

INTRODUCTION

As described in the Regional Story and elsewhere throughout the Central NH Regional Plan, the region's natural resources and high quality of life are a key competitive advantage. At the same time, there are a number of overall demographic trends that have and will continue to affect Central New Hampshire. The aging population that impacts the available future workforce will be a key issue as many in the workforce reach retirement age over the next few years. The attraction and retention of young professionals will also likely continue to be an issue as younger workers are often attracted to more metropolitan areas. Each of these factors lead to a concern regarding the potential loss of human capital and a skilled labor force.

Infrastructure needs are another challenge. In addition to those issues described in the Transportation chapter, a number of other regional infrastructure needs related to broadband, water, sewer and energy have been identified as major local and regional economic development issues.

While economic development is often viewed as exclusively a local issue in light of each community's reliance on property tax revenues, there are many state and regional trends and opportunities that can influence, inform and assist local economic development efforts. The recently completed Central/Southern NH Comprehensive Economic Development Strategy (CEDS) is a good example of a regional economic development effort, and much of this Chapter is based upon the results of that process.

This Chapter reviews the CEDS process and results, provides an overview of recent economic trends, provides a summary of the public input received during the Central NH Plan development process related to the economy, and outlines a number of economic development related action items.

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

The 2014 Central /Southern NH Comprehensive Economic Development Strategy (CEDS) was prepared in coordination with the Southern NH Planning Commission (SNHPC). The CEDS represents a significant in-depth analysis of the regional economy and the development of regional economic development strategies for the area that includes all 20 CNHRPC communities as well as five communities (Bedford, Goffstown, Hooksett, New Boston, and Weare) from the SNHPC.

The "CEDS" or Comprehensive Economic Development Strategy makes up the majority of this Chapter.

The Central/Southern NH CEDS region includes all CNHRPC communities as well as five communities from the Southern NH Planning Commission area.

Staff from the two regional planning commissions worked closely with the CEDS Strategy Committee consisting of public and private sectors representatives from many of the 25 communities to complete the project, and the results of the CEDS were used extensively during the preparation of this Chapter of the Central NH Plan.

The major tasks completed during the CEDS process included:

- Preparation of an industry cluster analysis,
- Preparation of a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis,
- Development of a regional economic vision statement, goals and measurable five-year objectives by the Strategy Committee, and
- Development of a plan of action and priority project and activity lists by the Strategy Committee.

It is important to note that an approved CEDS is a key requirement of the US Department of Commerce, Economic Development Administration (EDA) that enables municipalities and counties to qualify for EDA funding under EDA's current public works, economic adjustment and planning grant programs. A CEDS is also an important prerequisite for a region to be designated by EDA as an Economic Development District (EDD).

CEDS INDUSTRY CLUSTER ANALYSIS

A cluster analysis seeks to identify existing concentrations and any interdependent relationships of key regional industries and attempts to identify clusters that may grow in the future. While the Central/Southern CEDS included a cluster analysis that merged studies of the two planning regions, for the purposes of this chapter only the results of the 2011 *Central NH Region Industry Cluster Analysis* prepared by Camoin Associates were used.

The cluster analysis identified government, health care and retail as the region's key sectors of employment, and further noted that although manufacturing employment has declined, there is an existing base of technology companies in the region. Although the cluster analysis did not identify any strong relationships among industries in the region, Business and Financial Services, Medical Services, Arts and Entertainment, and Information Technology were noted as potential clusters on which the region could concentrate its future economic development efforts. The cluster analysis also highlighted the region's quality of life as a major draw for entrepreneurs and a reason why the Arts and Entertainment sector was identified as having a high potential for growth in the future. These industries represent sectors on which to target economic development efforts.

CEDS STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) ANALYSIS

Another key step in the CEDS process was the preparation of the *Central/Southern RPC Economic Development Strengths, Weakness, Opportunity and Threat (SWOT) analysis*. The SWOT was integral to the eventual identification of the CEDS Priority Projects (see Table 5.1). It essentially identifies what the region can potentially capitalize on and what challenges need to be addressed.

The SWOT analysis was prepared by Arnett Development Group, LLC in coordination with Don Zizzi, Boston University Professor of Urban and Regional Economics. It involved a survey of local business and

industry representatives, local officials, regional business leaders and the regional planning commissions, and sought to assess the region regarding the factors that typically influence business location decision making such as local permitting, the availability of suitable labor, development costs, the local business environment and operating costs, transportation, information access and the quality of life. Using the results of the survey, the consultant team compared the region with similar areas and developed a list of key strengths, opportunities, and recommendations.

The results of the SWOT identify multiple reasons for confidence in the Central NH Region's future. Regional strengths that highlight the natural environment, a good location with highway access and high educational attainment were noted, as well as the opportunities that could be better exploited such as providing more development related information online, including the identification of available commercial sites. While some local communities offer a great deal of information online, there remains a number of smaller communities that do not contain information that developers or those interested in the region may seek. It was also noted that the region's strong local schools offer an opportunity for businesses regarding future workforce development. Finally, the consultant team stressed the viability of home-grown economic development through improved community connections with local entrepreneurs.

Regional weaknesses that were identified include a lack of consistent telecommunications coverage (both cellular and broadband internet), the lack of close access to a research university, less access to public transit through the region, and fewer amenities that might be found in a more urbanized area. Again, the SWOT compared the region with other similar regions in an effort to apply factors that impact business location decisions.

Recommendations found in the SWOT are closely connected to many of the CEDS priority projects and can be found in the Implementation Chapter as well. Of note are some common themes between the cluster analysis and SWOT results, notably the region's quality of life and the opportunity to engage local entrepreneurs. A summary of the results and recommendations of the SWOT analysis is as follows:

Regional Strengths:

Labor Availability
Well Educated Population
Highway Access
Business Friendly Environment
Business Costs (real estate, wage rates)
Critical Mass of Firms (health, finance, trade)
High % of Self-employed & Work-at-home
Natural Environment / Outdoor Activities

Opportunities:

Local Schools Involvement
Local Business Involvement
Cross Marketing (towns, firms, brokers)
Available Sites Inventory
Entrepreneur Relations
Access to Development Information
Website Development & Improvement

