

March 1, 2021

**To: North Hampton Select Board members Jim Maggiore, Larry Miller, James Sununu
Richard Luff, Chairman/Economic Development Committee**

Re: Economic Development Committee Minority Report on the Ironwood Proposal

We the undersigned submit this minority report with all due respect to The Ironwood Group and the Economic Development Committee (EDC) for the important work everyone has done to advance the EDC's mission. The many discussions about the Ironwood project made us all better appreciate the difficulties of planning and executing a vision. We request that this minority report be made a part of the official record of the EDC's proposed Village Center proposal, including the Ironwood report and the EDC's Recommendations to the Select Board so future readers are aware of the shortcomings of this project.

There are some very promising aspects of Ironwood's work:

- **Recommending that work begin with NH DOT to improve Route 1 in North Hampton.** DOT has a Route 1 Corridor Study that is used for regional and state highway improvement planning. The Town should take aggressive steps to ensure that improvements that are in DOT's final plans for improving Route 1 through North Hampton are consistent with desires of residents.
- **The pedestrian and bike lanes along one section of Route 1.** This is an excellent idea and should be pursued with DOT. Nothing can be done without their approval.
- **A walking path from the Shaw's shopping plaza north to Gus's and beyond is a good start.** Connectivity between and among businesses would encourage more vitality in the "downtown" area and a more walkable village center.

However, for the following significant reasons we cannot support the Ironwood Proposal and request that the Select Board reject Ironwood's concept because:

- **It runs counter to residents' desires and the Town's Master Plan.**
- **It does not adhere to important aspects of the EDC's Vision Statement.**
- **It cannot be accomplished without significant financial investment by the Town.**
- **It is obsolete. A pandemic has changed the economic landscape nationwide and accelerated ongoing changes in the retail and hospitality industries.**
- **It does not deliver what was requested.**

In addition, at the final meeting of the EDC on February 24, 2021 to approve the Committee's recommendations to the Select Board, the Chairman presented a major amendment to the draft recommendations, without any advance notice to the committee. The amendment, which passed by a split vote of 6-4-1, is outside the scope of this Committee's report to the Select Board regarding the Village Center and does not represent (1) the purpose of the EDC's original recommendation of the Village Center, (2)

the desires of the citizens of North Hampton, or (3) the purpose of this Committee's recommendation on the final Ironwood Report.

It is important for the historical record of this project, now nearly four years in the making, that the Select Board be made aware of the derailment of this once promising project by the contractor hired to produce a visual representation of a Village Center concept for North Hampton based on residents' desires for development of the Town.

The Ironwood Proposal runs counter to desires of North Hampton citizens and the Town's Master Plan.

The first order of business of the expanded Economic Development Committee in 2017 was to commission a Town Survey conducted by the University of New Hampshire Survey Center, for which the Select Board paid. **It was recognized by the EDC at the time that any plans for economic development had to be based on what residents want. The Ironwood proposal and the late addition to the EDC report ignore this survey in favor of personal desires for Route 1 development.**

The facts are these:

The UNH survey is a statistically valid representation of the opinions of all Town residents

The EDC took no action on any proposed economic development until the survey results were completed in Spring of 2018. The Village Center concept was conceived in recognition that residents of North Hampton are the primary customer base for Route 1 businesses and the fact those residents wanted more shopping and service options. Once the Committee agreed to develop the Village Center concept, the Vision Statement was written to provide guidance for creating a visual representation of this concept.

The Ironwood Proposal ignores this Town Survey

The Ironwood report states that there is "no consensus among residents" – a critical misstatement. Ironwood inferred a lack of consensus from public meetings Ironwood facilitated among property owners, business owners/operators and residents that produced anecdotal comments as Ironwood staff asked questions. **While lack of consensus generally exists between business owners/operators and residents, very strong consensus exists among residents as evidenced in the 2018 Town Survey as well as every previous survey of residents over the past 30 years.**

How the Ironwood proposal conflicts with residents' desires as outlined in the 2018 survey:

1. Ironwood's design aims at high-density development, primarily residential, and at attracting tourists. Residents want neither.

- 62% of residents oppose apartment buildings on Route 1.
- Among business owners/operators, not even 50% favor apartments.
- Just 32% of residents favor attracting non-residents.
- Just 11% of residents favor creating more housing in town, and among business owners/operators only 15% want more housing as a means for economic development.
- 64% of residents want empty storefronts filled before any further development.

