



Town of Merrimack, New Hampshire

Community Development Department

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MEMORANDUM

Date: April 7, 2016

To: Robert Best, Chairman, & Members, Planning Board

From: Timothy J. Thompson, AICP, Community Development Director

Subject: Workshop Discussion: Zoning Ordinance Amendments regarding Redevelopment of Underutilized Sites

Background: As I have discussed with the Board at various times over the past year or so, Staff is looking at methods to utilize innovative or flexible zoning techniques to try to facilitate the redevelopment of selected properties within the community.

Before staff begins drafting specific ordinance language, I felt it was appropriate to discuss the topic in a conceptual manner, gather initial direction and feedback from the Board, and then proceed to ordinance drafting/development. I will have a presentation at the meeting on 4/19 with the following basic outline:

- Review of Master Plan Recommendations
- Potential Targeted Areas for Consideration
- Zoning Ordinance Amendments:
 - What kind of Zoning District?
 - How much flexibility is the Board comfortable with?
 - Permitted Uses?
 - Consideration of areas beyond parcel(s) to be developed?
 - Ordinance Adoption process

Please find attached to this memo various excerpts from the Master Plan related to this topic.

Recommendation: Review and comment on the various concepts and questions from the Staff presentation. Staff will then begin the ordinance drafting/development process incorporating the Planning Board feedback.

cc: Community Development Staff
Building Division Staff
File

facilities and infrastructure, transportation networks and services, and protection of environmental resources. As communities plan for their future, determining how and where growth and development should occur will provide the basis for planning where investments for municipal services will be needed, as well as determining what controls will be necessary to protect areas of the Town from unwanted development. Communities have the ability to control land use and development patterns through a variety of mechanisms, including zoning and subdivision regulations, provision of public utilities and infrastructure, and protection of open space lands through direct purchase and the acquisition or acceptance of conservation restrictions/easements.

Although land use issues are addressed in this chapter, it is important to refer to other elements of the Plan to see how these issues are interconnected.

2.2 Land Use and Community Design Goals

- Provide for a sustainable and balanced land use pattern that incorporates the needs of the many stakeholders in Merrimack.
- Encourage the proper balance between residential, commercial and industrial development to ensure the Town continues to prosper while protecting the historic, environmental and rural character of the community.
- Look for opportunities to creatively revitalize underutilized and vacant sites.
- Establish guidelines for future multi-family, commercial and industrial development to enhance the design of buildings to create a quality built environment.
- Protect existing residential neighborhoods.

2.3 Historic and Current Land Use Patterns

Merrimack comprises 33.55 square miles (21,475 acres), which is second only to Amherst of the communities in the Nashua region. The Nashua Regional Planning Commission (NRPC) maintains a Geographic Information System (GIS) database for generalized land use in Merrimack. This information categorizes the Town into thirteen different land use classifications, including separate categories for vacant land, water resources, and roads found within the boundaries of the Town.

Table 2-1: General Land Use Types in Merrimack (2001)

Land Use (parcel-based)	Total Acres	Percent Total Land Area
Commercial	532	2.5%
Industrial	1,020	4.7%
Mixed Use	20	0.1%
Multi-family Residential (includes Condominium Units)	314	1.5%
Park/Recreation/Open Space (public)	2,751	12.8%



[LEFT]
Daniel Webster Highway near
the Town Center



[RIGHT]
Signage near the
Town Center on
Daniel Webster Highway

2.8 Recommendations

- L-1 Adopt a zoning modification that allows mixed use as an infill style development with appropriate controls and design recommendations in all appropriate areas of the corridor.
- L-2 Allow higher density development in the northerly and southerly portions of the Daniel Webster Highway corridor, where connectivity to the regional transportation system is best and existing infrastructure supports this type of development.
- L-3 Adopt zoning or regulation amendments to foster access management in the Daniel Webster Highway corridor, and to provide off-street pedestrian and vehicular connectivity throughout the corridor.
- L-4 Develop portions of the Daniel Webster Highway corridor as village nodes, with traffic calming measures, pedestrian amenities, and streetscaping.
- L-5 Improve design standards for landscaping, site design, and site amenities.
- L-6 Develop access to the river corridor where possible and adopt zoning provisions in areas surrounding these access points to incentivize use of the river as an amenity.
- L-7 Develop pedestrian and bicycle connectivity from the westerly portions of the Town to the Daniel Webster Highway corridor where possible.
- L-8 Preserve and enhance the rural aesthetic of existing neighborhoods by maintaining existing allowable densities and generous setbacks west of the F.E. Everett Turnpike.
- L-9 Create incentives for open space residential development to enhance protection of open space.
- L-10 Perform a comprehensive review and update of the Subdivision Regulations, including a separation of the Site Plan Regulations as a separate set of regulations.
- L-11 Examine development review process and consider development of a “pre-application design review” process as outlined in RSA 676:4.

