

# 4 ECONOMIC DEVELOPMENT



## TOPICS INCLUDE:

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A review of public outreach results regarding economic development

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Challenges & opportunities going forward related to Suncook Village, available economic development tools, the work of the Pembroke Economic Development Committee, and trail development

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Education/Employment/Tax Rate/Commuting Patterns  
Data and Trends

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*This chapter focuses on the Town's economic base and strives to identify the connections between the economy and the Plan's other chapters. Pembroke has many opportunities to enhance its economy through proactive use of available tax incentive tools and the work of the Pembroke Economic Development Committee (EDC). The chapter will also provide an overview of related topics such as trail development and improvements to Suncook Village.*

## Pembroke is...

a community that has a great opportunity for sensible and sustainable economic development due to its unique location, strong mix of rural, village and highway related areas, and a continued interest and protecting and enhancing the Town’s quality of life.

## WHAT THE COMMUNITY SAID...

Input gathered throughout the public outreach process in development of this Master Plan demonstrated resident’s high appreciation of the town’s small town rural character. That being said, many stated that the Suncook Village is a strength in Town, with potential opportunities including mixed use development in the Village and along Academy Road, tax incentive programs (TIF District, 79-E, and ERZs), and support for local job creation and business development in the Village.

Attendees at the Community Visioning Forum indicated support for an economic development staff person at the Town Hall, though respondents of the community survey had more even results, with 37.1% in support and 35.6% not in support (the remaining had no opinion). Additionally, 77.6% of community survey participants support new businesses along Sheep Davis Road and NH 106 while 71.5% also supported the Suncook Village area.

The following table briefly summarizes the enterprises and services desired for Pembroke. Results of these engagement opportunities provide a direction for the objectives and recommendations identified in this chapter.

**Table 4.1: Residents Indicate Enterprises/Services Desired for Pembroke:**

Identified Enterprises/Services	Responses
Restaurants	59.9%
Suncook Village Businesses	53.9%
Grocery Store	46.1%
Agricultural-related Businesses	42.5%
Retail Shops	33.8%
Professional Offices	32.9%
Health Clinic/Doctor’s Office	32.9%
Day Care/After School Care	31.7%
Craftsmanship Businesses	31.4%

*Source: Pembroke Master Plan Community Survey, 2017*

Themes that can be identified from the visioning session and community survey include:

- Support for a walkable, dynamic downtown area in the Suncook Village;
- Desire to attract and support new businesses and local job creation in town;
- Support for mixed-use and new commercial development along Sheep Davis Road, NH 106, and in the Suncook Village;

- Interest in tax incentive programs, such as a Tax Increment Financing (TIF) District and Economic Revitalization Zones (ERZs); and
- Interest in establishing an economic development position in the town offices.

## CHALLENGES AND OPPORTUNITIES

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### SUNCOOK VILLAGE

As expressed in the Community and Sense of Place Chapter, Suncook Village is an important facet of the Town's identity - Suncook Village helps set Pembroke apart. It was also noted in that chapter that many expressed their support for preserving Suncook Village as an historic resource and encouraging rehabilitation of Main Street building facades, and there is support for the continued evolution of the Village into a pedestrian-friendly downtown with small businesses and housing options. The following summarizes some of the issues and opportunities related to the continued revitalization of the Village. In addition, the potential designation of a Community Revitalization Tax Relief Incentive (NH RSA 79-E) zone (see page 4.6) could lead to further investment in the Village.

#### VILLAGE PARKING

The availability of parking in Suncook Village is a key issue. As discussed in the Transportation Chapter, a recent analysis of parking utilization indicated that parking capacity appears to be sufficient, but an evaluation of parking policies and practices may lead to improvements and improved satisfaction for Suncook Village visitors, employees, and residents. Maintenance and layout of parking, hours of enforcement, signage, and various parking management strategies can be evaluated. Even though a majority of survey respondents stated that they have not experienced parking difficulties in Suncook Village, a master parking plan for the Village could address current issues and support its further redevelopment.

#### VILLAGE REVITALIZATION STRATEGIES

With the help of funding from the New Hampshire Community Development Finance Authority, representatives of the Towns of Allenstown and Pembroke, with support from CNHRPC staff, have worked to initiate the development of a coordinated strategy to revitalize Suncook Village. The effort has considered both sides of the river as one single community with common goals, common challenges, and common opportunities. A committee, made up of citizens from both towns, worked through a process to identify what a single "Suncook" vision looked like and how each community could work towards furthering that goal.

