



**City of Portsmouth, New Hampshire
Portsmouth Citizen Response Task Force
Remote meeting via Zoom**

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Please click on the link below or copy and paste this into your web browser to register:
[https://zoom.us/meeting/register/tJYvcuuhz0pGtb9uWJWH8Ux_jrY1C6kzQYI](https://zoom.us/join/zoom/register/tJYvcuuhz0pGtb9uWJWH8Ux_jrY1C6kzQYI)

Once registered, a unique link, meeting ID and password will be emailed to you.

Please note, this meeting will also be re-broadcast on the City's YouTube Channel.
Per NH RSA 91-A:2, III (b) the Chair has declared the COVID-19 outbreak an emergency and has waived the requirement that a quorum be physically present at the meeting pursuant to the Governor's Executive Order 2020-04, Section 8, as extended by Executive Order 2020-10, and Emergency Order #12, Section 3. Members will be participating remotely and will identify their location and any person present with them at that location. All votes will be by roll call.

AGENDA

June 24, 2020

2:00-3:00 p.m.

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| I. | Approval of Minutes from June 17, 2020 | 2 mins. |
| II. | Communication Plan – City Manager or designee | 3 mins. |
| III. | Review Rent Relief Proposal – CM or designee | 10 mins. |
| IV. | Ratification of Use of Public Realm – Mark Stebbins | 15 mins. |
| V. | Decision on Use of Foundry Garage – Russ Grazier | 30 mins. |

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Meeting Minutes for Wednesday, June 17, 2020; 2:00 P.M.**

Call to Order; Roll Call; Determination of Quorum (the requirement of a quorum was waived per Governor's Executive Order 2020-04, Section 8)

Co-Chair James Petersen called the meeting to order at 2:00. Nancy Colbert Puff, Deputy City Manager, represented staff and was the moderator. The meeting lasted one hour.

Task force present:

1. Co-chair James Petersen, Principle, Petersen Engineering
2. Co-chair Mark Stebbins, Principle, PROCON, Inc.
3. Senator Martha Fuller Clark, NH State Senate District 21
4. Valerie Rochon, President, Chamber Collaborative of Greater Portsmouth
5. Deb Anthony, Gather Pantry Market
6. Russ Grazier, Seacoast Jazz Society
7. Kathryn Lynch, Portsmouth Little League
8. Marylyn Morin, Pediatric Nurse Practitioner
9. Dr. Bianca Monteiro, York Pulmonary Associates
10. Ann Birner, Pharmacist (retired)
11. John Golumb, Poco's Bow Street Cantina
12. Jeffrey Goss, The Clipper Tavern
13. Karen Bouffard, The Real Estate Market, Inc.
14. Jim Lee, REMAX Shoreline
15. Samantha Finigan, Gus & Ruby Letterpress
16. Nathan Moss, Citizen-at-large
17. Alan Gold, Economic Development Commission
18. City Health Officer Kim McNamara

Task Force Absent:

19. Karen Conard, City Manager
20. Joe Scarlotto, The Shanty Seafood & Grill
21. Sarah Lachance, Economic Development Commission

City Staff present:

1. DPW Director Peter Rice
2. Fire Chief Todd Germain
3. Planning Director Juliet Walker
4. Economic Development Manager Nancy Carmer
5. Public Information Officer Stephanie Seacord
6. Deputy City Manager Nancy Colbert Puff

Also present:

7. Wm. North Sturtevant, Principle JSA Architects
8. Anne Weidman, CPSM, JSA Architects
9. Kathleen Cavalaro, Rooftop Subcommittee
10. Andrew Bagley, Rooftop Subcommittee
11. Joanna Kelly, Cup of Joe Coffee Bar
12. Kristie Edmunds, The Flatbread Company
13. Chris Mayeux, Café Mirabelle
14. Jonathan Sand [Name correction and affiliation requested by RS.]

Patience G. Horton was the Recording Secretary. The meeting lasted one hour.

I. One-half minute to relish in City Council’s unanimous support

That went by quickly.

II. Approve minutes for Friday, June 12, 2020

- Motion: Alan Gold moved to accept the Minutes of June 12, 2020, as amended. Jim Lee seconded the motion. The motion passed by majority.

III. Downtown public realm—Prioritize Immediate Uses

Chairman James Petersen said the overall goal is to get restaurants that want to be open and using the street open this weekend. A lot of demands are being put on Public Works to put up barricades by the weekend, said Peter Rice.

City Health Officer Kim McNamara said she is happy with the renderings she has seen for downtown spaces. City Planner Juliet Walker said restaurants are expressing interest in outdoor dining on a fair number of streets. The permit application is straightforward and consistent with what is already being done for sidewalk café applications and does not have to be altered. The application is on the website. Approval is delegated to the Task Force and the City Manager.