- 86% of residents want more restaurants, 89% want locally-owned boutique-type shops, and 66% want more medical services.
- In the survey, **according to business owners/operators (62%)**, the single most important objective for economic development should be to attract non-residents to support businesses. **Just 32% of residents favor this idea.**
- **73% of residents say that protecting the Town’s rural character is more important than economic development. Just the opposite is true for businesses: 68% say economic development is more important than the Town’s rural atmosphere.**

This is the divide that the Ironwood proposal does not recognize. This divide also exists on the Economic Development Committee. A majority favors dense development and a minority favors what citizens want – no dense development but development that preserves the Town’s rural characteristics. Everyone is on this committee because all support economic development in North Hampton. The majority of the Committee consists almost exclusively of members with an interest in business development in Town, including four members who own property on Route 1. The minority consists of members with no business interests who support economic development that retains the rural character of North Hampton while offering residents a vibrant retail and services center on Route 1.

2. **The Ironwood proposal is mainly a recipe for densely developing the Route 1 corridor. It is not primarily a proposal for a vibrant “downtown” area for residents and visitors that would serve as a magnet for other small businesses to locate in North Hampton. Residents do not favor dense development either in the residential districts or in the commercial center on Route 1. Just one-quarter of residents favor dense development on Route 1.**

The proposal does not adhere to the EDC Vision Statement

In February 2018 as the Town Survey was being readied and before the EDC had developed a vision statement, the Committee met with economic development consultant Rick Taintor. (The purpose of the meeting was to interview him at a time the EDC was considering hiring a consultant to help with the planning.) Taintor, formerly long-time planning director for Portsmouth, has vast experience as a planner and economic development consultant in New England and elsewhere, told the committee the following:

It is a mistake to pursue economic development to reduce property taxes on residential properties. **The goal should be to identify and attract businesses that the Town's residents want and will patronize.** That meets the desires of residents and helps ensure the success of businesses that come to the Town.

Taintor’s point was that development generally does not decrease taxes on residential properties and, therefore, the EDC should focus on pursuing economic development that residents want and will support.

The vision statement was written with precisely that in mind. However, the Ironwood proposal veers far afield and prioritizes dense residential development and a major overhaul of the Town’s zoning ordinance to facilitate that development.

1. First sentence of the Vision Statement: **“In accordance with the Master Plan for North Hampton, the following articulates the vision for economic development.”**

Not only is the Ironwood proposal not in accordance with the Master Plan, it upends it and creates a new Master Plan for the Village Center.

2. Third paragraph of the Vision Statement: **“To implement this plan, the Town will review and adopt necessary revisions of land-use ordinances and enforcement standards. These revisions will promote commercial development that is *consistent with residents’ preferences, as articulated in the 2018 town economic development survey . . .*”**

The Ironwood proposal contains five pages of recommended zoning changes, which are in no way consistent with “residents’ preferences” nor is the development proposed consistent with what residents want. Ironwood’s final report contains seven pages of various anecdotal, random comments from business owners/operators, Route 1 landowners, and residents generated at Ironwood’s three public listening sessions. **Yet in that same report, there is not a single mention of any aspect of the Town Survey upon which the Village Center concept was based.**

3. Final sentence of the Vision Statement, describing the proposed Village Center: **“Attracts destination businesses offering goods and services desired by residents and attractive to visitors.”**

The Ironwood proposal focuses heavily on residential development in three areas of the proposed Village Center, showing hundreds of residential units, primarily apartment buildings in three targeted areas: The Shaw’s plaza, on the site of the Irving station and on the Mobil station and adjoining property at the Route 1/Atlantic Avenue intersection.

In the Ironwood concept, the only businesses offering goods and services desired by the residents are restaurants proposed in the Shaw’s plaza and one in the North Hampton Village Shopping Center (where the former Fresh Market was located). The proposal also envisions space for a number of small retail shops – an important desire of residents – or incubator businesses inside the old Staples building. There are a few other small “retail” or “business incubator” developments reflected in the plan and a boutique hotel for tourists on the site of the Mobil station. The six apartment buildings recommended on the Mobil property appear to have first-floor retail as well.

The proposed development in the three target areas requires destruction of all existing buildings at Irving and Mobil and in the Shaw’s plaza, every building west of the supermarket. The proposed development in the NH Village Shopping Center would

eliminate a significant number of existing parking spaces. The residential development near the Irving station appears to be in wetlands or the wetland buffer zone as does a significant portion of the development at the Mobil station.