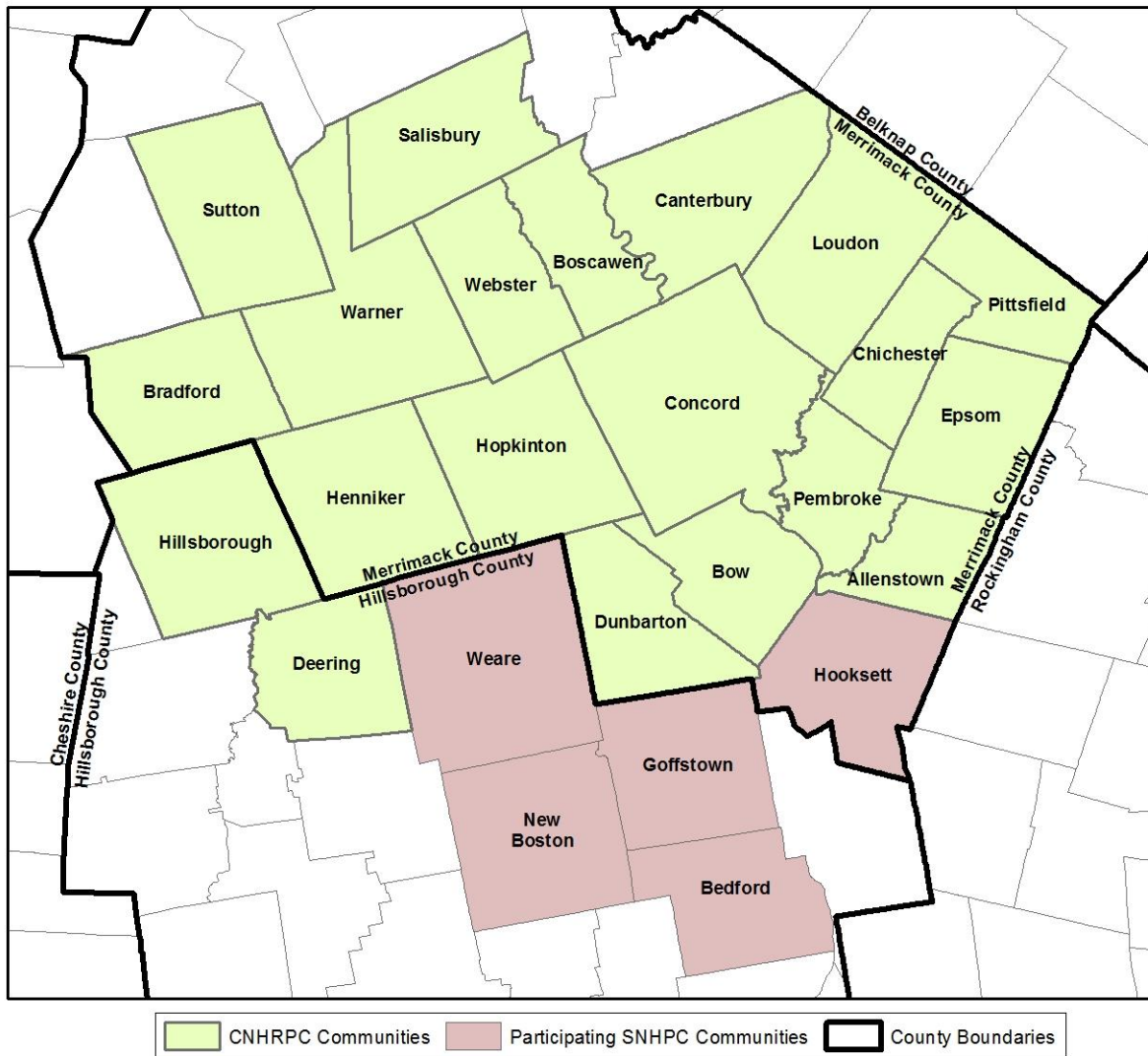
Regional Weaknesses/Threats:

Communication / Information Bandwidth
No Research University
Few Nearby Amenities
Little Public Transit
Physical Infrastructure Limitations
Community - Entrepreneur Connection

Recommendations:

Don't Chase (Employers/Businesses from outside the region); Grow Your Own
Engage Local Entrepreneurs & Investors
Support & Incubate
Emphasis on Streamlining Local Processes
Emphasis on Skills Training & Work Readiness
Pursue Broadband & Cellular Upgrades
Improve Website(s) Utility & Content
Increase Business Development Services & Technical Assistance
View through a Regional Lens
Take Regional Approach... Create Regional Brand

Figure 5.1: Central/Southern NH CEDS Area



Source: *Central/Southern NH Comprehensive Economic Development Strategy, 2014*

CEDS PRIORITY PROJECTS

The selection of priority projects began with the development of criteria. The CEDS Strategy Committee established criteria that were to be both simple and tied to the goals and objectives. Additionally, the Committee wanted to get a feel for how “ready” each project was. To that end, the established selection criteria that each project sponsor had to meet were tied to one or more of the six goals and indicate the project’s readiness. An application form and cover letter were developed and sent to key stakeholders including municipalities, businesses and not-for-profits across the region. The projects were then scored and ranked in eight categories: Education, Energy, Sewer/Water, Studies, Municipal, Recreation and Other. The CEDS document included a total of 39 projects, covering the entire 25 community CEDS area. Table 5.1 contains only those projects within the Central NH Region.

Table 5.1: CEDS Projects located within the CNHRPC Region by Community

Community	Project	Location	Project Description
Bow	Extend Water along Rt. 3A (Bow Junction)	Route 3A/Hall Street to intersection of NH 3A Bridge	Extend Water along RT 3A/Hall Street to intersection of NH 3A Bridge
Bow	Sewer Pump Station and Mains River Road/NH3A	River Road/NH3A	Complete construction of sewer pump station and transport mains to commence sewer service in the business development area
Bow	Update Town Development Strategy	Bow	Update Development Strategy to update the strategic direction for the Town's business development efforts
Bradford	Establish Solar Panels on Town Property	Bradford	Establish solar panels on town-owned property to provide electricity to Town-owned properties, selling excess power to the grid
Bradford	Reclaim Lot for Business Use - along length of East Main (Naughton Property)	North of East Main Street	Reclaim lot to salable standards for development
Bradford	Reclaim Lot for Business Use - Rt. 114/Jones Rd	Corner of Route 114 and Jones Road	Reclaim lot to salable standards for business location/expansion and build a steel building.
Bradford	Post Office Relocation	Intersection of Route 114 and Route 103	Relocate building and create parking
Bradford	Create a Town Business Incubator	Portion of the 25 acre recycling center and transfer station	Prepare a master plan/feasibility study to create a business incubator on the current site of the recycling center
Canterbury	Broadband Planning	Canterbury	Explore options for the development of broadband in Canterbury
CNHRPC region	CEDS Region Website	CEDS Region	Develop regional web portal
CNHRPC region	Regional Broadband Internet Access	Sutton, Salisbury, Bradford, Warner, Webster	Feasibility analysis to examine options for providing broadband internet access
Concord	15 Mile Paved Merrimack River Greenway Trail	Adjacent to Merrimack River	Develop a 15 mile paved trail along Merrimack River for a recreation/non-motorized trail
Concord	Storrs Street Expansion	Storrs Street	Property acquisition and expansion of Storrs street to link downtown to I-393
Concord	Whitney Rd/Hoit Rd Intersection Improvements	Intersection of Hoit Road/Whitney Road	Reconstruction of Hoit Road/Whitney Road intersection
Concord	New Airport Terminal Building	Concord Airport	Construction of a new airport terminal building
Concord	Upgrade Manchester Street (US3)	Merrimack River to Town of Pembroke	Rebuilding/expanding/upgrading Manchester Street
Epsom	Study & Install New Water Lines in District	Epsom traffic circle to: west to Chichester; north to Chichester; south to Pembroke	Feasibility study, engineering and construction of new water lines to expand municipal water services

Table 5.1 CEDS Projects located within the CNHRPC Region by Community (Cont.)

