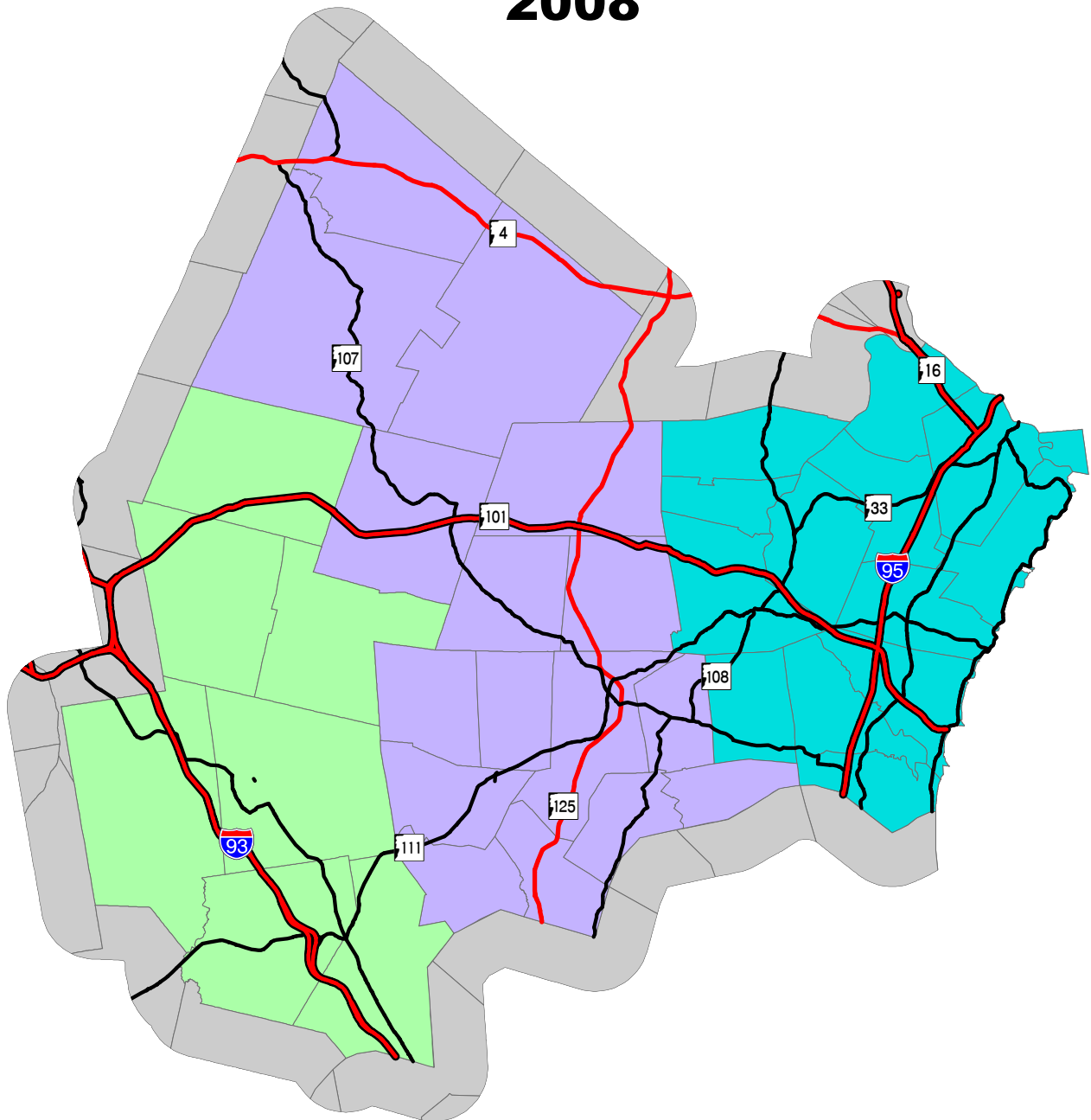


# COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) ROCKINGHAM COUNTY, NH 2008



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# 2008 CEDS UPDATE

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## Part I - Executive Summary

The Rockingham Economic Development Corporation (REDC), has been coordinating the Strategic Planning process in the Rockingham County Development District since 2000. Funded by the Economic Development Administration (EDA) of the US Department of Commerce as a Planning Investment, the Comprehensive Economic Development Strategy (CEDS) is a tool that guides our region into the future, identifying goals and objectives that encourage economic stability, vitality, and advancement.

The CEDS planning process seeks to maintain a grass roots exchange of ideas, opinions and solutions, among those communities, residents and businesses we serve. The CEDS process acts as a catalyst and forum from which we identify our goals and how to attain them. We identify our strengths, weaknesses, opportunities and threats to the regional economy. We encourage economic development and infrastructure projects throughout the region when they seek to create jobs, foster new business ideas, or preserve our natural and environmental assets.

We have sought partnerships that cross state lines into the State of Maine, to join forces on economic development issues and threats common to both our States. Our Bi-State Initiative, begun two years ago, has fostered a “joining of forces” in the areas of housing and transportation meetings, skill training and the development of new technologies. We have commissioned studies with our University partners on “green” jobs, and green technologies that will hopefully lead us forward in the coming year to an implementation strategy that fosters “green” growth.

We continue to encourage the private sector in this planning process to ensure that what we do has “real world” outcomes that create jobs and better our region.

The CEDS Update 2008 is well organized and designed so the reader may identify the section of interest easily through our table of contents. We discuss what actions took place in the past year. We take a look at the regional economy and changes that have occurred from last to this year. With our partner organization, the Rockingham Planning Commission, we provide data tables and charts (see appendix) in a variety of economic indicators, comparing the 37 towns in the region by sub-region ( seacoast, central and west), by county, by state and country. The project section describes the progress of specific projects in the region that foster our stated goals. We include studies and other analysis that has helped guide our strategy. Lastly, we evaluate our planning process and plan to ensure that we constantly maintain a high quality and can show evidence of moving our goals forward.

In the end, we hope that we have created a “content rich” document and fostered a climate for future discovery, innovation and change. We welcome your thoughts on the Rockingham County Economic Development District Strategic Plan.

## **Part II - Comprehensive Economic Development Strategy (CEDS) Steering Committee**

For the period from July 1, 2007 to June 30, 2008, the Rockingham Economic Development Corporation, Inc. (REDC) fulfilled its partnership role with the Economic Development Administration (EDA) of the U.S. Department of Commerce through the maintenance of a continuous, comprehensive planning process, support of local economic development projects and the promotion of regional economic development projects. The follow-up to the Bi-State Summit has continued to have Rockingham County and York County focus upon common issues affecting the regional economy. While many of this year's activities were in relation to completing the Annual CEDS Update for 2008, i.e., the grass-roots process and document, identifying priority projects in the region and supporting the economic development efforts of the private sector and local municipalities, the principal focus remained working across state lines to implement an overall strategy to ensure economic development activity in the Bi-State region.

The Rockingham County CEDS Steering Committee met four times during the past year and continued to play a role in developing project criteria, prioritizing projects in the region and endorsing the Annual CEDS Update for 2008. Project proponents continued to make presentations at the CEDS Steering Committee meetings and respond to questions from the Committee members on their projects. Other economic development stakeholders, such as John Rudolph, were able to provide an overview of their activities in support of economic expansion in the Bi-State region. The CEDS Steering Committee continues to provide a means for input from the private sector, state government, community colleges and local government that improves the quality of the CEDS process and annual document. In addition to the CEDS Committee, REDC continues to publicize its activities through its web site, flyers and newsletters, while encouraging input from other economic development stakeholders in Rockingham County.

The CEDS Steering Committee met initially on November 27, 2007 (see Agenda and Minutes in Appendix I) and was introduced to Laura Scott, REDC's new Economic Development Planner. After a brief discussion about a possible successor to Rita Potter, the Committee reviewed the draft Table of Contents for the Annual CEDS Update for 2008 and discussed regional projects, project criteria and the approval process for priority projects. Ms. Scott asked the Committee for suggestions to expand the distribution list for the CEDS document through CDs and the REDC website. Ms. Cappello next outlined the Bi-State Summit Implementation Project, which was intended to build upon the successful Bi-State Summit events held previously. Components of this project were to include the BioTechnology and Life Sciences event and a "Green Financing" Workshop. These efforts tie in with the work of the Southern Maine Regional Planning Commission through John Rudolph on the "Green" Forum Series. The recent publication of "Communities in Crisis" by Peter Francese analyzes the demographic trends in New Hampshire and is a direct result of Mr. Francese's work on the Visioning Session for the Five-Year Rockingham County CEDS in 2005. Chris Rose, the Town Manager of Raymond,

provided a brief presentation on the status of the Exit 4 Route 101 project. Ms. Cappello informed the members that the future CEDS Steering Committee meetings would be held on Thursdays.

The next CEDS Steering Committee meeting was held on February 20, 2008 (see Agenda and Minutes in Appendix I). Ms. Cappello provided an update on the EDA rule changes and introduced Bob Zickell as a new member of the Steering Committee, representing the private sector. Ms. Cappello briefed the Committee on Professor Charles Colgan's presentation on BioTech Part I held recently at the New Hampshire Community Technical College at Pease. Ms. Cappello then distributed a proposal from Professor Ross Gittell entitled "Research Proposal: Outlook for Employment in the Environmental Services Sector in New Hampshire". Ms. Cappello requested comments on the proposal and indicated that this study would be presented at the Bi-State Summit Follow-up Event on June 6<sup>th</sup>. The Steering Committee then discussed the proposed Green Forum Series. Cliff Sinnott updated the Committee on the awarding of five Phase I site assessment grants within the region. The Steering Committee proceeded to discuss the project priority list, including the New Hampshire Biotech Incubation Warehouse Conversion and the Black Bear TIF projects. Upon discussion of the Project Priority RFP package, a lengthy discussion was held regarding eligibility criteria. After this discussion, the Committee approved the RFP package to be sent out to local communities, non-profits and other interested parties. Dean Eastman of the New Hampshire State Department of Transportation indicated their interest in reducing salt on Route 93 and requested comments and suggestions in dealing with this environmental problem. Lin Tamulonis of Great Bay Community College reported that the Portsmouth Naval Shipyard will be hiring 550 new employees during the next year, as well as an additional 200 employees the following two years. Training for these positions will be completed at Great Bay Community College.

The CEDS Steering Committee met for the third time on April 16, 2008 (see Agenda and Minutes in Appendix I) and received a presentation from John Rudolph on the Bi-State Green Project (BGP) tasks. BGP was described as a strategic planning effort to develop a coordinated response to three interconnected mandates: the need to use energy more wisely, the need to reduce greenhouse gas emissions and the need to create opportunities for sustainable economic growth in the region. Ms. Cappello reminded the Committee that Professor Ross Gittell had been hired to complete a labor forecast study on the potential for "green collar" jobs in Rockingham County. Mr. Sinnott added that the ultimate aim of BGP is to meet the identified criterion of reducing emissions with a CEDS connection of the potential for new technology that will create well-paying jobs. Mr. Rudolph wants to educate local companies on the programs and initiatives available to them and to attract manufacturing businesses in the biotechnology field to the Bi-State area. Ms. Cappello announced that the Bi-State Summit Follow-up Event, tentatively scheduled for June 6<sup>th</sup>, would likely be postponed until the Fall. Mr. Sinnott urged the members to attend the Transportation MPO meeting scheduled for April 30<sup>th</sup> at Dover City Hall. Scott Dunn, Town Manager for Seabrook, then made a presentation on the Route 107 / I-95 Bridge Expansion project and responded to questions from the Committee members. Ms. Cappello updated the Committee on the Granite Meadows project, the Smuttynose Brewing Company Expansion, the Squamscott Community Commons project, the Town of Derry Rail Trail, the Water and Sewer Extension project in Derry, the

Route 28/Manchester Road Reconstruction project in Derry, the New Hampshire Biotech Incubation Warehouse, the Regional Water Supply project in Epping and the Newmarket Mill project. The Committee then voted to approve the 2008 CEDS Priority Project list as presented.

At the final CEDS Steering Committee meeting on August 13, 2008 (see Agenda and Minutes in Appendix I), the Committee approved the Annual CEDS Update for 2008, including the Priority Project list, with their specific recommendations and referred the CEDS document to the REDC Board of Directors for their final vote and approval. The REDC Board of Directors, based upon the recommendations of the CEDS Steering Committee, approved and ratified the Annual CEDS Update for 2008 on August 14, 2008 (see Annual CEDS Update Approval in Appendix 3).

## **Part III - Past Year's Activities**

In implementing the third year of the Five-Year Comprehensive Economic Development Strategy (CEDS) established in 2005, Rockingham Economic Development Corporation, Inc. (REDC) has maintained its partnership with EDA in encouraging and supporting economic growth in Rockingham County, while focusing on Bi-State initiatives that can benefit New Hampshire and Maine. As the designated administrator for the Rockingham County Economic Development District (EDD), REDC has actively encouraged the involvement of economic development stakeholders in the CEDS process and has provided technical assistance to local municipalities in their economic development efforts. REDC has also built upon the successful Bi-State Summit through various economic development initiatives and is prepared to address the future of the Portsmouth Naval Shipyard. By addressing future economic opportunities in the “green” and marine science industries, REDC, working in partnership with its Maine counterparts, can develop a more diversified, sustainable economy. REDC looks forward to building upon the framework established this past year and to identifying additional economic opportunities in the region.

This section provides a summary of the past year's activities and attempts to demonstrate what other economic development stakeholders have accomplished in addressing the CEDS goals and objectives established in 2005. As with the previous Annual CEDS Updates, this section is subdivided into three parts: Project Development, Goal Attainment and Capacity Building. The first component, Project Development, identifies specific projects that have been implemented during the past year. Under the Goal Attainment component, this past year's activities are summarized by goal as a means to show how the Short-Term Actions from the Annual CEDS Update for 2007 have been addressed. Finally, the Capacity Building component summarizes how well REDC has improved the economic development planning and implementation capacity of the region in meeting its EDD responsibilities. This past year has been one of many changes – a new Economic Development Representative (EDR) to work with, new Reauthorization legislation for the Public Works Act and a newly designated Regional EDA Director for the Philadelphia Office. We look forward to working with the new team at EDA in expanding our economic partnership.

### **A. Project Development**

During the past year, REDC continued its partnership with EDA through the maintenance of the “comprehensive, continuous, grass-roots” CEDS planning process that has resulted in the Annual CEDS Update for 2008. Utilizing the EDA Planning Investment grant, REDC has brought together economic development stakeholders in the region through four (4) CEDS Steering Committee meetings, outreach to the municipalities, non-profits and the business community and activities with its Maine counterparts under the Bi-State Initiative framework. Evaluation has been maintained as an ongoing process and REDC is always trying to improve the way that it implements its EDA Planning Investment grant. Public agencies, non-profits and small businesses have come to rely upon the demographic data and information developed through the Five Year CEDS and Annual



CEDS Update process for their own grant application information needs, as well as to get an annual “snapshot” of economic conditions in Rockingham County.

REDC worked with its economic development partners to host the Bi-State Public Forums on **“Transportation Downeaster Train Services and Funding”** on April 30, 2008 and **“Financing & Workforce Issues in the Biotechnology & Life Sciences Sector”** on May 9, 2008. These two forums addressed common issues that impact New Hampshire and Maine – public transit infrastructure and operating funds, interrelationship between public transit facilities and land use options, research and development tax credits in the biotech sector and workforce development issues related to the Life Sciences sector. These public forums have been supplemented by the work of John Rudolph on the Bi-State Green (BSG) project and Professor Ross Gittell on the future employment forecast of the New Hampshire Biotech Industry. REDC also worked in partnership with the Town of Derry as part of an Economic Development Forum, held over three meetings in the Fall of 2007, to assist Derry in defining its’ own role in economic development as well as the role of its partner organizations, including REDC. The REDC also participated in the Greater Salem Chamber of Commerce on its 2008 Economic Development Expo held in Windham on April 22, 2008. REDC reached an audience of over 200 businesses and related organizations with a presentation of its business services and strategic planning efforts. As part of the Bi-State Alliance, REDC co-hosted a breakfast meeting of leaders in the emerging fields of energy and energy-related efficiencies in Portsmouth on June 12, 2008. This “brainstorming” breakfast provided an opportunity for these leaders to comment on the “Bi-State Green Project” report developed by John Rudolph and to offer suggestions for moving various strategies from the planning phase to the implementation phase.

REDC continued to provide support for local economic development efforts, particularly related to the implementation of the Priority Projects. REDC provided active support to the developer of the Raymond Exit 4 project, which is designed to create 200-300 jobs. REDC also provided technical assistance to the Town of Stratham in its efforts to complete the fire suppression project and the larger Gateway project. Based upon information provided by EDA, REDC recommended that the Town of Stratham apply for funds through the Orton Family Foundation. Even though the Town’s initial effort was unsuccessful, the availability of another funding source for local projects will help in the future. REDC and RPC continued to work with the Town of Hampton and the Hampton Beach Commission to develop an update of the Route 1 Corridor Management Plan and Parking Study. The State of New Hampshire has recognized the importance of this project to economic development and environmental preservation efforts in the region that it has established this project as a major State priority. REDC also reached out to the Town of Seabrook, one of the “pockets of distress” communities in the region, to encourage them to submit a Priority Project as part of the 2008 CEDS program year. Subsequently, the Town submitted a project entitled “NH Route 107/I-95 Bridge Expansion”, which addresses the transportation infrastructure needs of the community in order to encourage commercial investment that will result in the creation of 900 retail and 400 construction jobs, increased tax revenues for the community and State and increased private investment. Similarly, REDC has continued to work with Smuttynose Brewery as it shifts its potential target area from Portsmouth to Hampton. As of this writing, the

Smuttynose Brewing Company has found a home in Hampton and will shortly begin construction on their LEED Certified building. Smuttynose is considered a “NH” brand with local and regional identity. Keeping this company in NH was important to New Hampshire branding. The retention and expansion of well-paying jobs in Rockingham County remains a principal goal under the Rockingham County CEDS program.

Besides serving as the administrative entity for the Rockingham County ED, REDC manages the Regional Revolving Loan Fund for the thirty-seven (37) communities in Rockingham County and works with the State of New Hampshire in the allocation of Community Development Block Grant (CDBG) funds to non-entitlement communities in the County. Additionally, REDC manages a revolving loan fund of \$ 500,000 under the Intermediary Relending Program (IRP) from the United States Department of Agriculture (USDA) Rural Development. REDC continued to assist Asphalt Recovery Technologies, LLC in their efforts to invest \$ 1 million and create 25 jobs, as well as to provide an environmentally sound approach to the recycling of asphalt shingles for other uses. REDC assisted two medical start-up firms this past year, which has resulted in the creation of 15 jobs.

REDC continued to focus upon providing technical assistance for regional economic development projects. Working on implementing the recommendations of the Bi-State Summit, has enabled REDC to address issues of importance to Rockingham and York Counties. Although there has been limited focus upon marine technologies to date, there has been significant focus upon “green collar” jobs. REDC has continued to focus upon the needs of biotech firms and enlisted the support of Professor Ross Gittell to identify future job opportunities in the biotech and life science industries that match up with the resources in Rockingham County. This study gave a perspective on the kind of biotechnology jobs that would thrive in this region. The workforce housing issues are being addressed on a Bi-State basis now, which reflects the common problems faced by New Hampshire and Maine. The publication of “Communities in Crisis” by Peter Francese documents the future struggle Rockingham County and the State of New Hampshire will have with their changing demographics. This publication focuses upon the need for public policymakers to take into consideration these demographic changes as they pass legislation in Concord and Washington, D.C. Mr. Francese was REDC’s keynote speaker at the CEDS 2005 session, held in both Portsmouth and Derry. It was due to this presentation that led Mr. Francese to his demographic discoveries on the future economic impacts that lack of workforce housing may bring.

## **B. Goal Attainment**

REDC has principally fulfilled its role as the Rockingham County EDD this past year by maintaining a continuous, comprehensive economic development planning process for the region. As outlined in other sections of this document, REDC addressed the specific tasks related to continuing the CEDS “grass-roots” planning process, providing support for local economic development efforts and assisting and providing technical assistance for regional economic development projects.

The following information summarizes what REDC and RPC, as well as the other economic development stakeholders in the region, have been able to accomplish during the past year in attaining the specific goals established in the Five-Year CEDS approved in 2005. The six goals include Economic Development, Infrastructure Development, Workforce Development, Environmental Preservation, Workforce Housing and Regional Cooperation. The attainment of these goals brings the Rockingham County EDD closer to its established vision.

