

**ECONOMIC DEVELOPMENT ADVISORY COUNCIL
DRAFT MINUTES
June 9, 2017**

PRESENT: Chris Carley, Tim Bernier, Councilor Byron Champlin, Councilor Brent Todd, and Bill Norton

ABSENT: Brad Hosmer, John Hoyt, Councilor Fred Keach, Claudia Walker and Stephen Heavener

STAFF: Matthew Walsh, Director of Redevelopment, Downtown Services, and Special Projects
Suzi Pegg, Economic Development Director
Heather Shank, City Planner
Donna Muir, Community Development Specialist

GUESTS: Bob Carey, Attorney, Orr & Reno
Carl Moskey, Administrator, Concord Orthopaedics
Scott Sloane, Chief Financial Officer, Concord Hospital

1. Minutes of February 3, 2017 and June 2, 2017

Councilor Champlin moved to approve the minutes of February 3, 2017 and June 2, 2017. Mr. Bernier seconded the motion. Motion carried unanimously.

2. Presentation by Concord Orthopaedics Re: Proposed Pleasant Street Rezoning

Mr. Carley introduced the agenda item and Mr. Carey, who, in turn, introduced Mr. Moskey, and Mr. Sloane. Mr. Carey explained that they will all talk about project and both Mr. Moskey and Mr. Sloane will talk about the challenges from the perspectives of both Concord Orthopaedics and Concord Hospital. Mr. Carey stated that it is a good thing for the community to have a business doing well and wanting to grow. The proposed project is a 20,000 square foot state-of-the-art day surgery center. With an aging community, the number of procedures for joint replacements is increasing, and new technology is developing. Same day total joint procedures, which are cost effective and better for patient, will be able to take place at this new center. Concord Orthopaedics purchased the property at 297 Pleasant Street and is proposing to have the area rezoned. The rezoning request encompasses approximately a 1/3 mile stretch of Pleasant Street, which is book-ended between two institutional zones – St. Paul's School and Concord Hospital's medical corridor, which includes Riverbend, Concord Hospital, Concord Orthopaedics, and the Carmelite Monastery.

Mr. Carey said that the framework for the rezoning proposal is to allow part of the City in the urban growth boundary area to evolve. Concord Orthopaedics began its business at 194 Pleasant Street since 1974. They moved to their current site at 264 Pleasant Street in 1981 and have expanded throughout the years. However, they have outgrown their current location, but would like to remain close to Concord Hospital. Concord Orthopaedics looked at trying to expand on their present site, but it is not feasible to construct a new facility while maintaining their current practice during construction. Support personnel would have to move, they would lose a number of parking spaces onsite, and it would pose difficulty to people who are on crutches visiting the facility while construction is ongoing. There is no way to have a shuttle, as besides the start and end times for the employees, patients are coming to the site at all different times. The displacement of staff, patient care and safety, and the disruption to the site are all issues. Concord Orthopaedics looked at other sites and in other towns, but they want to be close to Concord Hospital, especially for patient safety.

The proposed plan includes five surgical suites. The current building on the new site will be used and the new building will be built into the slope of the property. The rooftop will be vegetated and the new building will not be visible to road. The existing house and barn will be used to house staff and mechanical systems. The new surgical center would be used for day surgery for total joint replacement procedures. Approximately 18 procedures will be done per day requiring about 26 staff members. This would be one of the few day surgery centers in the region. Outpatient total joint replacement is the future. Concord Orthopaedics draws people from throughout the state and region. They need to grow and want to continue to evolve.

According to Mr. Carey, Pleasant Street now sees about 9,000 vehicles per day. A traffic expert measured the volume of traffic during the day, as well as during the morning peak and afternoon peak. In one hour during the morning peak time, 794 vehicles traveled that area of Pleasant Street. During the afternoon peak time, 734 vehicles traveled the same area. Mr. Carey stated his opinion that this is a busy street. This stretch of Pleasant Street has evolved as well. It is predicted that with natural growth by the medical community, it is estimated that 1,200 additional vehicles will travel Pleasant Street by the year 2035. It is a minor arterial road and provides intra-city connections. In 2001, the area was rezoned to residential medium density. Prior to that it was institutional to allow hospital and education uses, with special exceptions provided for medical offices. Since then the neighborhood has changed as well. On either side of the 1/3 mile stretch is institutional as well as within this 1/3 of a mile, which includes Concord Orthopaedics, Riverbend, Russell Animal Hospital, The Birches, and Parker Academy.

