

Approved by City Council on March 6, 2017



City Council Special Workshop Meeting January 23, 2017

Call to Order

Mayor Merrifield called the meeting to order in the Council Chambers, Franklin City Hall at 6:04 p.m.

In Attendance

Councilor Clarenbach, Councilor Ribas, Councilor Moquin, Councilor Barton, Councilor Desrochers, Councilor Wells, Councilor Zink, Councilor Dzujna, City Manager Dragon and Mayor Merrifield.

Absent

Councilor Giunta.

Salute to the Flag was led by Mayor Merrifield.

Economic Development Presentation

City Manager Dragon stated a lot has been happening in Franklin and not many people are aware of it. There will be a presentation from several people and hopefully this will answer questions that people have. City Manager Dragon stated that she meets with Todd Workman, Marty Parichand, Planning Director Lewis, Niel Cannon and Jim Aberg every other week to discuss the various projects they are working on and talk about the stumbling blocks they can work out to keep the projects moving forward.

City Manager Dragon stated she is starting with why the City is involved with projects that seemingly are not related to the City but are related to economic development. When the mills closed the shops closed and the community was stressed. Tourism is an effective development strategy and Franklin is unique as the river flows through downtown. We hope to work on getting out of the relationship with PermaCity Life, as they have required a lot of assistance from the City, to get to where they only require partnership assistance from the City to continue to be successful. If the City is successful at bringing the Whitewater Park and tourism to Franklin then PermaCity Life and other businesses will all be successful and need less assistance from the City.

City Manager Dragon spoke about some census information: Franklin's Population in 2000 was 8405 and in 2010 was 8477 and it is estimated to decrease to 8454. Franklin has remained stagnant for a long time and that is a concern. NH Dept. of Revenue states our tax Rate is 98 out of 232 towns/cities so it is not the tax rate that is keeping businesses from coming. Dept. of Labor states Franklin's unemployment is in the middle. The census benchmarks have Franklin's medium income at \$42,742 and in NH it is \$65,986 which is a large difference. The percentage of individuals below poverty level

in 2014 in Franklin was 24% whereas statewide it is 8.9%, that is also a very large number. If you look at what it costs people to live in their homes vs disposable income the census had owner occupied homes greater than 30% and the household income spent on mortgages was 50% and it is higher in rent occupied homes. That tells you people don't have a lot of disposable income to move around. Franklin's population is not growing, people are spending more on mortgages and rents and a great percentage of people are at poverty level so disposable income to spend on small businesses is limited. To make a change you need new net dollars through investment and tourism. When looking at tourism you need to look at what would make Franklin different than other communities. The river running through downtown creates opportunity that other communities don't have. The partnership with PermaCity Life and ONE has worked to create a way to leverage Franklin's assets. Marty Parichand worked on an economic analysis, with the help from NH Dept. of Resources and Economic Dev., on how many dollars a Whitewater Park would bring in to the community. Their estimate of direct spending is estimated at \$6.83M net new visitor spending. This is not going to happen all at once so the project has been broken down into pieces so you can focus and prioritize properly on each aspect so we can get to that net number.

City Manager Dragon joined FBIDC's board so the City is now being actively involved with what has been happening with FBIDC, as the City's economic development corporation, and they have been able to leverage the City's assets with FBIDC making the City more impactful. A strategic example of this is when R&D paving was going to move the City was able to secure the property through FBIDC. FBIDC found a tenant to pay the mortgage on that building and hold the building for future development of the mills. With Niel Cannon, Downtown Coordinator, coming on board due to the efforts of Planning Director Lewis, who put together the grant to make that possible, we are able to further leverage City and FBIDC's assets and leverage the relationships we have with PermaCity Life and ONE to work on some other projects. Some of the things that are being done are complex and require TIF plans, CDFR tax credits and other things that are available to them. It has made a difference, as we were awarded a tax credit award of \$400K for business improvements in the downtown.

City Manager Dragon stated that even though some people don't think that using City land for the Whitewater Park makes sense because it doesn't create new dollars and it doesn't have a tax assessed value but it is doing something much broader like supporting the businesses around it. This will allow PermaCity Life not to rely on assistance from the City because they become more self-sufficient.

Jim Aberg spoke about economic development in a macro sense. A few years ago economic development used to be defined as jobs, jobs, jobs but that is not the case today. In Franklin jobs are robust and that is not the issue the issue is the lack of training for those jobs.