In its simplest form, the character of Suncook Village, shared by both communities, is one built upon its late 19<sup>th</sup> Century textile mills. Historically, this has meant mixed uses and high density, as well as a lot of brick architecture. The river too, plays a role in the village's character. First, it is a unifying element between the two communities as a shared resource. Second, it provides recreation to citizens of both towns. Third, it has - and continues to - shape the physical character of Suncook. This past then, can serve to guide Suncook's future.

When examining what can be done there are three main areas to focus on: 1) zoning; 2) streetscape and façade; and 3) recreation. With regard to zoning, efforts can be made to see that the zoning on both

sides of the river is similar in terms of density, permitted uses, and architectural standards. For issues relating to street scape, a similar look and feel on both sides, culminating in unifying aesthetics on the bridge could be in order. Features such as comparable light poles, street signs, and landscaping can accomplish this. Finally, recreation along the river should serve to not only keep people active but bring both communities together. The future Merrimack River Rail Trail could incorporate the small bridge near China Mill, linking both communities to each other and with the river. Sidewalks along the river and improved river access put the finishing touches on this effort.

These focal points can unify Suncook even more in this new century. Protecting Suncook's identity by recalling its past is a way for a new generation of Suncook to continue to strengthen their community.

"The Suncook River is not a border; it is a spine."

~ Suncook Village Design Charette.

### PEMBROKE ECONOMIC DEVELOPMENT COMMITTEE

The Pembroke Economic Development Committee (EDC) began meeting in December 2019 in an effort to support the Town's future economic development efforts. The EDC is comprised of representatives of the local business community and Town Boards. Efforts to date have comprised of learning about the potential economic development tools available to the Town (see the following section for a description of potential development incentive programs), and meeting with representatives of the NH Division of Economic Development to gain insight on how to work in closer coordination with the State of New Hampshire regarding proactive economic development activities. Beyond the available tax incentive tools, other EDC activities could include the development of a Business Retention and

### THE CENTRAL/SOUTHERN NH COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

The CEDS represents a significant in-depth analysis of the regional economy and the development of regional economic development strategies for the area that included all 20 CNHRPC communities as well as six communities from SNHPC; Bedford, Goffstown, Hooksett, Manchester, New Boston, and Weare. With the most recent updated completed in 2018, major components of the Strategy include:

- Project priority list comprised of 58 projects organized into eight categories;
- A set of six goals that include various objectives each as well as overall performance measures;
- A regional profile of the region including data on demographic trends and economic indicators;
- Information U.S. EPA's Brownfield Assessment Grant Program, including purpose and usage of funds;
- A Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis that outlines the region's strengths, potential barriers and opportunities related to economic development; and
- A cluster analysis that indicates which industries most greatly impact the local economy.

An important benefit of the CEDS is that it is an important prerequisite for the region to be designated by U.S. Economic Development Administration (EDA) as an Economic Development District (EDD). A designated district enables municipalities and counties to qualify for EDA funding under EDA's current public works, economic adjustment and planning grant programs.

Expansion Program to support local businesses and attract new businesses, the utilization of the State of New Hampshire's supported selectnh.com website to advertise available commercial properties, and providing support for the enhancement of the Town's Economic Development web pages.

The work of the EDC is very proactive in nature. It is essentially charged to highlight the availability of economic development opportunities so the Community can grow in a sustainable manner, while at the same time working to lower the municipal tax rate when possible through appropriate development. In possible coordination with the work of the EDC, support was exhibited during the Visioning Session (and a slight majority in the community survey) for the future establishment of an economic development-related staff position.

### DEVELOPMENT TAX INCENTIVE PROGRAMS

There are a variety of tax incentive tools that could be utilized in Pembroke to promote economic development and investment in a variety of areas. In fact, work began in 2003 to develop a Tax Increment Finance (TIF) district that supported the development of Kline Way. While the tools are different in method of implementation and the type of tax incentive offered, the available incentives are some of the few tools available for a Town to support and foster economic development activities. The following is a summary of several of the potential tax incentive programs and how they could be applied in Pembroke.