Mr. Carey reported that the medical community is one of the biggest private economic drivers in the city. One of the issues here is whether you allow this neighborhood to grow on its own, remembering it is difficult to make predictions, or rezone the 1/3 mile and make the whole corridor institutional. The area has already evolved.

Mr. Carey stated that rezoning this area is smart planning for a number of reasons:

1. The City's Master Plan states that it wants to promote growth within the urban growth boundary, which this area is located. This area is the natural medical hub in Concord.
2. The new center would have an impact on the tax base. In addition rezoning provides the opportunity for other medical businesses to come into the area in the future. With the projected build out, this area could add \$50 million to the tax base.
3. The services that will be provided by the state-of-the-art surgical center are good for the people in Concord, in that they will provide for better patient outcomes and better surgeries. The project will also help Concord Orthopaedics attract young professionals to practice in Concord.

Mr. Carey realizes that not everyone is for change. The people in this neighborhood don't want change. The arguments he's heard coalesce around two themes. First, that the proposed zoning amendment would wipe out the eight houses in the neighborhood. He stated that we don't know, nor do we have a crystal ball, and if no one sells, no other business can move in. Allowing this area to be rezoned institutional will let the homeowners decide what they want to do with their property. Rezoning doesn't cause people to lose their homes. He said that the rezoning request will allow the City to look at the area long-term instead of reacting incrementally on a case-by-case basis.

The second objection that Mr. Carey has heard about from the neighborhood is traffic. He said that there is a lot of traffic now and the traffic impact of Concord Orthopedics' project would be negligible. The traffic analysis shows that there would be an additional 26 vehicles during the morning peak and 19 additional vehicles in the afternoon peak. The traffic analysis with a complete build out of the area would require

mitigation, such as a right-hand turn lane on Pleasant Street. If Langley Parkway North was built out, there would need to be a turn lane there as well.

Councilor Champlin asked whether Mr. Carey is asking EDAC to weigh in. Mr. Carey replied that he is looking for support from EDAC. Councilor Champlin stated that he needed to leave. Mr. Carley said that with Councilor Champlin leaving there is no quorum to make a recommendation and he would like to hear from everyone then make a pronouncement at future meeting.

Mr. Carley asked whether Mr. Carey is looking to have both sides of Pleasant Street, which is currently medium density residential, rezoned to institutional. Mr. Carey responded that yes, they were looking to have both sides of the street rezoned.

Mr. Carley asked why they were looking to develop in this area instead of on the proposed extension of Langley Parkway. Mr. Carey stated that their need is more immediate and that Langley Parkway is still in an incubation period; it is still being studied. He noted that Langley Parkway South took 6-9 years to develop. There is no land on Concord Hospital property that could be used for this project as much of the hospital's property is in conservation. Concord Orthopaedics has an immediate need and can't wait for Langley Parkway North to be finished. Concord Orthopaedics wants to be part of the medical hub corridor on Pleasant Street.

Mr. Carey stated that his client does want EDAC's support and they understand that it will be a hard decision for the Planning Board, City Council, and EDAC. However, he thinks rezoning this area is the right decision for the community as it will promote economic growth for the City. He reiterated that Concord Orthopaedics strongly desires to stay in Concord.

Mr. Sloane explained why Concord Hospital cannot accommodate Concord Orthopaedics growth. The land behind the hospital and HealthSouth is not buildable. The garage along Langley Parkway was recently demolished in order to rebuild a larger garage to support a new medical building which will be built in the near future. He stated that the hospital campus is essentially built out. There is no other room on the campus. Langley Parkway doesn't have any developable acreage as remaining open space has been put into conservation. It would not be feasible for Concord Hospital to give any hospital land to a private group for new development. Concord Hospital has other independent groups that lease space and wishes for additional space, but the hospital cannot accommodate them or even their own medical groups. Concord Hospital's specialty groups have grown and now serve patients from across the State; especially the north country.

Mr. Carley stated that Mr. Carey mentioned that Concord Orthopaedics wants to be within a certain distance from the hospital. Mr. Moskey replied that for the past few years Concord Orthopaedics have looked at several potential properties; however, from a safety stand point, it is important to be as close to the hospital as possible, as time is critical in regards to patient safety and accessibility to the hospital.