Jim Aberg stated that the other half of economic development is building up the base which is broken into three section; residential, industrial and commercial. Residential is really flat as there are very few houses so there is no growth. Industrial is growing but also constrained by the availability of trained people. Commercial is stagnant as there are no big property areas for development to build

malls or anything of that size. That means we only have redevelopment and that area is downtown. A survey that was done in 2010 the citizens stated to do something with the downtown. The City is not able to pay for big redevelopment projects so it has to go for private public partnership. The non-profit entities can go and apply for grants from private and government sources. The nice thing about this is they don't have to pay them back. The for-profit entities would have to apply for loan packages that make these deals attractive. There are only a handful of developers who will take on mill projects. The Catch Center Housing is only 45 units but will cost \$10-12M. The Franklin Business Center will cost about \$18-\$20M and then you have the Stanley building and a few others so to do them all you are looking at \$40-\$50M to get them renovated.

The developers that do this type of work are wanted by many towns so they are looking for certain things from towns like 79E, TIF plan and a town with a welcome mat out that states we want to work with you. When the last mill closed, Franklin doesn't have an economic engine to turn on anymore. The switch needs to be turned back on again otherwise there is no economic development to drive the economy as the water flow needs to be turned into cash flow.

City Manager Dragon passed out a summary she had done on the Whitewater Park.

Niel Cannon spoke about his background and stated he has been in economic development for forty (40) years. He presented a slide show about what the downtown has to offer; strengths, weaknesses, opportunities and threats.

Niel Cannon stated the strengths are available buildings in the Historic District, the river, committed leadership, public support for change and program eligibility. The weaknesses are limited public resources, tax cap and property tax burden which is 9.3% of income. The opportunities are interested investors, PermaCity Life acting as a de-facto redevelopment entity, Federal program eligibility, new markets tax credits, Community Development Block Grants (CDBG), State program eligibility and Municipal programs/tools.

The federal program eligibility includes Historic Tax Credit which is 20% tax credit for redevelopment of properties in a Historic District. The new markets tax credits is a 39% tax credit for investment in commercial and mixed-use projects located in the Census Tract north of Central Street. The State Program eligibility are CDFA Tax Credits for community development projects that benefit low and moderate income persons and NH Business Finance Authority Loans which is business and expansion and non-profits supporting job creation. The Municipal Programs/Tools include Tax Increment Financing Plan (TIF) which uses incremental tax revenues to build public infrastructure that supports development or redevelopment and RSA 79-E which the City Council may provide tax relief upon rehabilitation or replacement of qualifying property.

Niel Cannon then spoke about the threats which are failure to act, bureaucratic barriers and the next opportunity could be last opportunity.

Todd Workman stated that PermaCity Life (PCL) has been in existence for twelve (12) months. It has taken about three (3) years of work to get to this point. They have taken the courage to go out and tie up real estate to start making plans and PCL is doing that without any taxpayer money. There is so much more that can be done from the City to make things more attractable to other investors. PCL exists for one reason and that is to implement the revitalization plan for downtown Franklin. PCL has taken the lead charge for positive and sustainable economic growth in downtown Franklin while protecting past investments. They have a clear plan, proof of concept, proof of success and will never ask for taxpayer money. They will ask the City for guidance, creativity and forward thinking to make things happen. PCL is a very small organization and sometimes you have to do a few small things to make something bigger happen. Franklin is known for affordable housing but they don't have enough quality housing until the Catch Housing project. PCL has brought in 10 businesses that equal 48 jobs to Franklin in their first year. These things happened because of the teamwork with the City. Franklin has a great toolbox and without it things won't come to Franklin. So much is happening in Franklin that NH Business Magazine last year rated Franklin as where things are happening.

Marty Parichand spoke about the Whitewater Park and it being an extreme sport. All though this sport is free the economic development ideas comes from marketing your town as a destination and capitalizing on capital and tourism because for every one (1) person you have three (3) more who will come to watch. It is as much about entertainment and tourism as it is about the experience. Franklin's community has been marked by boarded up windows and no businesses and it needs to be changed. Franklin has to have a message and Mill City Park (Whitewater Park) will help with that message through boats, bikes, brewery and restaurants. There are two (2) sections of white water, 134 miles of bike trails in or around Franklin that include Winnepesaukee Trail, WOW Trail and Rail Trail. Mill City Park is a registered State non-profit and has filed for 501C3 status. To date they have raised \$26K to bring white water architects to the City to look at the river and Marty Parichand showed a potential rendering of how it connects people to the water. \$6.83M in direct spending is DRED's number and indirect spending is \$4.68M. This will bring 175 jobs (FT/PT) that are both direct & indirect. All businesses in the downtown would be affected for the positive. At one time Franklin had three (3) movie theatres and this park will bring vibrancy back and possibly those movie theatres.