#### ECONOMIC REVITALIZATION ZONES (ERZs)

The Economic Revitalization Zone (ERZ) program is enabled in the State of New Hampshire through NH RSA 162-N. The program allows municipalities to establish certain zones in a community where a business can then seek a credit on its New Hampshire Business Profits Tax. To establish a zone or zones, the Town may apply to the program (administered by the NH Division of Economic Development). The ERZ program currently has \$825,000 available per year for tax credits throughout the State of New Hampshire.

To be eligible for the program, a designated zone must meet one of the following requirements:

- (a) Unused or underutilized industrial parks; or
- (b) Vacant land or structures previously used for industrial, commercial or retail purposes but currently not so used due to demolition, age, relocation of the former occupant's operations, obsolescence, deterioration, brownfields, or cessation of operation resulting from unfavorable economic conditions either generally or in a specific economics sector.

In Pembroke, potential areas for consideration as future ERZs could include specific stretches along NH 106 and North Pembroke Road.

### TAX INCREMENT FINANCING (TIF)

A Tax Increment Financing District (TIF) is a complex economic development tool where increased tax revenue is used to fund physical improvements in a defined district. The goal is that the improvements will attract or retain economic development in a particular part of town. At its most basic level, when a TIF is established the taxable value of the parcels in the district are identified. Increases above that assessed value are then used to fund infrastructure improvements. A TIF doesn't take money out of the tax base, it merely defers new taxes in a particular area as the increased tax base is used to pay for physical improvements needed for economic development. Once the improvements are paid for the additional tax revenue is directed to the Town's tax base. In 2004, the Town established a TIF in the Soucook River Development District. The TIF eventually resulted in the development of Kline Way.

**COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE (NH RSA 79-E)**

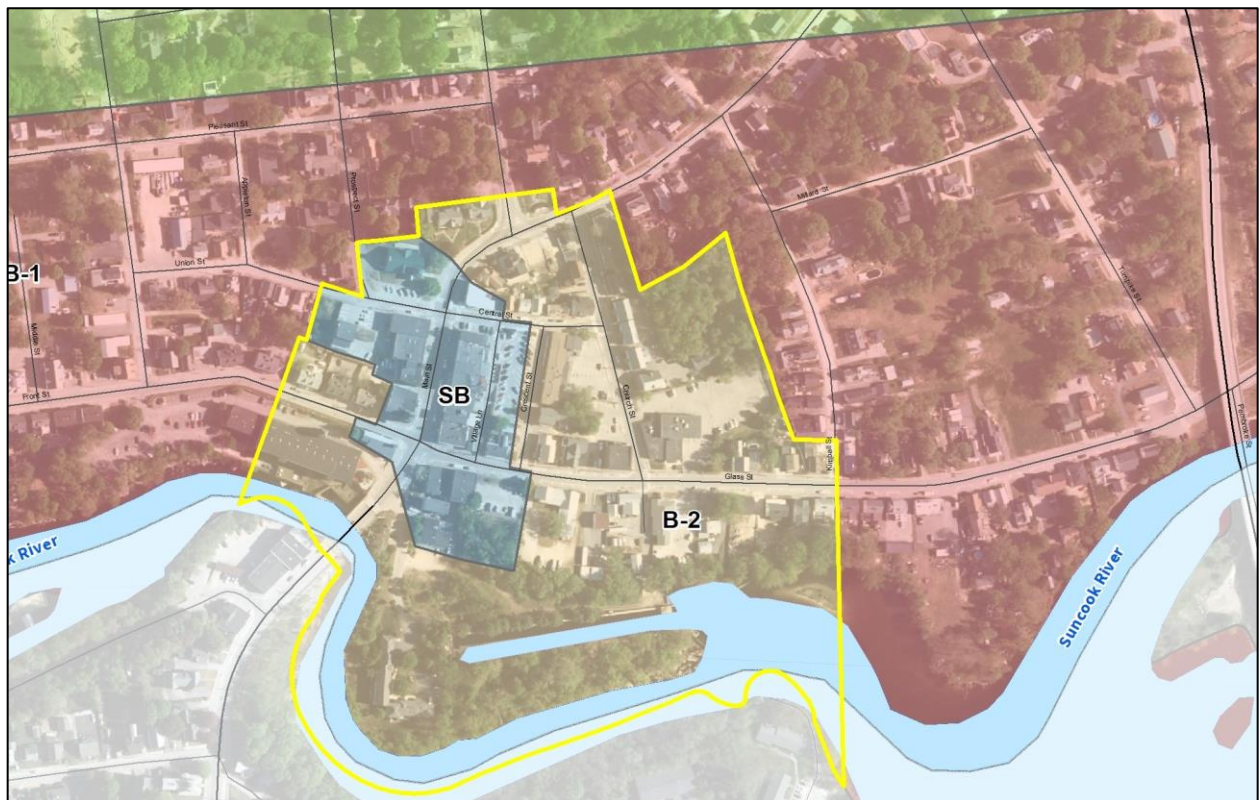
If the provisions of RSA 79-E are adopted by Town Meeting, the Board of Selectmen have the authority to delay any *increase* in taxes for property owners in a designated Village or downtown district if they replace or substantially rehabilitate their property. Its goal is to encourage the rehabilitation and active reuse of under-utilized buildings.