These conditions define the facets of the Town's economic ecosystem, which includes people, institutions, companies, and infrastructure. Utilizing the description of these conditions, strategic recommendations are offered to maximize the Town's economic development efforts. Through the implementation of these recommendations, Merrimack will maintain its role as an attractive place to live, work, and play.

4.2 Economic Development Goals

This chapter's recommendations seek to meet the following goals for the Town's economic development efforts:

- Establish, maintain and expand the lines of communication and relationships between the public and private sectors.
- Retain Town businesses and attract new ones.
- Unify the Town's public sector to become more economic development-oriented.
- **Coordinate land use policies, regulations, and permitting to facilitate economic development.**
- Develop a stronger Town "brand" that highlights economic development efforts.
- Make the Town's development review process more transparent and consistent.
- **Refine the Town's zoning and land use regulations to allow for greater flexibility.**
- **Encourage repositioning and redevelopment of under-utilized properties** through the creation of public-private development finance mechanisms, such as, tax increment financing (TIF), economic revitalization zones (ERZs), and economic revitalization credits.

4.3 Summary of Major Findings

- The Town's population is stable, following two decades of growth.
- Employment conditions in Merrimack are favorable, with a 20 percent increase in the number of jobs during 2000-2009. Furthermore, these positions tend to be high-skill, high-wage positions. Meanwhile, the surrounding County had a loss of about 5 percent during that same time.
- Educational attainment in the Town is high—almost 40 percent of the Town's adults hold a four year degree, a rate that is about five percentage points higher than Hillsborough County.
- Job growth during 2008-2018 is estimated to be about 1,700 jobs.
- Merrimack's unemployment remains lower than state and national rates.
- Median household incomes are high—about \$20,000 higher than the surrounding County.
- Land uses are generally segregated by F.E. Everett Turnpike, which divides residential uses to the west and commercial uses to the east.

Constraints

- **Zoning**—Based on a review of the Town’s land use regulations, Merrimack’s zoning code represents a common style of Euclidean land use regulation. This style is common in many communities throughout the United States and focuses on segregating land uses by type, scale, and function. As the community’s land use patterns have evolved over time, however, the zoning code does not appear to have evolved in tandem. In some cases, the zoning requirements of a given parcel may be inhibiting the repositioning of a property to a new “highest and best use.”
- **Development Review Process**—The Town’s real estate development review process is sometimes described by public officials and private businesses as opaque or inconsistent. Assuming this perception is accurate, such conditions inhibit the redevelopment of properties or the repositioning of marginal uses to adapt to changes in the current economy. Some perceive that the development review process is too challenging to allow for a feasible project, and subsequently discourages developers and property owners from creating new or redeveloped real estate.
- **Real Estate Market Conditions**—Commercial real estate market conditions in Merrimack can be characterized by relatively low rents and relatively high sale prices and replacement costs. Low rents discourage property owners from rehabilitating their existing space or creating new space, as it may be infeasible to recoup the accompanying costs. Relatively high sale prices, however, indicate that some buyers believe the property can be repositioned in order to generate higher rents or that the existing income stream is sufficient to justify the purchase price. Nevertheless, based on the minimal supply of newer commercial properties in Merrimack, such instances are relatively uncommon.