Community	Project	Location	Project Description
Henniker	Upgrade Downtown Sidewalk Network	Downtown Henniker	Upgrade sidewalk network downtown per 2012 Henniker Safe Routes to School Travel Plan
Henniker	Create a New Water District	Old Concord Rd near NH Route 202/9	Create new water district to serve the area near Old Concord Road near NH Route 202/9.
Henniker	Intersection Improvements with Rte 202 (Old Concord Rd)	Old Concord Rd near NH Route 202/9	Upgrade intersection
Hillsborough area	Mobile/Regional Technology Program	Antrim, Bradford, Deering, Henniker, Hillsborough, Stoddard, Washington, Weare, Windsor	A mobile, regional technology outreach program for schools, businesses and nonprofits
Hillsborough	Woods Woolen Mill Hazardous Waste Cleanup	Near Downtown Hillsborough	Assessment and cleanup activities for abandoned mill
Hillsborough	Hillsborough Downtown Revitalization	Downtown Hillsborough	Downtown cleanup, revitalization and building reuse analysis
Hillsborough	Upgrade Downtown Sidewalks	Downtown Hillsborough	Upgrade downtown sidewalks that are damaged, expand current sidewalk system, expand needed right-of-way
Hillsborough	Create a Community Center	Downtown Hillsborough	Create a community Center to provide the greater Hillsborough area with a facility for health and wellness of all ages and a gathering place.
Hillsborough	Water and Sewer Improvements Downtown	Downtown Hillsborough	Build out sewer and water infrastructure in Downtown Hillsborough
Hopkinton	Reconstruct Fair Grandstand	Hopkinton State Fair Grounds	Reconstruct Fair Grandstand currently in disrepair for the Hopkinton State Fair
Pembroke	Extend Loop Road	Cooperative Drive in vicinity of Associated Grocers	Extend loop road (Cooperative Drive) in the vicinity of Associated Grocers.
Pittsfield	Establish Welding School	Pittsfield	Establish a welding school creating a regional school for various entry - level welding skills (tube, structural and pipe)
Sutton	I-89 Exit 10 Gateway	Vicinity of Exit 10 in Sutton	Conduct a feasibility study to explore creating commercial gateway at Exit 10
Warner	Upgrade Sewer/Water Route 103 and I-89 Exit 9	Vicinity of Route 103 and I-89 Exit 9	Improve sewer and water service in the vicinity of Rt 103 and I-89 Exit 9.

Source: *Central Southern NH Comprehensive Economic Development Strategy, 2014*

The CEDS effort identified a wide range of needs, from key regional transportation projects to necessary water and sewer improvements in Bow, Epsom and Warner. Also included were key local economic development projects such as the proposed reclamation of empty lots for commercial uses in Bradford to the expansion of Storrs Street in Concord. The recommendations found in both the industry cluster analysis and SWOT include projects related to broadband improvements, education and the development of a regional web portal that would assist in making online business development information more widely available throughout the region.

SNAPSHOT OF THE ECONOMY

REGIONAL DEMOGRAPHICS AND TRENDS

While the region's main demographic trends are described in both the Regional Story chapter and Appendix A: Existing Conditions, the following data tables depict trends related to the regional economy. Local economic indicators, population projections, employment data, and information related to the workforce are provided in an effort to describe the region's economic base.

The Regional Workforce – An Opportunity

The regions' workforce is both older and highly educated. Those 45 years old and older account for nearly 50% of the regional workforce. The availability of a large, well-educated and potentially flexible workforce offers local employers a way to meet its needs in a non-traditional manner.

Median household incomes vary dramatically. Led by the towns of Bow and Dunbarton, 12 communities had household incomes, as estimated by the American Community Survey in 2012, that exceeded the State of New Hampshire's median household income of \$64,925. For comparison, the U.S. median household income over the same period was \$53,046.

Table 5.2: Regional Economic Indicators

	Population Estimate (2012)	Median Household Income (2012)	Individuals Below Poverty Level (2012)	2013 Labor Force	Unemployment Rate	
					2012	2013
Allenstown	4,307	\$53,103	7.3%	2,496	6.2%	6.1%
Boscawen	3,961	\$52,171	13.4%	1,963	5.6%	5.3%
Bow	7,603	\$104,315	1.9%	4,088	4.2%	4.2%
Bradford	1,652	\$63,162	4.5%	936	5.1%	4.8%
Canterbury	2,369	\$86,136	4.3%	1,411	3.8%	3.8%
Chichester	2,552	\$79,844	5.8%	1,502	4.3%	4.4%
Concord	42,630	\$53,567	10.9%	22,141	4.8%	4.8%
Deering	1,909	\$66,875	10.7%	942	5.8%	5.4%
Dunbarton	2,787	\$98,482	7.4%	1,719	4.1%	4.4%
Epsom	4,608	\$74,602	4.8%	2,537	5.4%	5.1%
Henniker	4,837	\$65,429	4.2%	2,405	5.4%	5.2%
Hillsborough	6,000	\$55,077	13.5%	2,800	5.9%	5.7%
Hopkinton	5,597	\$84,911	4.2%	2,942	4.2%	4.1%
Loudon	5,332	\$74,643	6.3%	3,083	4.3%	4.4%
Pembroke	7,129	\$62,099	9.5%	4,231	5.2%	5.1%
Pittsfield	4,094	\$56,019	18.4%	2,262	5.7%	5.4%
Salisbury	1,394	\$68,438	4.1%	844	4.8%	4.6%
Sutton	1,843	\$62,596	4.0%	999	3.5%	3.3%
Warner	2,841	\$65,288	6.0%	1,471	5.6%	4.7%
Webster	1,876	\$66,655	6.3%	1,089	4.5%	4.5%

Sources: *New Hampshire Economic and Labor Market Information Bureau, U.S. Census Bureau, NHOEP Population Estimates*

Another key economic indicator is the number of individuals in a community that are estimated to live below the poverty line. As estimated in 2012, Bow had the lowest poverty rate at 1.9%. In contrast, five

communities had estimated poverty rates in excess of 10% in 2012: Deering (10.7%), Concord (10.9%), Boscawen (13.4%), Hillsborough (13.5%) and Pittsfield (18.4%).

Modeling the Economic Impact of a Retiring Workforce

The Central New Hampshire Region is heavily reliant on an experienced workforce, especially in government jobs and public administration. Many of these experienced workers are age 55 or older, and the region’s ability to replace this skilled workforce as they retire will have implications for region’s economy.

An impact analysis was conducted using the Economic and Labor Market Information Bureau’s New Hampshire Econometric Model – a REMI Policy Insight +[®] model. The scenario was developed to highlight the issue of an experienced workforce that is beginning to retire at a high rate, and how that rate of retirements may impact the regional economy.

There were 2,289 workers aged 55 to 64 in public administration in Merrimack County in 2012. This analysis evaluates two possible scenarios: one where the region is able to replace retiring workers and most of the retirees stay in the region, and another scenario that shows some of the impacts that could occur if these workers retire and they are not replaced by new workers.

In the first scenario, the region is able to replace this workforce and all of the economic benefits associated with it, and also adds the additional retirees, 75% who are assumed to stay in the region and continue to contribute to the economy through their income from retirement savings, pensions, and social security. This scenario shows a small economic gain from retirees who continue to live in the region, although these gains become smaller over time.

