover rezoned this area and positioned itself to handle the anticipated growth, the city vested the authority to do the industrial development of the I-4 land to the Dover Industrial Development Authority, now DBIDA. There was a bond for \$2.5 million to do the infrastructure for the park which now houses 11 light industrial users. These 11 tenants currently have an assessed value of 14, 926,100 and generate 296,730 in taxes.

In calendar year 2005 we are expecting another 4 businesses to locate to the park with approximately 60,000 sf of new construction. These businesses will provide over 200 more jobs in Dover. **SLIDE of taxes for EP**

One of the reasons Enterprise Park has been successful is that Dover's economic development authority and the Council have been proactive in offering what can be considered the only incentive available in this state to businesses, and that's the Loan to Development Organizations through the BFA. NH has a law prohibiting incentives such as tax abatements or grants for development as is done in other states. It's true that the cost of doing business is 10 – 15% cheaper in NH than the other northeastern states, but it's still tough to look a business in the eye and tell them that while we're delighted they are relocating to our community, there's nothing we can do for them. This program enables a business to more wisely use their money during the construction phase and the first few years thereafter. It's not a lot but I know it's been much appreciated by the 3 businesses that have already used the program and now we have 3 more in the pipeline.

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The 1996 rezoning of the Weeks Crossing area has also had a positive effect on the community. In addition to the rezoning, the City and State upgraded the traffic circle to create a lighted intersection. Approximately 60,000 vehicles go through that intersection daily, more than the 50,000 that travel the Spaulding Turnpike at that same location. With the rezoning complete and the roadway structure finalized, look at the result of our efforts. We have a 97- room hotel that is constantly full. We have 4 national restaurant chains that are among the most successful of their kind in the country, and we are seeing many of the existing businesses upgrading their facilities as a result.

- **Commercial/Industrial Taxes Slide**
- **Total # Businesses**

So there we have a quick overview of the Dover economy but I know you also want to know how Dover provides its economic development services. Since we are a small office we partner with the economic development community to make things happen. We use the knowledge, skills and resources of our partners to provide top notch services to all who come our way. We need to be in regular contact with our partners in order that Dover stays in the forefront of their minds. These partners I refer to are my peers throughout the state and the northeast, state officials themselves, bankers, utilities, educators, contractors, engineers, brokers, etc., anyone involved with economic development in any way. I have to mention that just this afternoon I opened an email from the International Economic Development Council relating to their annual conference which is appropriately entitled: Building Prosperity Through Partnerships. I thought this was rather ironic and had to pass it on!

The question is how does a business decide where to go when they want to relocate or expand. The simple answer is that there is no set process and each company moves forward in its own manner. Some will talk to friends or a trusted business contact. They may have particular energy or telecommunication needs and will contact their utilities, who all have economic development departments. They may go to a local Chamber of Commerce or to a bank. Some contact a realtor. And then some will reach out to the Business Resource Center at DRED.

So you can see that it is imperative that Dover stays on the radar screen of all these partners so that when there is an appropriate lead, Dover can be there for them. The networking has been instrumental in our attraction and retention efforts. Not only do we use these resources for leads but our knowledge of their programs is a useful tool when assisting businesses. Because of the networking at CIBOR, for example, we have CPW building 30,000 sf at to Enterprise Park. Vigilant is leasing 50,000 sf on Industrial Park Drive because of the networking with the state relocations specialists.

Because of the knowledge gained through our partners, Dover has helped facilitate education programs for employees and helped deal with child care issues, for example. We've also advised businesses who were looking for opportunities for their employees to be out in the community volunteering. Other times we assist with business plans or with financing issues. And we make many referrals to the agencies that will have a much more comprehensive program for them.

This networking also includes my peers in the seacoast region. Dover works closely with Rochester, Somersworth, Portsmouth, and Pease. We meet regularly to stay abreast of what each of us is doing and have visited sites in each other's communities. We have committed to informing one another if one their businesses is looking in our communities. We ask first if the business has talked to their own community because there may be opportunities that they are unaware of that the economic developer can help them with. Very often the community will tell

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us that they have run out of options but we all realize that it is more important to keep them in this area rather than have them move out of the region or the state.

This sounds like a comprehensive and foolproof method to stay abreast of our business community, but the truth is that businesses come and go and no one is aware of it. There are many reasons why we don't know every business move. Primarily, unlike many other states, we don't have businesses register at the local level. This would be the simplest way to know who is in town. They may also need to keep their activities confidential for numerous reasons. And sometimes it just doesn't occur to a business to let anyone know they are making a move. A business can move into existing space and we don't know about it until they request a sign.

Another way to promote Dover and attract businesses is through advertising. The seacoast economic developers have an advertising program to promote ourselves. We recognize that alone, each one of us does not have the great variety of opportunities for development that together we do have. Combining our assets makes us more attractive to businesses and it demonstrates that we do and will work together. Over the years, we have fine tuned our advertising to where we get the best results. We currently only advertise inside the state. That is where the biggest bang has been. We advertise 5 times annually in Business NH Magazine and as well as in the NH Business Review's Book of Lists. Our experience with advertising nationally is that a.) it's incredibly expensive; b) you have to advertise repeatedly; and c) we have had very little success in qualified leads.