The Community Revitalization Tax Relief Incentive program works in the following manner:

- A property owner who wants to substantially rehabilitate a building located in a designated district may apply for a period of temporary tax relief.
- The temporary tax relief, if granted, would consist of a finite period of time (1 to 5 years) during which the property tax on the structure would not increase as a result of its substantial rehabilitation. In exchange for the relief, the property owner grants a covenant ensuring there is a public benefit to the rehabilitation.
- Following expiration of the tax relief period, the structure would be taxed at its full market value taking into account the rehabilitation.

As the Community Revitalization Tax Relief Incentive is designed for use in a Village or downtown area, the most appropriate use would be in the Suncook Village area. Figure 4.1 below outlines a potential zone boundary that follows the existing Village B-2 zone boundary.

**Figure 4.1: Potential Suncook Community Revitalization Tax Relief Incentive Zone**



#### COMMERCIAL AND INDUSTRIAL CONSTRUCTION EXEMPTION (NH RSA 72: 80-83)

If the Commercial and Industrial Construction Exemption is adopted at Town Meeting, the tax exemption for a commercial or industrial use shall be a specified percentage on an annual basis of the increase in assessed value attributable to construction of new structures, and additions, renovations, or improvements to existing structures not exceed 50 percent per year. The maximum period for the exemption is 10 years following the new construction, and only applies to municipal and local school property taxes.

When considering the enactment of the Commercial and Industrial Construction Exemption, the Town Meeting vote must specify the percentage of new assessed value to be exempted and the number of years duration following construction. The vote to adopt remains in effect for 5 years, except that exemptions shall continue for the rate and duration granted.

#### MERRIMACK RIVER RAIL TRAIL

As described in depth in the Transportation Chapter, Pembroke has an opportunity for the development of a rail trail along the abandoned railroad bed that once connected Suncook Village to Concord and Manchester. The potential route parallels the Merrimack River and Pembroke Street from the Suncook River, Suncook Village and Memorial Field north to the White Sands Recreation area and the Soucook River at the Concord line.

Beyond the positive transportation-related and recreational components of trail development, the quality of life impacts of the trail and its connections to other multi-use trails are a key economic development issue. Projects such as the development of the Merrimack River Rail Trail can further emphasize the positive qualities of Pembroke and assist when residents and business owners are making decisions on when and where to make investments in Town.

## CHAPTER OBJECTIVES & RECOMMENDATIONS

<p><b>OBJECTIVE 1</b></p> <p><b>Support the EDC and make use of available economic development tools and incentives that serve to focus commercial development in suitable areas of Pembroke.</b></p>	<ul style="list-style-type: none"> <li>→ Support the activities of the Pembroke Economic Development Committee (EDC).</li> <li>→ Consider adoption and promote the use of Community Revitalization Tax Relief Incentive (NH RSA-79-e) in the Suncook Village area.</li> <li>→ Consider the designation of specific areas along NH 106 and North Pembroke Road as Economic Revitalization Zones (ERZs).</li> <li>→ Develop a Business Retention and Expansion Program to support local businesses and attract new businesses.</li> <li>→ Enhance the Economic Development section of the Town website with information related to the activities of the EDC and content regarding any available economic development tools and incentives.</li> <li>→ Utilize the NH Division of Economic Development’s selectnh.com website to advertise the availability of commercial sites and buildings in Pembroke.</li> <li>→ Consider the expansion of the Commercial Zone and the encouragement of mixed-use developments.</li> </ul>
<p><b>OBJECTIVE 2</b></p> <p><b>Promote “quality of life” economic development that capitalizes on the Suncook Village.</b></p>	<ul style="list-style-type: none"> <li>→ Coordinate with the Town of Allenstown in a concerted effort to promote and revitalize Suncook Village.</li> <li>→ Support the incremental development of the Pembroke section of the Merrimack River Rail Trail as an important economic development tool.</li> <li>→ Address Suncook Village parking availability to improve parking convenience and ease for residents, businesses and visitors.</li> <li>→ Consider the development of a façade/property improvement program in Suncook Village.</li> </ul>
<p><b>OBJECTIVE 3</b></p> <p><b>Promote Pembroke and emphasize how Pembroke is a welcoming community for business and new residents.</b></p>	<ul style="list-style-type: none"> <li>→ Make economic development a key responsibility for the Town Planner or provide support for an alternate staff or contract position on an as-needed basis to promote economic development.</li> <li>→ Continue to review the existing land use regulations and development review process with regards to the predictability of the planning review process.</li> </ul>