Emails with contact information have been sent to members and non-members of the Chamber Collaborative, said Valerie Rochon. Some merchants and restaurateurs say they have not gotten them, said Karen Bouffard. A flyer that streamlines the licensing procedure will be drawn up, and it, and websites like the Community Newsletter and the City’s Facebook and Twitter pages, will direct people to the online permitting portal. Some people volunteered to pass out the flyer door-to-door.

Malloy Events has a warehouse full of furniture that is available at no charge, said Anne Weidman. There are 400 chairs, 50 tables that seat six, and 16 bistro sets. These can be delivered very quickly.

The six spots for independent hotdog carts will not be offered. Portwalk needs no special accommodation, said Mark Stebbins.

IV. Foundry Garage—Updates and Action Items

North Sturtevant and Anne Weidman of JSA Architects are leading the design team for the popup rooftop, and James Peterson is giving electrical, plumbing, and mechanical design to the project. Russ Grazier said that though he is optimistic, success is not a foregone conclusion and there are some imminent steps that must be taken for the project to fall in line.

Kathleen Cavalero is putting together a budget, which is not cheap, said Russ. The electrical cost alone looks like \$25,000. Hopefully, a fair amount of the support offered by the City Council [\$100,000 at this point] can be devoted to this project, he said.

The Foundry Garage rooftop hours will be Wednesday through Sundays starting at 3:00 and shutting down at 10:00. This will hopefully go into September.

The process of bringing retail uses to the rooftop has not begun, however, it is understood that businesses will rotate in and out. Taking inventory back and forth is a big challenge. Kathleen Cavalero is collecting information from vendors, retailers, restaurants, and performance organizations who want to participate up on the roof.

Dr. Monteiro reminded the organizers that tables must be spread out and gatherings must be avoided. It is not understood how people will go up and down without forming a large crowd waiting in line.

V. Identify next areas of focus for Task Force

This agenda item was eliminated from the discussion.

- **Next Meetings**

- Thu, 6/18 Morning Zoom meeting with Peter Rice about inspection
- Thu, 6/18 8:00 a.m. Rooftop Subcommittee via zoom
- Thu 6/18 6:00 p.m. In-person Rooftop w/Lazenby/Islington Neighbors
- Thu, 6/18 2:00 p.m. Street Use Subcommittee via Zoom
- Mon, 6/22 3:00 p.m. Street Use Subcommittee via Zoom
- Mon, 6/22 7:00 p.m. City Council Presentation
- Tue, 6/23 5:30 p.m. Rooftop Subcommittee via Zoom
- Wed, 6/24 2:00 p.m. Weekly Task Force via Zoom

Adjourn

- Motion: Jim Lee moved to adjourn. Senator Clark seconded the motion. The motion passed by majority. The time was 3:00.

Respectfully submitted,
PG Horton

The threat to the economy, culture, and tax base of Portsmouth posed by COVID-19 is difficult to overstate, and is the biggest challenge faced by the community since at least the closure of the Pease Air Force Base 30 years ago. Up to this point, the discussion about what Portsmouth should do in response has largely focused on expanding outdoor seating, encouraging increased takeout dining and curbside retail, and the establishment of a support fund that has raised about \$30,000. These efforts are a good start, and play a role in a recovery plan, but they are short-term solutions that won't help our small business community weather the storm, especially when the warm weather ends. **Simply put, we must provide several months of significant relief to the biggest fixed cost most businesses have: their rent.** Everything else is, for most businesses, a band aid that will, at best, delay by a matter of weeks the day their business will permanently close. Here's a quick primer on why this is true, and what it will take to prevent economic disaster for the community.

What is the problem?

In mid-March, the government told most businesses that they needed to close indefinitely. Almost three months later, many businesses, including restaurants, are generating far less than half their expected monthly revenue. For restaurants, which are at the center of Portsmouth's economic structure, the gradual reopening of the economy is even rockier. Even if Governor Sununu allowed restaurants to open at 100% capacity, because of the requirement for 6 feet of distance between parties, this would still cap most restaurants' seating capacity at half or less of "normal" times. Adding tables for six or eight outdoors only help marginally, as a large percentage of dining parties are two people - but they will take up a table for four or greater, and the six feet requirement will still apply. In terms of takeout, it has virtually eliminated alcohol sales, which is by far the item with the greatest profit margin. Finally, national polls released this week show that between 50% and 60% of Americans are uncomfortable eating out, and of course, millions of Americans have lost their job, and lack disposable income. All together, this means that efforts locally to add outdoor capacity and encourage local patronage doesn't fix the revenue shortfall most businesses are experiencing.

At the same time that revenues have collapsed, fixed costs remain the same. You can lay off staff, and reduce utility and food costs, but the dominant fixed cost, rent, is still due monthly. Restaurateurs and others in the hospitality industry have been very direct: Without significant rent relief - not deferred, not a loan, but a discounted rent during the pandemic - they will not make it past the fall. This is the high season for revenues on the Seacoast, and summer 2020 will be a disaster for revenues, period.

The situation outlined above is similar for most other business sectors in the community, including retail (where reduced downtown hospitality business has direct impact), salons (which also face strict limits on occupancy, and also rely on appointments), and the arts (severely harmed by restrictions on indoor gatherings).