In the second scenario, 2,289 workers are removed from the Public Administration sector over a ten-year period, modeling the impact of these skilled workers not being replaced. These jobs being lost produce a multiplier effect of 1.3 to 1.4 jobs (including the job originally removed). Besides the primary loss in public administration jobs, the secondary impact of these job losses would be felt in all industry sectors, but particularly in Construction, Retail trade, Wholesale trade, and Healthcare and Social Assistance.

Measure	Scenario 1: Economic gains from retirees added to the economy, and their jobs filled by new workers	Scenario 2: Negative economic impact of losing jobs to retirement
Jobs	452 jobs gained by 2023	3,053 jobs lost by 2023
Economic impact	\$25.4 million above baseline economy (.29%)	\$189.2 million below baseline economy (2.1%)
Personal income	\$166 per capita	-\$245 per capita
Population	Gain of 1,521 residents	Loss of 1,641 residents

Source: [Economic Impact of an Aging State Government Workforce and Implications for the CNHRPC Region](#)

There is a negative economic impact for the loss of jobs through retirement. Any positive impact from retaining retirees is not enough to overcome the job loss. This highlights the importance of attracting and retaining a younger skilled workforce who will be able to replace the skilled workers lost through retirement.

Additional economic indicators identified in Table 5.2 are related to the region's labor force and recent unemployment rates. Unemployment rates for both 2012 and 2013 were compiled in order to portray recent trends, with the overall regional trend improving. In fact, 13 of the 20 Central NH Region communities experienced a decline in the unemployment rate between 2012 and 2013, led by the town

Table 5.3: Population Projections, 2015-2040

Community	2015	2020	2025	2030	2035	2040
Central NH Region Communities						
Allenstown	3,922	3,536	3,623	3,697	3,741	3,752
Boscawen	4,017	4,097	4,198	4,283	4,334	4,347
Bow	7,523	7,576	7,762	7,920	8,015	8,038
Bradford	1,712	1,787	1,831	1,868	1,890	1,896
Canterbury	2,491	2,651	2,716	2,771	2,804	2,812
Chichester	2,611	2,718	2,785	2,842	2,876	2,884
Concord	42,633	42,847	43,900	44,793	45,329	45,462
Deering	1,903	1,914	1,955	1,985	2,001	2,002
Dunbarton	2,973	3,213	3,292	3,359	3,399	3,409
Epsom	4,739	4,947	5,069	5,172	5,234	5,249
Henniker	4,924	5,047	5,171	5,277	5,340	5,355
Hillsborough	6,499	7,069	7,219	7,332	7,392	7,394
Hopkinton	5,541	5,528	5,664	5,779	5,849	5,866
Loudon	5,628	5,984	6,131	6,256	6,330	6,349
Pembroke	7,041	7,011	7,184	7,330	7,417	7,439
Pittsfield	4,090	4,101	4,201	4,287	4,338	4,351
Salisbury	1,478	1,586	1,625	1,658	1,678	1,683
Sutton	1,947	2,072	2,123	2,166	2,192	2,198
Warner	2,796	2,776	2,845	2,903	2,937	2,946
Webster	1,981	2,105	2,157	2,201	2,227	2,234

Source: NH Office of Energy and Planning, NH Regional Planning Commissions

of Warner with a drop from 5.7% to 4.6%.

Population projections, based upon current trends, as prepared by the NH Office of Energy and Planning in coordination with the NH Regional Planning Commissions are also of interest when examining the region's economy. While the region is expected to grow through 2040, rates are not expected to equal past growth rates. Demographic trends such as rising median ages, fewer school-age children, and decreased in-migration have resulted in the lower projected increases.

Table 5.4: Age Distribution of CNHRPC's Workforce 2000 & 2010

Age Category	% of Total CNHRPC Work Force in Age Category	
	2000	2011
16-24	14.3%	12.9%
25-34	19.0%	16.6%
35-44	28.6%	20.6%
45-54	24.1%	26.5%
55-64	10.7%	18.8%
65 & Older	3.4%	4.5%

Source: US Census 2008-2012 American Community Survey

The overall aging of the region's workforce is outlined in Table 5.4. Since 2000, the percentage of the workforce aged 45 and above has increased significantly, to nearly 50% of the overall workforce. The decline in the percentage of the younger workforce is consistent with concerns during the Plan's public input process regarding the loss of young workers to more metropolitan areas, and the combined increase in those 55 and older is notable.

The region compares favorably with both the state and nation with regards to educational attainment, specifically the percentage of those between the ages of 25 and 64 with a bachelors degree or higher.

Table 5.5: Educational Attainment Comparison, 2012

Age Category	CNHRPC		New Hampshire		United States	
	% High School Graduate or Higher	% Bachelor's Degree of Higher	% High School Graduate or Higher	% Bachelor's Degree of Higher	% High School Graduate or Higher	% Bachelor's Degree of Higher
18-24	75.0%	10.3%	76.2%	9.2%	74.5%	9.3%
25-34	87.1%	33.2%	91.0%	32.0%	87.5%	31.6%
35-44	95.7%	35.9%	92.2%	34.2%	87.5%	31.8%
45-64	94.0%	34.8%	92.3%	34.3%	87.8%	28.8%
65 & Older	86.4%	27.3%	83.7%	31.3%	77.9%	21.5%

Source: *US Census 2008-2012 American Community Survey*

Employment trends since 2005 reflect national trends and detail the impact of the recession on the economy, with overall regional employment approximately the same in 2013 as it was in 2005 as the recovery has been underway for several years. Employment in the goods producing sector (manufacturing, construction, agriculture, mining) was significantly higher in 2005 than in 2013, although the sector has slowly gained ground since 2010 (more detailed information regarding manufacturing trends can be found in Table 5.8). The services sector has also increased since 2010, although it did not decline as dramatically due to the recession. Overall, service sector employment increased by more than 1,500 employees over the period.

While overall government sector employment in 2013 was almost the same as in 2005, government employment has actually dropped by 761 since 2008, almost entirely the result of the decrease in state government employment in the region. Regional unemployment trends also mirror the overall economy, although the Central NH Region has had a consistently lower unemployment rate than the state of New Hampshire since 2005.

Table 5.6: CNHRPC Labor Force and Unemployment, 2005 through 2013

Year	Employment				Unemployed	Unemployment Rate	
	Goods Producing	Services Providing	Government	Total Employed		CNHRPC	NH
2005	7,897	36,251	14,722	58,870	1,954	3.2%	3.6%
2006	7,553	37,248	14,983	59,784	1,993	3.2%	3.5%
2007	7,037	37,659	15,107	59,803	2,114	3.3%	3.5%
2008	6,862	37,482	15,302	59,646	2,304	3.6%	3.9%
2009	6,170	36,989	15,257	58,416	3,569	5.6%	6.2%
2010	6,172	36,885	15,279	58,336	3,525	5.6%	6.2%
2011	6,389	36,892	14,980	58,261	3,140	5.0%	5.5%
2012	6,477	37,548	14,730	58,755	3,064	4.9%	5.5%
2013	6,503	37,777	14,541	58,821	2,983	4.8%	5.3%

Source: *NHnetwork, NHES Economic and Labor Market Information Bureau*

The decrease in the number of manufacturing jobs in the region is depicted below in Table 5.7. It is estimated by the NH Employment Security Economic and Labor Market Information Bureau that the region lost nearly 1,500 manufacturing jobs between 2005 and 2010, from 5,420 to 3,921, and since that time has had a slight increase to just over 4,000 manufacturing jobs in the 20 community area.