The Ironwood proposal does not deliver what was requested.

The scope of work for Ironwood was to give the Town a visual rendering of what a “Village Center” might look like, taking into consideration the following:

- It had to be doable with the infrastructure we currently have (no sewer).
- It had to be doable with no change to the Town’s wetland protection regulations.
- It had to be doable in 10 years per the EDC Vision Statement.

The proposal does not comply with these parameters of their charge:

- 1. It puts some or all of the three major residential development clusters in wetlands or in wetland buffer zones.**
- 2. It requires massive changes in the Town’s Master Plan and Zoning Ordinance.**

Five pages of suggested zoning ordinance changes include everything from reducing lot sizes to reducing setbacks from Route 1 so buildings can be close to the road, to allowing mixed use to add residences on commercial lots. The likelihood that citizens would approve changes needed to execute Ironwood’s plan is slim, given that the plan does not reflect what citizens want for Route 1 and the current Zoning Ordinance does. **The proposal fails to recognize that most of the zoning changes recommended are in the Town’s Zoning Ordinance for the very purpose of preserving the rural character of the town and to protect water resources.** It is the residents who have voted over many years for the contents of the Town’s Zoning Ordinance. These include large setbacks from Route 1, a minimum two-acre lot size, height restrictions, sign regulations, and lighting regulations that support the Town’s dark sky standard, among others. The proposal also fails to recognize the reason mixed use (residential on commercial lots) is currently not allowed. There are 47 residential lots in the I/B-R, and planning decades ago was structured to contain all the Town’s commercial development to Route 1, preventing it from spilling into residential districts. Reserving new development on the commercial lots in the I/B-R District for commercial uses is to ensure a sufficient inventory of commercial lots/buildings to provide for commercial expansion.
- 3. Ironwood did not deliver a rendering that shows a vibrant Village Center with attractive shopping and service destinations for residents.** Initially, Ironwood presented conceptual drawings and photographs of many other towns, most of which are much larger than North Hampton and some of which have traditional “downtown” areas not bisected by a busy thoroughfare. The conceptual drawing on the cover of the report is Ironwood’s recommendation for dense residential development of the Mobil Station property. **At the end of the EDC’s review of the Ironwood proposal and only at the urging of the Chair, Ironwood presented a sketch of its vision for the intersection of Route 1 and Atlantic Avenue. This sketch is a rudimentary representation of one area of the Village Center envisioned by the EDC.**

Items not considered by the Economic Development Committee and/or Ironwood

- 1. COVID-19:** In February 2020, just after Ironwood’s draft proposal was presented to the EDC, the coronavirus struck. Everything has changed since then, nationwide. Although the Committee has discussed the continuing decline of brick-and-mortar retail in North Hampton and everywhere else, the effects of this pandemic are unknown except that they will be long-lasting and “game-changing” for the retail industry.

Are we to make massive, potentially irreversible changes on Route 1, largely against the wishes of residents, at a time of grave economic uncertainty and with no sound understanding of what the long-lasting effects will be on commercial centers?

Before the pandemic, Amazon and others had already begun transforming the way retail business is conducted throughout the U.S.; now, it is even clearer that commerce is undergoing permanent, dramatic change. And North Hampton cannot avoid effects of this change. The growth of Airbnb and Vrbo will likely affect dramatically how new residential living space is used for transient visitors and tourists, not for full-time residents.

- 2. Mixed use:** The primary zoning change Ironwood proposed is to allow commercial and residential uses on one lot, now not permitted by the Town’s Zoning Ordinance. **If “mixed use” is the popular development trend now as Ironwood says, what happens when this trend sputters out in five years or 20 or 50, and we have a commercial district with primarily residential use? Are we to forge ahead and allow every commercial lot on Route 1 to also include residential use? No consideration was given to the future, to the universe of multiple residential units that could be added to nearly 400 lots on Route 1, or to the tax consequences of such massive growth. We need affordable housing for seniors, younger families and downsizing families, yet developers who are interested in transforming North Hampton are most interested in high-end residential units because they are more lucrative. Not to be forgotten is developers’ desires for short-term rental units for tourists. What is the economic benefit to North Hampton of significant growth in a transient, tourist population?**
- 3. Affordable housing on Route 1:** A subcommittee of the EDC reviewed all of Ironwood’s proposed zoning changes and recommended permitting new housing in mixed-use developments **if affordable housing standards were met.** There was a great deal of objection to this concept by some members of the EDC, and the proposal was voted down. While North Hampton currently meets its federal requirements for the Town’s “fair share” of workforce housing, the addition of potentially thousands of upscale apartments and townhouses on Route 1 would immediately erase the Town’s compliance with federal regulations. The likely avenue to rectify such a shortage would be dense development of thousands of units of affordable housing wherever it could fit in Town. **If North Hampton were not providing its “fair share” of affordable housing, the Town’s Zoning Ordinance already allows mixed use if the residential use being**