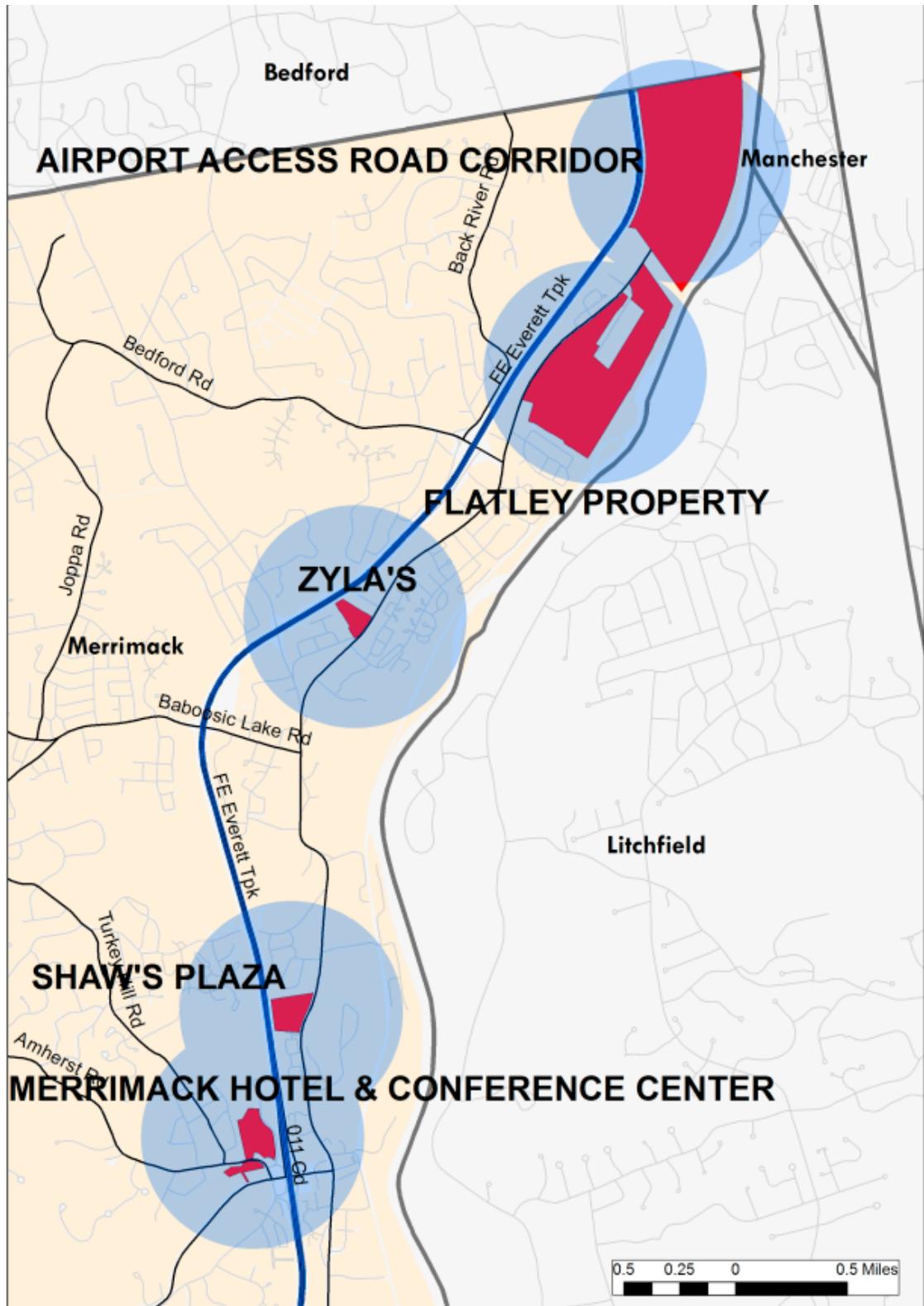
4.10.2 Opportunities

Opportunity Zones

The following are five sites which appear to have the most promising revitalization or redevelopment potential, based on their location, size, or other attributes (**Figure 4-15**). Their consideration also assumes that the existing structures, if any, will be removed and environmental contamination will either be nonexistent or mitigated prior to a new use. A feasibility study should also precede any serious consideration of redevelopment of the Opportunity Zones.

- **Airport Access Road Corridor**—The completion of the airport access road already appears to have generated new development activity in Bedford along Daniel Webster Highway approaching Merrimack. While many of the parcels in the Corridor have been developed, in many cases the existing uses are somewhat marginal or underdeveloped. This corridor now offers immediate access to the airport, thereby generating an opportunity to reposition the area.