Mr. Carley asked whether Mr. Carey had looked at applying for a variance. Mr. Carey responded that he had not. But that the change in the neighborhood would have provided justification for a hardship to get a variance approved. Mr. Carey stated he believes it would make sense to rezone now, instead of doing it piece meal through variances, in order to accommodate future potential growth in the corridor.

Mr. Carley asked Ms. Shank if the Planning staff has an opinion. Ms. Shank provided a history of zoning and land use in the area. According to the City's records, the area was zoned rural residential until 1968, when a new zoning ordinance was adopted. This changed the area to institutional, permitting single family homes, hospitals, and schools by right, and office uses by special exception. The intent of this zoning designation was

to make uses already present conforming while retaining and encouraging the single family residential character of the area. Planning documents through the 1990s regarded the area as transitional, with the Master Plan, which was adopted in 1993, designating the area as residential office institutional. This designation emphasizes that the residential character of the neighborhood should be protected; however, these areas were also seen as transitioning to more intense office or institutional development.

Ms. Shank added that the institutional district at that time extended only 200 feet from the Pleasant Street right-of-way. Multiple rezoning requests were made during the 1980s to extend the district for specific properties. Concord Orthopaedics was unsuccessful with one such request in 1983, while the Unitarian Universalist Church was successful with a similar request in 1987. Based on an analysis conducted by the Planning Division in 1992, Planning staff recommended an appropriate depth for the district boundary of 400 feet along the corridor. In 1985, a number of residents attempted to have the entire district rezoned residential. Council initially approved this rezoning; however, the decision was reversed a month later based on opposition from property owners not wanting to lose the commercial value of their property. The Planning staff had also recommended that the district remain institutional.

According to Ms. Shank, during the last major revision to the zoning ordinance in 2001, all zoning districts in the City were changed and the uses and boundaries of most districts were redefined. The uses permitted in the newly defined medium density residential district were considered most similar to the existing zoning of the subject area and the recommendations of the 1993 Master Plan. During this time period, the Community Zoning Advisory Committee held meeting and recommended that the area be designated as the newly defined institutional district. This was inconsistent with the 1993 Master Plan. Council referred this and other items back to the Planning Board for amendment of the Master Plan and zoning recommendations. In the interim, the area was zoned medium density residential, which was consistent with the Master Plan.

Mr. Bernier asked whether EDAC is being asked to weigh in on a request to rezone, not only for the Concord Orthopaedics project, but the entire area. He stated that he sees the expansion of Concord Orthopaedics as a different issue than the rezoning of the area. Land use issues always seem to be a big part of any economic development issues, but the City has a Planning Board and regulations for the land use issue; EDAC is tasked with economic growth issues. Mr. Bernier noted that it would be ideal to have a quorum of EDAC present in order to make a recommendation. Mr. Carley suggested that it is often difficult to get quorum.

Ms. Shank stated that in the Planning staff's attempt to gather all information about this request, they have heard about the environmental, historic, and traffic, issues that surround this request for rezoning, as Ms. Shank made requests to the various committees that she knew would be involved and provided them with the history of the zoning in the subject area. She suggested that Mr. Carey can ask for whatever feedback he wants from EDAC. She stated that there is a public hearing scheduled before the Planning Board on June 21st for this request.

Mr. Carley said it is his understanding that the Planning Board will make a recommendation to City Council and that EDAC also makes recommendations to Council.

Councilor Todd stated that if he looks at this issue as a City Councilor, , it is up to the EDAC Chair to decide whether to go forth with an official recommendation or suggestion to City Council, whether it is as an informal list of thoughts or an official report. However, if he views this issue from the perspective of an EDAC member, he agrees with Mr. Bernier that he would not have any difficulty in being in favor of this project generally as an economic development project notwithstanding any specific location, as it adds services to Concord. He suggested that it might be best for EDAC to review the economic issues associated with the general expansion

of the Concord Orthopaedics practice, but not make any recommendations associated with the specific location or zoning request.

