

Wolfeboro Economic Development Committee

Tuesday, March 21, 2017, 8 a.m.

Wolfeboro Great Hall

Meeting Minutes – Approved

Present: Chair Kathy Eaton, Denise Roy-Palmer, Lisa Lutts, Mike Roush, Cindy Patten, Alan Harding, Steve Durgan, Mary DeVries, Selectmen's Representative Dave Bowers, Selectmen's Representative Alternate Linda Murray; Kathy Barnard, chair, Planning Board, Peter Goodwin, Planning Board member, Vaune Dugan, Planning Board member, and special guest, Rusty McLearn, president of Hampshire Hospitality Holdings (i.e., Mill Falls, Church Landing, et al, in Meredith).

Staff present: Town Manager Dave Owen, Director of Planning & Development Matt Sullivan, recording secretary Larissa Mulkern

1. **Call to order:** Chair Eaton called the meeting to order and deferred 'Approval of Minutes' to the end of 'New Business.'

2. New Business:

- a. **Rusty McLearn re: Lodging:** Mr. McLearn, developer of hospitality venues including the Mill Falls at the Lake complex of Inns and restaurants in Meredith, and who is helping to raise funds for the new New Hampshire Boat Museum in Wolfeboro, said he had a chance to review the hotel feasibility study WEDCO had commissioned for the Wolfeboro area. **Mr. Bowers asked what Mr. McLearn thought about the hotel situation in Wolfeboro, and whether Mr. McLearn had any interest in developing a hotel here.** Mr. McLearn had a number of insights and comments, highlighted here:

- Wolfeboro has a lot going for it as a tourist destination, perhaps more so than Meredith, but it does not have one large open piece of land.
- He commended the townspeople for the successful restoration of the Wolfeboro Town Hall, adding that at one point he considered purchasing the property for a hotel, but then realized the politics of the community would be split half for- and against- the idea.
- Referencing the hotel feasibility study, he said the report recommended bringing in one of two hotel franchises, a Holiday Inn Express or a Hampton Inn. He thought both would be successful economically, but didn't think visitors would not be looking for a vanilla box hotel that one can get in any city in the country, but, rather, a higher end resort hotel. A franchise hotel would not be attractive in Wolfeboro.
- A chain hotel would not attract new visitors to Wolfeboro. He noted that his properties in Meredith started with one 54-room hotel and marketplace that accommodated visitors arriving for funerals or family visits. The venture grew into a targeted destination for weddings, and a place people come to spend a weekend. In a town of 6,200 residents, the hotel complex logs 80,000 overnight guest visits, which makes a large fiscal impact on the town.
- **Hotel room limit regulations:** Mr. McLearn noted the town's current limit to hotels of 50 rooms. Fifty rooms are just marginal in size for a hotel to be profitable. He was surprised the Wolfeboro Inn had not purchased adjacent

property for expansion, and assumed that the town's room limit may have been a factor. He suggested changing the minimum to 80 rooms, but better would be no limit as a good hotel can be part of a community like in Martha's Vineyard and Nantucket. McLear's company now owns 28 buildings in downtown Meredith. As some come up for sale the properties are turned into rooms, while maintaining the character of the town.

- He noted that the hotel feasibility study did not list his company as hotel competitors; he has 600 employees, up from the 150 listed in the report, but they don't own the restaurants and the shops.
- **Mr. Harding asked how important a conference center is to the town.** Mr. McLear replied, "Critical." He said building a function hall at Church Landing got Mill Falls into the wedding business. They have 10,000 s/f of function space in that building and 80 rooms in the additions, resulting in the highest occupancy rate at the complex. The average rate is \$330 a night, with rooms up to \$695 a night.
- Mr. McLear added that he did not have a 'master plan' when he first started Mill Falls many years ago; when they expanded to Church Landing, due to the size of the project, they did a feasibility study that said it wouldn't work – the bank approved funding nevertheless and the venture proved successful.
- **Mrs. Murray asked how important it was to place the hotel on the lake.** Mr. McLear replied that if you could get it on the lake, put it on the lake. The money spent will be recouped in spades because of being on the water. "If you can find a piece of land on the road and on the lake, that should be where you want to put it." Another consideration is having both an on the water hotel/resort, and an off the water hotel. The community now uses Chase House every day. They offered 334 hotels rooms to local guests who were without power after the recent blizzard at a discount (\$79), just because it was good business.
- **Mrs. Murray asked about the competition in Meredith.** Mr. McLean said they have worked hard to keep other hotels out, by purchasing land and properties that come up for sale.
- **Mr. Harding asked if the properties have swimming pools.** Mr. McLear said, yes, three, but even though they are expensive to build and operation, a hotel has to have them. Six to 12 people a day might use pools, but when they are there, it is very important to them. Responding to a follow up query about allowing local swim clubs to utilize the pools, Mr. McLear said they tried that at Mill Falls, allowing locals to come use the pool and when they came, they used it a lot, generating complaints. They don't open the pool to the public anymore.
- **Mrs. Eaton asked how a town's planning infrastructure could impact or influence growth, i.e., the Wolfeboro Planning Board is looking at establishing architectural guidelines.** Mr. Bowers said he has read all of the Town of Wolfeboro master plans since 1880, most of which are theoretical and don't have entrepreneurs or experienced business persons involved. Mr. McLear said he chaired Meredith's zoning board for 10 years and wrote the commercial portion of the town's Master Plan, which, essentially, became the business plan for Mill Falls. That footwork helped immensely with the Planning Board and the town signed off on it. The town doesn't have a strict set of guidelines on appearance, but throughout the process he said he would do as much as possible to keep with a New England architectural style.
- **Ms. Dugan asked for suggestion on how to attract a developer like himself that would build character and not degrade the town, someone to bring the**

town up to a 'resort' status? Mr. McLear said the way Meredith did it was with regulatory wording such as 'in keeping with the town values,' versus strict guidelines. On the other hand, Nantucket has done a spectacular job of keeping the island commercially intact even with strict architectural guidelines. In Wolfeboro, the size of lakefront homes might be more of an issue. An ideal location might be a large enough piece of lakefront property, or multiple properties, with a road around it. He noted that the Foss Field would be a nice location for a hotel, and that a Back Bay location would not be as good as on the lake, but better than a 'box' motel five miles out of town.