**1. Economic Development** – *To create high-paying and high-skill jobs in cluster industries and to improve the standard of living of District residents.*

- REDC has continued to maintain the Annual CEDS Planning Process through the submission of the Annual CEDS Update for 2008. REDC continues to meet its responsibilities as an EDD by supporting the local economic development efforts of its municipalities and supporting regional economic development projects.
- REDC worked with its economic development partners in New Hampshire and Maine to implement the Bi-State Alliance initiatives. Utilizing the framework of six different focus groups - Boomer Power, Emerging Technologies, Housing, Small Business, Tourism and Transportation – established at the Bi-State Summit follow-up session, these bi-state partners have begun to implement the Bi-State recommendations. REDC worked with its economic development partners to host the Bi-State Public Forum on “Financing & Workforce Issues in the Biotechnology & Life Sciences Sector” on May 9, 2008. The “Bi-State Green Project” report was completed by John Rudolph, while Professor Ross Gittell provided a summary on the New Hampshire Biotech Industry, a forecast on future jobs. As part of the Bi-State Alliance, REDC co-hosted a breakfast meeting of leaders in the emerging fields of energy and energy-related efficiencies in Portsmouth on June 12, 2008.
- For the upcoming CEDS year, REDC has contracted with Professor Gittell on providing an economic forecast of the future green jobs in the region. Professor Gittell will present this information at a future forum sponsored by REDC.
- REDC also worked in partnership with the Town of Derry as part of an Economic Development Forum held over 3 separate meetings in the of Fall 2007 and the Greater Salem Chamber of Commerce on its 2008 Economic Development Expo held in Windham on April 22, 2008.
- REDC worked on two separate non-EDA projects through its management of the Regional Revolving Loan Fund and Intermediary Relending Program (IRP). REDC assisted two medical start-up firms this past year, which has resulted in the creation of 15 new jobs. REDC continued to assist Asphalt Recovery Technologies, LLC in their efforts to invest \$ 1 million and create 25 jobs.
- REDC actively supported regional and local economic development projects, including the following: the Exit 4 project in Raymond, the mill project at Newmarket Mills, the fire suppression project in Stratham and the parking study related to the Hampton Beach Redevelopment Plan. Additionally, REDC continued to work with Smuttynose Brewery to expand their operation in Hampton and create 30 new jobs. REDC also encouraged the Town of Seabrook to submit a Priority Project that could result in the creation of 900 retail and 400 construction jobs

**Infrastructure Development** – *To maintain and expand the District’s transportation (highway and transit), sewer and water, and telecommunications infrastructure in order to accommodate balanced industrial, commercial and residential “smart growth”.*

- The I-93 Transit Investment Technical Advisory Committee, consisting of planning and transportation representatives from New Hampshire and Massachusetts, met three times during the past year to finalize the scope for the study. The study will focus upon three primary transit corridors: the I-93 median, the Manchester-Lawrence railroad right-of-way and the B & M New Hampshire Maine line.
- REDC worked with its economic development partners to host the Bi-State Public Forum on “Transportation Downeaster Train Services and Funding” on April 30, 2008. The forum focused upon possible funding options at the federal, state and local levels to address costs associated with operations, capital and rolling stock. The Bi-State Alliance will take responsibility to coordinate future activities related to this project, while the Regional Planning Agencies will work with the New Hampshire Rail Authority to ensure that information on these activities to secure funding will be reported back to the communities and other interested parties.
- REDC actively supported regional sewer and water infrastructure projects, including the development of a wastewater treatment facility in Raymond and the water and sewer extension project along Route 28 in Derry. These projects are included as part of the CEDS Priority Projects for 2008.
- Work has progressed under the RPC’s \$ 200,000 Hazardous Substance Assessment grant from the Environmental Protection Agency (EPA). Five sites in Rockingham County have been identified for further assessment and, hopefully, these sites will be re-used as job generating sites in the future.
- The Town of Derry has submitted a proposal to redesign and rebuild Route 28 to support the anticipated retail and commercial development on the future.

**Workforce Development** – *To prepare the region’s workforce for high-paying and high-skilled jobs in the growth industries through active collaboration among employers, educational institutions and the workforce development system.*

- The U.S Department of Labor’s Employment and Training Administration (ETA) recently awarded the State of New Hampshire more than \$ 1.8 million under the “Innovative Adult Learning Models for Dislocated Workers” project.
- The Bi-State Alliance hosted the “Advancing Our Regional Economy” session on December 7, 2007, which included technical presentations by Professors Charles Colgan and Ross Gittell on the Biotech Cluster in Maine and New Hampshire. Professor Ross Gittell will also be developing a study on green jobs for REDC, which will be presented in a public forum in the Fall of 2008.
- A consortium of private industries has focused upon developing a \$ 250,000 Regional Innovation Grant application to be submitted to the U.S. Department of Labor (DOL) as a means to develop training curriculum for green jobs.

This opportunity became available as a result of attending the “Workforce Innovation in Regional Economic Development (WIRED)” Conference in Portland last year.

- REDC continues to support the expansion of small businesses through its Regional Revolving Loan Fund and Intermediary Relending Program, while also helping to identify complementary workforce training funds for these businesses.

**Environmental Preservation** – *To preserve, protect and utilize the natural resources and open space in the County as a means to balance economic growth.*

- REDC has been working with several projects that have energy efficiency and recycling components, principally the Smutty Nose Brewery Project in Hampton and the Asphalt Recovery Technologies project. REDC has focused on “green” industry this past year and has held workshops to identify financing issues. Additionally, REDC continues to support the Squamscott Community Commons project, which is a LEED certified, owner-occupied building design. This project recently received a \$ 1 million private donation.
- REDC has also worked with RPC on the implementation of its Hazardous Substance Assessment grant. Five sites have been identified for further assessment. REDC may also have an opportunity to work with the Southern New Hampshire Planning Commission on a similar program that it has established for its communities.

**Workforce Housing** – *To create workforce housing as an assurance to expanding and relocating businesses that their workforce will be able to afford housing in the region.*

- REDC and RPC have supported the ongoing efforts of the Workforce Housing Coalition to promote, educate and inform the public through public forums and monthly meetings on the importance of workforce housing to the region’s economy.
- The Housing work group of the Bi-State Alliance has been the most successful in implementing standard approaches across state lines in conformance with the recommendations of the Bi-State Summit.
- Governor Lynch signed into law several important workforce housing bills this past year. The Workforce Housing Coalition has planned workshops in the fall to educate communities on the new tools available to them, as well as how to meet the new workforce housing requirements.
- The Town of Seabrook was one of five towns to receive funding through the Housing and Conservation Planning Program (HCPP), while the town of Hampton Falls received funding under the Inclusionary Zoning Implementation Program (IZIP).

**Regional Cooperation** – *To resolve local problems through regional solutions as a means to improve economic growth and to maintain the quality of life in the region.*

- The implementation of the recommendations of the Bi-State Summit by the Bi-State Alliance represents the epitome of regional cooperation. In the areas of economic development, transportation, and housing, in particular, the economic development stakeholders in New Hampshire and Maine have come together to address their common problems through shared solutions. This partnership will continue and will soon result in tangible benefits that will help diversify the bi-state economy.

- The Greater Derry-Salem Cooperative Alliance for Regional Transportation (CART) was established in 2006 and provides demand-response transit service five days per week in Danville, Derry, Chester, Hampstead, Londonderry, Plaistow, Salem, Sandown and Windham. A fixed-route service connecting downtown Derry to downtown Salem is planned for implementation in the fall of 2008. CART has received funding from the Federal Transit Administration (FTA), its member communities, operating budgets of providers (non-federal match), and grants from the Endowment for Health, the Charles H. Cummings Fund of the New Hampshire Charitable Foundation and the Heritage United Way. CART is in the process of securing designated recipient status from FTA similar to the status enjoyed by COAST in Portsmouth.
- RPC continues to host its Municipal Forums as a way to develop capacity at the local level and to spread the word about the CEDS process and documents. These forums serve as the incubator for ideas about regional cooperation.

## C. Capacity Building

Building upon the public/private partnership formed in 2000, REDC and RPC have worked closely over the years to produce two Five-Year CEDS and seven Annual CEDS Updates through a legitimate “grass-roots” planning process. REDC has brought its business knowledge and administrative skills to the table, while RPC has offered its technical competence and planning skills. Both organizations have built upon their strong relationships with the municipalities in Rockingham County in order to bring economic development stakeholders into the CEDS process. This partnership has resulted in a much broader partnership related to the successful Bi-State Summit and the working relationship with their counterparts in Maine. A positive attitude has developed regarding the future of the Portsmouth Naval Shipyard, as well as the opportunity to “brand” this region as a distinct area. Focusing upon the marine and “green collar” job generators in the area, there is an appreciation that the regional economy can be diversified and the balance between economic growth and quality of life in the region will be enhanced.

In completing the annual CEDS process and developing the annual CEDS document, REDC and RPC have operated with limited staff and financial resources. The annual EDD capacity building grant greatly assists with this effort and keeps the “grass-roots” CEDS process going on a “continuing, comprehensive basis”. Without these resources, it would be difficult for the private or public sectors to finance the effort. The REDC and RPC Boards and the CEDS Steering Committee have provided invaluable input, guidance and assistance to the staff. These board members have reached out to their individual communities, fellow businessmen and civic organizations to elicit their opinions and participation in the CEDS planning process. Without the years of experience completing the CEDS planning process and documents, REDC and RPC would not have been able to work as successfully with their fellow organizers for the Bi-State Summit, as well as to implement the Bi-State Initiatives.

The foresight shown by the REDC and RPC leadership in establishing the CEDS process in 2000 helped in the successful effort by many to “save” Portsmouth Naval Shipyard and to focus upon Emerging Technologies in the fields of marine and “green” technologies to encourage the expansion and growth of small businesses in the region. The working partnership that has emerged between economic stakeholders on both sides of the state line has resulted in public forums on “Financing & Workforce Issues in the Biotechnology & Life Sciences Sector” and “Updates on the Downeaster Train Services and Funding”. Simultaneously, the Bi-State working groups have begun to address technical issues, such as workforce housing, on a bi-state basis, not an individual community or region basis. Academic work by John Rudolph on the Bi-State Green Project and Professor Ross Gittell on the New Hampshire Biotech Industry has provided additional credibility to this effort.

REDC staff has readily participated in the EDA-sponsored workshops. REDC also accesses EDA Best Practices information to determine what new approaches might work in Rockingham County. In order to further develop its staff capacity, REDC hired a part-time CEDS support person earlier this year in order to allow the Executive Director to further market the CEDS and the EDA investment funds to the municipalities, non-profit organizations and private sector. The additional staff person would also enable REDC to develop more partnerships, such as with the U.S. Department of Labor (DOL), to focus upon the employment needs of expanding and relocating businesses and the training needs of Rockingham County residents. Unfortunately, the hiring arrangement did not work and REDC is looking at new ways to provide more targeted structure to the CEDS work.

Through its active partnership with RPC, REDC has demonstrated its capacity to oversee multi-faceted “grass-roots” planning processes, develop extensive and professional CEDS documents, manage public, private and non-profit grants and actively assist businesses and communities in the creation of well-paying jobs. Now that the focus will shift to the economic future of the Bi-State region, REDC has demonstrated its capacity to manage that task as well.

## **Part IV - The Regional Economy Narrative**

This section provides an overview of the current economic conditions in Rockingham County. During the past year, the nation has been faced with a weakening economy, increasing fuel costs and a deepening housing crisis. This region has not been affected as much as the nation, in terms of the weakening economy, however, the problems caused by increased fuel costs and an increasing number of foreclosures will have a negative impact upon the regional economy, which will be reflected in the economic statistics in the near future. This was much discussed by the members of the REDC Steering Committee and the Planning Commission, stating that the weakening national economy may begin to impact this region when reviewing statistics and other economic indicators next year.

The Regional Economy section is comprised of two components: CEDS Data Update and the State of the Economy. Under the CEDS Data Update component, new data related to population estimates and projections, housing (changes in housing supply and housing purchase price data/rental costs) and employment (employment and wages, current unemployment rates, recent closings, unemployment trends, and labor force) are provided. The purpose of this component is to provide updated statistics to the Five-Year CEDS to illustrate the changing economic conditions since 2005.

Within the State of the Economy component, an overall analysis of the region's economy is provided through the updated statistics and economic reports on the state and regional economies by various state agencies, including the New Hampshire Economic & Labor Market Information Bureau (NHE&LMIB) and the New Hampshire Employment Security (NHES). This information has been supplemented by other high tech and biotech news provided through newspaper articles and an interim report from Professor Ross Gittell. Employment projections for the state and Rockingham County are also provided as part of this analysis. As will be shown in this section, the overall economy in Rockingham County is declining relative to the State of New Hampshire, but is still doing better than the nation as a whole.

### **Changes in the Regional Economy**

#### **A. Update to CEDS Data Summary**

Since the publication of the 2005 CEDS document and subsequent annual updates for 2006 and 2007, new demographic and economic data have become available that can serve to update this Data Summary section of the CEDS. New data has been incorporated into the appropriate data summary tables found in Appendix 2 of this update. Specifically, updated or supplementary information had been added in the areas of population counts, housing counts, housing rent and price data, employment, unemployment and wage data, employment reductions from layoffs, and property valuations and tax rates. This information is summarized in narrative form below.



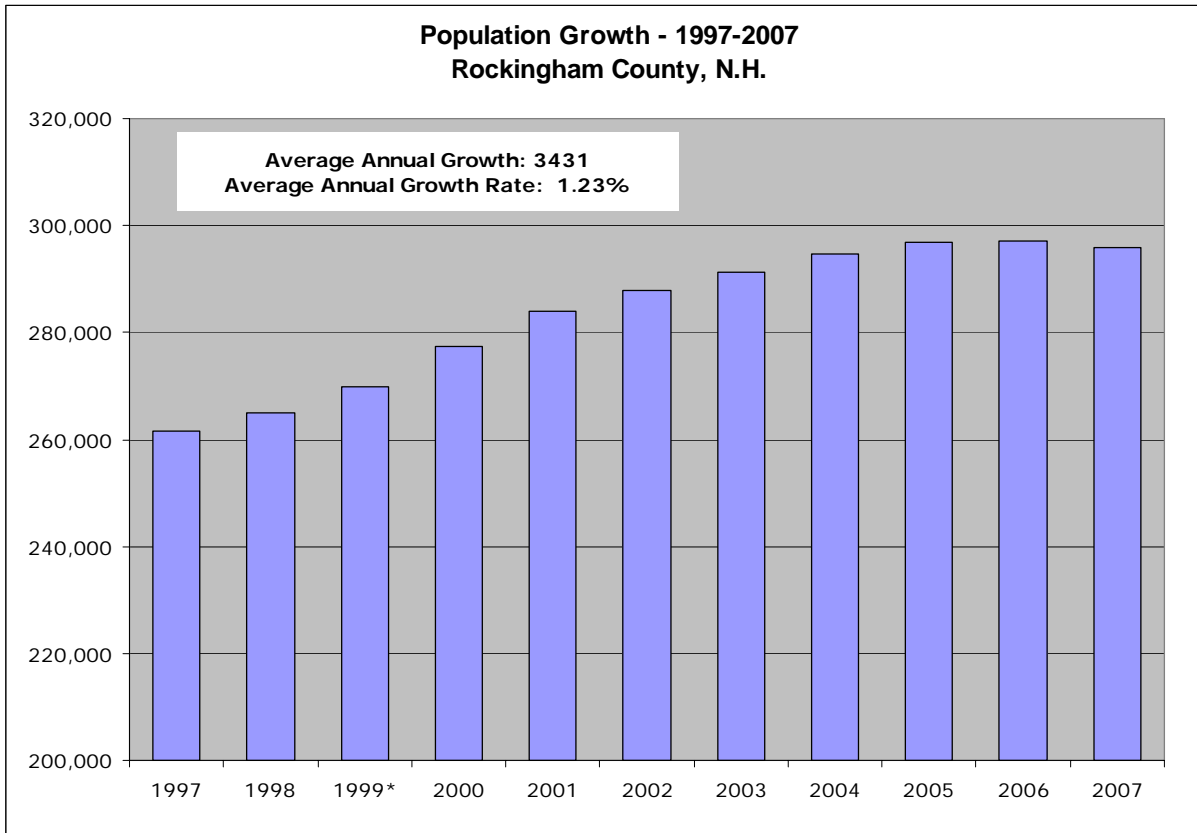
## 1. Population

### Current Population Estimates

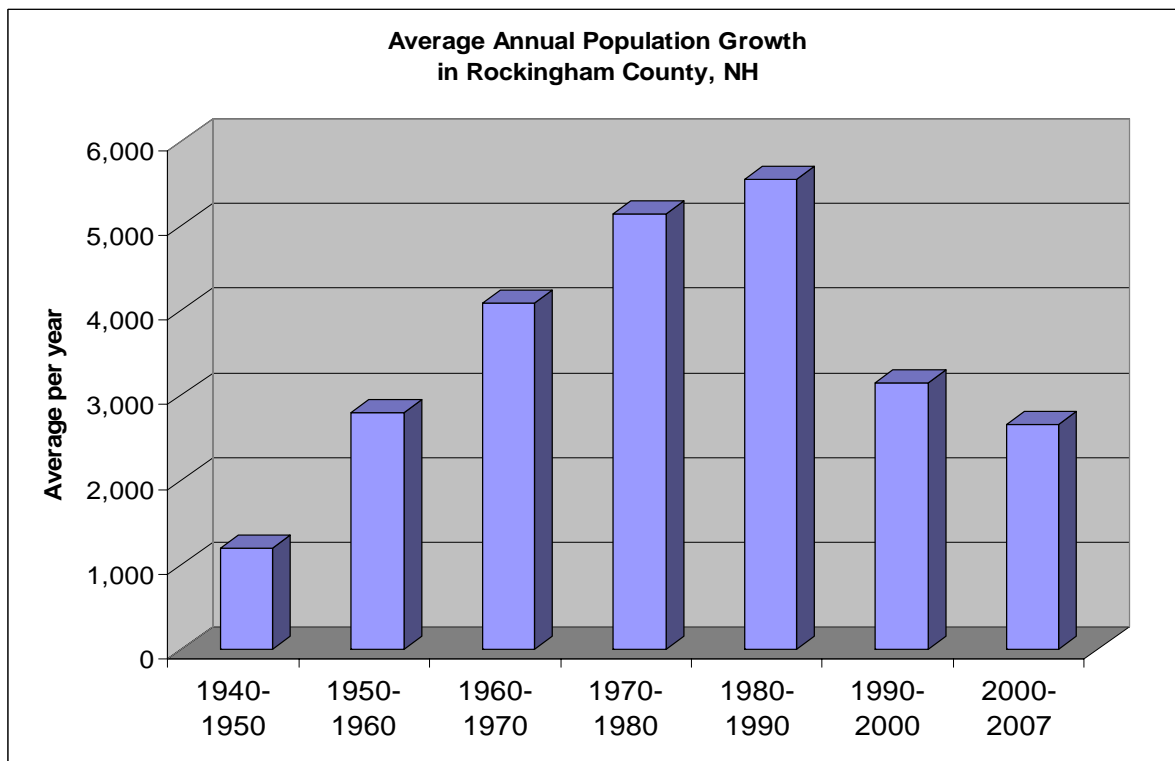
The NH Office of Energy and Planning publishes population estimates for New Hampshire cities and towns on an annual basis. The annual estimates are based on survey responses received from cities and towns regarding numerical changes in constructed housing units (both additions and demolitions). Results are converted to population estimates based on current person-per-household data applicable to the County. As such these are not enumerated counts as compared to the Census, but rather annual estimates based on building permits. The results are calibrated to the US Census counts of housing units in Decennial Census years. New population estimates are typically available in the summer or fall of the following calendar year. As of June of 2008, the estimates for 2007 had just been published and are included here. Year-over-year growth estimates from 2006 to 2007 show a small population decrease of 617 for the County, representing a population change of -0.2%. This compares to growth of 201 from 2005 to 2006, and 2323 from 2004 to 2005. It should be emphasized that while these estimates are based on building activity, at a statewide level they are calibrated against US Census Bureau estimates for statewide population. The Census estimates for New Hampshire's population have remained flat, at 1,315,000 since 2005 because it was determined that the 2005 estimates were inflated. Figure 1 shows a year-to-year summary of population change for the County.

Except for the current period and a two-year period between 1990 and 1992, the County population has been growing steadily over the past five decades. Annual average population increases have ranged from 1200 during the forties to over 5200 per year in the 1970s and 1980s. Growth moderated considerably in the 1990s, slowing to a little over 3000 per year. Over the first 7 years of the current decade, growth has further declined to an average of 2656 per year for an average of about 0.93% (Figure 2). In the same period, the State's growth rate averaged just slightly less than this at 0.89% per year.

**FIGURE 1**



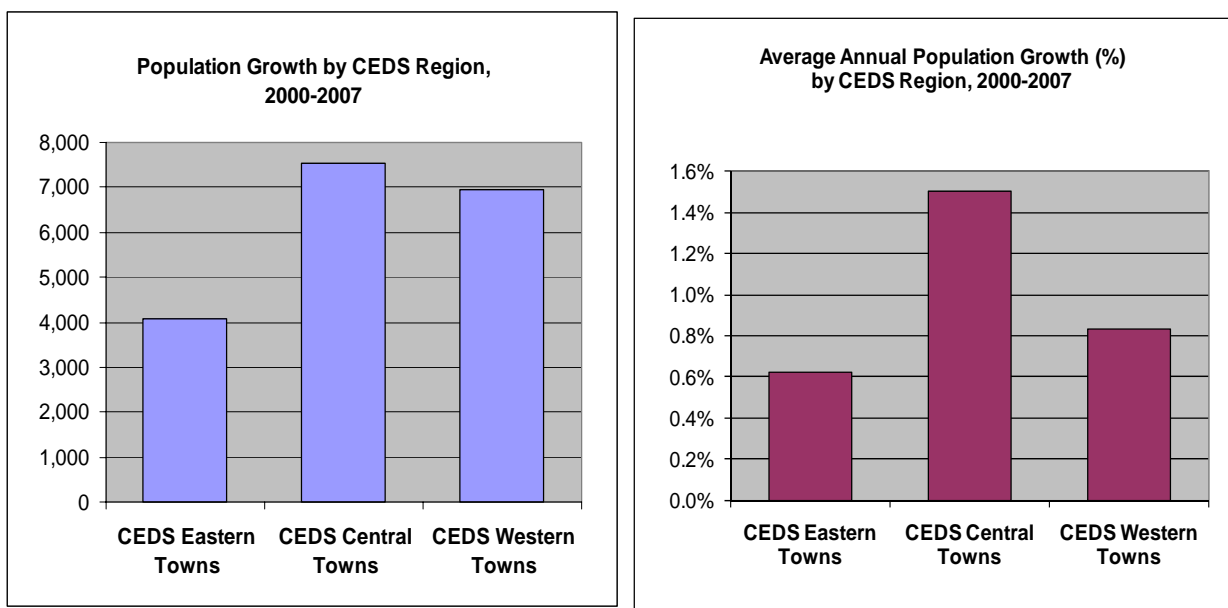
**FIGURE 2**



The largest year-over-year (2006-2007) population changes (all declines) as reported in the OEP data, are shown in Hampton, Portsmouth, Derry and Salem – the four largest communities in the County. This suggests that the decrease may have been the result of an allocation of aggregate population reductions, and not be related to actual building permit activity. The communities in the County with the fastest growth *rates* were all small in population: Deerfield (1.9%), Hampton Falls (1.4%) and Newfields (1.0%). Table A-1: *Population History and Current Population Estimates* in Appendix 2 includes the latest population data on a town-by-town basis for the County.