Councilor Todd thanked Mr. Carey, Mr. Moskey, and Mr. Sloane for presenting this to EDAC for their input, and asked why they are proposing this change at this time. Mr. Carey responded that he thinks it is in the best long-term interest of city and the community. Councilor Todd thinks it is admirable for them to be looking out for the City's interest, but he feels that perhaps Concord Orthopaedics must be thinking of potential long-term plans for either themselves or Concord Hospital. Would that be fair statement? Mr. Carey replied that yes it is from a broader perspective. What made Concord a medical hub is the ability to expand specialized practices. There is long-term viability to be a part of the medical hub and corridor. Councilor Todd said that the reason he asked was that he sees two different thoughts -- are we just looking at this Concord Orthopaedics request now, or are there any other expansion plans the Hospital or others may have in the not-too-distant future that this rezoning would help. Mr. Carey responded that there are no other plans for expansions which he is aware of at the present time. Mr. Carey reiterated that the zoning amendment would enable Concord Orthopaedics to remain of the medical hub. This might be the bridge to have the area looked at as way to control the traffic and future expansion and to be able to mitigate. It is smart growth for Concord Orthopaedics. Councilor Todd asked whether Mr. Carey knows that he is butting heads with the City's Master Plan and whether there was any thought to just going for variance for the parcel. Mr. Carey said that they didn't think of that before, but are now thinking it is. He thinks there would be opposition to anything being done and that it may be the same fight regardless of how they went about it.

Ms. Shank said that Planning has to take a holistic, balanced view of the entire City when planning for the community's development and land use needs. She isn't sure whether there are other properties within Concord that would work for this project. She understands that the City needs more development, but the Master Plan and the development of City policies are community driven. This is how the current zoning was developed.

Councilor Todd thinks it is important that to plan for economic growth. Whatever happens in this corridor, everyone has to exist as neighbors. The City wants goodwill and harmony and it is beneficial to have housing next to the institutional organizations, as this allows for staff at these medical groups to purchase housing in the area and to be able to walk to work as well.

Mr. Bernier, speaking as a land use practitioner, stated that he believes Concord Orthopedics' approach is a good one and what he would have recommended to them, not just rezoning for the one parcel, but for the whole area. From a land use and planning perspective, it is better to look at the entire area. Mr. Carley stated that it is true that when a zoning board looks at something it is different than the way a planning board looks at the same thing. There are two different questions here.

Mr. Carey asked Mr. Norton for his opinion regarding potential impact to the value of real estate in the corridor if the rezoning request is approved. Mr. Norton responded that Concord revalues yearly. On the commercial side assessments are done by segments, this year medical office use is up for evaluation. He explained that if the rezoning were to be approved, the value of larger lots (three-acre properties or larger) would likely increase significantly. However, the value of smaller lots may not increase as much, as they are not suitable for large institutional uses. He emphasized that the institutional zone would generally lead to higher market values for property, but not in all cases.

Mr. Walsh asked whether anyone had prepared an existing land use map for the area to be rezoned. Mr. Carey stated that they have, but he is not sure that it has been shared. He stated that Mr. Norton looked at

that map with Northpoint. Mr. Walsh suggested that an existing land use map would clearly articulate what current uses are in the area of the rezoning, and that such a map could be a helpful piece of data for the City Council when they consider the rezoning request.

Mr. Walsh stated that the final section of Langley Parkway North is included in the City's Capital Improvement Program (CIP) budget for FY2019-2021. He asked if Langley Parkway is built, would that create viable opportunities for expansion of the medical corridor near the Lincoln Financial Group campus. Mr. Carey replied that they hadn't given that any thought, but it might work for Concord Orthopaedics project.

Mr. Walsh noted that the property has already been acquired. He asked why Concord Orthopaedics chose to buy the property outright rather than getting the property under agreement subject to contingencies such as rezoning, permits, approvals, and financing, as is customarily the approach for most commercial real estate transactions. Mr. Moskey stated that when the property became available they bought it, as it was applicable to their needs and they decided they could not wait. Mr. Moskey added that of the 30-acres, the project will only be using about three acres. The remaining 27 acres will be preserved and used as mitigation for property development at their current site. They have a plan to increase parking and will need to mitigate due to wetlands.

Mr. Carley stated that it is now 9:00 a.m., the meeting's end time. He wants to hear from the public, so EDAC will have another meeting scheduled, which will be noticed. A question was asked as to whether the abutters would be notified of the meeting. Mr. Carley stated that EDAC doesn't hold public hearings only public meetings and therefore, no abutter notices are sent. He stated that the City's website calendar would show the meeting.

3. Adjournment

The meeting adjourned at 9:04 a.m.

Respectfully submitted,

Donna Muir,
Community Development Specialist