Table 5.7: CNHRPC Manufacturing Employment, 2005 to 2012

Year	Number of Job Sites	# Change	% Change	# of Jobs	# Change	% Change
2005	174	-	-	5,420	-	
2006	171	-3	-1.7%	4,989	-431	-8.0
2007	168	-3	-1.8%	4,647	-342	-6.9%
2008	164	-4	-2.4%	4,520	-127	-2.7%
2009	155	-9	-5.5%	4,040	-480	-10.6%
2010	156	1	0.6%	3,921	-119	-2.9%
2011	156	0	0%	4,081	160	4.1%
2012	158	2	1.3%	4,119	38	0.9%
2013	156	-2	-1.3%	4,081	-38	-0.9%

Source: NH Employment Security Economic and Labor Market Information Bureau, Covered Employment & Wages - Annual Averages

A comparison of annual weekly wages by sector for the region and the State of New Hampshire also reflects the impact of the recession, especially related to wages in the goods producing sector that remained relatively static since 2007. While the evidence of the recovery can be seen, weekly wages in the Central NH Region are still behind the state averages for both the good producing and service providing sectors.

Table 5.8: CNHRPC and State of New Hampshire Annual Weekly Wages, 2005 through 2013

Year	CNHRPC Region			State of New Hampshire		
	Total (Private and Government)	Goods-Producing Industries	Service-Providing Industries	Total (Private and Government)	Goods-Producing Industries	Service-Providing Industries
2005	\$710.94	\$839.89	\$680.41	\$771.84	\$958.48	\$744.15
2006	\$741.40	\$874.30	\$711.67	\$816.30	\$1,013.11	\$780.04
2007	\$779.40	\$961.08	\$740.60	\$843.46	\$1,054.16	\$802.65
2008	\$800.88	\$961.30	\$758.28	\$863.66	\$1,074.60	\$821.93
2009	\$820.92	\$935.59	\$766.66	\$864.05	\$1,066.42	\$823.81
2010	\$829.03	\$971.17	\$780.06	\$883.88	\$1,119.47	\$841.75
2011	\$845.89	\$985.23	\$798.98	\$909.31	\$1,140.95	\$868.65
2012	\$858.51	\$1,004.99	\$816.82	\$928.33	\$1,152.07	\$893.72
2013	\$870.26	\$1,021.94	\$827.22	\$941.75	\$1,173.11	\$905.20

Source: NHES Economic and Labor Market Information Bureau, Quarterly Census of Employment and Wages (QCEW) Program

PROJECTED EMPLOYMENT

The NH Economic and Labor Market Information Bureau periodically prepares economic projections at the state, county level and regional planning commission levels. The most recent projections were developed through 2020 and are found below in Table 5.9. Overall, employment is expected to increase by approximately 10% over the ten year period, with the highest rate of increase expected in health

care, retail, government and services. It is interesting to relate the projections by industry classification to the potential clusters identified in the CEDS Industry Cluster Analysis, which again identified Business and Financial Services, Medical Services, Arts and Entertainment, and Information Technology as potential growth clusters, reinforcing the importance of targeting these industries. It is also important to note the projected increase in construction employment and the moderate expected increase in manufacturing has already been exceeded according to 2013 estimates.

Table 5.9: CNHRPC Employment Projections 2010 to 2020

Industry	Estimated 2010	Projected 2020	2010-2020 Change	
			Numeric	Percent
Goods-Producing Industries	7,139	7,665	526	7.4%
Agriculture, Forestry, Fishing and Hunting	1,320	1,346	26	2.0%
Mining	78	76	-2	-2.6%
Construction	1,820	2,249	429	23.6%
Manufacturing	3,921	3,994	73	1.9%
Subtotal (Goods-Producing Industries)	7,139	7,665	526	7.4%
Service-Providing Industries	53,399	59,429	6,030	11.3%
Utilities	275	257	-18	-6.5%
Wholesale Trade	2,833	3,154	321	11.3%
Retail Trade	7,360	8,002	642	8.7%
Transportation and Warehousing	1,034	1,034	-161	-15.6%
Information	429	450	21	4.9%
Finance and Insurance	2,585	2,748	163	6.3%
Real Estate and Rental and Leasing	577	654	77	13.3%
Professional, Scientific, and Technical Services	2,295	2,679	384	16.7%
Management of Companies and Enterprises	336	354	18	5.4%
Administrative and Support and Waste Mgt. Services	1,387	1,663	276	19.9%
Educational Services	5,577	5,902	325	5.8%
Health Care and Social Assistance	10,567	13,247	2,680	25.4%
Arts, Entertainment, and Recreation	919	1,072	153	16.6%
Accommodation and Food Services	3,615	3,853	238	6.6%
Other Services (Except Government)	3,263	3,671	408	12.5%
Government	10,347	10,850	503	4.9%
Subtotal (Services-Providing Industries)	53,399	59,429	6,030	11.3%
Self-employed and Unpaid Family Workers	5,267	5,530	263	5.0%
Total Employment	65,805	72,774	6,819	10.4%

Source: *New Hampshire Employment Security, Economic & Labor Market Information Bureau, June 2013*

ECONOMIC DEVELOPMENT EFFORTS IN THE REGION'S COMMUNITIES

While this Chapter has emphasized the regional economy and CEDS priority projects, economic development is truly a local issue. The following summarizes local economic development efforts and outlines several tools that have already been utilized by area communities.

LOCAL MASTER PLANS

Local master plans have a number of opportunities that can set the stage for economic development. The majority of the community master plans in the region have one or more goals or individual chapters that address the role of the economy in their community. Fourteen master plans (70%) in the region have goals that focus on providing economic opportunities and/or ensuring that such development does not detract from the community's identity or rural character. The region and its communities have a strong, local ethic when it comes to attracting small business that are in keeping with community character. Thirteen plans (65%) mention a balance between economic development and the current land use patterns in their goals. Twelve (60%) specifically identify the promotion of economic development in the master plan. Nine communities in the region have included all of these goals in their master plans.

Examples of provisions related to economic development throughout the region include:

To increase the diversity in the type of businesses within the downtown (Pittsfield),

To establish an Economic Development Committee to advise, implement, and coordinate economic development efforts (Warner),

To explore potential changes to the zoning and building code to allow more opportunities for business development (Pembroke),

To encourage businesses and a post office to locate to the Village area (Loudon),

To ensure that commercial and retail development has a positive impact on the environment, historic character, social character, and existing development patterns within the Town (Henniker),

To encourage tax revenue-generating businesses which retain community character (Deering), and

To focus the City's economic development efforts primarily on redevelopment of previously developed parcels (Concord).

LOCAL ECONOMIC DEVELOPMENT COMMITTEES

Approximately 50% of the region's communities have formed local economic development committees. General duties and mission statements vary by community, but generally relate to the promotion of economic prosperity, creating and retaining jobs, diversifying and expanding the tax base, and providing advice to boards of selectmen (or city council) on matters related to economic Development.