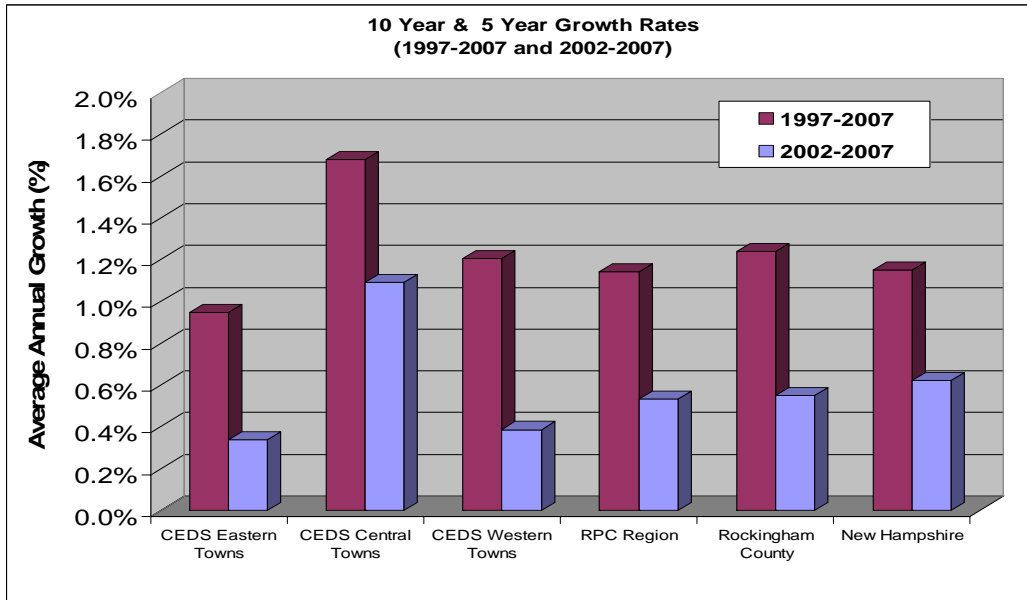
The largest population increase in the first seven years of the decade has occurred in the CEDS Western sub-region which grew by about 7500 persons. The Western region, which in recent decades experienced the largest total growth, grew by just under 7000. As in previous updates, the slowest growth was in the Eastern region, which added a little over 4000 persons or 0.6% growth. In aggregate, the Central region, with the smallest population overall, continues to be the fastest growing region at 1.5%. (Figure 3)

FIGURE 3



With the exception of the Central subregion, population growth in Rockingham County over the past 5 years (2002-2007) is occurring at only one-third the rate of growth than occurred over the previous 10 years. (Figure 4) In the Central region, it is also reduced, but by a lesser amount. As discussed in earlier CEDS reports, part of the reason for the slowing growth is the growing scarcity of inexpensive buildable land in the more rural communities (especially the eastern and western subregions), and few opportunities for denser development in the urban communities with access to sewer and water systems. A general economic downturn and tightening of mortgage standards beginning in late 2007 will tend to reinforce this trend toward slower growth.

FIGURE 4



Despite the slowing overall, New Hampshire has maintained a much faster growth rate than all other New England states. As shown in Table 1, during the 2000 – 2007 periods New Hampshire has grown, by 6.5% which is only slightly slower than the national rate of 7.2%. The New England average in the same period was 2.5%.

TABLE 1  
Population Growth 2000-2007 -- New England States

Geographic Area	Population Estimates		Change, 2000 to 2007	
	July 1, 2007	April 1, 2000 Estimates Base	Number	Percent
<b>U S</b>	301,621,157	281,424,602	20,196,555	7.2
Maine	1,317,207	1,274,921	42,286	3.3
<b>N. H.</b>	<b>1,315,828</b>	<b>1,235,786</b>	<b>80,042</b>	<b>6.5</b>
Vermont	621,254	608,827	12,427	2.0
Mass	6,449,755	6,349,105	100,650	1.6
Ct	3,502,309	3,405,602	96,707	2.8
R. I.	1,057,832	1,048,319	9,513	0.9

## Updated Population Projections

In January 2007, the Office of Energy and Planning released a new update to their statewide, county and municipal population projects. This is the third iteration of municipal projections since the 2000 US Census. Previous releases since the 2000 Census were made in 2003 and 2005. The new projections, as were fully described in the 2007 CEDS Update, show a County population of 351,690 in 2030, an increase over the current population of about 56,000 or about 19%. This represents a decline in the projected population for the County by about 16,200 persons as compared to previous forecasts.

## 2. Housing

### a. CHANGES IN HOUSING SUPPLY

Changes in housing supply are monitored in the CEDS using data from the NH Office of Energy and Planning. These estimates, which include the number of new single family, multi-family and mobile homes constructed, are generated from building and occupancy permit data received from communities each year. As of June of 2008, the most recent report available is the estimates for 2006, which have been incorporated into Tables B-1 and B-2 in Appendix 2. The data shows that between 2000 and 2006, 11,883 new housing units were added to the housing stock of the County, representing an annualized growth rate of 1.7%. This is substantially higher than the population growth rate in the same period of 1.0%. This further expands on a welcome trend discussed in the 2007 CEDS Update showing housing stock growth faster than population growth. The fastest housing growth was seen in the Central subregion which grew at nearly 2.4% annually. This continues a trend observed in prior CEDS documents: improved access to the central and northern part of the County provided by completion of the 101 expansion has made communities in these areas more accessible for residential development and more desirable due to lower land costs. While the relatively faster housing unit growth is encouraging, it does not necessarily translate into a greater supply of housing relative to demand. Other factors, especially smaller average household size and growth in the number of single-head of households, add to the demand for housing and may lessen the impact of the expanded housing supply.

Updated housing vacancy data has been obtained for 2006 and is reflected in the updated Table B-2 in Appendix 2. Unlike the Census data for 2000, the updated information does not distinguish between seasonal vs. non-seasonal vacancies; therefore, only the measure of total vacancy or occupancy can be updated. Overall, vacancy rates for both the state and the county show a small decline in rates (tightening of supply); however, the majority of individual towns (27 of 37) show an increase in vacancy. Anecdotally, the trend toward higher vacancies has increased in 2007 and to date in 2008 with the weakening economy and housing market.

## b. Housing Purchase Price Data

From 2001 to 2004 the Rockingham Planning Commission acquired residential real estate transaction data from Real Data Corp., covering Rockingham County. This activity has been funded under an annual SEED grant from the CDFR for the purpose of enhancing the RPC's ability to track and analyze trends in purchased housing costs for use in the regional housing needs analysis discussed above. This activity is no longer funded; however, the RPC has acquired equivalent data from the NH Housing Finance Authority for two of the three tracked housing types (condominiums, and non-condominiums<sup>1</sup>). Mobile home sales data, the third type tracked, is no longer available. Summarized results for all counties in the state, from 1998 through 2007 are presented in Table B-4 in Appendix 2. In addition, town-by-town results for Rockingham County covering the 12 month period from January 2007 – December 2007 are presented in Table B-5.

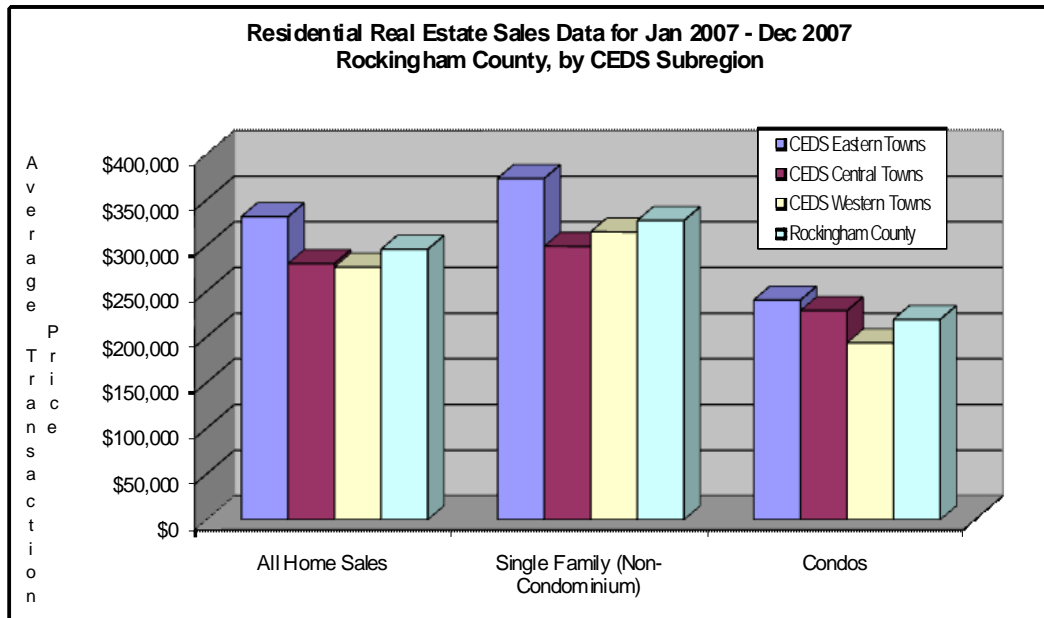
Some 2768 sales were reported for the 12 month period for the County, with median transaction prices ranging widely from \$107,000 in the condominium category in Derry, (based on 104 sales) to \$1,185,000 in the single family home category in New Castle (based on 9 sales). While great care must be used in referencing these values at the individual town level (and especially where sample sizes are less than 50), in aggregate they do present an accurate picture of how home price averages vary within the County, and how they are changing over time. As expected, Towns in the Eastern sub-region show consistently higher prices averaging \$354,000, while the Central and Western sub-regions report averages of about \$290,000 – \$295,000. (See Figure 5). The gap in average prices between CEDS regions has closed significantly over the past two years.

Towns with older and more diverse housing stock, such as Portsmouth, Hampton, Exeter, Salem and Derry have average sales prices that are lower than their sub-region's average. County wide, the average single family home sales value was \$329,000. Condominiums averaged 66% of the single family home value.

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<sup>1</sup> For simplicity we have labeled non-condominiums as "single family homes", the dominant category, though it may also include some sales of duplexes and other multi-unit buildings.

FIGURE 5



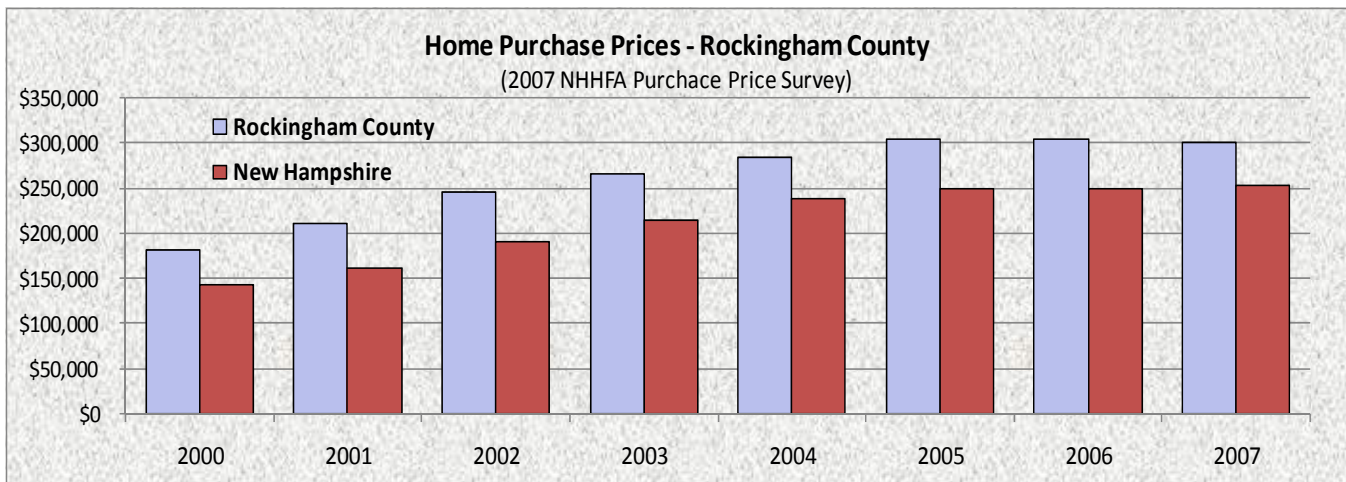
Comparing the current year sales data (2007) to the data from the last update year (2005), median sales prices for all homes have declined County wide by 2.3%. Much sharper declines show up in the Condo category of 9.5% in the Eastern subregion to 17.1% in the Western subregion. Only the single family home category in the Eastern region showed an increase from 2005. The declines exhibited in this sales data are almost certainly only the beginning of declines that will be even more strongly evident and widespread in 2008 and perhaps 2009.

The NH Housing Finance Authority's (NHFFA) annual purchase price data for the state shows Rockingham County with an average purchase price for all homes of \$300,000 in 2007, and continues to have the highest housing purchase prices by a significant margin. Hillsborough County had the second highest purchase price average, but at \$264,900, was substantially below Rockingham County's. See Table 2. For first time since the early 1990s a small drop in average purchase price of homes in the County was recorded, falling from \$303,750 in 2006 to \$300,000 in 2007 or 1.25%. To date, only Belknap County has shown a similar decline.

**TABLE 2**  
**Housing Purchase Prices, All Homes – 2000-2007**  
**Source: NH Housing Finance Authority**

	2000	2001	2002	2003	2004	2005	2006	2007	Change Since 1998
<i>Rockingham County</i>	<i>\$180,900</i>	<i>\$209,900</i>	<i>\$244,900</i>	<i>\$265,000</i>	<i>\$284,525</i>	<i>\$303,900</i>	<i>\$303,750</i>	<i>\$300,000</i>	<i>68.0%</i>
Belknap County	\$115,000	\$128,000	\$149,750	\$175,000	\$194,000	\$220,000	\$224,900	\$217,000	91.3%
Carroll County	\$109,900	\$125,500	\$142,933	\$165,000	\$195,000	\$210,000	\$215,000	\$219,900	91.1%
Cheshire County	\$113,131	\$122,500	\$139,900	\$159,000	\$177,000	\$191,000	\$201,000	\$205,000	68.8%
Coos County	\$69,900	\$65,000	\$75,000	\$87,000	\$93,000	\$105,000	\$119,900	\$125,000	50.2%
Grafton County	\$104,000	\$118,000	\$129,900	\$153,000	\$181,000	\$199,000	\$212,500	\$221,000	91.3%
Hillsborough County	\$149,900	\$172,000	\$203,700	\$225,000	\$249,900	\$263,000	\$262,000	\$264,900	75.5%
Merrimack County	\$129,900	\$145,000	\$172,500	\$195,000	\$222,000	\$234,000	\$238,733	\$238,000	80.1%
Strafford County	\$128,500	\$156,000	\$175,000	\$199,500	\$220,000	\$235,000	\$229,900	\$235,000	82.9%
Sullivan County	\$90,000	\$107,000	\$120,000	\$134,000	\$147,000	\$170,500	\$182,500	\$190,000	89.4%
New Hampshire Statewide	\$143,000	\$162,000	\$189,900	\$215,000	\$237,400	\$250,000	\$249,900	\$252,000	74.8%

**FIGURE 6**



Though not entirely evident yet in these numbers, most recent purchase price surveys indicate a significant cooling of the housing market in the County, as evidenced by moderating and declining prices, greater inventory and longer average time on the market for units for-sale. This is due to several well known factors including the tightening mortgage market, rising interest rates, the interrelated impacts of sharply higher energy costs and a weakening economy.



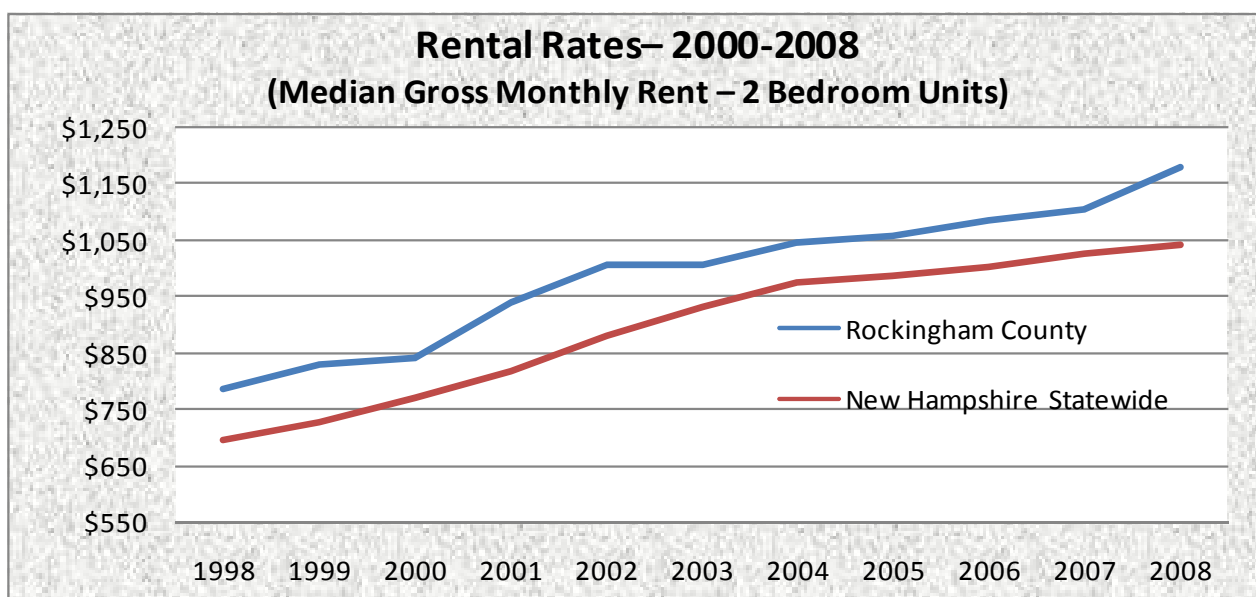
In addition to purchase price surveys, the NHHFA conducts an annual rental rate survey. The average rental cost for a standard 2 bedroom unit in 2005 rose to \$1058 per month in Rockingham County, up from \$1046 the year before – a modest 1% rise and about a 3% decline when inflation is factored in. While the highest in state, the past year’s increase was small in comparison to recent years, and represents a moderating trend in rental prices that began in the 2001-2002 recession. (See Table 3 and Figure 7). Prior to that time, from about the mid 1990s, rental costs in the County were rising at 6%-8% per year.

**TABLE 3**  
**Rental Rates– 2000-2008**  
**Median Gross Monthly Rent – 2 Bedroom Units**

All Homes												
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	Change Since 1998
<b>Rockingham County</b>	<b>\$785</b>	<b>\$828</b>	<b>\$842</b>	<b>\$938</b>	<b>\$1,009</b>	<b>\$1,009</b>	<b>\$1,046</b>	<b>\$1,058</b>	<b>\$1,086</b>	<b>\$1,106</b>	<b>\$1,182</b>	<b>50.6%</b>
Belknap County	\$580	\$578	\$619	\$628	\$704	\$737	\$786	\$801	\$856	\$867	\$927	59.8%
Carroll County	\$584	\$590	\$615	\$703	\$693	\$729	\$811	\$800	\$883	\$845	\$935	60.1%
Cheshire County	\$671	\$673	\$684	\$712	\$740	\$789	\$813	\$923	\$960	\$976	\$1,052	56.8%
Coos County	\$394	\$419	\$464	\$453	\$459	\$477	\$500	\$549	\$591	\$606	\$639	62.2%
Grafton County	\$529	\$566	\$634	\$693	\$694	\$733	\$786	\$769	\$829	\$855	\$871	64.7%
Hillsborough County	\$759	\$794	\$834	\$940	\$990	\$1,007	\$1,036	\$1,046	\$1,060	\$1,058	\$1,082	42.6%
Merrimack County	\$718	\$748	\$814	\$832	\$868	\$919	\$935	\$946	\$950	\$1,020	\$1,019	41.9%
Strafford County	\$674	\$686	\$717	\$782	\$830	\$857	\$902	\$899	\$929	\$956	\$965	43.2%
Sullivan County	\$603	\$604	\$629	\$693	\$651	\$689	\$734	\$752	\$794	\$893	\$836	38.6%
<b>New Hampshire Statewide</b>	<b>\$698</b>	<b>\$730</b>	<b>\$774</b>	<b>\$818</b>	<b>\$884</b>	<b>\$932</b>	<b>\$978</b>	<b>\$989</b>	<b>\$1,003</b>	<b>\$1,029</b>	<b>\$1,044</b>	<b>49.6%</b>

Source: 2008 Residential Rental Cost Survey

**FIGURE 7**



### 3. Employment Data

#### a. Employment and Wages

A summary of employment units (establishments), average employment and average weekly wages by industry classification is found in Table C-2 of Appendix 2. This table has been updated with data for 2006, the latest available from the Labor Market Information Bureau of the NH Department of Employment Security as of May 2008. Overall, between 2005 and 2006 total employment grew by 1909 or 1.4%; the number of establishments grew by 141 units, also 1.4%, and average weekly wages grew by \$45 or 5.7%. Job and wage growth compared favorably to statewide averages which grew by 1.0% and 4.7% respectively. Rockingham County's share of total employment in New Hampshire grew slightly from 21.6% in 2005 to 22.0% in 2006. Of note, the overall increase in employment in that year happened while the County population was reported by OEP to have declined by 323 persons.