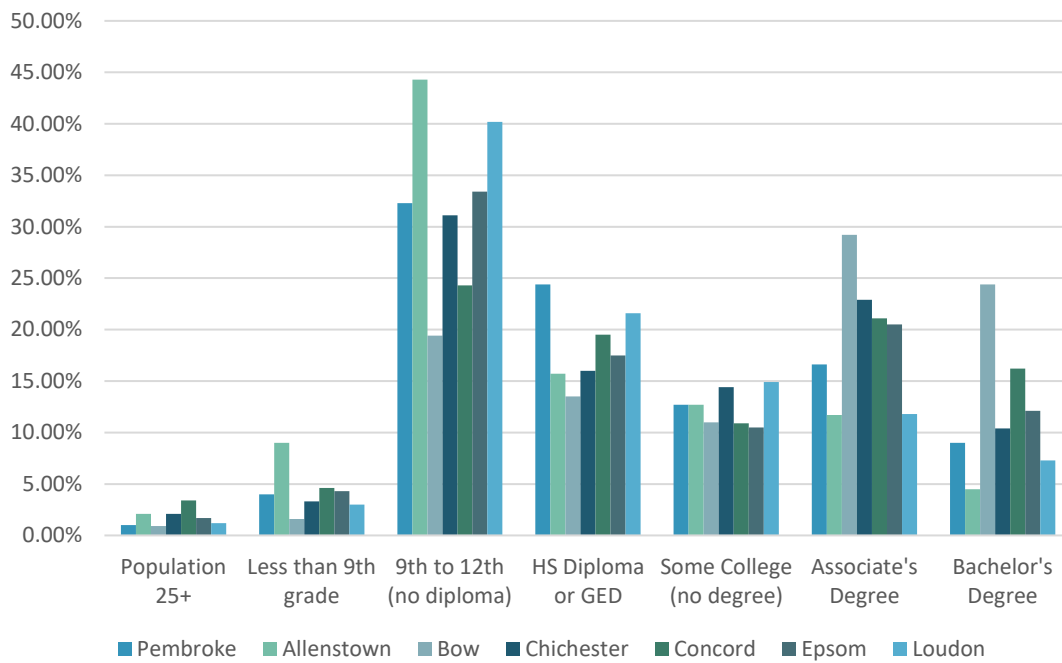


## DATA: EDUCATION/EMPLOYMENT/TAX RATE/COMMUTING PATTERNS

### EDUCATIONAL ATTAINMENT

According to the American Community Survey 2014-2018, 95.0% of Pembroke’s residents aged 25 years and older have a high school diploma or higher post-secondary education. Nationally, New Hampshire is known for having a high percentage of educated residents. Education attainment for Pembroke and abutting communities are shown in Figure 4.2.