Some of the activities an Economic Development Committee (EDC) can undertake are as follows:

Concord Downtown Complete Streets Improvement Project

The Concord Main Street Project, scheduled to be completed in late 2016, is a transportation improvement/economic vitality project designed to convert Main Street from four lanes to two lanes while at the same time improving pedestrian amenities and the streetscape. The total cost of the project is estimated to be approximately \$11.5 million with \$4,710,000 of the project funded through a federal TIGER (Transportation Investment Generating Economic Recovery) discretionary grant. The project also includes improvements to other adjacent city spaces to promote Main Street as "a destination for residents and visitors alike."

Source: www.concordmainstreetproject.com

- Provide economic development support to boards and commissions. The EDC can comment on development applications pending before the planning board, zoning board of adjustment, and governing body of the community.
- Assist in the creation of an Economic Revitalization Zone (ERZ) administered by the New Hampshire Department of Resources and Economic Development. ERZ's can provide short-term, tax credits against business profits and business enterprise taxes for new and expanded business development, which creates new jobs.
- Coordinate with utilities on access to natural gas, telecommunications, and electricity for the business development areas.
- Participate actively in NH Department of Transportation projects to ensure that local economic development issues are addressed.
- Meet with land owners to identify available sites for development and to help market suitable sites.
- Establish an ongoing program to visit existing businesses to improve the climate for business growth.

Available Local Economic Development Tools

There are a number of tools available to local communities to assist in local economic development efforts, notably Tax Increment Financing (TIF) and the Community Revitalization Tax Relief Incentive (RSA 79-E). To date, three Central NH Region communities have developed TIF districts (Bradford, Concord and Pembroke), while four have adopted provisions of RSA 79E (Concord, Hillsborough, Hopkinton and Pittsfield).

Tax Increment Financing (TIF)

A TIF is used to finance public improvements with the incremental taxes created by new construction, expansion or renovation of property within a defined portion (district) of the community. After the TIF is established, a portion of the taxes generated from new incremental assessed value would be dedicated for use within the TIF district instead of being distributed to the general fund. Because 100% of the funds can be made available, a bond can be paid off much quicker than if general funds were used.

A TIF is a tool used to pay for improvements that can foster community development. Revenue generated will be used to overcome an obstacle to development (roads, utilities, etc.) for the benefit of the community. A TIF is most effective when new private development won't take place without the completion of certain public improvements.

The "rules" of a TIF include:

- Funds raised within a TIF must be expended within that same TIF district.
- A District may be enlarged.
- There is no limit to the number of TIFs in town.
- A TIF cannot have more than eight percent of the community's assessed value or more than five percent of the land area.
- All TIFs in a municipality combined cannot make up more than ten percent of the community's land area.

A TIF must be timed right, demonstrate value for the community, and have as many safeguards as possible (commitments from developers, etc.). It is important not to rush the process. The community need to know what the money will be spent on and how it will benefit the community before establishing the district, developing a plan, and bonding.

Steps for establishing a TIF district:

- Adopt the provisions of RSA 162-K (this gives the community the power to establish a district).
- Establish the district (RSA-K:5). This establishes the actual district.
- Adopt a Development Program and TIF Plan.
- Once these are established, bonding and construction can then take place.

RSA 79E: Community Revitalization Tax Relief Incentive

The adoption of the provisions of RSA 79E encourages investment in central business districts, neighborhood business districts, downtowns, and village centers. Its goal is to encourage the rehabilitation, replacement and active reuse of under-utilized buildings and, in so doing, to promote strong local economies and, promote smart, sustainable growth, as an alternative to sprawl, in accordance with the purpose and objectives of RSA 9-B (State Economic Growth, Resource Protection, and Planning Policy).

How RSA 79E works:

- In a municipality that has adopted this enabling legislation, a property owner who wants to substantially rehabilitate a building located in a designated district may apply to the local governing body for a period of temporary tax relief.
- The temporary tax relief, if granted, would consist of a finite period of time during which the property tax on the structure would not increase as a result of its substantial rehabilitation or replacement. In exchange for the relief, the property owner grants a covenant ensuring there is a public benefit to the rehabilitation or replacement.
- Following expiration of the finite tax relief period, the structure would be taxed at its full market value taking into account the rehabilitation or replacement.

The legislation requires a strong public process and grants communities substantial discretion:

- Any city or town may adopt this program with the majority vote of its legislative body.
- Applications by property owners are made to the governing body and are accompanied by a public notice and public hearing.
- The governing body may grant tax relief if the application meets the guidelines and public benefit test.
- The governing body may deny the application in its discretion: “such denial shall be deemed discretionary and shall not be set aside by the board or tax and land appeals or the superior court except for bad faith or discrimination.” (79-E:4 V)

A property owner can apply for the tax relief only if:

- The building is located in the community’s downtown district (or equivalent neighborhood business district)
- The rehabilitation or replacement costs at least 15% of the building’s pre-rehab assessed value, or \$75,000, whichever is less, and
- The rehabilitation or replacement is consistent with the municipality’s master plan or development regulations.

PUBLIC SENTIMENT REGARDING THE LOCAL ECONOMY

CNHRPC staff attended numerous local events such as local farmers markets and festivals and hosted a number of sub-regional forums during the Central NH Plan’s development process to seek input and identify resident’s values and needs. The state of the economy was often a major topic of discussion during these sessions and in comments included in comment cards distributed during the process.

REGIONAL PERSPECTIVES FROM COMMENT CARDS AND REGIONAL INPUT SESSIONS

Responses on the comment cards were often related to the region’s economic vitality, from the perspective of what residents like best about the area as well as what could be improved.

What Works?

Economic vitality, or aspects of economic activity, is the third most frequent response to “What do you like best about the area?”

- Enjoy downtown centers of commercial activity
- Support small, local businesses
- Business and job opportunities are available
- Diversity of the economy

Needs Improvement?

Economic vitality (or economic development) is the most frequent response to “What could make this area better?”

- More retail, restaurant, downtown business
- Economic and job opportunity
- Desire for controlled growth
- Lower taxes and balanced tax base
- More industry and business development

During the regional input sessions held in Bow, Hillsborough and Pittsfield, participants expressed an appreciation for the region’s quality of life and noted that the area’s natural resources and good schools can be used to promote the region and its identity. The theme of demographic change and how to attract and retain young people and families was also discussed, with the need for more job opportunities and a variety of housing choices emphasized.