The industry classes (listed in Table C-2 by NAICS code) which showed the largest gains in employment were Administrative Support Services (+435), Accommodations and Food Services (+409), Local Government (+403), Health Care and Social Assistance (+375), Finance and Insurance (+304), and Machine Manufacturing (+264). Those which showed the largest losses were Computer and Electronics Products (-404), General Merchandise Stores (-251), Educational Services (-167), Publishing Industries (-140), and Management Company/Services (-126). State employment declined by 51. The losses in General Merchandise stores were offset by gains in other retail sectors.

Table C3 *Employers, Employment & Wages by Town* in Appendix 2 looks at similar data for establishments, employment and wages but at a town level rather than by industry class. A notable employment growth trend among the three CEDS subregions from 2000 to 2006 is that, while the Western subregion had the largest absolute gain in employment at 2685 or 5.6%, the Central subregion is gaining in employment at a far faster rate – 2619 or 16.6%. The Eastern subregion grew much more slowly at 2.4%. (See Table 4) Although the data is compiled and presented town-by-town (and summarized by CEDS subregion), in some smaller communities or where a single employer makes up more than 80% total employment, the data is suppressed and unavailable. The subregion subtotals do not account for suppressed data.

The towns with the largest reported gains in employment were Londonderry (2594), Epping (1019), Stratham (895), Greenland (594) and Exeter (546). Towns with employment losses were relatively few, with the largest in Derry (-578), Newmarket (-297), Newington (-192) and Raymond (-147). Salem and Windham seemed to have swapped loses and gains (-806 and +806 respectively). While this might be a coincidence, may have been the result of a possible reclassification of the location of a major employer.

**TABLE 4**  
**Changes in Employment – 2000 to 2006**

Town/Area	2000			2006			# CHANGE: 2000-2006			% CHANGE: 2000-2006			Jobs Per Capita	
	Estab-lish-ments	Avg. Annl. Employ-ment	Average Weekly Wage	Estab-lish-ments	Avg. Annl. Employ-ment	Average Weekly Wage	Estab-lish-ments	Avg. Annl. Employ-ment	Average Weekly Wage	Estab-lish-ments	Avg. Annl. Employ-ment	Average Weekly Wage	2000	2006
CEDS Eastern Towns	4,441	65,733	\$686	4,483	67,318	\$865	42	1,585	\$180	0.9%	2.4%	26.2%	0.72	0.70
CEDS Central Towns	1,474	15,766	\$544	1,665	18,385	\$659	191	2,619	\$116	13.0%	16.6%	21.3%	0.23	0.24
CEDS Western Towns	3,555	48,023	\$661	3,815	50,708	\$749	3,815	2,685	\$88	7.3%	5.6%	13.3%	0.41	0.41
Rockingham County	9,464	129,522	\$688	10,178	138,063	\$842	10,178	8,541	\$154	7.5%	6.6%	22.4%	0.47	0.46
New Hampshire	41,667	605,931	\$668	44,182	627,301	\$816	44,182	21,370	\$148	6.0%	3.5%	22.2%	0.49	0.48

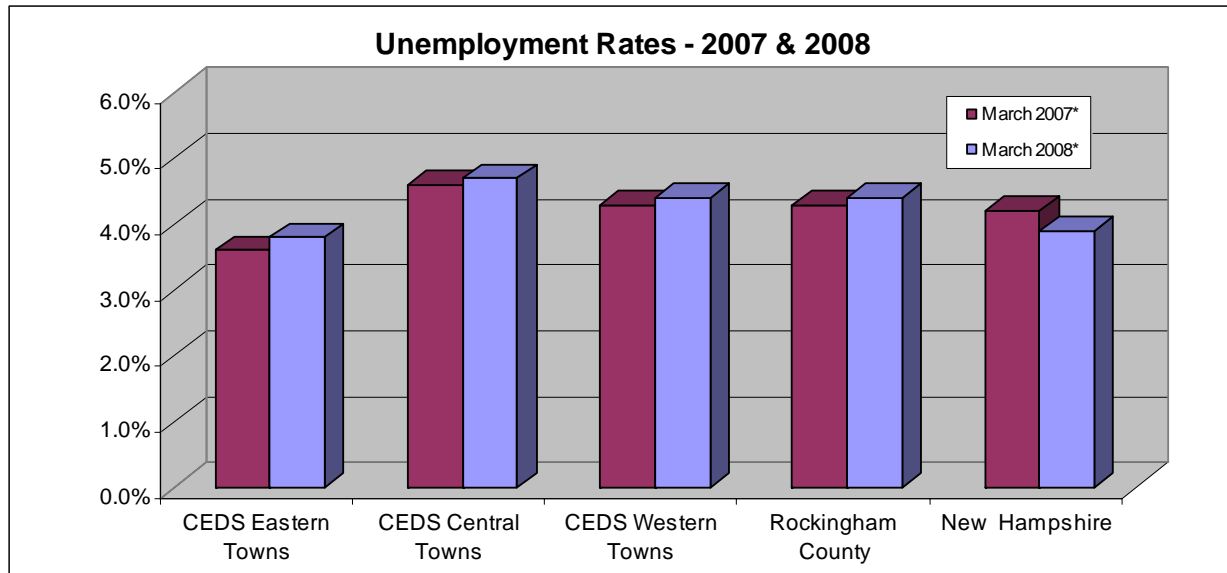
Source: NH Dept. of Employment Security, Labor Market Information Bureau

### b. Current Unemployment Rates

Table C-4 – *Current and Historic Unemployment Data* in Appendix 2 of the CEDS Report has been updated to include the most recent town level unemployment data (March 2008)<sup>2</sup> available from NH Department of Employment Security. Overall, the 2008 numbers show a small increase from 2007 in the unemployment rate in the County from 4.3% to 4.4% and a decrease in Statewide unemployment from 4.2% to 3.9%. About two thirds of the Towns in the County saw increases in unemployment, typically in the range of 0.2-0.5 percentage points. The largest increases were seen in East Kingston, Newton and South Hampton, which increased by 1.4%, 1.1%, and 0.8% respectively. All three have very small employment bases and so their unemployment rates are apt to fluctuate. Largest decreases were seen in Kingston, Brentwood and Fremont which fell by 1.8%, 0.6% and 0.5%. The Towns which typically show the highest unemployment rates in the County (Seabrook, Salem, Plaistow, Danville, Newton, Kingston) continue to be on the upper end of the current range, but only Seabrook, at 7.2% is more than 2 percentage points above the County average. As with all previous updates, Rockingham County's unemployment rate remains higher than the State's. (See Figure 8). In 2008, that difference is 0.5%. Within the County, the Central and Western sub-regions, continue to show consistently higher unemployment rates than the Eastern subregion. All six of the communities with unemployment rates of 5% or higher (Seabrook, Kingston, Danville, Plaistow, Salem, So. Hampton) are in the Central or Western subregions, with the exception of Seabrook which is in the Eastern subregion.

<sup>2</sup> Beginning with the 2005 CEDS unemployment data reported in the CEDS has been standardized to the month of March, generally the most recent month available when the data update is being prepared. The results are not seasonally adjusted.

FIGURE 8



The overall low rate of unemployment for the County as a whole tends to mask the fact that some numbers of towns have significantly higher unemployment. In 2007, five towns had unemployment rates of 1.0 percentage point or higher than the County average, including Seabrook (7.0%), Plaistow (5.4%), Kingston (6.7%), Salem (5.2%), and Danville (5.6%). In 2008, only two of those (Seabrook with 7.2% and Plaistow with 5.9%) fall into this category. Town by town rates are shown on the chart entitled “Unemployment Rate for March 2008” found in Appendix 2, Section C and the accompanying Chart C-6. Overall the unemployment in Rockingham County appears to have leveled off from a multi-year recovery from the spike in rates that peaked at about 6.2% in 2002. At the town level, while the rates have likewise declined, locally significant plant or business closings or expansions have affected individual town-by- town numbers.

The unemployment rate in New England overall has continued to improve since the 2002-2003 recessionary period, and had consistently tracked slightly below the national average since that time. As of 2007 (full year average), the jobless rate in New England was 0.2% lower than that of the US as a whole. Recent data shows that a part of the improvement in unemployment rates in the region are due more to slow growth in the labor force than to robust job growth. As reported in the 2007 CEDS Update, from 2002 to 2005, the U.S. labor force grew by 3%, while in New England it grew by just 0.5%. In fact, the Massachusetts labor force, which makes up 45% of the New England total, declined by 2.7% in that time period. Job growth rates remains low in the region, but have improved slightly over the past three years, and the labor force in Massachusetts has begun to grow again.

### c. Recent Closings

Both the NH Department of Resources and Economic Development and the REDC monitor significant plant and business closings during the year. Table 5 summarizes known closings and or reductions in workforce that occurred in 2007 and to date in 2008. In the previous update, 163 workers had been subject to workforce reductions or terminations due to business and plant closures in 2006 and through March or April of 2007. In the 2007-2008 cycle the recorded reductions are significantly higher (as they were in 2005-2006), totaling 477 new reductions.

As noted in Table 4, the largest single reduction is attributed to Roche Diagnostic, an Austrian based pharmaceuticals and diagnostics company operating in Portsmouth. However, the manufacturer has provided notice well in advance of the actual layoffs, which will not all take place until 2009 and into 2010. It appears that the company's Portsmouth operations will be closed down. Three remaining listed reductions have already taken place or are in progress.

Six of the 15 layoffs indicated are from the manufacturing sector; the remainder is spread between the pharmaceuticals/medical diagnostics, retail, service and transportation sectors. Of note in the global labor 'marketplace', the Sears Logistics call center based in Kingston will be transferring its operations to the Philippines.

**TABLE 5**  
Reported Workforce Reductions from Layoffs and Plant Closings  
2006 and 2007, Year to Date

Company	Town	Date	Industry	Total employees	2007 & YTD 2008 Workforce Reductions	New Reductions (Since 07 CEDS)
Kindelan Woodworking	Derry	7/6/2007	Cabinet Making	5	3 - Layoff due to Fire	3
Meadowbrook	Portsmouth	10/27/2007	Lodging	13	13 - Business sold, building being demolished for new building	13
Timberland	Stratham	12/1/2007	Manufacturing	6000	60	60
Comp USA	Salem	2/8/2008	Retail	55	55 - closing stores in NH	55
Boston Main Airways	Portsmouth	2/29/2008	Transportation	50	22 - DOT pulled flight certificate, employee numbers are estimate	22
American Traditional Design	Northwood	3/5/2008	Manufacturing	37	15 - layoff due to costs of supplies/paper	15
Criterion	Raymond	3/7/2008	Manufacturing	15	3 - dropped off packets	3
Eventide Nursing Home	Exeter	4/7/2008	Healthcare	38	38	38
Port City Air	Portsmouth	4/18/2008	Transportation	u	33	33
Shaws	Portsmouth	5/1/2008	Retail	70	u - closing store	70
Sun OS Systems	Salem	5/1/2008	Computer	u	8	8
Roche Diagnostics	Portsmouth	2/2009 & 2/2010	?	150	150 - courtesy info to give State a heads up that layoffs will occur next year - workers have been notified	150
Sears Holding Co.	Kingston	2/6 & 2/13	Call Center	49	49 - closing call center - moving to Philippines	49
Praxair	Salem	end of 8/2007	Manufacturing	14	13 - facility closing	13
MTL Industries	Hampton	7/3/2008	Manufacturing	25	15	15
<b>TOTAL</b>					<b>477</b>	<b>477</b>

#### **d. Labor Force**

Table C-6 which tracks civilian labor force data in the County, State and in the other New England States, was added to the data tables in Appendix 2 as of the 2006 Update, and has been updated for 2008. The data for Rockingham County shows a sizable growth in the labor force from 2000 through 2002 of more than 14,000 or 8.6%, followed by a drop of over 4% or 7200 persons in 2003 – a falloff that did not occur statewide. Since that time, the labor force has returned to the 2002 level. The 2007 data added for this update shows a continued slow pace of growth in the labor force for the County. From 2004 - 2005 it grew by 4330 or 2.5% and represented over half of the total growth reported in the State that year. In the 2005 – 2006 periods, an increase of 1380 was reported – or 0.8%, and between 2006 – 2007 the growth was smaller still at 900, or about 0.5%.

In previous updates it had been reported that population growth was significantly outpacing labor force growth in the County. Some believe an important factor driving this phenomenon was the disproportionate growth in the retirement age segment of the population in-migrating to southern New Hampshire compared to other age groups (in part promoted by the recent boom in the construction of age restricted housing in the region). Thanks in part to a lower population estimate for the area, it appears (based on the result for the 2000-2007 period) that population growth and labor force growth have returned to a more reasonable balance. From 2000 through 2007, population growth for Rockingham County averaged just under 1% per year, while average labor force growth was just slightly higher at 1.1%. Given the vagaries in the way the current (between Census) population is estimated and the volatility of the labor force estimates, this is a very close correlation.

All the New England states except Massachusetts showed average annual increases in labor force in this period ranging from 1.0% in Connecticut to 0.2% in Massachusetts. New Hampshire and Maine grew 0.9 and 0.7%, respectively. Massachusetts experienced a loss both in labor force and total population in 2003 and 2004, but since then has resumed very slow growth. As indicated in the recent publication “Communities in Crisis” by demographics expert, Peter Francese, as well as other recent studies have correlated losses in labor force to high housing costs and an exodus for the younger workforce to find more affordable locations. If proven to be true, this will warrant strong action to prevent a downward economic spiral. Of note in the most recent year’s data (2006-2007) is that Rockingham County’s (and New England’s) labor force growth was less than half that of the Nation’s (0.54% vs. 1.12%).

#### **4. Unemployment Trends**

As reported in the 2005 CEDS the geographic area names from the former “Metropolitan Statistical Area” (MSAs) designations to the current “New England City and Town Areas” (NECTA) designations.<sup>3</sup> (See the 2005 CEDS report, Part 1, Section A.1. for town-by-

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<sup>3</sup> As a result of the 2000 Census, the Federal Office of Management and Budget (OMB) has revised the old and created new statistical areas. These changes are intended to reflect changes in employment and commuting patterns, but also reflect a

town assignments of the NECTAs covering Rockingham County.) NECTA areas are not directly comparable to previous PSMA designations, so previously reported data prior will not match exactly.

As was reported in the 2005 CEDS, 2002 saw a sharp rise in unemployment in all areas of the County, up from the historically low rates of unemployment reached in 1999. As illustrated in Table 6 and Figure 9, the unemployment rate for the County was at a low of about 3.0% in 2000 and jumped to 5.5% by 2002. Unemployment rates in the County and in New Hampshire generally began to decline the following year declined slowly through 2006 and appeared to have leveled off at about 4%. New Hampshire as a whole fared better during the 2001-2003 economic downturn than most of New England. Rockingham County, however, was been somewhat more affected, maintaining an unemployment rate between 0.5 and 1 percentage point above the State average. A significant fraction of total employment in the County is found in the Lawrence-Methuen-Salem NH-MA and Haverhill-No. Andover-Amesbury NECTAs which have significantly higher unemployment rates than the other labor market areas in the County. This is due in part to the higher percentage of workers dependent on jobs in neighboring Massachusetts. As a result, the Rockingham County unemployment rates and trends represent a blending of Southern New Hampshire and Lower Merrimack Valley unemployment factors.

**TABLE 6**  
**Area Average Annual Unemployment Rates – 2000 - 2007**

AVERAGE ANNUAL UNEMPLOYMENT RATES								
	2000	2001	2002	2003	2004	2005	2006	2007
<b>Rockingham County</b>	<b>3.0%</b>	<b>4.0%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>4.7%</b>	<b>4.3%</b>	<b>3.9%</b>	<b>3.9%</b>
Portsmouth-Kittery NH-ME NECTA	2.4%	3.0%	4.1%	4.1%	3.6%	3.5%	3.3%	3.2%
Lawrence-Meth-Salem MA-NH NECTA, NH Portion	4.1%	5.3%	7.2%	7.1%	6.4%	5.7%	4.9%	5.0%
Manchester NH NECTA	4.3%	5.2%	4.3%	4.3%	3.7%	3.5%	3.6%	3.5%
Nashua NH-MA NECTA, NH Portion	2.7%	3.9%	5.5%	5.3%	4.4%	4.0%	3.7%	3.6%
New Hampshire	2.7%	3.4%	4.5%	4.4%	3.9%	3.6%	3.5%	3.6%
New England	2.8%	3.6%	4.8%	5.4%	4.9%	4.7%	4.5%	4.4%
USA	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%

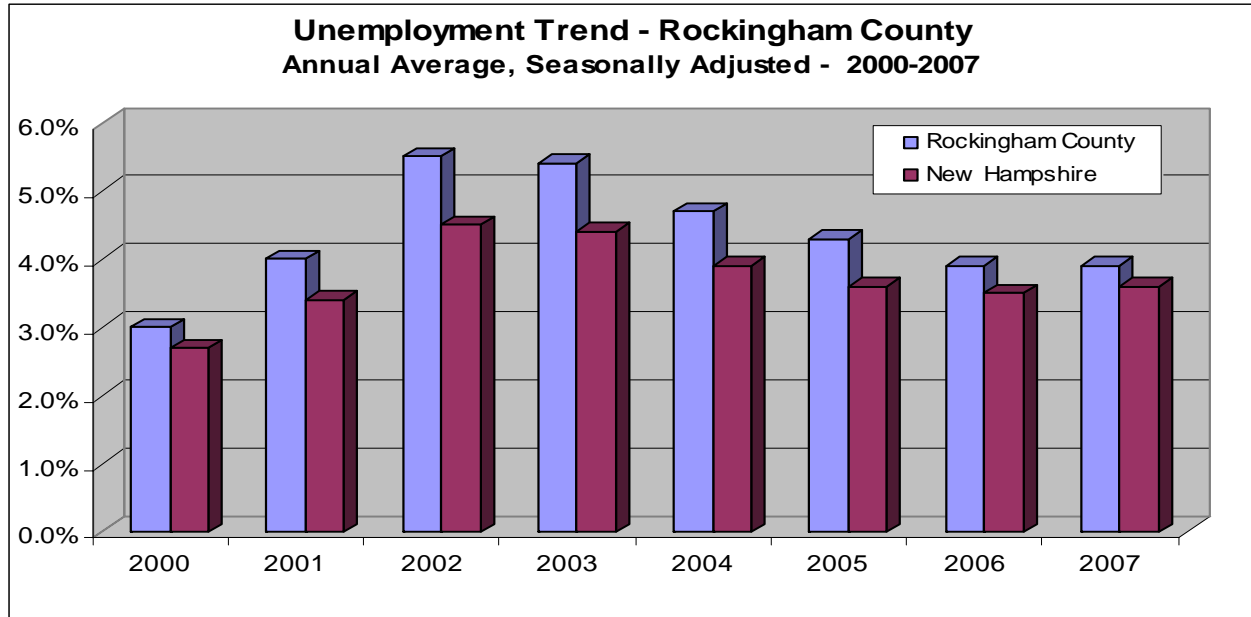
Source: NH Employment Security; US Bureau of Labor Statistics

Historically, the portion of the County with the lowest unemployment is the Portsmouth labor market area, while the labor market areas containing Salem (Lawrence-Methuen-Salem) and Seabrook (Haverhill - No. Andover - Amesbury) continue to show significantly higher unemployment.