Figure 4-15: Opportunity Zones, Town of Merrimack



Opportunity Zones - Town of Merrimack



Source: Merrimack Assessing Department, Nashua Regional Planning Commission & RKG Associates, Inc., 2011

- Flatley Property—The Flatley property is a 150 acre site just south of the Airport Access Road Corridor. It envelops the St. Gobain Performance Plastic Property, and represents a sizable development opportunity in terms of available acreage, frontage, and access. This zone is the most “shovel ready” of the five, an important characteristic given the additional cost burden required by the redevelopment of an already-improved site.
- Zyla’s—A former discount retail store, this site is fronted along Daniel Webster Highway. The building has not been in use for some time and appears to be suffering from some deferred maintenance. The property may serve as a valuable redevelopment opportunity given its location along a well-traveled corridor and its ideal amount of roadside exposure. The property was designated as an Economic Revitalization Zone in 2012.
- Former Shaw’s Plaza—The retail plaza at 356 Daniel Webster Highway has continued to lose tenants since the departure of the Shaw’s grocery store to a new site farther north in Merrimack in 2006. CVS Pharmacy and Blockbuster Video have also vacated the Plaza since that time, leaving only three tenants in the facility at this time. These include a Bank of America branch, a new Asian restaurant, New England Credit Union, and a hair salon. Shaw’s lease on their portion of the Plaza expired in April 2012, and the company chose not to renew their lease. This site offers excellent visibility from Daniel Webster Highway as well as proximity to Exit 11. And the Daniel Webster Highway/Continental Boulevard intersection. The property was designated as an Economic Revitalization Zone in 2012.



- Merrimack Hotel and Conference Center—This non-operating facility is sited relatively well, with immediate access to Route 3 via the Exit 11 interchange. There is also the recently opened Holiday Inn Express (opened November 2012) in the location of the former Fairfield Inn located nearby. The location of this site is ideal given their proximity to the Turnpike and Exit 11, Daniel Webster Highway, and other major commercial uses.

The recent opening of the Merrimack Premium Outlets on Continental Boulevard has the potential to attract additional commercial business development to this site.

can encourage the revitalization of a property, corridor, or community. Specific methods of implementing these concepts include:

ED-8 Examine zoning regulations in existing non-residential districts to ensure that they achieve the community's land planning objectives without being overly restrictive on the establishment of new businesses or the expansion of existing ones.

ED-9 Consider implementing performance-based zoning to increase the flexibility of land development. Performance-based zoning seeks to delineate allowable land uses through their physical exterior features, such as parking, setbacks, design, and bulk, while placing less emphasis on the actual use of the property. In this way, the scope of allowable uses is broadened while still protecting the character of the community.

ED-10 Examine the potential for creation of Transit Oriented Development (TOD) in the vicinity of the proposed rail station and the airport access road on the Route 3 corridor. This action might include rezoning a portion of the three current districts (I-1, R, and C3), or creating an overlay district, that would allow high density mixed use development that combines residential and nonresidential uses. Residential development in this zone should include consideration for the creation of workforce housing. Any such rezoning will be dependent upon the state securing funding for upgrading of the rail corridor. Zoning changes should also be coordinated with the Town of Bedford to insure compatibility of land uses to the greatest extent possible.

ED-11 Seek grants to encourage or facilitate the repositioning of underperforming properties in the community, especially those found in the Town's opportunity zones. These include facilities that are not currently operating at their highest and best use. One example of such a property might include the former Shaw's plaza on Daniel Webster Highway.

ED-12 Consider preparation of a conceptual "master design plan" for key parcels along the northern Route 3 corridor that could illustrate the potential for a mixed use development to property owners, potential users of the site and investors. Such a plan might illustrate the possible reuse of some underutilized or transitioning retail properties for uses such as office and retail uses, or combined medical and residential uses, or other similar configurations. This plan might also include a feasibility analysis of various options to illustrate the market demand to potential users.

ED-13 Consider Tax Increment Financing District (TIF) in appropriate geographic areas to help fund infrastructure improvements. These geographies might include the Town's opportunity zones or other corridors that would benefit from such policies. Explore the possibility of linking tax base growth in commercial corridors with town center redevelopment efforts.

ED-14 The Town should work toward implementation of RSA 79-E Community Revitalization Tax Relief Incentive as well as potential locations of parcels that should be considered for inclusion in a 79-E district. On November 15, 2012, the Town Council moved to support adoption of RSA 79-E. The implementation of RSA 79-E should be pursued following completion of the 2013 Master Plan. The eventual development of the enabling ordinance should be prepared by the Community Development Director with assistance from the Town's legal counsel and the Economic Development Citizens Advisory Committee.