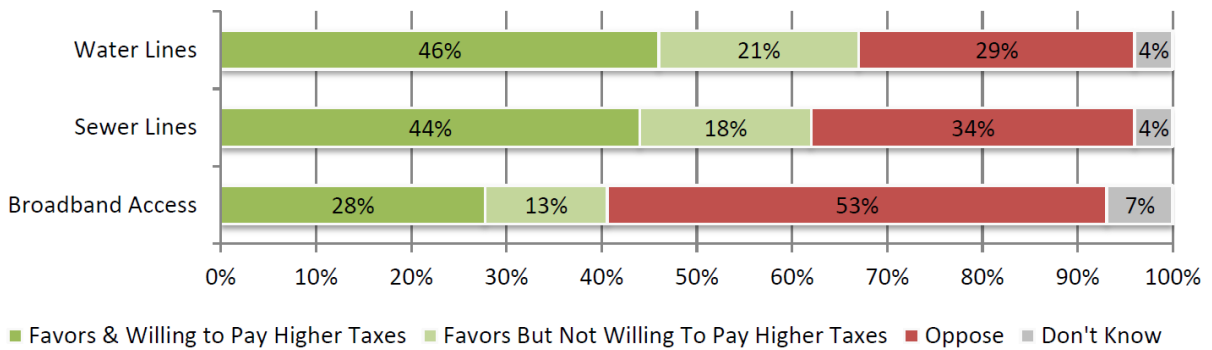
The availability of adequate broadband throughout the region was also identified as a key economic development issue, as was the idea that the region’s downtown areas merit attention and are a reason for confidence as both younger workers and seniors are often attracted to more urbanized areas that are close to services, jobs and entertainment choices.

REGIONAL SURVEY

A 2013 telephone survey conducted by the University of New Hampshire Survey Center for the nine Regional Planning Commissions gauged residents opinions on a range of issues, including economic development. For statistical significance, residents in the Central and Lakes Regions were combined.

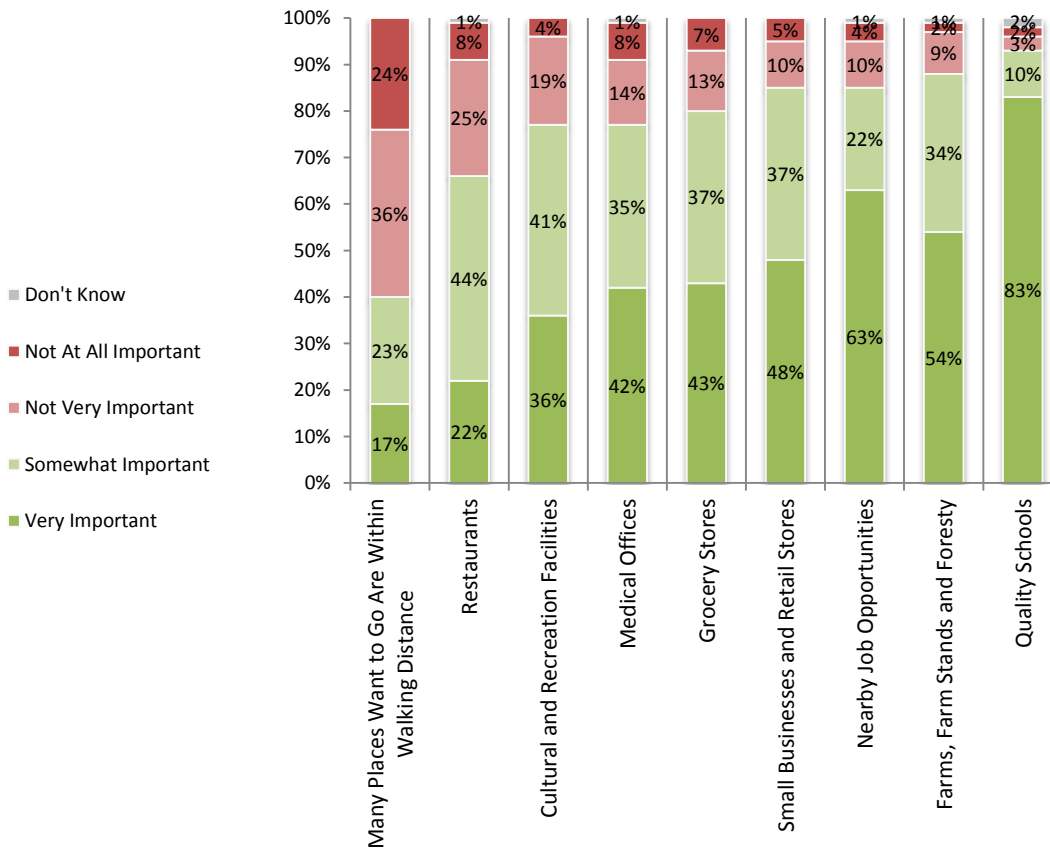
A key question included in the survey asked “What should be actively encouraged in your community?” Among the survey respondents, 84% identified “Expanding or Promoting Current Businesses,” and 77% selected “Attracting more non-polluting light industry.” As also described in the Natural Resources Chapter, two out of three residents favor using municipal funds to provide water lines to existing and potential development, followed by sewer lines and broadband access. Out of the 67% prioritizing water lines as the highest, only 46% are willing to pay higher taxes for it.

Figure 5.2: Favor or Oppose Using Municipal Funds to Provide Utilities for Development



Source: *New Hampshire Regional Planning Commissions, A Granite State Future 2013 Statewide Survey Central & Lakes Region Report. July 2013*

Figure 5.3: How Important is it to have in your Community?



Source: *New Hampshire Regional Planning Commissions, A Granite State Future 2013 Statewide Survey Central & Lakes Region Report. July 2013*

Finally, residents were asked their opinion on what was important to have in their community. Quality schools, nearby job opportunities, small businesses and retail stores were noted to be either very important or somewhat important to at least 80% of the respondents.

IMPLICATIONS FOR LOCAL/REGIONAL PLANNING: CHALLENGES AND OPPORTUNITIES

While the region has a number of inherent advantages beginning with quality of life, location and an educated workforce, there are also a number of challenges. The need to attract and retain a skilled workforce in light of demographic changes and the trend for younger workers to look elsewhere for education and employment, infrastructure needs including improved broadband in many areas, improved promotion of the region, and the clarification of public permitting processes were all identified as challenges and opportunities for the future.

CHALLENGES AND OPPORTUNITIES

Regional Broadband Needs

The Central NH Region is similar to other areas in the United States with a mix of rural and urbanized areas, a land use pattern that directly affects the availability of adequate broadband coverage. In much of the region, residents and businesses have a variety of choices regarding their broadband services to meet their current requirements. While those areas are served adequately, there are many smaller areas and neighborhoods throughout the Region that are underserved or unserved with regard to broadband, notably the communities in the region's northwest including Bradford, Salisbury, Sutton, Warner and Webster. In addition, there are areas of lower density throughout much of the remainder of the region that have inadequate broadband coverage as well.

While not the case in every instance, the typical set of circumstances that signify the inability to access adequate broadband services are based upon location, specifically the rural nature of a community, and the identity of the broadband service provider in a given area. Many Central NH communities have access to cable broadband or DSL provided by a variety of providers. At the time of the development of the Central NH Plan, areas in a number of communities will soon have access to fiber to the home (FTTH)

Brownfield sites in the Central NH Region

Brownfield sites are defined by the United States Environmental Protection Agency (EPA) as “real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.”

New Hampshire developed a Brownfields Program in an effort to encourage the voluntary identification of abandoned or run down sites known to be contaminated so to be addressed and remediated if needed. The Program allows owners of these sites to seek remediation funding assistance and other support by providing the ability to apply for federal grant money through the EPA's Brownfields State Response Program to help offset the costs for cleanup. The Capital Region Development Council (CRDC) maintains a cleanup revolving loan fund as well.