Marty Parichand stated he believes with this park you can delete the negative Franklin stigma, businesses will be viable, increase property tax revenue, attract young professionals and promote healthier lifestyles. Mill City Park is the only area in New England that has a convergence of Whitewater Rivers and trails into a downtown. There are no Whitewater Parks in NH. There are 30 in Colorado and 300 in the country. DRED, DES, Army Corp of Engineers, and DFR have been to Franklin and are buying in and realize this is not a Franklin project but a State Project and are willing to help. This is also the largest interconnect trail system in New England. It is larger than the Kingdom Trail in Vermont and that brings in 70K people a year into their community.

Jim Aberg stated that this park is a new pie and the State likes this. The Director of Travel and Tourism was here and is ready to help.

Mayor Merrifield asked about the class of rapids in the river. Marty Parichand stated rapids are classified from 1-6. A class six (6) is Niagara Falls so you don't want that. There are some class five (5) in Maine. The Winnepesaukee River on a medium flow day has class three (3) rapids with class two (2) and class four (4) lines. There were nine (9) dams on the river and all but two (2) are gone. There are fourteen (14) spots on the river where there is scrap metal, two foot wall rebar and bridge abutments. There is some heavy lifting that is going to be required to make the river safe again and to bring it back to its original condition. At no point will the City be asked for money for any of this.

Councilor Barton asked how many miles is the river? Marty Parichand stated it is 1.245 miles which is relatively short. You put in on Cross Mill Rd as there is a small turnoff on the Northfield side. The Blais' gifted $\frac{3}{4}$ of an acre to be used as a new commercial put in. There are nine (9) rapids in the 1.245 miles which makes it exciting as there is no flat water.

Councilor Moquin asked when they are ready the State will help with marketing. Marty Parichand stated absolutely and he thinks they already have as Michael Bergeron has already written a story and has published some other articles on his social media page and has been shared and reshared by DRED and DES. Councilor Moquin asked what would the seasons be like for the business. Marty Parichand stated Mill City Park has to figure out how to stay open and fund jobs and the trails have to stay pristine. The river itself only gets water when DES decides to give us water. He has been working with DES to make water flow better. What can be done is make the river safer, make it more sustainable, make the banks cleaner and construct rapids within the river so it runs 365 a year.

City Manager Dragon stated no one is asking for or proposing anything tonight. The City did apply and received a CDBG grant to make the Catch Housing Project a reality. The City did apply with FBIDC for the CDFA tax credits and sell the tax credits to make the façade improvements possible. Bringing in the Downtown Coordinator Niel Cannon helped to make some of these a reality. One of the Private Public partnerships with PCL was the creative parking solution for some of the housing units. Those are some of the things that are being worked on that aren't actually costing tax dollars but just time.

Leigh Webb asked speak as public. He stated he loves the name and logo as it relates to the history of the area. He stated that Marty & Todd have done a great job in publicizing their progress. More needs to be done to publicize Niel's progress if you can show quantifiable results for which he is attributable.

City Manager Dragon stated that Niel's work is quantified as it has to be reported to the funding source. In the spring there will be an announcement of the partners for the CDFA program and the work that will be done. Leigh Webb stated that to lift the stigma that Franklin has suffered for many years it has to be lifted by public perception. City Manager Dragon stated that Franklin for a Lifetime project and the year after event was a publication of what is going on. Leigh Webb stated that we are moving forward but we need to make sure the public knows that.

Marty Parichand stated that the logo was done by ninety (90) Colby Sawyer students that were broken into five (5) groups and they came up with several different logos and he chose the final.

Councilor Barton stated that obstacles were talked about but no one stated what they were. Jim Aberg stated the obstacles are ourselves. It is the political will to move forward, the political will to think creatively and be successful. It is the Council listening and having an open mind and working with the people that will be brought into the community.

Mayor Merrifield stated that he met with the Governor and one of the topics was how much he is paid he explained he isn't. The community relies on volunteers. Mayor Merrifield interacts with many people from different levels on a daily basis and they have asked him what is happening in downtown Franklin and he has stated an awful lot. Many things are going on in Franklin and that is due to everyone here tonight's hard work. Mayor Merrifield thanked everyone on behalf of the whole community for that.

Motion to adjourn made by Councilor Desrochers and seconded by Councilor Clarenbach. All in favor; meeting adjourned at 7:37 p.m.

Respectfully Submitted,

Lauraine G. Paquin