

FINAL

CITY OF LEBANON
ECONOMIC VITALITY EXCHANGE COMMITTEE
Minutes, January 24, 2018
City Hall, West Meeting Room
4:00 p.m.

MEMBERS PRESENT: Clifton Below (City Council), Chip Brown, Karen Liot Hill (City Council), Dana Key, Tim McNamara (City Council), Kevin Purcell, Rob Taylor, Steve Whitman

STAFF PRESENT: City Manager Shaun Mulholland, Deputy City Manager Paula Maville

I. CALL TO ORDER

The meeting was called to order at 4:03 p.m. by Ms. Maville.

II. APPROVAL OF MINUTES: September 27, 2017

Rob Taylor moved to approve the minutes of the Economic Vitality Exchange Committee meeting of September 27, 2017 as written. Seconded by Dana Key.

****The motion passed unanimously.***

III. DISCUSSION ITEM

- **Goal #3**—Develop an intentional approach to business recruitment and retention (with a focus and priority on retention of existing businesses)

A. Business Visit Reports

Mr. Taylor said he and Mayor Suzanne Prentiss met with two of the four principal decision-makers at Geokon. They are growing and need space. They have about 120 employees in Lebanon. They are now leasing property from the City and hope to acquire it. Ms. Maville said they are working on a purchase-and-sale agreement. Mr. Taylor said Geokon will begin construction across the street. B&R Garage may move, and Geokon may acquire that property. Their challenge is getting the employees they need and having enough space. They are interested in upgrades to Spencer Street and area sidewalks. The people who work there are part owners. They want to be leaders in the community. They are concerned about a shortage of housing; a lot of their employees have a long commute.

Mr. Taylor and Mr. Below met with Peter and Jeff Goodrich from Pathways Consulting. Mr. Below said Pathways was founded in about 2000, evolving from a firm that was spun off from the Thayer School of Engineering. They vary between 20 and 45 employees. They do about 400

projects per year; 45% are municipal, 45% are institutional, and 10% are development. He said they have very strong feelings about sustainability. They feel that City policies are moving in the right direction. Pathways has been promoting walkable communities, and they are interested in energy initiatives. They feel the City is not doing enough to support and collaborate with local businesses. They noted that the City has 16 pages of stormwater standards, and some do not make sense with regard to sustainability. Every project needs waivers, because it is very difficult to comply with the regulations. They are concerned that the drainage standards may work against affordable housing. Mr. Below said they are not sure the development suggested by the downtown visioning study can be done without waivers. He said the City Manager should meet with them.

Mr. Below said Pathways reports that they get a lot of work from neighboring communities, but they are often passed over by Lebanon in favor of companies from out of the area, and they feel that the City and School District sometimes make choices that are more expensive than they need to be. They cited a project in which they submitted an estimate, and the City chose a more expensive option.

Mr. Taylor said they met with the general manager of Dartmouth Coach. They need more parking, as a lot of people do not want valet parking. They are considering expanding their service with earlier and later buses. Mr. McNamara said they are in direct competition with the air service. Mr. Below said Dartmouth Coach is much more reliable than air service because of weather-related issues. Mr. Taylor said their big challenge is finding qualified drivers. Mr. McNamara said the new terminal is a huge upgrade. He said people do not transfer from the bus to Advance Transit. Ms. Hill said they would if Advance Transit stopped there. Mr. Taylor said the priority for the airport should be different air service, especially Baltimore-Washington International. Ms. Hill noted that that would require larger planes, which would in turn require on-site firefighting crews at the airport. Mr. McNamara asked if charter flights had the same requirement. Ms. Maville said charters are regulated differently.

Mr. Purcell said his team met with Simbex, and it was a positive meeting. They do not have a lot of interface with the City. Their biggest challenge is not getting enough talent, but many people have never heard of them and do not realize that there is a biotech industry in Lebanon. He said they would like more public support in that regard. He said they need the airport, as many clients come in via charter flights. Ms. Hill said they love the Whitman building and Lebanon because they have character, and they would love support from the City and the Chamber of Commerce to tell the story of a serious high-tech environment. Mr. Brown said there are at least 51 high-tech companies in the Upper Valley, more than are in Manchester. Mr. McNamara said he read an article about 150 things Thayer has given to the world. Mr. Below suggested an improved brochure highlighting the Upper Valley opportunities for prospective employers.