The web is another source of business leads. We've learned that the local web pages are not the first point of contact for a business. They will make the location decision using the other resources I've already discussed. Once they decide on the location, the local web page becomes resource for local and state information. We infrequently are the first point of contact for a business though our web page.

As I said earlier that economic development is about creating economic opportunity. That means we work to ensure that our business community can remain successful in a global economy and that our residents can be gainfully employed. That means attention needs to be paid to issues of critical importance to the business community. Over the years some of those issues have changed. I have worked on initiatives to help businesses obtain training for employees when the technology changed and it was necessary to upgrade their skills. Later the issues became the availability of advanced telecommunications infrastructure. Now it seems that affordable workforce housing is of critical importance. And I am sure there will be another issue that will require attention in the future.

It is also important that the department stay in tune with initiatives in the community in order to address them in context to what a business is intending to do. The two prime examples are the waterfront redevelopment and the Main Street Program. What happens with either can affect how a business moves forward in the future. Being involved with these initiatives enables the department to more accurately portray these initiatives and relate them to the business concerns.

Interdepartmental relationships are of critical importance when dealing with our business community. Not only do I need to understand their issues and convey them to the business but the departments must be sensitive to the needs of the business community. How Dover is portrayed to the outside world is of utmost importance in attracting a business. As I said, people talk to one another. We could loose a potential business merely because someone says don't go to Dover they are awful to work with. Fortunately that is not the case. We have a reputation among the state as being a professional and helpful community in which to do business. As an example, the Woodman Block right next to City Hall was recently sold to a buyer who has some

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great plans to revitalize the building. Before it was sold, the Inspectors, the Fire Department and Planning Department met with several prospective buyers to help them understand what would be required for reconstruction based on the plans for the building. This reality check is so helpful before a lot of money is spent. There was a lot of give and take in these discussions but this is something that works for us and helps to make Dover an attractive place to be. Now, we have a new owner and can look forward to some new upscale retail outlets and some more downtown housing units.

Now, on to the challenges for economic development opportunities for Dover. The primary one is the availability of land and buildings for both commercial and industrial uses. Commercial land, in particular, is very limited. This can be a double edged sword. The positive side is that we don't have a lot of vacant buildings in our downtown or industrial parks. Not only would it bring down prices but it tends to drag down the morale of the community. The down side is that we don't have the stock to offer a business when they need to expand. Since it takes about 18 months from the time you decide to build until you can be in the building, it is easier to just move to an existing building that needs little, if any, retrofitting.

How can the council support economic development? In the not too distant future it's possible that the DBIDA may recommend that Dover create another industrial park. It won't be long before Enterprise Park will be full. All the industrial land that has been rezoned lately is in private hands. Private property owners are generally not positioned to become commercial brokers and they don't know how to move forward, nor do they necessarily want to. It often takes many years for newly rezoned land to be used as was intended as evidenced by the ETP land off of Sixth Street. A problem with developing an area piecemeal is that there is no real master planning of infrastructure that will maximize development. The truth is that the private sector is not in a position to create industrial parks. The successful ones in NH are owned and operated by the communities in which they lie. All 4 of the industrial parks in Dover have been City initiatives.

The other thing that will be coming forward is that I have asked the Community Services Department to look at rebuilding the roads in our 3 older industrial parks. We can demonstrate that upgrades have a positive affect on existing businesses in upgrading their own facilities. Look around the Weeks Crossing area to what has been happening in the past couple of years.

Now drive around Crosby Road, Industrial Park Drive and Progress and Sumner Drive. Is this the type of place that you'd like to work or have your business? We always tell everyone how business-friendly Dover is and we go out of our way to attract companies, but we do little to retain them and keep them happy with the community they decided to call home. If your company had to locate any place in Dover, would you elect to go to any of these other parks? Probably not.

She concluded by asking for questions, Mayberry feels the communication is great with her office. He asked about TIF's and her opinion of them. Beth says TIF's are for infrastructure improvements needed to make a project successful such as water and sewers and perhaps a parking garage. Mayberry mentioned Measured Progress; Beth says we are talking about public infrastructure with them. Trefethen talked about the retail spending of a few years ago and are people spending more of their dollars in Dover now. She cannot quantify this but she feels the numbers in the master plan were privately identified so unless we contracted to have a study, they wouldn't know but just the restaurants and hotel we have make people realize they do not have to cross the bridge into Portsmouth for entertainment. The Mayor asked her what is the most desirable size building currently. She is looking at 20,000 to 30,000 or maybe even 50,000 square feet. For a young company 5,000 -10,000 but we are pretty well set with these. She feels 25,000 square feet is reasonable. He explained that is why we are moving forward with

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BFA loans. What is out there in existing buildings, she mentioned the old Cabletron building and Rochester downtown buildings, Somersworth does not have a lot of room in their industrial parks but there is no transportation for them either also she does not know what is available at Pease. Trefethen asked about the budget for her office if they were to give her additional resources is there something that she could do that she is not doing now. She says the money would be nice but there is still only one person in her office. She does rely on the Planning Department because they have a working partnership. She would like an additional staff person though to handle the office while she is away promoting business. Hindle asked if she has looked at interns from UNH, she stated she would like to kill herself before she would take another intern. The Mayor thanked her for her time this evening.

Hindle moved seconded by DeDe to adjourn at 8:40 pm with all in favor.

3. Adjournment

**JUDY GAQUETTE,  
CITY CLERK**