

**ECONOMIC DEVELOPMENT ADVISORY COUNCIL
DRAFT MINUTES
February 3, 2017**

PRESENT: Chris Carley, Brad Hosmer, Councilor Brent Todd, Bill Norton, Claudia Walker, Stephen Heavener, and Councilor Byron Champlin

ABSENT: Councilor Fred Keach, Tim Bernier, and John Hoyt

STAFF: Matthew Walsh, Director of Redevelopment, Downtown Services, and Special Projects
Donna Muir, Community Development Specialist

1. Approval of January 6, 2017 Minutes

Councilor Champlin moved to approve the minutes of the January 6, 2017 meeting. Mr. Norton seconded the motion. Motion carried unanimously.

2. Proposed Business Incubator Study

Mr. Carley reported that a Greater Concord Chamber of Commerce task force, in conjunction with the City of Concord, and the Capital Regional Development Corporation (CRDC), has been looking at the concept of developing an incubator in Concord for quite some time. The purpose of the incubator would be to support local entrepreneurs who develop fledgling businesses that need training, guidance, support, and mentoring regarding all aspects of starting and growing a new business. He reported that these groups recently decided that it would be appropriate to commission a needs assessment / feasibility study to determine whether an incubator might be viable for Concord and the surrounding region. Towards that end, Stephen Heavener, Executive Director of CRDC, drafted a Request for Proposals (RFP) for the purpose of soliciting proposals from economic development consultants experienced with such studies. The draft RFP was distributed to EDAC for review. The estimated cost of the study is \$30,000. Conceptually, the City would provide \$15,000 of the total cost, with the balance being funded by the local entities, including the Chamber of Commerce.

Councilor Champlin suggested that this study could potentially be beneficial to help guide and prioritize the efforts of the City's forthcoming Economic Development Director, once the position is filled. Councilor Todd suggested that the new Economic Development Director may determine that an incubator is worth pursuing; however that it may not be a short term priority for the City. Mr. Heavener concurred with Councilor Todd's comments and suggested that developing a strategic economic development plan for the City might be more urgent at the present time.

Councilor Champlin spoke at length about the concept of an incubator and noted that if the Consultant determines there is no market for an incubator, the study would cease. However, if it is determined a market does exist, and then the consultant would then evaluate which business sectors the incubator should be geared to support.

Mr. Norton noted that, in general, the capital and operating costs of incubators are heavily subsidized by governmental entities. They also typically have one or more tenants at the premises paying market or above market rent to help support operations. Mr. Norton inquired about the viability of raising funds to support the capital and operating expenses for the facility. Mr. Heavener confirmed Mr. Norton's statements about the subsidized nature of these facilities and explained that the consultant's study would include case studies of how capital and operating expenses of other regional incubators are supported.

Ms. Walker asked whether the incubator would be similar to the set up that Ben Kelley provided in Concord. Councilor Champlin explained that Ben Kelley set up shared work space, not an incubator. He further elaborate that an incubator provides more support, guidance, and mentoring for fledgling businesses. Discussion of other comparable incubators in the region, such as o Alpha Loft in Manchester and the Enterprise Center in Plymouth ensued.

Discussion ensued. Other questions and issues rose during the discussion included:

1. Whether an incubator should be located within the downtown area or in close proximity to higher education
2. All five of the incubators currently operating within the state have angel investors. Some of the incubators are also receiving grant funding. Are such resources available to support a potential incubator in Concord?
3. It was suggested that another visit to Alpha Loft might be valuable in order to get more in depth information about the challenges and opportunities associated with incubators.

Mr. Walsh noted that the draft scope of work within the RFP is essentially comprised of two phases. The first phase requires the consultant to prepare a needs assessment / market study to determine whether sufficient market demand exists to support an incubator. The second phase requires the consultant to estimate potential capital and operating costs for a potential facility. Mr. Walsh asked whether it is EDAC's expectation that the selected consultant partner with an architect to help develop some of the facility costs, as it will be impossible to estimate debt service without some preliminary construction estimates. Several members of EDAC noted that there is a significant amount of vacant office space in the community; therefore there is likely no need to construct a new facility for the incubator.

Mr. Carley asked whether EDAC for input regarding whether it would be worthwhile for the community to invest \$30,000 to study the question of potentially developing an incubator in Concord to serve the City and surrounding capitol region. It was the consensus of the Committee that the City should pursue the study as discussed.

Mr. Walsh stated that he will update Mr. Baía about the discussion. He added that City Administration would review options regarding appropriation of the City's \$15,000 share of the project. Specifically, this could be included with the City Administration's upcoming FY2018 budget proposal to the City Council, or handled in the near future separately from the budget process.

3. Other Business

- a. Discussion ensued about the status of the potential creation of a \$1 million fund to help downtown property owners convert from steam as a result of the impending closure of Concord Steam. The Public Utilities Commission (PUC) is currently evaluating the City's request to establish the fund. In preparation for possible creation of the fund, Mr. Heavener reported that CRDC had been asked to create potential guidelines for how the fund could be administered. Mr. Heavener reported that presuming the \$1 million fund is approved by the PUC; CRDC would take a 3% administration fee for administering the fund. This would leave \$970,000 to support property owners. Based upon that figure, \$485,000 would be distributed to nonprofits in amounts up to \$50,000, and \$485,000 to be distributed to for profit property owners / businesses in amounts up to \$75,000. Those who converted after July 2016 will be able to be reimbursed in accordance with the guidelines. There will be a 30-day application period. At the end of the 30 days, the grant funds will be divided among the applicants. After August 2017, CRDC will be able to convert any remaining fund in either the business or nonprofit funds to the other.
- b. A brief discussion about the future of EDAC ensued. It was noted by Chairman Carley that based on discussions with the Mayor and others, the Committee might be reconstituted once the new Economic Development Director is hired. More information will be forthcoming when, and if, any decisions to reorganize EDAC and its mission are made in the future.

4. Adjournment:

The meeting adjourned at 8:37 a.m.

Respectfully submitted,

*Matthew Walsh
Director of Redevelopment, Downtown
Services and Special Projects*