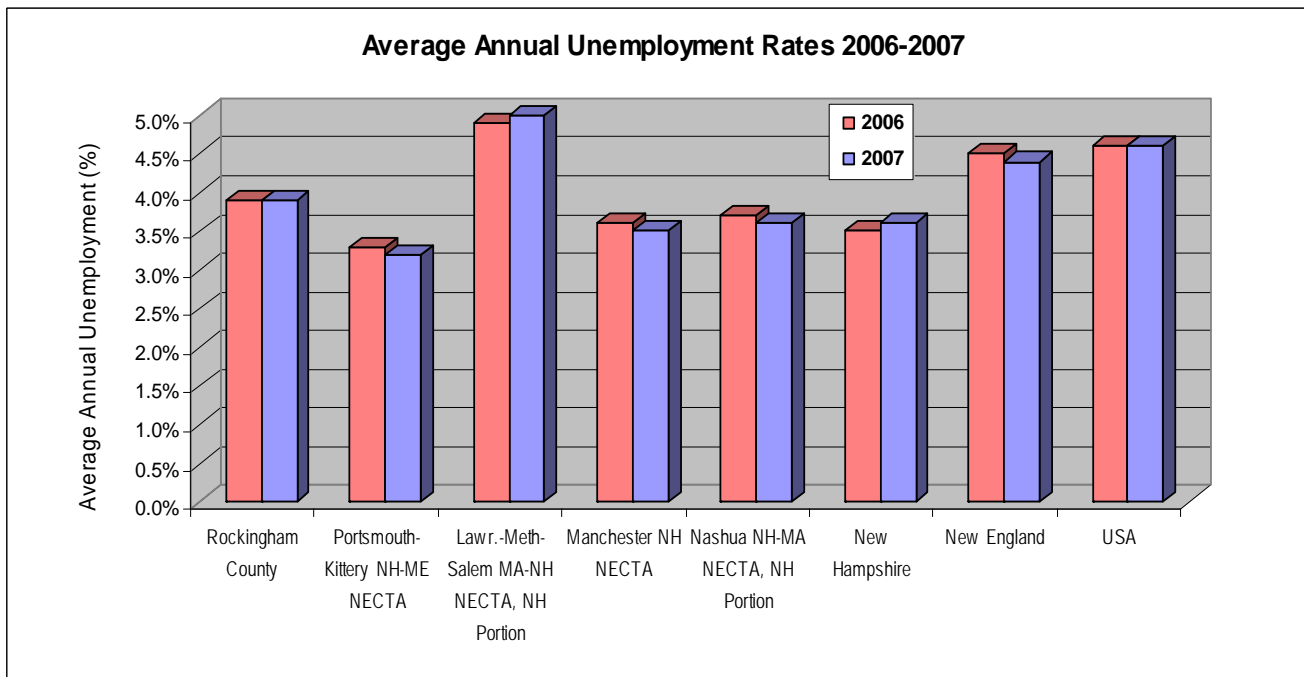
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change in the statistical method used to define and assign census blocks to urbanized areas. With the revised and new statistical areas the former Metropolitan Statistical Areas (MSAs) are now known as Core Based Statistical Area (CBSAs) as the new standard, and these are referred to as the "New England City and Town Areas" (NECTAs) in New England. In Metropolitan areas, MSAs and PMSAs are known respectively as MetroNECTAs and NECTA Divisions.

**FIGURE 9**



**FIGURE 10**





## **B. State of the Economy**

While problems at the national level continue to grow, the New Hampshire economy has yet to feel the full effects of the housing crisis, increasing fuel costs or rising unemployment rolls. The unemployment rate in New Hampshire has been consistently lower than the United States rate during the past fifteen years. A state economist described the current New Hampshire economy as “steady as she goes”. While the national economic downturn occurred in late 2007 and early 2008, the impact upon the state economy has not been seen yet. Notwithstanding the previous concerns associated with the Portsmouth Naval Shipyard, the recent collaborative work by New Hampshire and Maine economic development stakeholders is beginning to chart the economic future of this Bi-State region.

In past analyses of the economic conditions, it has generally held that the unemployment rate in Rockingham County was higher than the State of New Hampshire’s unemployment rate and lower than the national unemployment rate. Due to major layoffs in the automotive industry and other industries not predominant in the New Hampshire economy, the national unemployment rate has increased more rapidly than either the New Hampshire or Rockingham County unemployment rates. While the average annual national unemployment rate in 2006 and 2007 was 4.6%, the national unemployment rate increased to 5.7% as of June 2008. The New Hampshire unemployment rate actually increased from an average annual unemployment rate of 3.5% in 2006 to 3.6% in 2007, while also increasing to 4.0% in June 2008. The average national unemployment rate for the period from July 2006 to June 2008 was 4.7%. During this same period of time, the average unemployment rate for the State of New Hampshire was approximately 3.7%, while the average unemployment rate for Rockingham County was estimated to be 3.9%. In reviewing the unemployment rates for the thirty-seven communities that comprise Rockingham County, every community, with the exception of Candia, Deerfield and New Castle, experienced an increase from their annual average unemployment rates in 2007 to their unemployment rates for June 2008. It appears that the national economic problems are beginning to be seen in the state and local unemployment figures.

While the overall economy in the region experienced a slight increase in its unemployment rate, the situation in the “pockets of distress” communities actually improved relative to the national unemployment rates. The Town of Seabrook, which experienced average annual unemployment rates of 6.2% in 2006 and 5.6% in 2007, had an unemployment rate of 6.2% in June 2008. During the period of time from July 2006 to June 2008, the Town of Seabrook had an average unemployment rate of 5.9%, which was 1.2% higher than the average national unemployment rate for the same period. In June 2008 no other communities in Rockingham County had a higher unemployment rate than the nation as a whole, although Kensington and Plaistow both had unemployment rates of 5.7% in June 2008, which matched the national unemployment rate.

As outlined in the Update to CEDS Data Summary, the reported reductions from layoffs and plant closings in Rockingham County from July 1, 2007 to June 30, 2008, as reported

by the State's Rapid Response Team, totaled 477 employees, which represented an increase over the 377 layoffs reported in the *Annual CEDS Update for 2007* (Note: In addition to these layoffs, Suflex in Newmarket announced layoffs of 38 workers to occur in August 2008). These fifteen (15) layoffs and/or plant closings occurred across the County, although one-third of the layoffs and/or plant affected businesses in Portsmouth and one-fifth were in Salem. Continuing the "economic churning" noted last year, Portsmouth continues to experience expanding firms, newly relocated firms and businesses laying off employees or closing. The Portsmouth firms experiencing layoffs included Meadowbrook (13 jobs), Boston Main Airways (22 jobs), Port City Air (38 jobs), Shaws (70 jobs) and Roche Diagnostics (150 jobs), representing nearly 300 layoffs. In Salem, Comp USA (55 jobs), Sun OS Systems (8 jobs) and Praxair (13 jobs) experienced layoffs and/or closures. The other communities impacted included Derry (Kindelian Woodworking – 3 jobs), Exeter (Eventide Nursing Home – 38 jobs), Hampton (MTL Industries – 15 jobs), Kingston (Sears Holding Company – 49 jobs), Northwood (American Traditional Design – 15 jobs), Raymond (Criterion – 3 jobs) and Stratham (Timberland – 60 jobs). The potential for additional layoffs and/or closures during the next year is much greater due to the economic conditions at the national level.

### New Hampshire Economy

In the "New Hampshire Economic Analysis Report 2008", the Economic and Labor Market Information Bureau (ELMIB) of the New Hampshire Department of Employment Security (NHDES) provided its mid-year look at the New Hampshire economy as of June 2008. The New Hampshire economy was described as "steady" in this report, given that some of the state's economic statistics showed moderate growth, while others showed moderate decline. The information below represents a summary of significant points raised in this document that will have an impact upon our CEDS planning process:

- The New Hampshire Gross Domestic Product (GDP), which describes the economic value added by the state's labor and capital inputs, increased by 2.3% to \$ 57.3 billion. This growth in the GDP was lower than that experienced in 2006 (4.9%) and 2005 (4.0%). All the growth in the GDP was attributed to service-providing industries. Trade, Transportation and Utilities enjoyed the largest share of New Hampshire's economy, contributing 22.3% to the GDP. Real Estate (15.1%), Professional and Business Services (13.2%) and Manufacturing ((12.2%) contributed the next highest amounts to the GDP. While Manufacturing has experienced a 22% decrease since 1997, Education and Information have been the two fastest growing industries in the state at 116% and 169% during the past ten years.
- Since the first quarter of 2003, covered employment in the United States as of the third quarter of 2007 increased by 9.5%, while covered employment in New Hampshire as of the fourth quarter of 2007 increased by 7.9%. New Hampshire's labor force was 746,047 as of April 2008, which represented an increase of 5.3% since November 2001. The nation's labor force grew by 6.7% over the same period of time, while New England's labor force increased by only 2.8%. The gap between unemployment rates for New Hampshire and Massachusetts is narrowing. From its employment peak in the late 1990s, goods-producing industries have lost nearly 15,000 jobs.

- Per capita income in New Hampshire has increased 22.5% since 2001, which is slightly less than the increases in Massachusetts (26.3%), Vermont (26.5%) and Maine (23.4%). With per capita income in 2007 at \$ 41,512, New Hampshire trailed Connecticut (\$ 54,117) and led Maine (\$ 33,722). New Hampshire had the lowest poverty rate in New England and second lowest in the nation in 2006 at 8%.
- Education attainment in New Hampshire has increased, thus making it more likely those future job openings will be filled and new business will be attracted to the state. New Hampshire residents aged 25 or older with a bachelor's degree or higher increased from 28.7% in 2000 to 31.9% in 2006. However, New Hampshire still ranks fourth in New England, trailing Massachusetts at 33.2%.
- The decline of 5.6% in the New Hampshire Housing and Real Estate market has been one of the smallest in New England. Real estate values in New Hampshire have leveled off and there have been slower real estate sales as well.
- New Hampshire has enjoyed a 51% increase in exports since 2003 with nearly \$ 3 billion in exports. The bulk of New Hampshire's exports are shipped to Canada (\$ 153 million), Germany (\$ 57 million) and the Netherlands (\$ 34 million). These countries import 20.7% more goods from New Hampshire than they did in 2003. The leading exports from New Hampshire fall within the Computer and Electronic Products and Machinery, Except Electrical categories.
- Total employment in New Hampshire is expected to increase by 13.9% between 2006 and 2016, representing an increase of 96,400 jobs. According to the projections, it is estimated that 27,000 new jobs will be in health care, social services, computers and mathematics and personal services, which will grow at twice the average rate for all occupations. Community and social services jobs are projected to grow by 2800 jobs or 31.6%, while health care industry jobs are projected to add 14,415 jobs by 2016. Computer and mathematical occupations are expected to grow by 28.1% from 2006 to 2016. Nearly 40% of the jobs expected to grow at the fastest rate in the state are health-related.
- Due to the state's dependence upon consumer spending, the recent increases in fuel costs and food prices will have an impact upon a family's ability to spend on other items. The credit and real estate industries are under a great deal of strain with foreclosures increasing and available credit diminishing. The shifting exchange rate has brought about new growth in high tech and export sales. Notwithstanding the economic challenges ahead, the state of New Hampshire will address them positively.

The New Hampshire Economic & Labor Bureau (NHELMB) publishes *Economic Conditions in New Hampshire*, a monthly publication providing extensive data and stories on different aspects of the state's economy. Summarized below are some other facts and figures provided through the July 2007 to June 2008 editions of *Economic Conditions in New Hampshire*, which can be accessed at [www.nhes.state.nh.us/elmi/](http://www.nhes.state.nh.us/elmi/):

- New Hampshire firms received \$ 71 million in venture capital funding in the first quarter of 2007, almost matching the total amount in 2006. Industries benefiting from this venture capital funding included Industrial and Energy (\$ 27 million), Telecommunications (\$ 18 million), Medical equipment (\$ 18 million) and Software (\$ 8 million). In 2006 and the first quarter of 2007, New England firms received \$

4.1 billion in venture capital funding with the bulk going to Massachusetts firms (\$ 3.8 billion). New Hampshire accounted for 89% of this funding in northern New England, while Vermont accounted for 6.2% and Maine received 4.9%. Industries in the Biotechnology sector received the largest amount of venture capital financing at more than \$ 1.1 billion. Software industries received \$ 844 million and Medical devices and equipment firms attracted \$ 427 million.

- Based upon short-term projections developed in January 2008, the state was expected to add more than 13,000 jobs by the fourth quarter of 2008. Professional, scientific and technical services led all sectors with a 5.1% growth rate, while the Arts, entertainment and recreation sector was expected to add nearly 450 jobs and grow by 4.6%. The Health care and social assistance sector was expected to add 3,600 new jobs, while the Educational services sector would add nearly 2,500 jobs. The Construction sector was expected to be flat, while the Manufacturing sector was projected to lose 1,700 jobs.
- Per capita income in New Hampshire increased by 4.4% from 2006 to 2007 to \$ 41,512, which was slower than from 2005 to 2006 (5.8%). Per capita income grew by 5.2% nationally during the same period. New Hampshire ranked eighth in the nation in terms of per capita income, falling from seventh to eighth just behind California.

Professor Ross Gittell provided an overview of the Biotech industry in New Hampshire through his presentation on December 7, 2007 as part of the Bi-State Alliance project. Through his overview and some “thoughts” on the *New Hampshire Biotech Industry*, Professor Gittell was able to compare the New Hampshire, U.S. and Rockingham County biotech sectors. In 2006 the Biotech industry in New Hampshire accounted for only 1.2% of all employment, which was slightly higher than the U.S. average of 1.1%. The average annual wage of \$ 68,000 was 58% higher than the industry average in New Hampshire, but 15% lower than the average salary for the biotech industry nationally. There were 242 biotech establishments with an average employment of 27 employees, which was 20% lower than the US biotech average. Between 2001 and 2006 the biotech industry grew by 4% in New Hampshire and 7% nationally. Average wages grew by 34% during this same period of time in New Hampshire. The largest biotech industry in New Hampshire is the Medical Equipment and Supplies Manufacturers, which accounted for more than 40% of employment in the biotech industry.

According to the *County Business Patterns* in 2005, biotech employment in Rockingham County was 2,200 or 1.7% of total employment in the county. Rockingham County had 58 biotech establishments in 2005 with a focus in the Pharmaceutical and Medicine Manufacturing, Analytical Lab Instrument Manufacturing and Electro-medical Apparatus Manufacturing sectors. Professor Gittell foresaw limited opportunity for growth in the biotech research and development sector, but sees a potential niche in the biotech product development sector.

## **Part V - Development Strategies**

### **A. CEDS Project RFP Process**

The CEDS RFP process involves several different methods, working with municipal representatives and developers alike, to identify, inform, solicit, and develop quality projects for inclusion in the CEDS Priority Projects List. Inclusion on the list is based on the project meeting or exceeding regional goals as outlined in the CEDS. The regional goals are determined through a grass roots process that invites all economic development stakeholders to brainstorming sessions to discuss, select and prioritize goals that enhance the regions economic vitality. The goals are reviewed every five years with stakeholders in each of the three sub regions of Rockingham County – Seacoast, Central and West participating. This goal identification process began in 2000 with the first CEDS produced for Rockingham County. In 2005, brainstorming and information sessions were held in both Portsmouth and Derry in order to solicit feedback from area stakeholders, on what issues were important and what goals were critical to the vitality of the region. By identifying common economic development goals for the region, projects can be selected that advance regional goals over the long term.

In order to ensure that all relevant parties are aware of the opportunity to submit a municipal project for consideration, a “Request for Project” solicitation goes out each year to all municipalities in Rockingham County. This past year, project solicitation began in February 2008 with a mail request sent to each of 37 town Chairs of Selectmen, Chair of Planning Board, local economic development boards, and town managers and administrators. Request for projects also went out via an e-flyer to all participants in the CEDS process, as well as all current Project proponents.

The RFP included a New Project Submission Form; the Rockingham County CEDS Project Criteria 2005-2009 Form; and a CEDS Project Update Form as applicable for existing projects already on the list.

In addition to this solicitation, REDC staff visited proponents of major development projects in the region to discuss and develop new projects for the list. The CEDS staff has also been trying to encourage new project development and submissions from distressed communities in order to promote job growth for those communities. This year there are several new projects that were submitted for the list that meet our targeted distressed areas, or are considered major developments for a specific town.

### **B. FY 2008 EDA Investment Policy Guidelines**

REDC utilizes the established EDA Investment Policy Guidelines whenever it is applying for EDA funding or is working with prospective EDA applicants. These guidelines are consistent with what REDC utilizes for its own review activities for CDBG loan funding and reflect the spirit of entrepreneurship of Rockingham County. These guidelines have been made available to prospective project applicants during this year’s RFP process to

ensure that all Rockingham County projects meet these guidelines. As established by EDA, the Investment Policy Guidelines for FY 2007 are as follows:

### **Investment Policy Guidelines**

Investment applications will be competitively evaluated on their ability to meet or exceed the following investment policy guidelines:

**Be market-based and results-driven.** An investment will capitalize on a region's competitive strengths and will positively move a regional economic indicator measured on EDA's Balanced Scorecard, such as: an increased number of higher-skill, higher-wage jobs; increased tax revenue; or increased private-sector investment.

**Have strong organizational leadership.** An investment will have strong leadership, relevant project management experience, and a significant commitment of human-resources talent to ensure a project's successful execution.

**Advance productivity, innovation and entrepreneurship.** An investment will embrace the principles of entrepreneurship; enhance regional clusters, and leverage and link technology innovators and local universities to the private sector to create the conditions for greater productivity, innovation and job creation.

**Look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy.** An investment will be part of an overarching, long-term comprehensive economic development strategy that enhances a region's success in achieving a rising standard of living by supporting existing industry clusters, developing emerging clusters, or attracting new regional economic drivers.

**Demonstrate a high degree of commitment by exhibiting:**

- High levels of local-government or nonprofit matching funds and private-sector leverage.
- Clear and unified leadership and support by local elected officials.
- Strong cooperation between the business sector, relevant regional partners, and local, state and federal governments.

**C.**

**1. 2008 Priority Project List**

**Top Priority Projects  
(18 months to completion)**

Infrastructure Improvements for Smuttynose Expansion Project *	Hampton
Route 28 / Manchester Road Widening Project *	Derry
Route 28 Water & Sewer Extension *	Derry
Stratham Fire Suppression District	Stratham
Capitalization of Regional Loan Fund	Countywide
Squamscott Community Commons – LEED Certified	Exeter
Derry Rail Trail	Derry

**Intermediate Priority Projects  
(2-4 years to completion)**

Lamprey River Mill Re-Development *	Newmarket
Pettengill Road Commerce Park *	Londonderry
Town of Raymond Route 101 Exit 4 Development *	Raymond
Exit 4A New Ramp I-93 Project *	Derry
Route 93 Widening Western Sub-region *	Derry
NH Route 107 / I-95 Bridge Expansion *	Seabrook

**Long Term Projects  
(5+ years to completion)**

Development of Railroad Station *	Plaistow
Jack's Bridge Road TIF District *	Londonderry

(\*) EDA Funding Candidates

2.

## PROJECT MATRIX

This Matrix identifies which regional goals are supported by each project.

### CEDS PROJECTS FOR THE ROCKINGHAM COUNTY REGION – 2008

#### TOP PRIORITY PROJECTS (up to 18 months to completion)

<i>PROJECT NAME</i>	<i>PROJECT DESCRIPTION</i>	<i>PROJECT PROPONENT</i>	<i>TOTAL COST</i>	<i>FUNDING SOURCE(S)</i>	<i>START DATE</i>	<i>ENVIRONMENTAL IMPACT</i>	<i>GOALS ADDRESSED</i>
<i>Infrastructure Improvements for Smuttynose Brewing Company Expansion Project</i> ★	The construction of a LEED Certified development to expand current business and create over 100 new jobs in the region.	Town of Hampton	\$6,000,000	Federal, State, private	2008	Yes	1, 3, 4
<i>Route 28 / Manchester Road Widening Project</i> ★	To re-design and re-build road to 5 lanes for future commercial / industrial development	Town of Derry	\$6,500,000	Local TIF Funding	2009	Yes	1, 2, 3
<i>Route 28 Water / Sewer Extension</i> ★	Extend utilities to town line for future development	Town of Derry	\$5,000,000	Local, Private, EDA	2009	Yes	1, 2, 3



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**(CONTINUED) TOP PRIORITY PROJECTS (2-4 Years to Completion)**

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<i>PROJECT NAME</i>	<i>PROJECT DESCRIPTION</i>	<i>PROJECT PROPONENT</i>	<i>TOTAL COST</i>	<i>FUNDING SOURCE(s)</i>	<i>START DATE</i>	<i>ENVIRONMENTAL IMPACT</i>	<i>GOALS ADDRESSED</i>
<i>Stratham Fire Suppression District</i>	Upgrade water lines in business corridor for job growth	Town of Stratham	\$1,000,000	Local, private	2006	Yes	4
<i>Capitalization of Regional Loan Fund</i>	Increase loan capital in region for business expansion	REDC	\$ 750,000	HUD, USDA	On-going	No	1, 3, 6
<i>Squamscott Community Commons – a LEED certified project</i>	Renovation of existing building for community center and job creation	Squamscott Community Coalition	\$ 8 M	EDA, HUD, CDIP, local, private	2007	Yes	1, 3, 4, 6
<i>Derry Rail Trail</i>	Construction of Rail trail	Town of Derry	\$380,000	Local, State, Private	2009	Yes	2, 3, 6

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**(★) EDA Funding Candidates**

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**INTERMEDIATE PRIORITY PROJECTS (2-4 Years to Completion)**

<i>PROJECT NAME</i>	<i>PROJECT DESCRIPTION</i>	<i>PROJECT PROPONENT</i>	<i>TOTAL COST</i>	<i>FUNDING SOURCE(S)</i>	<i>START DATE</i>	<i>ENVIRONMENTAL IMPACT</i>	<i>GOALS ADDRESSED</i>
<i>Lamprey River Mill Re-development *</i>	Purchase and renovate historic mill building for mixed use industrial / commercial	Newmarket Community Development Corp.	\$ 8.5M	EDA, state, local, private	2008	Yes	1, 2, 3, 4
<i>Pettengill Road Commerce Park *</i>	Upgrade roadway for commercial / industrial use	Town of Londonderry	\$5,000,000	EDA, TIF, private	2008	Yes	2, 3, 6
<i>Town of Raymond Route 101 Exit 4 Development *</i>	Development of 300 acres for mixed use and wastewater treatment	Town of Raymond	\$80,000,000	EDA, TIF, USDA, CDBG, private	2007	Yes	1, 2, 3, 4, 5, 6
<i>Exit 4A New Ramp off of I-93 – Derry *</i>	Improved access to industrial area	Towns of Derry and Londonderry	\$ 13M	DOT, local, federal	2011	Yes	2, 6
<i>Route 93 Widening Western Subregion *</i>	Interstate Highway Widening Project	State of NH	\$700,000,000	Federal, State	Not known	Yes	2, 3, 4, 6
<i>NH Route 107- I-93 Bridge Expansion *</i>	Widen bridge from 3 to 5 lanes for improved access to commercial sites	Town of Seabrook	\$6,600,000	Private, EDA	2010	Yes	1, 2, 3

*(\*) EDA Funding Candidates*

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## LONG TERM PRIORITY PROJECTS

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<i>PROJECT NAME</i>	<i>PROJECT DESCRIPTION</i>	<i>PROJECT PROPONENT</i>	<i>TOTAL COST</i>	<i>FUNDING SOURCE(S)</i>	<i>START DATE</i>	<i>ENVIRONMENTAL IMPACT</i>	<i>GOALS ADDRESSED</i>
<i>Development of Railroad Station – Plaistow</i> ★	Construct Railroad Station for regional access to existing commuting routes	Town of Plaistow	\$ 975,000 (CMAQ Funding)	Federal, state, local	2008	Yes	1, 2, 3, 6
<i>Jack's Bridge Road TIF District</i> ★	Development of roadway network and connections, to facilitate the development of 400 acres industrially zoned	Town of Londonderry	\$14,800,000	Federal, State, local	?	Yes	2, 3, 6

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(★) EDA Funding Candidates

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### **3. Rockingham Priority Project Updates and Status Report**

**2006 – 2007**

#### **TOP PRIORITY PROJECTS**

##### **1. Route 125 Infrastructure South – Drakes Site Epping, NH**

This project was sold to a new developer last year who is in the process of developing Phase Two of that site for commercial/industrial use. An anchor tenant has been identified, as the project moves toward completion. This project is removed from the Priority Project List as having completed its' goal of new commercial opportunities in this targeted commercial zone.