The EPA provides grants to municipalities and “regional councils” for the purpose of assessing assumed sites. The city of Concord has received assessment and cleanup funding in the past, and CNHRPC will pursue this funding in the future. If funded, municipalities could suggest local sites in need of assessment.

services. At the same time, many areas must still rely on mobile broadband services that are more expensive and generally not as reliable.

The lack of available or adequate broadband was a common theme during the Central NH Regional Plan public input process, and was discussed as a key economic development issue as well as a factor for young professionals and for home purchase decisions.

The improvement of broadband services in the region's rural areas is not an easy task. The issue of return of investment for a broadband service provider is often valid, so in some cases a more proactive approach on the part of a community (or group of communities) may be necessary in order to move forward with improved service. Beginning with the process to update cable franchise agreements where the provision of continued buildout in unserved rural neighborhoods may be discussed, communities can also investigate and promote the use of other technologies such as wireless broadband in order to better cover all areas of a community. CNHRPC is committed to supporting the work of local or sub-regional broadband advocacy groups to further the development of broadband services throughout the region.

Annual CEDS Update

Following the initial preparation of a regional CEDS, the document should be reviewed and updated on an annual basis. The process is designed to allow for annual updates of the priority project list and to evaluate the plan's implementation. The proposed addition of the City of Manchester to the existing 25 community CEDS area will be a fundamental issue to be discussed during the update. The City of Manchester currently has a stand-alone CEDS in place.

Potential Economic Development District Designation

Regions that have a Comprehensive Economic Development Strategy (CEDS) in place can apply to the US Economic Development Administration (EDA) for designation as an Economic Development District (EDD). The potential designation of an EDD covering the Central/Southern NH CEDS region represents an opportunity to provide a variety of services to both stimulate and support local economic growth. The designation, if granted, would provide several benefits that directly encourage economic growth:

- Technical Assistance and Training: An EDD can provide business training services for entrepreneurs.
- CEDS Annual Update: EDD's may receive funding directly from the EDA to periodically update the CEDS. This would ensure that it remains current and relevant.
- Infrastructure Assistance: An EDD can assist communities in developing financial packages and can assist in project management for infrastructure improvements.
- Regional Economic Advocacy: Advocating for the region and its economy is a key focus of many EDDs. From a regional website to "branding" the region, an EDD can provide an economic development voice for its communities.

With a board comprised of local citizens and members of the business community to guide its direction and economic development professionals on staff, an EDD represents a real opportunity to provide economic development assistance to local communities.

Clarification of the local planning/permitting process

The clarification of the public planning/permitting process was identified during the CEDS SWOT analysis. While this relates to the recommendation of improving online access to business development

information for the region’s smaller communities, a key recommendation relates to identifying areas within local planning processes and regulations that could be clarified or streamlined.

A common example in the Central NH Region is the minor site plan review process. With the prevalence of home-based businesses in the region, the threshold for deciding if a proposal merits site plan review is a common point of discussion. The clarification of thresholds for planning board review, and options for waivers of plan requirements for minor site plan proposals are important elements of a straightforward and predictable plan review process.

The Regional Workforce

Although the lack of a research university in close proximity to the region is identified as a regional weakness in the CEDS SWOT analysis, the region’s schools are clearly a regional strength and an opportunity for the future. In addition, an educated pool of older workers provides a major source of experienced labor for the region’s employers.

A strong, available local workforce is another element of a region’s competitive advantage. The close proximity of NHTI and the emphasis on 21st Century Skills in programs such as the recent efforts by the Pittsfield School District offer a great opportunity to grow the workforce from within.

New Hampshire Motor Speedway

Any discussion of the regional economy must include the impact of the 93,521 seat New Hampshire Motor Speedway (NHMS) in Loudon. Beyond the NASCAR Sprint Cup series held annually in July and September, NHMS hosts a variety of races and other events throughout the year. NHMS is a major draw for visitors and has a major economic impact on the region and the state of New Hampshire overall.

Regional Promotion/Web portal

The development of a regional brand and creation of a regional web portal as recommended in the CEDS process are two elements of a strategy designed to better promote the region. The region’s natural resources and strong quality of life are opportunities to capitalize on, but it must be understood that the Central NH Region is competing with other similar regions for potential economic development opportunities. Beyond branding and the web portal, the promotion of the region’s available commercial sites can also be enhanced through the development of a “certified sites program”, similar to the *ReadySetGo!* Program developed by the Southern NH Planning Commission. The program essentially moves a site partially through the planning process in an effort to pre-certify commercial sites and assist in their marketing.

CENTRAL NH VISION – ECONOMIC DEVELOPMENT

A combination of what we heard from the surveys and public outreach sessions and what we know from research and data analysis/ trends and the work of the CEDS Strategy Committee during the preparation of the Central/Southern NH CEDS was used to develop the following vision for the region’s economy.

“The Region has a diverse and thriving economy that takes advantage of the region’s strong natural and cultural assets and builds on existing businesses while encouraging entrepreneurial opportunities and innovation”

The guiding principles that follow are focused on the refinement of this vision and build the foundation for the action items that are identified at the conclusion of this Chapter. These principles were formulated during the CEDS development process and are based upon the CEDS Goals and Objectives.

GUIDING PRINCIPLES

- Encourage economic development that is a “good fit” for the region and fosters a prosperous quality of life that provides opportunity and supports the needs of the region.
- Connect communities to a global economy with expanded and faster broadband and telecommunications.
- “Grow our own” by focusing on retention, expansion and fostering a climate of investment and economic opportunity in the region.
- Position and protect the quality of life as an asset of the region that can attract and retain employees, employers and visitors.
- Promote and develop new and existing businesses.
- Strengthen the regional identity as a good place for business, residents and tourism.
- Support and strengthen key regional industry clusters.

These guiding principles translate into the following actions items that also can be found in the Plan’s Implementation Chapter.

ACTION ITEMS

- Facilitate the expansion and upkeep of infrastructure, including but not limited to water, sewer, transportation, and energy related projects as identified in the region’s CEDS Priority Project list (see Table 5.1).
- Encourage efforts to clarify local governmental processes to foster a business friendly environment. Make various additional development information available online including property listings, demographic data, economic data, transportation data, etc.
- Encourage and provide support to communities to establish local economic development committees.
- Explore Regional Economic Development District (EDD) feasibility and possibilities.
- Develop a regional brand.
- Reinforce and strengthen regional industry clusters and industries of local importance, including the development of strategies for the expansion of complementary businesses and services.
- Expand telecommunications, broadband services and other information technologies throughout the region. Encourage communities to work together to address broadband needs on a regional or sub-regional basis.
- Encourage the assessment and cleanup of brownfield sites throughout the Central NH Region for reuse or redevelopment.
- Encourage home business expansion and development.

- Support the development of a strong, local workforce, including quality education.
- Encourage municipalities to identify and certify properties for use/reuse.
- Expand business technical assistance and development assistance services.

RESOURCES

CNHRPC/SNHPC (2014). *Central/Southern NH Comprehensive Economic Development Strategy (CEDS)*

Camoin Associates (2011). *Central NH Region Industry Cluster Analysis*

Arnett Development Group, LLC (2013). *Central/Southern RPC Economic Development Strengths, Weakness, Opportunity and Threat (SWOT) analysis*