proposed includes the requisite proportion of workforce, affordable housing. **There is a message about the desire for mixed use in the fact that members of the EDC who are involved in development vigorously opposed a requirement that any mixed-use development include a “fair-share” proportion of affordable dwelling units.**

4. **Empty storefronts:** Like every other town or city, North Hampton has empty storefronts. While the EDC has had some discussions in the past about the best way to deal with empty storefronts, the Committee has not come to any conclusion. The idea for the Village Center was that a vibrant “downtown” area would encourage businesses to relocate to North Hampton and fill the vacant storefronts, but the Ironwood proposal offers simply one incubator-type grouping of small businesses confined within the Staples building and a small scattering of buildings for future retail use. **In the 2018 Town Survey, residents said North Hampton should fill empty storefronts before developing other lots.**

Summary and Conclusions

The Town spent more than \$20,000 for the 2018 survey and the subsequent Ironwood Proposal now at issue. Residents’ input into that survey was ignored in favor of a plan that would turn North Hampton into something it is not, for the benefit of developers and property owners in the I/B-R, of which only about 10% are residents of North Hampton. Questions about this proposal are many.

Does it:

1. **Have the potential to reduce taxes?**
2. **Preserve aquifers and wetlands?**
3. **Preserve the Town’s rural New England characteristics?**
4. **Offer solutions that can be supported by on-site septic?**
5. **Support locally-owned stores, restaurants and medical facilities as residents want?**
6. **Provide more and better services for residents?**
7. **Improve property values for residents?**
8. **Facilitate rail trail development?**
9. **Provide developers with creative means and flexibility to enhance current properties, create new development and connect the Village Center?**

Reviewing the primary objectives of the EDC Vision Statement, does Ironwood’s concept:

- Effectively manage access among and between developed properties? **No.**
- Create more aesthetically pleasing and functional landscaping? **No.**
- Offer safe and efficient travel options for pedestrians and motorists? **No, except for the addition of the short bike lane and walking path.**
- Emphasize commercial success of locally-oriented and owned businesses? **No.**
- Attract destination businesses offering goods and services as desired by residents and attractive to visitors. **Unknown.**

- Comply with the directive of the Select Board that it should not require a sewer system and not affect wetlands? **No. It includes development in wetlands areas and likely would require a sewer system to achieve the dense development recommended.**

Is it realistic?

- It's not realistic to think this proposal can be accomplished without a substantial investment by the town, the very minimum of which would be adding Economic Development staff to accomplish any piece of this proposal.
- It's not realistic to anticipate this proposal could be accomplished in 10 years.
- It's not realistic to anticipate the Mobil Station site (once under DES review for contamination) and sites west (in wetlands and not developable) would be attractive to any private developer.
- To believe that the owner of one of the most successful businesses in North Hampton – the Irving Station – would embrace this plan as a good idea is not realistic, nor is it realistic to believe a private developer would get a suitable return buying this property at high cost only to tear everything down and build housing within the constraints of the wetland regulations.

For all of the reasons stated in this report, we urge that the Select Board:

1. Find that the Ironwood Proposal, despite the designers' best efforts, does not fulfill the needs of the Town of North Hampton.
2. Review the mission of the Economic Development Committee to ensure future recommendations are in accord with residents' desires for economic progress for the Town.
3. Direct the Economic Development Committee to consider options that protect the Town's rural character while advancing the need for a vital economic future.

Thank you for your consideration.

Nancy Monaghan, Heritage Commission Representative

Phil Wilson, Planning Board Representative

Jeff Hillier, Citizen Member *Note: I oppose the Ironwood Report but voted in favor of the EDC report to the Select Board simply because it is long overdue.*