##### **2. NH Biotechnology Incubation Space (warehouse conversion) – Pease Tradeport**

This project has been removed from the CEDS Priority Project List at this time. Due to the State's decision to relocate the Stratham campus of Great Bay Community College to the Pease campus of the college, a space issue has surfaced. While the State of NH is renovating the campus for the merged facilities, the number of classrooms needed outweighs the priority of the expansion of the Incubator space at this time. Discussions will continue as to how the BioTech Incubator can expand given the new set of circumstances.

##### **3. Epping Downtown Feasibility Study**

This project has been removed from the CEDS Priority Project List at this time. The Town of Epping has had several staffing changes over the past several years. This has impacted several local initiatives that were created by former staff members, including the idea of a downtown feasibility study. The newly formed local citizen group, Speak Up Epping, has focused their efforts on other issues affecting the town's growth and have no immediate plans for a downtown feasibility study.

##### **4. Capitalization of the Regional Revolving Loan Fund – Countywide**

REDC had previously applied for new loan funds ( \$500,000) through USDA/Rural Development. Due to other applications submitted in the same time frame, scoring higher than ours, the REDC was denied a second round of funding. The rules allow the application to be considered 3 more times over the year. We are currently awaiting the new review and scoring to see if the application qualifies in this round. Other efforts to capitalize the regional revolving loan fund include the receipt of a new HUD loan in the amount of \$450,000. As re-payment occurs, those new funds will be added to the regional revolving loan fund.

**5. Stratham Fire Suppression District**

This project continues to move forward towards completion. Field work has been completed for crafting all easements from existing property owners. Easements will be reviewed by legal and the process of acquiring the property needed for the water/fire system is current and on-going. Once complete, the construction work can continue towards the goal of municipal water system serving the commercial sector, leading to business expansions and new job creation.

**INTERMEDIATE PRIORITY PROJECTS**

**6. Main Street Reconstruction Program – Newmarket, NH**

This project continues construction of an improved downtown infrastructure that will begin the re-development of the downtown area of Newmarket. This project has been in process as planned for several years now. Completion is expected in this next year. As this project is almost complete, this project will be taken off the regional Priority Project List.

**7. NH Community Technical College – Emerging Technology Center**

The development of the new Emerging Technology Center at the Pease campus of Great Bay Community College (formerly the NH Community & Technical College) has been a slower process than originally anticipated. The merging of the Stratham campus with the Pease campus has resulted in the need to re-configure design and space needs for the entire range of college programming, not just the BioTechnology or Technology programs in general. The renovation of this campus building from an old air base hospital to a college campus has slowed due to unforeseen abatement and construction issues, so that the entire construction schedule is delayed. Due to these complicating factors and the need to still identify adequate space needs for college programs and curriculums over the long term, this project is going back to the drawing board for further consideration and re-design. This project will be taken off the Priority Project List until a re-design has been complete.

**8. Squamscott Community Commons – a LEED Certified Development Project**

This project has made significant progress in the past year and will be moved to the Top Priority CEDS list for the coming year. After lengthy negotiations with the Town of Exeter and the school department (owner of the former high school building), the Squamscott Community Commons has just reached a major benchmark, in that they have finally executed the Purchase & Sale of the subject property from the School Department. Now that the group has officially taken ownership of the building, the project will continue to move forward. Several large private donations have been received in the past 18 months, moving the project several steps closer to fruition.

**9. Lamprey River Mill Redevelopment Project**

The Lamprey River Mill Re-development Project has experienced a few setbacks over the past year. The developer selected to re-develop the historic mill buildings, presented plans to the local Planning Board that were ultimately rejected by that Board. The plan called for a higher density of apartments vs. commercial space. This has precipitated a discussion among residents and local officials for more planning on that site. In the meantime, a new developer has been found and new discussions and compromises are being discussed for the development of that site. The current economy and housing market have also contributed to the re-evaluation of the mix of development between residential vs. commercial vs. public space. This project will remain on the Intermediate List.

**10. Pettengill Road Commerce Park**

This project has made some progress in the past 12 months. The Town of Londonderry has finalized the Airport Access Road and Pettengill Road intersection location and improvements with NH Department of Transportation. The work continues with the NH DOT to finalize the remaining engineering of the new location of Pettengill Road. Financing has not been identified yet for this project. This project will remain on the Intermediate Project List for this next year as it continues to advance towards completion. Once complete, new industrial development and job creation can occur.

**11. Town of Raymond Route 101 Exit 4 Development**

This project is continuing forward with a change in plans due to the economic changes in the housing and industrial sector. The original mixed use design included condominiums, and a series of outlet mall shops, combined with a hotel and restaurant. The Town of Raymond, in tandem with the private developer, is developing a Wastewater Treatment facility in an adjacent parcel, to go along with the residential and commercial development. One development affects the other and both projects must go forward together as costs are tied in to new property taxes raised with the new development. At this time, a new anchor tenant has been found; the developer received an extension of time for starting construction under site plan previously approved. This next year should see some major movement forward on this project. This project will remain on the Intermediate List for the coming year.

**LONG TERM PRIORITY PROJECTS**

**12. Exit 4A New Ramp off Route 93 in Derry and Londonderry**

This project has made progress in the past 12 months and will be moved to the Intermediate Project List this coming year. As part of the State of NH process for road work in NH, road projects must go through a “vetting” process at the State level. A major

milestone was reached this past March 2008, when the Special Committee of Governor and Council voted unanimously in favor of the “necessity” of this project, a required standard for inclusion on the State’s 10 Year Highway Plan. The Environmental Impact Study has been submitted to the Federal Highway Administration and the NHDOT for review, which is currently in process. The towns engineering company is working on a funding package to present to Derry and Londonderry. The goal is to receive feedback by end of 2008.

**13. Route 93 Widening – Western Sub-Region**

This major highway expansion project continues to move forward with construction at several key locations along the expansion route having already begun. The project, at this time, will move to the Intermediate Project List, due to the forward movement of this project towards completion.

**14. Development of Railroad Station - Plaistow**

This project continues to be a goal for the Town of Plaistow. In the past year, there had been some discussion with the State of Massachusetts for a coordination of effort in utilizing the potential for a Plaistow rail stop, to alleviate the Haverhill, Mass congestion at their stop along the way. It is unclear at this time if a coordinated project will emerge from this discussion. The Town of Plaistow sees the development of this rail station as key to their area, allowing folks commuting options that clear congested roadways, along with the potential for economic gain and future business growth along or near the rail station. Plaistow officials continue to participate in “DownEaster” discussions to keep the long range goal of this station and rail stop on the front burner.

**15. Jack’s Bridge Road TIF District - Londonderry**

The Town of Londonderry finalized a major traffic study of the Route 28 area, with findings presented to NHDOT and Londonderry Town Council. Since the study was completed, some modifications are in process now in the economic development analysis and Tax Increment Financing District plan. A final presentation to the Londonderry Town Council with a revised TIF District Plan, economic analysis and traffic study will be presented later this year, with the goal of moving forward with local TIF financing to get this project started. This project will remain on the Long Term Priority List at this point.

**16. Smuttynose Brewing Company LEED Certified Expansion Project**

This project, after several setbacks in finding and securing a suitable location, has finally found an appropriate site in Hampton. The design includes a LEED Certified building that preserves certain historic aspects of the site; provides infrastructure improvements for the benefit of the town and the area; and will create new jobs in the region. At this time, the project heads towards final site plan approvals from the Town of Hampton, estimated to be approved in August 2008. At that point the project moves forward to financing and construction. Due to this, the project will move to the Top Priority Project section of CEDS as the project appears to be on track for a construction start in 2008-2009 construction season.



## **D. Project Oriented & Other Economic Development Initiatives**

### **1. Manchester – Boston Regional Airport**

Since its renaming in April, 2006, the Manchester-Boston Regional Airport has become the convenient alternative to Logan International Airport by serving many passengers and companies in southern New Hampshire and northern Massachusetts. Located less than 50 miles north of Boston, Manchester-Boston Regional Airport is served by twelve commercial airlines and has instituted numerous improvements in order to handle its growing customer base. Manchester-Boston Regional Airport is an important economic asset to the State of New Hampshire and Rockingham County.

During the period from 1992 to 2007, annual passenger traffic at Manchester-Boston Regional Airport increased from 794,134 to 3,892,630 for an overall increase of 144.83%. Passenger traffic increased steadily until it reached an annual peak of 4.3 million passengers in 2005. Due to airline downsizing, bankruptcies, mergers and increasing fuel costs, annual passenger traffic decreased by 10% between 2005 and 2006, but only by .1% between 2006 and 2007. In fact, passenger traffic actually increased for eight of nine months between mid-2007 and February 2008 and the total passengers for February 2008 was 6.3% higher than the total passengers in February 2007.

Annual cargo activity has increased from 89.3 million pounds in 1993 to 193.5 million pounds in 2007, representing an overall increase of 116.47%. Cargo activity has increased every year since 1993 and remained strong in February 2008 with more than 14 million pounds processed during the month. Annual cargo activity increased by nearly 9.7% between 2006 and 2007.

Additional activities at Manchester-Boston Regional Airport include the following:

- On January 1, 2008 Mark P. Brewer, formerly of TF Green Airport in Providence, became the new Airport Director at Manchester-Boston Regional Airport.
- Southwest Airlines announced plans to offer a daily round-trip nonstop flight to Ft. Lauderdale, Florida beginning on May 10, 2008. However, Southwest will also reduce its daily nonstop to Baltimore-Washington International from eleven trips to ten trips.
- The airport launched a pilot shuttle bus program called the “Manchester Shuttle” to demonstrate demand for regularly scheduled bus/van service between the

airport, northern Massachusetts and the City of Boston. This 18-month pilot program serves 500-900 passengers per week and has demonstrated the demand for this service. Beginning on July 1, 2008, Flight Line, Inc. will offer hourly service between the airport and several locations in northern Massachusetts and Boston for \$ 19 each way.

- The airport has opened a new cell phone lot off Ammon Drive and also offers free wireless internet access.

As a means to balance economic growth with quality of life, the airport has provided sound insulation modifications to more than 850 eligible homes under the Manchester-Boston Regional Airport Residential Sound Insulation Program with the \$ 35 million in federal funding provided through the City of Manchester. Additionally, under the Manchester-Boston Regional Airport Property Acquisition Program, more than 85 homes (out of 107 eligible homes) in the area have been purchased by the airport through this voluntary program.

## **2. Pease Tradeport / Port of NH**

The Pease International Tradeport has been seen as a tremendous economic development effort and success story for the Seacoast region of NH, as well as a national model for redevelopment of a BRAC property that began in 1991. Pease International Tradeport is seen today as a world class business park, often cited for excellence. The Economic Development Administration of the US Department of Commerce provided significant assistance in the re-development process. Today, the Tradeport boasts over 225 companies sited at the Tradeport bringing over 7,000 employees generating over \$500 million dollar impact to the seacoast economy in payroll and service contracts. At the end of fiscal year ending June 30, 2007, revenues hit an all time high of \$14.1 million, representing a 3.2% increase over the previous year.

During the last 12 months, the Pease Tradeport has seen new job growth and company expansions, as well as facing the challenges brought about by the departure of Skybus, which ended operations on Saturday April 5, 2008, and filed for Chapter 11 bankruptcy protection shortly after. Lonza Biologics, Newmarket International, and Salient Surgical Technologies are a few of the companies expanding or are in the process of expansion and creating new jobs for the region.

A marketing study of the Tradeport and its "Best Use", prepared by Bresette & Company, was completed in June 2007 and some of the highlights are as follows:

- New England needs low cost domestic service, and a regional air taxi service
- Low cost carriers will control 50% of the market by 2010

- Strong financial support and lack of debt is a strength
- the economic impact based on \$70 per passenger left in the seacoast region could generate income growth of \$10 million by 2010

A suggested plan for future action includes a goal to grow passenger and user awareness; bring a low cost international carrier to the airport and meet the inter-modal transportation needs of passengers and commuters.

### **Division of Ports and Harbors**

The Division of Ports and Harbors maintains and develops the ports, harbors and navigable tidal rivers of the State of NH for commercial shipping and pleasure boating. Under state law, it became part of the PDA in 2001. The Port Terminal is a Foreign-Trade Zone situated on Market Street on the Piscataqua River. It offers a year round, ice-free, deep draft shipping terminal. The Port is 3 nautical miles from the open sea, has on-site rail access and the capacity to host cruise ships. Cargo handling capacity include: bulk cargo, break bulk, project cargo and container cargo. The Bresette & Company Marketing study also included the Division of Ports & Harbors. The following are some of the results.

- Recent national studies indicate that many ports on the Northern Seaboard such as Boston, Portland, Philadelphia and New York are losing money; Portsmouth is not
- Portsmouth is a consistent financial performer
- The Port is flexible and congestion free
- Two distinct areas offer future growth opportunities – container services and cruise ships

A suggested plan of action includes maintaining bulk operations, expand current container operations, explore leisure cruise line market, optimize use of space, and be service driven.

### **3. Bi-State Economic Initiative**

The Bi-State Economic Development Initiative began in 2006 with a Summit to gather together economic development stakeholders from both Rockingham County, NH and York County, Maine to discuss ways to work together to enhance the economic vitality of the Bi-State seacoast region and beyond. This summit came together after the Portsmouth Naval Shipyard was spared closure during the last BRAC rounds of reviews. While the Shipyard remains open and viable today, the experience reminded regional stakeholders that in order to remain competitive in the regional economy, new strategies, new technologies, and new ways of working together would strengthen and protect the economy in the future.

During 2007 and 2008, Bi-State partners have been working together to provide a series of informational workshops, reports and studies on the future of the region in topic areas

that were identified by stakeholders as very important to future growth of the region. Those topic areas included new technologies, transportation, workforce housing, “boomer” power, and tourism. This past year, we focused primarily on new technologies and transportation.

New technologies were explored this past year in two disciplines: BioTechnologies and Green Technologies.

A two part series on BioTechnology was presented in January and May 2008. University Professors Charles Colgan of Maine, and Ross Gittell of NH, presented research studies for both Maine and NH, on the future Job Outlook in the field of BioTechnology. Their presentations informed stakeholders that certain sectors would advance when others would not. We learned that this region is not well suited for the research & development sector jobs in Bio-Tech, but that the process development labs and lab technician sector jobs would flourish and thrive in this region going forward. This was primarily due to the fact that R&D jobs generally are located around a teaching hospital and university. The manufacturing jobs would thrive due to the presence of large biotechnology companies who have a presence in the region, primarily at the Pease International Tradeport.

Part two of the series included a detailed look at training opportunities, curriculum advancements, and the Department of Labor grant received by Great Bay Community College for this area of study. We also presented a look at funding opportunities for companies growing in this sector.

In the area of Green Technologies, a study was commissioned called the “Bi-State Green Project”, where the focus was on identifying current trends and initiatives in green technology, and through a vetting process, identify one or two viable projects to implement. The study itself and final recommendations can be found in Appendix # 5 of this report. In the coming year, Bi-State partners will look at implementing one or several of these initiatives.

During a transportation workshop held in May 2008, the group specifically looked at the “Funding of the Downeaster” a commuter rail service that begins in Maine, moves through several NH locations through to Boston. The highly successful ridership and commuter train may be in jeopardy due to funding needs. Stakeholders from both Maine and NH were in attendance, along with presenters from the Northern New England Rail Authority, the State of Maine Dept. of Transportation, and the State of NH DOT as well. We learned the challenges of operating a rail service, the expenses and deficit, in operating this service. The brainstorming session that followed provided for many unique ideas on how to pay for the service. The organizers decided that a letter would be sent to all NH legislatures, with a copy of the meeting minutes, so they would be informed on several very creative funding ideas, to keep the train service going.

## **4. Interstate 93 Corridor Activities**

### **a. I-93 Expansion Project**

Interstate I-93 is one of two interstate highways in Rockingham County and New Hampshire which provide vital transportation links to Massachusetts and Southern New England. I-93 is the busier of the two, carrying some 105,000 cars per day in 2001, compared to about 85,000 for I-95 (both measured at the state line). While I-93 carries 25% more traffic than I-95, it has much less capacity due to its 4 lane (2 NB, 2 SB) configuration compared to I-95's 8 lanes. As a result, and for more than a decade travel on I-93 has been hampered with chronic congestion and a high accident rate. Safety during congested travel times is impaired by the lack of adequate breakdown lanes throughout much of the 20 mile project length. Congestion on I-93 has significant economic and community development costs to the region as the unreliability of travel on I-93 during commute times is extending the commuting period beyond a typical "rush hour", is diverting traffic to secondary roads, and is affecting decisions about business location and expansion. As explained in Section 1B, it is the most significant transportation infrastructure limitation in the County and all of southern New Hampshire at present, and has become the State Legislature's stated top priority for resolution.

As far back as 1991, the State DOT and Salem-Plaistow-Windham MPO identified the need to undertake a major upgrade and expansion of I-93 from Salem to Manchester to address capacity and design deficiencies and the project was included on the State's Ten Year Transportation Improvement Program at that time. Due to a requirement of the federal Clean Air Act that the state develop a statewide travel demand model with which to design the project, and do to higher state transportation priorities, such as the completion of the NH 101 widening, the design work for I-93 was put on hold for most of the 1990s. This work resumed in earnest in 1999; by 2003 the Draft Environmental Impact Statement was released amid controversy about the growth and environmental impacts of the project, as well as lack of a passenger rail component in the preferred alternative. The Final Environmental Impact Statement was released in April of 2004; however, due to unresolved project impacts associated with expected water quality impairment from additional road salt treatment, final Federal approval (the issuance of a Record of Decision) did not occur until June of 2005.

The total project cost is now estimated to cost in excess of \$700 million, and has seen rapid cost escalation over the past several years due to rising construction costs. It was initially expected to take up to 12 years to complete; however, the New Hampshire Legislature authorized bonding in 2004 and 2005 for the project to help shorten the construction timeframe. Specifically, HB-304-FN was adopted in 2005 and signed by the Governor authorizing the use of GARVEE Revenue Bonding (which use future state allocations of federal highway funding as their source of revenue) to allow construction in a 5-7 year timeframe instead of 10-12 years.

The project itself will involve the widening of I-93 from two to four lanes in each direction from the Massachusetts State line to Exit 5 in Londonderry. It also includes the reconstruction and/or realignment of the major interchanges from Exit 1 to Exit 5, as well as the construction of large park and ride facilities at Exits 2, 3 and 5. Sound barriers will be constructed near larger housing developments that are close to the highway. In addition to the highway expansion itself, the project includes four other significant 'non-construction' components: (1) an extensive commuter bus program for service to Boston will be implemented, serving the planned park and ride facilities with up to eight round trips per day (this will be the first element of the project to be implemented); (2) an incident management program, including Intelligent Transportation System (ITS) components will be included in the project to reduce delays associated with accidents, project construction and congestion; (3) a Community Technical Assistance Program (CTAP) will be implemented to help communities in the primary and secondary impact areas better plan for and manage growth that may result from the highway's expansion, and finally, (4) a long range major investment study of future Transit Alternatives for the I-93 Corridor from Boston to Manchester will be undertaken by both states to begin planning for future travel demand in the corridor.