**Figure 4.2: Education Attainment for Pembroke and Abutting Communities**



Source: American Community Survey 2014-2018

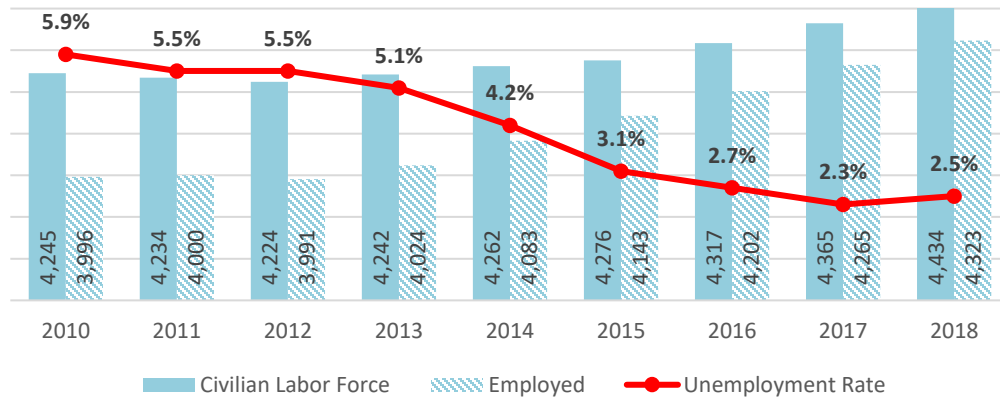
### LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT<sup>1</sup>

Similar to state trends, Pembroke has seen an increase in the number of civilians in the labor force in recent years after a large decrease that occurred in 2010. As reported by the New Hampshire Economic and Labor Market Information Bureau (ELMI), Pembroke’s labor force grew by 4.5%, increasing by 189 people between 2010 and 2018. The town’s number of employed civilians in the labor force also increased, rising 8.2% to 4,323 people in 2018. Additionally, the town’s unemployment rate has decreased consistently since 2010 to

<sup>1</sup> Persons “in the labor force” are those in the civilian noninstitutional population, age sixteen years or older, who are employed or who are unemployed and seeking employment. People are considered employed if they work at least one hour for pay or at their own business at any time during the week including the twelfth day of the month, are unpaid workers for fifteen hours or more in a family-owned business, or are temporarily absent from their jobs because of vacation, illness, bad weather, or personal reasons.

2.3% in 2017. The rate then increased to 2.5% in 2018. Pembroke’s civilian labor force, employed civilian labor force, and unemployment rate for 2010 to 2018 can be seen in Figure 4.3.

**Figure 4.3: Civilian Labor Force, Employed Labor Force, Unemployment Rate for Pembroke**



Source: New Hampshire Economic and Labor Information Bureau

### WAGE AND MEDIAN HOUSEHOLD INCOME

Nationally, New Hampshire is often one of the highest in the nation for a State’s median income. According to most recent American Community Survey 2014-2018 data, New Hampshire had a median household income of \$74,057, which is over \$13,000 more than the median household income of the United States. Within the state, trends point towards higher median household income in the southern portion, similar to trends of higher education attainment and lower poverty rate. Pembroke’s median household income is higher than that reported for New Hampshire, at \$84,767.

To gain a better understanding of the types and quality of the jobs located in Pembroke, wages paid by employers in Pembroke were compared to that paid in other abutting communities. Pembroke’s average weekly wages for private industries fell in the middle when compared to abutting communities with an average weekly wage of \$968. Bow and Concord both had a higher average weekly wage with \$1,081 and \$1,037. In comparing average weekly wages for government jobs with abutting communities, Pembroke’s average weekly wage was \$892, less than that of both Concord and Bow.

**Table 4.2: Average Annual Weekly Wage for Private Industries and Government, 2018**

Community	Private Industries		Government	
	Annual Average Employment	Average Weekly Wage	Annual Average Employment	Average Weekly Wage
Pembroke	1,866	\$968	528	\$892
Allenstown	370	\$878	334	\$887
Bow	3,539	\$1,081	457	\$970
Chichester	703	\$916	85	\$703
Concord	29,665	\$1,037	10,929	\$1,140
Epsom	1,072	\$807	133	\$802
Loudon	852	\$910	98	\$830

Source: Economic and Labor Market Information Bureau, New Hampshire Employment Security

## TOWN TAX RATE AND VALUATION

A review of Pembroke's overall tax rate per \$1000 of valuation (Table 4.3) between 2010 and 2019 show that the rate decreased from \$25.84 in 2010 to \$23.58 in 2019. During this time period, increases occurred in 2011, 2012, 2014, 2016, and 2017. Compared to tax rates reported for years previous to 2010, the total tax rate is comparable to that experienced in the mid to late 2000s, though much lower than that experienced in the late 1990s and early 2000s. The municipal, county, local and state school rates also saw various fluctuations in their values for the years presented in Table 4.3.