As a community, we must be able to do two things at once: seek creative solutions for the short term, and also address the primary problem of businesses not having enough revenue to cover fixed costs.

Our job is to provide a predictable, relatively long-lasting, and significant level of rent relief immediately, or we will lose a stunning number of local businesses as early as next month. Anything else will have negligible impact.

What's the solution to the problem?

While in the process of quantifying more specific data for Portsmouth, a back-of-the-napkin estimate of the cost of providing the type of rent relief necessary suggests that approximately 500 businesses, with an average rent of \$10,000 per month, would need about 50% relief for about six months. If that is about right, it comes out to a \$15 million program spread out over six months:

$$500 \text{ business} \times \$5,000 \text{ rent relief} \times 6 \text{ months} = \$15,000,000$$

Maybe it's 700 businesses. Maybe the average rent would be \$8,000. Regardless, the magnitude of the required solution is *immensely larger* than anybody is publicly acknowledging. The magnitude really shouldn't be surprising, though - after all, the federal government, with bipartisan support, has already printed more than *four trillion dollars* to put into the economy to prevent collapse. This is the biggest economic calamity to hit America since at least 1929, so we should start talking about it that way, too.

There are five parties who will need to be part of a solution this big: The lenders, the landlords, the public sector, the business owners, and philanthropy. This is everyone's problem, and it will require everybody helping solve it:

The **public sector** would cover \$10 million of the \$15 million. There have been early conversations about multiple financing mechanisms for accessing this money; Portsmouth's AAA bond rating, and record-low interest rates, provide options many other local governments might not have.

Landlords would be on the hook for \$3 million of the \$15 million. In other words, any access to public funds providing support for negotiated debt relief would require the landlord to "eat" a meaningful percentage of the loss (the recommendation is about 20%).

Philanthropy would be responsible for \$2 million of the \$15 million. Ideally, the Clipper Fund would be used, as it already exists and has a fiscal agent, and has a stated purpose consistent with the goals of this proposal. The funds already collected in it could be applied towards the \$15 million. There may be state-level tax credits (CDFA?) available to encourage charitable giving.

Lenders have indicated that some of the federal relief funds put them in a position to help provide financial relief for landlords, and are also in the position to bring landlords and tenants together to renegotiate rent relief in this unique moment. The fund would require good-faith efforts to renegotiate leases to spread out the economic pain, and maximize the impact of this program.

The goal is for **business owners** to survive and (eventually) thrive, but there is no sugarcoating it - most have already taken a huge hit, and this plan will alleviate, but not eliminate, that pain going forward. They will also have to be some of the primary voices for building public support for this ambitious plan which is as big as the moment requires.

What's the timeline?

In addition to underscoring the *size* of the problem, it is critical to highlight the *immediacy* of the problem. Because Portsmouth businesses generally make most of their money in a relatively small window of the year - and we know that the summer of 2020 will be an historically poor year - it is not an exaggeration to say a large number of businesses are two months or less away from being forced to close, particularly in restaurants and hospitality, and some retail.

The rent relief will be needed before the end of the summer, **but all parties involved must at least know that the relief is coming well before then.**

The magnitude of the problem and potential solutions must be in the public sphere in the next few weeks. This is not unlike what happened in the fall of 2007, when the economy was days away from collapse; or at the federal level in March of 2020, when trillions of dollars were appropriated within a few weeks due to the pandemic. Portsmouth must act in a similar fashion, with similar speed.

What are the stakes, and how should this all be communicated to the public?

There are City Councilors who are arguing for spending cuts in the FY21 budget of \$20,000 here, and \$40,000 there, all in the hope of being to reduce the tax rate for residential taxpayers by, maybe, \$100 next year.

If there is not a rent relief program of this magnitude enacted this summer, the collapse of locally-owned business in Portsmouth, plus the commensurate reduction in commercial property values, could mean that residential property taxpayers could be on the hook for two-thirds of all the local taxes with a few years - raising the median single-family homeowner's property taxes by \$1,000-\$2,000 very soon...all while education and public safety services are decimated.

The last 30 years of Portsmouth's economic, cultural, and civic renaissance has been nationally-recognized. It is now commonly ranked one of the best small cities in America, and one of the best-run cities in America. It is one of the only communities in the state with a AAA rating, and is the entrepreneurial, cultural, and political hub of power in New Hampshire. If we

do not act in a way that big, bold, thoughtful, and unafraid, much of that 30 years of progress will be lost in a matter of a few years. Portsmouth is seen statewide as a leader, economically and for innovation. Portsmouth can continue to lead and support its small business when they need it the most.

This situation is unprecedented: The worst pandemic since 1918, the worst economic situation since 1929, and the greatest amount of civil unrest since 1968. It would be surprising if the solution to the core economic problem was *only* \$15 million. So let's get real about the magnitude of the problem, the solution, and the need for leadership at this moment. And let's get it done *now*.