#### 2008 Project Update

Although the use of GARVEE bonds for this project was authorized by the NH Legislature in 2005 to speed up the construction of the project, both the final cost and scheduling continue to remain uncertain at this time. Though the course of development of the current Ten Year Plan (2009-2018) during 2007 and 2008 it became evident that the capital highway program statewide was vastly over programmed. The NHDOT, with support from the GACIT, Legislature and Governor determined to rectify this and return the 10 Year Plan, which had become stretched to 20+ years to a 10 year timeframe. As a consequence numerous projects have been delayed or suspended. This has impacted the I-93 project as well. The NHDOT has divided the construction components of the project into three major sections – (1) the MA Stateline to Exit 3; I-293 through Exit 5, and the remaining middle section, from north of Exit 3 to south of Exit 5. In the new Ten Year Plan only the first and second of these is fully programmed; the middle section is largely deferred to beyond the Ten Year Plan period except for red listed bridge replacements. The rationale for this prioritization is that the segments of I-93 south of Exit 3 and north of Exit 5 suffer the worst congestion and safety problems and have the lowest current and projected levels of service.

The estimated final project cost has risen dramatically over the years, increasing from approximately \$380M (2005) to \$720M (2007). A significant part of this increase is due to very high inflationary pressures in the construction sector. Approximately \$480 of the total is programmed in the current STIP and Ten Year Plan. Some of the remaining balance has been expended in prior years and the rest is deferred to beyond the 10 Year Plan.

Limited construction for the project began in 2006, focusing on the park and ride lots at Exits 2, 4 and 5, and construction of the Cross Street Bridge associated with the Exit 1 interchange reconstruction. The current 10 Year Plan shows the majority of active construction occurring from now to 2012 – accelerated with the use of GARVEE Bonds. Payback of those bonds will occur through 2022. This construction schedule may be delayed pending approval of the Supplemental Environmental Impact Statement (SEIS) required as a consequence of the CLF lawsuit (see below).

**CLF Lawsuit & SEIS:** In early February of 2006, the Conservation Law Foundation filed suit in U.S. District Court against the NHDOT and Federal Highway Administration seeking to halt the construction of I-93 until alleged faults in the Environmental Impact Statement (EIS) and NEPA process were corrected. The Court issued its decision in late August 2007, rejecting CLF claims that rail alternative were not adequately studied in the EIS, but supporting their contention that the EIS's projections of future traffic demand on the highway were based on outdated population data and that the agencies did not properly account for the traffic growth associated with the [then] currently projected population growth. Also the court found that as a result of induced population growth due to the project, the agencies did not adequately assess the impacts of the widening on air quality, and on secondary roads. As a result the NHDOT is now preparing a Supplemental EIS to correct these deficiencies. The DOT is expediting efforts to finalize the SEIS and is hopeful to obtain a Record of Decision from FHWA by the end of 2008. Certain components of the project not part of the expansion itself, including the park and ride lot construction, the enhanced commuter bus transit service, red list bridge reconstruction and environmental mitigation projects, have been allowed to proceed during the development of the SEIS. Public Information meetings on draft components, including preliminary results from the updated traffic model, were presented in March of 2008.

#### **b. Exit 4A Update**

During this past year, the Route 93 Exit 4A, project continues to move forward with the support from both Derry and Londonderry. In March 2008, as part of the process of evaluating State of NH road projects and the 10 year Highway Plan, the Special Committee of the Governor and Council unanimously found "in favor" of the necessity of this project. The Environmental Impact Study has been submitted to the Federal Highway Administration and the NHDOT, and is currently under review by those agencies. The Town of Derry's consulting engineering company, CLD Engineers, is working on a Funding package to present to Derry and Londonderry. It is hoped that an answer from the review agencies is received by the end of 2008.

#### **c. Manchester-Boston I-93 Transit Investment Study**

It was recognized during the course of the I-93 project design that transit alternatives could not solve present congestion and high levels of travel demand in the I-93 corridor.

It was also understood, however, that such alternatives will need to take a major role in addressing travel demand beyond the design life of the expanded highway. This is supported by then NHDOT Commission Murray's assertion that no further expansion of I-93 will occur beyond the present project. In keeping with this, a commitment was made by the NHDOT to undertake a transit alternatives study to determine the most appropriate long term transit investments necessary to accommodate future travel needs in the I-93 corridor from Boston to Manchester. In 2003 the NHDOT secured \$1.0M in funding to undertake this study.

The New Hampshire Department of Transportation (NHDOT) is overseeing the study through a cooperative agreement with the Massachusetts Executive Office of Transportation (MA EOT) and in cooperation with Federal Highway Administration (FHWA) and Federal Transit Administration (FTA). A Technical Advisory Committee has been established composed of staff from the two partner States, the FHWA, the FTA, Rockingham Planning Commission, Southern NH Planning Commission, Nashua Regional Planning Commission, Northern Middlesex Council of Governments, Boston MPO, Merrimack Valley Regional Planning Commission, Merrimack Valley Regional Transportation Authority, Concord Trailways, Massachusetts Highway Department (MHD), Massachusetts Bay Transportation Authority (MBTA), US Environmental Protection Agency (EPA), to provide input to the study oversight, direction and review for the study. The TAC has met 3 times over the past year (June 07 – June 08) to finalize the project scope and review its progress.

The intent is that the study will be designed in a manner that will support an FTA 'New Starts' application for commuter rail or other fixed guideway transit service. The study is focusing on three primary transit corridors: the I-93 median (for fixed guideway or bus rapid transit (BRT) alternative); the Manchester-Lawrence railroad ROW (for commuter rail), and the B&M New Hampshire Maine Line (for MBTA commuter rail extension to Nashua and Manchester).

During the past year, the project TAC and consultant have narrowed the preferred alternatives from 8 to 3. These include a rail option along the existing Manchester-Lawrence rail line (currently state owned and used in sections as a recreational rail trail) and Bus-On-Shoulder Option that would utilize the new I-93 Park and Ride lots and travel on the highway shoulders during congested periods. Ridership estimates are similar, though somewhat less for the bus option, but the cost is much less. The final report may include a short term recommendation for bus on shoulder alternative and longer term recommendation for development of the rail service. The NH Maine Line Rail route has been eliminated as an alternative because it does not adequately meet I-93 corridor travel needs; the I-93 median ROW reserved as part of the highway design has been eliminated because it is costly yet offers no significant ridership increase over the bus-on-shoulder option.



#### **d. Commuter Bus Service Expansion**

The I-93 Expansion Project includes a project to significantly expand commuter bus services available in the corridor. This service, which will include approximately 19 round daily weekday trips to downtown Boston, would service the new and/or expanded or relocated park and ride lots at Exits 5 and 4 in Londonderry and at Exit 2 in Salem. The implementation of this project began in 2005 with the securing of additional CMAQ funds for buses. The final design of the park and rides at exits 5, 4 and 2 was completed in 2006 and construction at the Exit 2 and 5 sites is underway and expected to be completed in the fall of 2008. Construction on the Exit 4 Park and ride was completed in May of 2007. A service operator has been selected (Boston Express) and expanded bus service along the corridor is expected to begin in November or December of 2008.

More detailed information on the I-93 Expansion Project and its various components can be found at the NH DOT website for the project at [www.rebuildingi93.com](http://www.rebuildingi93.com).

### **5. Local Economic Development Initiatives**

#### **a. Hampton Beach Redevelopment**

For the past several years, the Hampton Beach District Commission has been working on a plan to bring more year round industry and jobs to the beach area. Several ideas had surfaced, including re-developing the Hampton State Beach area for a possible hotel, aquarium, and museum complex. Those ideas were put to rest this past year as the State of NH's Department of Resources and Economic Development began a series of Public Hearings on the upgrading of Hampton Beach. The State of NH will upgrade several key sites at the beach, including the visitor's center, ClamShell entertainment area, as well as expand the visitor bath house and rest room facilities to accommodate the larger numbers of people visiting the beach area during the summer months. Upgrades to these structures are critical and necessary as no upgrades have happened in a number of years and capacity is currently limited.

In the course of these hearings and public discussions, the State of NH noted that the State Beach is not likely to convert to private industry use in the near future, as that is not consistent with the State's plans. Once the public hearings are complete, the process will continue to refurbish the beach area. At this time, the timetable is unclear for the start of this construction.

#### **b. Raymond's Development Project at Exit 4 off Route 101**

This major development in Central Rockingham County continues to move forward, although at a slower pace due to the economic downturn. The mixed use project combines housing and commercial development as part of the approved plan for a local developer. The Town of Raymond had previously approved several TIF Districts in

order to fund municipal portions of the project, including the wastewater treatment facility that will serve this development, and surrounding commercial area. It had been determined that the wastewater treatment facility would be needed as part of this development.

Due to the housing market slump, the residential portion of this project has progressed slower than hoped. The residential component must go forward in order for the Town of Raymond to proceed with the wastewater treatment facility, as the developer has some financial commitments to the building of the wastewater treatment facility as part of his approvals. On the commercial side of the project, a slowdown was also seen this past year due to the slowing economy as well as the approval of a competing retail outlet center development several towns away from Raymond, in Merrimack. As this was the first plan and vision for the Raymond site, developers had to review and change some of its plans in order to attract new commercial development. As of this writing, several new national retailers are in negotiation with the developer to locate at this site. It is thought that this new development will keep this important project moving forward.

### **c. Economic Development Strategic Planning in Derry**

In the Fall of 2007, the Town of Derry embarked on a series of Strategic Planning sessions in order to determine the town's economic development goals and resources. An outside facilitator was brought in to assist and guide participants in this discussion. Three evening sessions were held on October 23, 2007, November 6, 2007, and November 27, 2007. The public was invited to view the sessions, but the invited participants included the following: representatives from Derry Town Council, Town of Derry Town Administrator, Community Development Director, Housing Director, and other officials; representatives from the Derry Chamber of Commerce, representatives from the local economic development organization – Derry Economic Development Corporation, and representatives from the regional economic development organization – Rockingham Economic Development Corporation.

The task began on October 23, 2007 with an overview by the consultant, Jeffrey Taylor & Associates, on Approaches to Economic Development, goal identification, who should perform goal attainment, and the order and prioritizing of an action plan. At this first session, the group participated in a visioning session that identified goals for the Town of Derry as well as community assets.

The Summary Statement:

Derry has the basis for a strong economic development program! It is well positioned with respect to important transportation infrastructure in Interstate 93 and the Airport. It has a business-friendly development attitude. It has a high quality of life. It is a pleasant, friendly community. It has a number of unique assets to offer to visitors, newcomers, and long term residents alike: Parkland Hospital, an attractive downtown, and Pinkerton Academy, to mention a few.

That said, there is a sense that Derry has not captured the full value of these assets. Derry needs a marketing and branding program to better promote its assets. It has the opportunity to continue to increase its responsiveness to local businesses. It has capacity in its sewer and water systems, and should extend those to outlying areas to assist businesses and properties there in redevelopment. It needs to continue working in its downtown area. It has the opportunity to undertake better outreach programs to local businesses through a visitation program and to businesses outside of the community by engaging its commuter workforce as ambassadors on Derry's behalf.

In order to undertake a continued, aggressive economic development program, there is plenty of work for all, and too much for any single group. All who are interested in economic development in Derry will have an opportunity to play a role. We just need to keep it coordinated and transparent for the user.

The second meeting was held on November 6, 2007. The purpose of this meeting was to identify each participating organizations or departments strengths and weaknesses in working towards Derry's goals. Participating were the Derry Town Council, Derry Town staff, Derry Chamber of Commerce, Derry Economic Development Corporation, and Rockingham Economic Development Corporation. The roundtable discussion also included the potential roles of each player, their specific activities, and the areas of support they could contribute; who could lead a certain activity, or who could provide a supporting role. This meeting helped to clarify each group's roles and responsibilities clearly in order to move the Town of Derry's economy forward in a professional and determined manner.

The third meeting held on November 27, 2007 discussed the following questions: Who should be responsible for developing a marketing plan for Derry? How should prospect information be shared amongst various economic development players?

What are the priority economic development actions that the groups would undertake in the next 6 to 12 months? The value of this discussion included clarifying who should do what, and identifying a blueprint to follow for the future.

As part of this exploration, the Town of Derry was also considering the creation of a new position in Derry, Economic Development Director. The Town of Derry is the fourth largest town in the State, abuts a major interstate highway (Route 93), and the Manchester Airport. Derry's desirable location is seen as key to future economic development. With the creation of TIF Districts to promote commercial development, and the planning of a new exit 4a off Route 93, there is much work to do in Derry.

Can the existing organizations handle the work, or should the Town also hire an Economic Development Director to focus on advancing these initiatives?

Subsequent events led to the hiring of an Economic Development Director for the Town of Derry to exclusively focus on Derry's economic growth. This action has been seen by Derry as the first step in moving Derry's goals forward, and provides a central office to coordinate activities among all the players. As a result of these sessions, Derry began

having monthly economic development meetings to keep all key economic development advocates current on Derry happenings. The group has been meeting for 6 months now and information is shared among participants.

#### **d. Route 1 Corridor Study**

The Route 1 Corridor study examined the roadway from where it enters the state in Seabrook from Massachusetts to the Wilson Road intersection with US 1 in Portsmouth. The study is currently in draft form, is under review by DOT, the communities, and the general public, and is expected to be completed in the summer of 2008. No immediate construction activity will result from the plan however it will provide the DOT, RPC and communities with a blueprint for corridor improvements that can assist with infrastructure planning, as well as provide basic improvements necessary as part of the land development process. There are five general areas of recommendations from the study:

1. **Roadway improvements** to address safety, capacity, and design deficiencies. Changes are proposed for nearly 30 intersections and roadway segments through the 6 communities and are expected to cost approximately \$80 million (2006 estimate), including \$20 million to reconfigure the NH 101 interchange with US 1 in Hampton. Widening of Route 1 was minimized to the extent possible, with expansion to 5 lanes in portions of Seabrook, North Hampton, and Portsmouth only. Intersection improvements stretch the length of the corridor and include the addition (and removal in one case) of traffic signals, realignment of skewed angle approaches, widening for turning lanes, and the construction of medians to provide safety improvements at the intersections themselves.
2. **Land use and zoning changes** to address community concerns that traffic growth on Route 1 would require a 5 lane (or wider) roadway along the entire length of the study area. Recommendations that will help to change long term land use patterns and design compact, mixed use developments and move away from the current linear, separated use pattern that exists along the corridor currently in many locations. This involves promoting compact, mixed use development in the community Master Plans, and supporting those policy statements with changes to the zoning and land use regulations.
3. **Access management standards** to provide safety and capacity benefits with minimal widening. Techniques involve establishing standards that limit the number of access points to the roadway to improve traffic flow, establishing minimum standards for driveway separation to improve safety, adding left and right turn lanes to remove turning vehicles from the through traffic lanes, and improving driveway, roadway and development designs to facilitate movement between adjacent parcels without utilizing the roadway, promote pedestrian use, and minimize traffic impacts. Finally techniques include establishing proper intersection spacing to better regulate the flow of traffic along the corridor.
4. **Transit planning and improvements** to provide for local and regional service improvements and on the Route 1 corridor involves two approaches. First, potential

future transit stops along the corridor were delineated and any roadway improvements occurring at these locations should design space for transit stops including a shelter, pullouts to get the bus out of traffic, and appropriate connections to pedestrian facilities. The second component to transit planning involved the development of an intermodal transit facility in Hampton adjacent to the NH 101 interchange. Reconfiguration of this interchange would release significant acreage for development and a transit center is believed to be ideal for this location as it can conveniently connect multiple services as well as provide pedestrian access to and from the Hampton downtown. The site is close to the I-95 corridor and would provide needed capacity to park and ride facilities for that growing service. Service has also been proposed and is being studied for the NH 101 corridor between the seacoast and Manchester and Manchester Airport and this facility would provide an excellent anchor for the eastern end of that service. More locally, it provides a service connection between future US 1 corridor service and intercity service, a connection between the Downeaster and local and regional bus service. Finally, given significant parking issues at Hampton Beach, the facility could provide remote parking for beach goers for daily use and special events.

Streetscape and landscaping improvements to improve the aesthetics of the corridor. One of the primary complaints regarding US 1 has been that the strip development along the roadway has created an “ugly” area that bisects the communities. Recommendations in the Corridor Study include establishment of landscaping standards to address this issue and create a sense of place in community centers and areas of concentrated development. Replacing auto-oriented strip development with areas that are more attractive and more accessible for pedestrians and cyclists instills a sense of place, attracts people to an area, and has benefits both in terms of increased economic activity, and desirability as a location for a business or residence.

Additional detail regarding the study can be found on the Rockingham Planning Commission website at [www.rpc-nh.org](http://www.rpc-nh.org).

## **6. Newington – Dover / Little Bay Bridge Expansion**

The Spaulding Turnpike is a major limited access north-south highway, linking the Seacoast area of Rockingham County to the major urban areas of Strafford County, namely, Dover, Somersworth and Rochester. It also provides an important link to Concord via US Route 4 and with the vacation and tourist areas in the eastern portion of the Lakes Region and the White Mountains via NH Route 16. The Turnpike is part of the National Highway System (NHS) reflecting its significance as an important transportation link in the State and regional system. Functionally classified as a major arterial, the highway is the only practical route connecting Portsmouth and Dover the two large urban areas and hence, the highway transportation system of these communities and the larger urban area are unusually dependent on this single highway. There are no practical highway alternatives except secondary routes to the east in Maine, or west of Great Bay -- both involving diversions of considerable distance. Continued deterioration of general traffic conditions on this critical highway segment

could have serious negative economic development impacts on the Seacoast region, as companies choosing to relocate or expand to this area consider the consequences of a potentially unreliable transportation system.

The Spaulding Turnpike is experiencing chronic congestion at the Little Bay Bridges section. During weekday and weekend peak hours of the day, the Turnpike currently operates at unacceptable levels of service (LOS F) with motorists often experiencing severe congestion and long delays within this segment of the corridor. Even at non peak times, the highway can be unreliable, with minor accidents causing major traffic backups at unpredictable times. Traffic volumes on the Little Bay Bridges have steadily increased from approximately 30,000 vehicles per day in 1980 to more than 72,000 vehicles per day in 2001 resulting in high levels of congestion on the bridges and along the Turnpike near and within the interchange areas. Over the next 20 years this average daily volume is expected to increase to approximately 100,000 vehicles per day. As development and traffic growth along the corridor continue, traffic operations and safety conditions will deteriorate further, resulting in increased vehicle delays and increased accident frequency.

Traffic volumes across the Little Bay Bridges has increased dramatically in part because of the uneven distribution in the growth of jobs and housing in the region. During the latter 1990s, the redevelopment of Pease and other significant industrial and commercial development in the Portsmouth area resulted in rapid job growth on the southern side of the bridges. At the same time, only a small number of housing units were added in Portsmouth and neighboring communities to the south. On the Dover side, and in Strafford County as a whole, while there was also significant job growth, there has been a greater amount of housing development. This has tended to accelerate the growing traffic congestion on the bridge as more Strafford County residents use it as a major commuting route on a daily basis.

A project to address this congestion has been included in the State's 10 Year Plan for the past seven years and for most of that time has been identified as the top long-term transportation priority of the Seacoast Metropolitan Planning Organization (MPO). Unfortunately, due to financial constraint and a lengthy design and permitting process, construction on this project is not expected to begin until 2010, at the earliest and will not be completed until 2015 or 2016 dependent upon available funding. The project cost is will likely exceed \$200 million. The project was officially started in April of 2003 with the establishment of an Advisory Task Force made up of local and regional officials. Prior to that, the NHDOT hired the principle engineering firm that will be preparing the necessary technical and engineering studies to support the project. Project design is proceeding as part of a formal Environmental Impact Statement. To date, the regional travel demand model was updated and the project Scoping Report completed (both in 2004).

The Project Rationale Report was published in early 2005 which further narrows and refines the alternatives being considered and will lead to the identification of a preferred alternative. At this point three separate bridge alternatives are under consideration: (1) complete replacement of the existing Little Bay and General Sullivan bridges to include 8 lanes, plus walking, bicycling and transit corridor; (2), and incorporation of pedestrian and bicycle facilities in the expanded bridge, (3) expansion of existing Little Bay bridges to 8 lanes and rehabilitation of the General Sullivan Bridge for bicycle/pedestrian use;

Although the construction project to address the problem is at least a half dozen years away, a series of interim 'traffic mitigation' measures are presently being developed to help address the congestion in the short term. These include installation of variable message signs and other components of ITS (intelligent highway system) to alert motorists to highway conditions, a rapid response 'incident management' system to clear bridge accidents much more quickly, and the development of a commuter express bus serving the Pease Tradeport from destinations in Strafford County. The success of these interim measures and the eventual widening of the bridges will be important to furthering the economic development successes that the Seacoast area has experienced in the past decade.

#### 2008 Project Update

Significant milestones for the project were met on schedule in 2007. The publication of the Draft Environmental Impact Statement (DEIS) for the project occurred in August 2006, with public hearing conducted on September 2006. This marked the end of Phases 3 (Preliminary Design/DEIS) and 4 (Public Hearing/Public Comment). The Final Environmental Impact Statement (FEIS) was completed in December of 2007 and was published in the Federal Register on February 1, 2008. The Record of Decision (ROD) from the Federal Highway Administration was expected in May of 2008, but to date has not been received. Final design of the project will start after the ROD is received and will continue through 2011.