## WHAT IS EQUALIZATION?

Equalized valuation, or equalization, is an adjustment of the town's local assessed values, either upward or downward, in order to approximate the full value of the town's property. Calculated by the NH Department of Revenue Administration, and equalization ratio of 100 means the municipality is assessing property at 100 percent of market value. A ratio less than 100 means the municipality's total market value is greater than its assessed value. The full value tax rate can then be used to make a limited comparison of what a property in one municipality would pay for taxes to a property of equal value in another municipality. This process is due to an imbalance caused by varying local assessment levels. That being said, the full value tax rate is the equalized tax rate for a town.

**Table 4.3: Pembroke's Tax Rate, 2010-2019**

Year	Municipal Rate per \$1000	County Rate per \$1000	Local Education Rate per \$1000	State Education Rate per \$1000	Total Rate per \$1000
2010	\$5.72	\$2.78	\$14.99	\$2.35	\$25.84
2011	\$5.79	\$2.58	\$15.62	\$2.45	\$26.44
2012	\$5.78	\$2.50	\$16.29	\$2.27	\$26.84
2013	\$6.19	\$2.65	\$15.81	\$2.19	\$26.84
2014	\$6.64	\$2.89	\$17.68	\$2.49	\$29.70
2015	\$7.27	\$2.84	\$16.45	\$2.38	\$28.94
2016	\$7.10	\$2.90	\$16.66	\$2.34	\$29.00
2017	\$6.93	\$2.86	\$17.81	\$2.16	\$29.76
2018	\$6.75	\$2.80	\$14.46	\$2.23	\$26.24
2019	\$5.75	\$2.50	\$13.45	\$1.88	\$23.58

*Source: New Hampshire Department of Revenue Administration*

Compared to its surrounding communities, Pembroke's total valuation falls in the middle with a total valuation of \$721,824,831 in 2018 (Table 4.4). Pembroke's tax rate of \$26.24 is lower than three of its abutting communities, with Loudon the lowest at \$22.06. Pembroke's full value tax rate of \$24.03 is also lower than three of the surrounding communities, behind Allenstown, Bow, and Concord.

**Table 4.4: Equalized Tax Rates of Pembroke and Abutting Communities, 2018**

Community	Total Equalized Valuation including utilities & railroad	Tax Rate per \$1000	2018 EQ Ratio	Full Value Tax Rate
Pembroke	\$721,824,831	\$26.24	90.2	\$24.03
Allenstown	\$311,951,378	\$30.15	87.9	\$28.15
Bow	\$1,226,290,335	\$27.78	99.6	\$26.08
Chichester	\$317,850,605	\$23.42	96.0	\$23.41
Concord	\$4,430,221,635	\$28.19	85.3	\$27.00
Epsom	\$501,563,009	\$25.97	84.9	\$22.20
Loudon	\$666,417,289	\$22.06	90.2	\$18.66

Source: New Hampshire Department of Revenue Administration

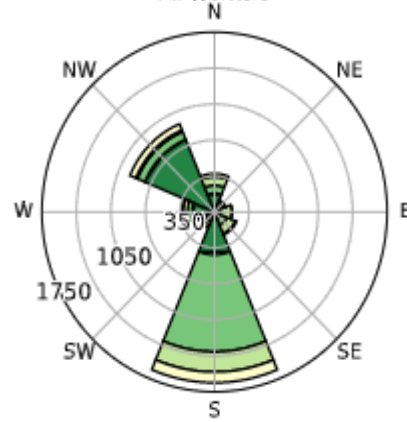
**COMMUTING PATTERNS**

According to the U.S. Census Bureau’s OnTheMap application, the majority of Pembroke residents in 2017 were employed in a community outside of Pembroke, with 3,726 residents commuting to another community and only 284 residents employed in Pembroke. As shown in Figure 4.4, many residents commute north-west and south, with approximately 23.5% commuting to Concord and 17.1% commuting to Manchester. Other common locations included Hooksett, Nashua, Londonderry, Bow, and Bedford. Additionally, an estimated 2,292 non-residents commute into Pembroke for work, with the most coming from Concord, Manchester, Allenstown, Loudon, Bow, and Epsom.

According to American Community Survey 2014-2018 data, residents had a mean travel time to work of 32.3 minutes, which is higher than the New Hampshire’s mean travel time of 27.3 minutes. Approximately 84.4% of residents drove along to work. Others carpooled, worked at home, or used other means. Additional information on commuting patterns can be found in the Transportation Chapter.