- Weddings are a big part of his business and very expensive for the buyers – \$8,000 just for the [reception] room; they booked 90 weddings last year. He said the potential for Wolfeboro lies in finding a property that becomes an anchor for the town. Nantucket had such an albatross in that town, an old hotel, the White Elephant, which was purchased, renovated and then expanded when the owners started buying up and renovating nearby properties into hotel space. What was once the worst building in town has grown to an attractive 225-room hotel complex that fits in well with the town.
- **Mr. Durgan said there are people who feel you can't develop business in Wolfeboro; to what extent does the interrelationship between various boards and agencies have to mesh with potential developers who seem to work in an environment with less regulatory controls?** Mr. McLear said great question... Nantucket has taken a hard line, and has been successful and Meredith has done it their way. But they have also raised a tremendous amount of money. In Nantucket, 7 percent of property sales tax to the town's Conservation Commission. Every time they sell something, the Conservation Commission gets a ton of money. In Meredith, they have the Greater Meredith Program, where each booking results in a \$1.50 tax for beautification. The tax raised \$55,000 last year, most of which went back into the community to plant trees. And, no, Mr. McLear was not forced to do that.
- In response to Ms. Dugan's query, Mr. McLear agreed a milder architectural guideline would be helpful – that is the approach in Meredith. He noted the planning board and planning department have a lot of discretion, and work closely with developers to assure both sides are happy and get what they want out of the deal.
- Mr. McLear complimented the Cookes who purchased and are rehabilitating the Pickering House into a 10-room Inn at a cost of \$3.5 million. Maybe they will want to do something bigger in the future.
- **Mr. Goodwin asked how to transition if you raise the room limit and end up dealing with big box hotel.** Mr. McLear said height restrictions would help some, and Wolfeboro already had that. He discussed a public private partnership with a developer in Meredith that will result in a more attractive, multi-purpose property. Regarding grandfathered properties, where hotels are allowed but limited in location as to what can be done, i.e., the location of the former Allen A Motel, Mr. McLear said if there is a property one is not proud of to tear it down and build a franchise box hotel that would be better than what exists. That might not be a bad thing to do, but it will make it more difficult to find someone to build a quality product downtown. All the business being generated by the town is going to go to the Hampton Inn out there. Mr. Bowers said what he's saying is Wolfeboro needs to have unrestricted rooms and getting an entrepreneur to do the project is the best way to go. Mr. McLear added the town really needs to be a partner with a developer and he hears the term, 'private/public partnerships' all the time.

Except for the Town of Claremont, the public sector has allowed him to spend all the money while they tell him what to do. Claremont was very generous with a hotel project in that town and provided infrastructure such as a new bridge and water and sewer. In response to a query from Mrs. Murray, Mr. McLear said it was very important for the town to have water and sewer on the development site. He also mentioned that he thinks the Cooke's new Inn can bear a market charge \$450 to \$695 a night.

Mrs. Eaton thanked Mr. McLear for joining the meeting and exchanging ideas.

3. Approval of Minutes: A motion to approve the minutes of the February 21, 2017 EDC meeting as amended was made by Mr. Durgan, seconded, by Mr. Harding voted on and passed, with Mr. Roush abstaining.

New Business... continued:

- b. **Marketing Committee:** Discussion was deferred to the April meeting.
 - c. **EDC Vacancies and Appointments:** Mrs. Eaton said two members are up for reappointment, her and Mr. Roush, who have agreed to stay on. She will stay on as well, yet hopes someone will consider chairing the committee. It was noted that Jeff McGuinness has left his position with Huggins Hospital and is no longer an alternate committee member.
3. **Old Business:** Joint meeting with Planning Board: Mr. Sullivan reviewed the format for the joint meeting with the planning board. Topics will include how the relationship between the two boards can be more productive. The EDC appointment is at the beginning of the agenda.
4. **Other Business:** Mrs. Eaton reported the "Our Home Town" program regarding Wolfeboro would air on Channel 11 NH Public Television on April 13 at 8 p.m. Since last meeting she contacted WASR (local radio station) to discuss a program on the EDC. One business change note: La Boca Bakery is moving to where the Wolfe Den was, with a bakery on the upper level and a restaurant on the lower level. Mrs. Roy-Palmer reported that Peter Cole, who has run the piano program in town whereby decorated pianos are left outdoors for passers by to play and enjoy, is looking to step back. He is looking for an organization or a committee to take on the project. Several potential entities were suggested, including Friends of Music and Great Waters. Mrs. Roy-Palmer also reported that UNH Cooperative Extension has reached out to the town – they want to do a roundtable with those involved with the Business Retention and Expansion Survey and Program. They would like to meet for a focus group in April or May.
5. **Town Manager/Selectmen's Rep Report:** Mr. Owen reported that all of the warrant articles supported by the town passed, and those that were not did not pass. Voter turnout wasn't that bad, given the storm, with 914 voting this year compared with 919 voters last year. Mrs. Murray reported the EDC Special Events Committee met last night to discuss hosting some type of Fall Festival.
6. **Adjournment:** There being no other business, a motion to adjourn was made, seconded, voted on and passed at approximately 9:33 a.m.

Respectfully submitted:
Larissa Mulkern
Recording Secretary