Mr. Brown said Hypertherm and Fujifilm sounded similar themes. HR is an issue, including housing, a place to hang out, and lack of a Target. Hypertherm noted that different City departments act independently, and there should be meetings between departments to coordinate things. The City needs an information management system. Mr. Mulholland said they had one where he last worked, and there was a huge improvement in response time. Mr. Below said in 10 years, Hypertherm went from 200,000 square feet in six buildings to 500,000 square feet in 11

buildings. Half of their employees are in Hanover and half in Lebanon. They have a total of about 1,100 employees in the Upper Valley. About 20% cannot afford to live in the immediate area, and half commute 20 minutes or more each way.

Hypertherm reported that during permitting, they go through preliminary review with departments, they answer questions, and then during final review, new issues come up. They feel the Fire Department is overextended. They feel the City should be more customer-oriented. They discussed moving to Claremont, but they want to keep people together, and the engineers do not want to move there. They have 12-passenger vans that transport employees from Claremont and Windsor. They want to remove barriers for lower-wage workers. They are concerned about unknowns, including the water and sewer systems. It is an energy-intensive business, and they are making strong efforts toward sustainability. They feel this is a great area for families but not necessarily for single people. Fujifilm is expanding now, and they are concerned about that, as hiring is the biggest issue.

Mr. Below said Hypertherm talked about a lack of substance addiction treatment. In the past, those who tested positive were fired, but they cannot afford to do that. They would rather get treatment for employees, but counselors are not available. Mr. McNamara said they should talk to DHMC, as the new CEO seems to be receptive to new ideas. Mr. Below said Fujifilm would like bus service from Laconia or Manchester.

Ms. Hill said she had a brief phone conversation with Adimab, which is also a high-tech firm. They discussed the City's permitting process and parking issues, but they are generally very happy. Avitide is doing health-care manufacturing at the Dartmouth Regional Technical Center. They started in the incubator and needed space, so they reached a long-term agreement as an anchor tenant at the DRTC. They have HR challenges. They would like to tell the story of the Upper Valley, and they would like to know that Lebanon and New Hampshire are interested in keeping them here. She suggested outreach to local and state politicians. Mr. McNamara said the City should invite the governor and his staff here for a high-tech tour and to discuss jobs, salaries, and the Thayer connection. The tour should include Thayer staff.

Mr. Below said Fujifilm attracts high-end talent, but the challenge is that they are not sure spouses can find jobs outside of the medical field. Mr. McNamara said this is also one of the biggest issues at Dartmouth College. He said the issue of outreach should go before the City Council and the Chamber of Commerce, to nail down a presentation. Then they can go back to these companies to follow up regarding what they are trying to do.

IV. FUTURE AGENDA ITEMS

Mr. McNamara said they should get an update regarding which businesses have been interviewed. Ms. Maville said they should wrap up the reports on business visits at the next meeting.

V. NEXT MEETING DATE: Wednesday, February 28, 2018

VI. OTHER BUSINESS

Mr. Mulholland said Lebanon does not have a comprehensive economic development plan. He said he met with Planning & Zoning Director David Brooks, and Mr. Mulholland is concerned about attracting businesses and the possibility of losing others to competitors. He said state law allows municipalities to give tax breaks for renovations, additions, and new construction for up to 10 years. Ms. Hill said in Lebanon, there is a consensus that residents are subsidizing commercial and industrial development. Mr. Below said they need to retain businesses and help them grow, rather than bring more in. Mr. Mulholland said they need to make sure they are ahead of the game. He said an electronic information management process is a major issue. This requires a cultural change, but it is a top priority.

VII. ADJOURNMENT

The meeting was adjourned at 5:17 p.m.

Respectfully submitted,

Charles Glazer
Recording Secretary