**Figure 4.4: Job Count by Distance and Direction of Pembroke Residents**

Job Counts by Distance/Direction in 2017  
All Workers

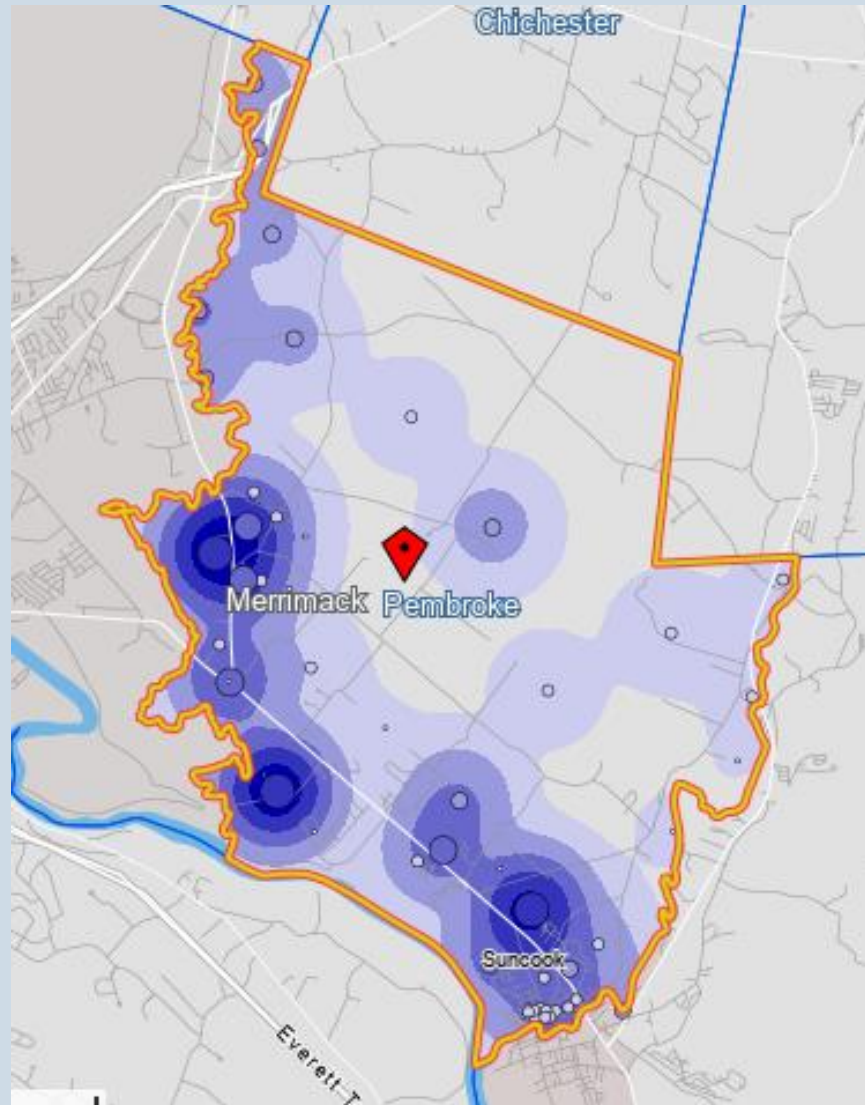


- Total All Jobs**
- [Less than 10 miles](#)
- [10 to 24 miles](#)
- [25 to 50 miles](#)
- [Greater than 50 miles](#)

Source: U.S. Census Bureau, Center for Economic Studies, OnTheMap Application

### WHERE DO PEOPLE WORK IN PEMBROKE?

As shown in the Figure below, the highest density of jobs within Pembroke is along Route 3, Route 106, and in the Suncook Village.



Map Legend

Job Density [Jobs/Sq. Mile]	Job Count [Jobs/Census Block]
■ 5 - 55	● 1 - 4
■ 56 - 207	● 5 - 29
■ 208 - 460	● 30 - 98
■ 461 - 813	● 99 - 232
■ 814 - 1,269	● 233 - 453
	<b>Selection Areas</b>
	✦ Analysis Selection

COUNTS AND DENSITY OF ALL JOBS IN PEMBROKE, 2017

U.S. CENSUS BUREAU, ONTHEMAP APPLICATION AND LEHD ORIGIN-DESTINATION EMPLOYMENT STATISTICS