The preferred alternative for the bridges themselves calls for rehabilitating and widening each of the existing bridges to 4 lanes in each direction, and rehabilitating the General Sullivan Bridge for pedestrian and bicycle use. The alternative incorporates both traffic system management (TSM) and travel demand management (TDM) such as transit and ridesharing elements.

The same fiscal constraint issues affecting the I-93 project are affecting the Newington-Dover project. For a time during the development of the current 10 year Plan it appeared that the project would be removed from the Plan; however the GACIT approve a toll increase on the Turnpike System which has allowed funding to be restored to the project. However, the project is not fully funded in the current Plan. Based on the most recent State 10 Year Plan (January 2008), construction of some project elements will begin in 2010 and would not be complete until 2015. The

interchange construction on the Dover side of the bridge has been deferred to beyond the Ten Year Plan.

While the project design and permitting proceeds, a number of traffic mitigation measures have been and are being implemented to attempt to reduce congestion problems in the shorter term. Variable message signs have been stalled on I-95, Route 4 and the Spaulding Turnpike itself to alert drivers of accidents or unsafe conditions ahead of time afford them the option to take alternate routes. The installation and subsequent expansion of the EZ Pass system at the Dover Tolls was also completed in 2007. This has helped reduce northbound backups on the bridge. Construction for the new large park and ride lot/transportation center at Exit 9 is nearing completion after some delay associated with ROW acquisition and will be completed by Fall 2008. COAST and C&J bus service will begin shortly afterwards providing regular commuter service from Rochester to Portsmouth, and from there on to Boston. This is expected to relieve some the severe parking congestion at the Portsmouth Transportation Center, though only temporarily.

## **7. East Coast Greenway Routing Study**

The East Coast Greenway, often referred to as an 'urban Appalachian Trail', is a national trails and greenway initiative to bring about an all-season, multi-use trail extending 2,950 miles through 25 cities along the East Coast from Calais, ME to Key West, FL ([www.greenway.org](http://www.greenway.org)). Initially conceived as an off-road route connecting New York, Philadelphia, and Washington, D.C., the East Coast Greenway was launched in 1991. Today the trail is approximately 21% complete as off-road path, and is open to walkers, cyclists, skaters, and other non-motorized uses. The balance of the trail follows on-road routing until off-road trails can be identified and built. As a nationally recognized recreational trail program, designation of New Hampshire's segment of the ECG will be a significant enhancement to recreational and heritage tourism in the Seacoast and an important element of its tourism economy.

As of Spring 2008 the Rockingham Planning Commission is nearing completion of a Conceptual Design and Implementation Plan for the New Hampshire segment of the Greenway, to be called the NH Seacoast Greenway. The goals of this planning project have been two-fold: 1) to designate and plan for implementation of both an interim on-road route and a long-term off-road route for the East Coast Greenway in New Hampshire; and 2) to design and begin development of an organizational structure to oversee further planning, development, and management of the Greenway in New Hampshire. While an informal planning effort in 2001 identified a potential route along the NH seacoast, the current project has included more extensive community involvement, which hopefully will lay the groundwork for trail implementation in coming years.

The project is a joint effort of the Rockingham Planning Commission, Seacoast Area Bicycle Routes (SABR), the Eastern Trail Management District (ETMD), the National



Park Service Rivers and Trails Program, the East Coast Greenway Alliance; and a Project Advisory Committee composed of representatives from coastal corridor communities, the NH Departments of Transportation (DOT) and Resources and Economic Development (DRED), and other stakeholder organizations. The project is being supported by a planning grant from NHDOT, matched with financial resources from SABR and the ETMD; as well as a technical assistance grant from the National Park Service Rivers and Trails Program.

To date the Advisory Committee has worked with corridor communities to identify an interim on-road route, which will largely follow NH Route 1A and NH Route 1B, with short diversions onto Town roads in Rye to avoid traffic and parking pinch points in Route 1A, and routing on City streets in Portsmouth to connect to Memorial Bridge. Route marker signs on the on-road route are slated to be installed in June 2008. The recommended off-road alignment will likely follow the Hampton Branch rail corridor. The southernmost 4.5 miles of this corridor is owned by the State, from the Massachusetts border to the center of Hampton. The corridor from Hampton to Portsmouth is owned by Pan Am Rail Systems, and is still in use, such that access is unclear in the near future. However, other options for an off-road connection between Hampton and Portsmouth are limited.

## **8. Energy Efficiency and Renewable Energy**

Energy issues are at the forefront of public policy debate on a variety of fronts. They are of concern to the future of our economy both with respect a loss of competitiveness of our regional economy due to high relative energy costs in New England, and as an opportunity for economic development. Costs are escalating at a rate not seen since the two oil shocks of 1973 and 1979. The price of a barrel of oil more than doubling in price over the past year from \$60 a barrel in February 2007 to over \$130 a barrel in June 2008. Fuel oil, the dominant heating fuel in New Hampshire is over \$4.00 per gallon, significantly affecting discretionary spending by households and businesses. At the same time, the price of energy is rapidly creating new demand and new market for alternative energy sources and technologies. With respect to the health of the regional economy, it is important to incorporate strategies to both diversify our energy consumption to least costly alternative, and to pursue the 'green energy economy' into the overall economic development strategy articulated in this CEDS.

The purpose of this section is to provide an overview of energy efficiency and renewable energy for both electric generation and thermal applications. Also it will summarize the current actions underway within the region to implement these programs and offer an overview of the potential economic opportunities for southeastern New Hampshire and Southern Maine.

## **a. Energy Efficiency**

Energy efficiency is often seen as the first step in addressing energy concerns. By increase energy efficiency efforts, demand can be reduced and additional supply sources can follow. There are both residential and commercial applications associated to improving energy efficiency of electric and thermal generation. These can range from simple behavioral changes of turning light switches off when leaving a room to more complex applications of load shedding conducted on the power grid. Thermal improvements can vary equally as much. A change that is easily implemented is the installation of a programmable thermostat. More involved improvements include installing a geothermal heat pump in a building or the creation of a district heating utility.

Cogeneration and distributed generation are two energy efficiency measures that deserve a more detailed explanation. Both measures pertain to the inefficiencies of producing electricity, which loses upwards of 70% of the energy that goes into producing the commodity. Cogeneration, also known as combined heat and power, is the production of heat and electricity from the same mechanical system. This improves the overall efficiency of the system by using residual heat to either heat a building or produce electricity. The use of the residual heat is determined by the scale of mechanical system. For example, a furnace used to heat a building would use the residual heat of the system to produce electricity. Conversely an electric power plant would capture the residual heat emitted in the production of electricity and use it in a thermal application to supply heat to buildings in a district heating utility.

The transmission of electricity from centralized electric power producers is another area of inefficiency. Approximately 10% of electricity is lost through transmission and it becomes increasingly inefficient as the distance it is transmitted is increased. An idea to improve the energy efficiency is through the distribution of smaller energy generation sources through out a region. Referred to as distributed generation, this system of development is optimal for renewable energy projects.

In 2008, New Hampshire's Senator Martha Fuller-Clark, in conjunction with electric utility providers, introduced legislation (SB451) that would allow electric utility companies to invest money into distributed generation from renewable sources and recoup its investment through a rate recovery system. This would allow the electric utilities, who could not increase electricity generation supply underneath the deregulated industry, to charge customers for their investment in renewable distributed generation sources. The bill passed both the house and senate and is awaiting Governor Lynch's signature.

## **b. Renewable Energy**

The U.S. Department of Energy defines renewable energy as "energy which comes from sources whose supplies are regenerative or virtually inexhaustible". Renewable

energy sources are increasingly being discussed as an energy source that should be expanded to meet future energy demands, diversify the energy mix and minimize environmental impacts. While there are a host of benefits to renewable energy projects including reduced emissions and decreased transmission losses in a decentralized energy grid, there are negative impacts. These include environmental impacts to wildlife habitat, visual changes to the landscape and economic constraints. Both the positive and negative impacts need to be weighted against each other so an informed and educated decision can be made about their expanded role in developing additional energy supply in New Hampshire.

It was discussed earlier that for the purposes of this chapter, it would be easiest to define the energy applications based on its end use, electricity production or thermal application. Below is the list and explanation of the renewable energy options for electricity production.

**Biomass-** Wood pellets are burned to heat water and produce steam which is then used to turn a turbine to produce electricity.

**Geothermal-** Heat that is stored below the earth's surface is used to heat a liquid (typically water) to produce steam which is then used to turn a turbine to produce electricity.

**Hydro-** Flow of water is used to turn a turbine to produce electricity.

**Ocean energy-** Electricity production from mechanical systems which extract energy from tidal, current or wave energy.

**Solar (photovoltaic) -** Electricity is produced by the sun shining on panels made of interconnected silicon "cells" where excited electrons are collected and transmitted for use.

**Solar (thermal) -** Reflective mirrors are used to concentrate the heat from the sun onto a central focal point affixed atop a tower. The concentrated light from the sun heats up water running through the tower and produces steam which is then used to turn a turbine to produce electricity.

**Wind -** As wind blows through turbine blades affixed to a tower, the blades turn a central shaft which is attached to a generator to produce electricity.

The cost to produce electricity from renewable energy sources is improving as the technologies are advancing. Wind (3-5 cents/kwh), geothermal (2-4 cents/kwh) and solar thermal (5-8 cents/kwh) are the most affordable renewable energy options. Comparatively, electricity produced from traditional fuel sources cost approximately 3-5

cents/kwh for coal, 10-12 cents/kwh for oil, 6-8 cents/kwh natural gas, and 10-14 cents/kwh for nuclear. The siting of renewable energy projects is integral to their feasibility, and due to resource availability in the region, all three of these renewable energy sources have a limited potential role at a utility scale. Wind projects are feasible but their areas are constricted to small portions of the immediate coastline where class III wind speeds are located. While a little more costly than wind, geothermal and solar thermal projects, biomass (6-8 cents/kwh) is more feasible for the region, thanks to the strong presence of the forestry industry in the state. Solar photovoltaic (22-26 cents/kwh) becomes feasible at a utility scale if greater subsidizes are available to make the economics more palatable.

Small scale applications for residential uses are much more viable for the region. Small scale wind turbines (those rated below 60 kw) can operate in lower wind classes, expanding their potential area to be developed into areas other than just the immediate coastline. Solar photovoltaic, despite its higher cost of 22-26 cents/kwh, are increasing across the region. One contributing factor to their expansion has been recent changes to net metering laws which permit individuals to connect to the power grid and sell excess electricity to the utilities at the going market rate.

Thermal production uses renewable energy sources to provide heat for enclosed areas or for hot water. Below is the list and explanation of the renewable energy options for thermal production.

**Biomass** - Wood by products such as chips or pellets is burned in a boiler to heat water which is used to heat a building.

**Geothermal** - The ambient heat of the earth's crust is collected through a network of tubes filled with a liquid (usually a water/alcohol blend) and extracted by a heat exchanger into a useable form of energy to heat and cool buildings.

**Solar (Thermal)** - Reflective panels focus the sun's light onto tubes filled with a liquid which is then used to heat a building or for hot water applications.

**Solar (Passive)** - Collection of the sun's heat obtained through non-mechanical means by orienting a building to maximize southern window exposure.

All four of these resources are feasible within the region. Biomass is advancing quite readily because of the vast availability of forest products across New England. The installations are smaller than their electric producing brethren and can include a central wood pellet furnace for multiple buildings or a woodstove for your cabin. Geothermal application for thermal production is different from geothermal for electricity production and the distinction is important for the region. While electricity production from geothermal sources is not feasible in the region due to the limited steam and magna fissures below the earth, geothermal uses for thermal applications are feasible because

the ambient temperature of the earth is used to heat and cool a building. Solar thermal systems used for residential hot water or boiler systems for heating are also price competitive, especially as the cost of fossil fuel supplies increases.

While most renewable energy systems require a larger upfront capital cost compared to traditional fossil fuel systems, these costs can be offset dramatically if future operational costs are included and a life cycle cost accounting method is used.

### **c. Community Action**

Many actions to address the region's energy issues have already begun or are being implemented. Among these movements is the creation of community groups such as Local Energy Committees (LEC) and the Bi-State Green Project. LEC's are public committees formed within a municipal government. The goals for each community are individualistic but they all hinge on reducing the energy use of the residential, commercial and municipal sectors. More than 12 LEC's have been formed in Rockingham County and they have banded together with LEC's from Strafford County to form the Rockingham Strafford Energy Alliance, a collaborative effort with the common goal of diversifying the energy mix and improving its efficiency. Also the Rockingham Economic Development Corporation has begun work to establish the Bi-State Green Project, a coordinated effort between public and private sectors to improve energy efficiency and the environmental qualities, and to lure emerging green technology industries.

The region has also worked to develop renewable energy projects. Chiefly among those is the conversion of a fossil fuel boiler to burn biomass at Schiller station in Newington. This system now supplies 50 MW of renewable energy to the regional electric grid. Kittery has passed a resolution to build a 50 kw wind turbine at the transfer station in Kittery ME. Unital has also been working on expanding renewable energy from wind by experimenting with small scale turbines on top of transmission poles in Hampton, NH. It is expected with the signing of SB451 this year; they will increase their efforts to expand this renewable energy project.

Future expansion of utility scale renewable energy projects are being consider at two sites in the region. Two companies, the NH Tidal Energy Company and Underwater Electric Kite, have both received preliminary permits from the Federal Energy Regulatory Commission to pursue the possibility of underwater turbines which produce electricity using the strong tidal currents of the Piscataqua River. Additionally the State of New Hampshire has created the New Hampshire Tidal Energy Commission. Formed in the summer of 2007, the committee has met monthly to assess the feasibility of installing tidal turbines underneath the General Sullivan and Little Bay Bridge between Dover and Newington NH. A final report of their findings will be released by the end of year, 2008.

Several communities are also experiencing a growing trend of buildings being constructed in a green manner. In Epping, TD Banknorth has successfully met the criteria of the green building standards set by the town underneath Article 22 of their zoning ordinances. They are expecting their new branch office to be a star example of the banks commitment towards environmental protection and energy conservation. Portsmouth also constructed the first municipal building meeting the Leadership in Energy and Environmental Design (LEED) certification when they opened their new library early in 2007. Another project in Portsmouth is the upcoming Portwalk development located in the downtown area. This project will involve the redevelopment of the Parade Mall and will include 175,000 sq. ft. of new office, commercial and residential space that will be built to LEED silver standards. If the project meets its construction deadline, it will be set to open by the end of 2009.

#### d. Economic Opportunities

There are signs of a growing market for products and services that are energy conscious. Two national programs creating a standard for these green products have been developed. The Environmental Protection Agency's Energy Star Program has been a staple rating system on the energy efficiency of appliances and their program has expanded to include building and plant management, home rating system, and the creation of their Community Energy Star Challenge program. A second program is the US Green Building Council's LEED rating system which was briefly mentioned above. Begun in the early 1990's, it is a national standard for green construction of buildings and they have developed six LEED standards, categorized by the type of development.

These six standards are:

- LEED-NC: New Construction & Major Renovation Projects
- LEED-EB: Existing Building Operations
- LEED-CI: Commercial Interior Projects
- LEED-CS: Core & Shell Projects
- LEED-H: Homes
- LEED-ND: Neighborhood Development

Recognizing this developing trend, the Rockingham Economic Development Corporation has hired Dr. Ross Gittell, University of New Hampshire- Professor of Economics, to conduct a study analyzing the potential for green industry expansion within the southeastern region of New Hampshire and the Southern region of Maine. It is envisioned that there will be a growing need for professionals for architects, builders and auditors that focus on improving energy efficiency of the built environment, growing markets for local agriculture and other green services catered to residential and commercial growth. The full report from Dr. Gittell will be available through the Rockingham Economic Development Corporation by the end of 2008.

## **e. Alternative Energy Development Projects**

### **Tidal Energy**

In 2006 two companies filed Preliminary Permit applications with the Federal Energy Regulatory Commission (FERC) to develop tidal (electric) energy generating facilities in the Piscataqua River off Portsmouth and Newington in New Hampshire and Kittery and Eliot in Maine. The first to file was Verdant Power, doing business in New Hampshire under the name NH Tidal Energy Company (NHTidal). The second applicant is UEK Corporation of Maryland.

Under FERC rules the Preliminary Permit process is used to secure and maintain priority in the subsequent application for a license for a generating facility while the feasibility of the project is explored. The permits obtained under the Preliminary Permit process may be exclusive if or non-exclusive depending on whether or not multiple facilities are determined to be incompatible (such as in a hydroelectric dam). In April of 2007, FERC issued separate Preliminary Permits to both companies after determining that the project boundaries of the two applications are distinctly separate and do not conflict.

The NH Tidal Energy Corporation (NHTEC) project would consist of up to 50 to 100 Tidal in Stream Energy Conversion devices (TISECs) – i.e. underwater rotating propeller blades integrated with individual generators, each with a capacity of 0.5 to 2.0 megawatts. The project is estimated to have an annual generation of 9 gigawatt-hours per year. The UEK Corporation project would consist of up to 120 bi-directional hydro turbine units with integrated generators and a combined generating capacity to 222 gigawatt-hours annually. In both cases the energy generated would be sold to local utilities.

While the development of tidal energy in the Piscataqua must be approached cautiously and with attention to eliminating or mitigating any potential environmental and navigational impacts to the River, it is consistent with the goals of the CEDS and overall is a very positive development:

- it supports the goal of diversifying energy supply in the state and regions;
- it exploits a local renewable and sustainable energy resource;
- It builds local involvement and knowledge in a new promising set of technologies that fit well with existing local expertise and a trained workforce in the areas of marine science, marine construction and high technology.

The Rockingham Planning Commission filed as an intervenor in both FERC application processes and will continue to monitor the proposals on behalf of the REDC and its

member communities. Through the first half of 2008, little activity had occurred regarding either permit.

Tidal energy development in the in Piscataqua is one more way in which economic development interests in York County, Strafford County and Rockingham County intersect. All three should be open to facilitating cooperative development in this area as the opportunity arises.

## **9. Regional Brownfields Program**

In October 2007, the Rockingham Planning Commission (RPC) received a grant from the U.S. EPA to inventory known and suspected Brownfield sites in the Region's 27 municipalities in Rockingham County. Brownfields are defined by EPA as, "real property where redevelopment, reuse, or expansion is complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant." The presence or perception of contamination due to a previous use often leads to properties being underutilized. The grant from EPA is to be used to assess sites contaminated by hazardous substances.

In the past year, significant progress has been made in implementing the regional brownfields program. The RPC has established a highly qualified Advisory Committee oversees the Regional Brownfields Program. The Advisory Committee is well diversified and includes municipal (Portsmouth, Exeter, Windham), state (NHDES), regional (REDC, Workforce Housing Coalition, RPC), real estate, and developer interests. The Advisory Committee and RPC staff completed a competitive selection process for and retained consulting engineers to assist with identification and assessment of properties. An inventory of candidate brownfields sites in the region was completed in February 2008 and seventy-five (75) were identified. The Advisory Committee has selected five of these sites for further assessment with the EPA grant funds. These sites were selected based on criteria developed by the RPC and the Advisory Committee. Criteria for selection include the willingness of the landowner to participate in the program and potential re-use opportunities for economic development or work force housing. Assessments of the sites and re-use planning will take place through 2009. It is possible that redevelopment proposals for some of the sites, if focused on economic development uses, may become candidates for CEDS projects in future years.

The RPC anticipates submitting grant applications to EPA on an annual basis to sustain the Regional Brownfields Program. More information is available at [www.rpc-nh.org](http://www.rpc-nh.org).

The Southern New Hampshire Planning Commission has also established a regional Brownfields Program for communities in Rockingham County in that planning region. Information on that program is available at [www.snhpc.org](http://www.snhpc.org).



## **10. Cooperative Alliance for Regional Transportation (CART)**

Since the last update of CEDS a new public transit service has been established in the nine-town Greater Derry-Salem area in the western part of Rockingham County. The system, known as the Greater Derry-Salem Cooperative Alliance for Regional Transportation (CART), provides demand-response transit service five days per week in the communities of Danville, Derry, Chester, Hampstead, Londonderry, Plaistow, Salem, Sandown and Windham. CART also provides service on certain days of the week to seven out of region medical facilities including: Catholic Medical Center, Elliot Hospital, and Dartmouth Hitchcock in Manchester; Pentucket Medical Center and Merrimack Valley Hospital in Haverhill; Holy Family Hospital in Methuen and Lawrence General Hospital in Lawrence.

Enabling legislation establishing CART was passed by the NH State Legislature in 2005. CART is designed to be a brokerage coordinating ride reservations, scheduling, dispatching, and billing for multiple agencies providing demand-response transportation in the region. The system is funded through a combination of Federal Transit Administration (FTA) funds, contributions from CART's nine member communities, grants from the Endowment for Health, Charles H. Cummings Fund of the NH Charitable Foundation, and Heritage United Way, and operating budgets of existing providers eligible for use as non-federal match for FTA dollars.

CART began service in October 2006, and through April 2008 has provided in excess of 20,000 rides. Usage of the system has grown significantly during the first 19 months, from approximately 400 rides in October 2006 to over 1,500 rides in April 2008. A fixed route service connecting downtown Derry and downtown Salem (starting as one of the components of the CMAQ funded Salem / SE-TRIP project) is planned for implementation in fall 2008.

CART is in the process of securing status as a Designated Recipient of FTA funding, similar to COAST. While this process is underway, CART initiated service through a cooperative agreement with the Merrimack Valley Regional Transit Authority, which has served as interim recipient and manager of FTA funding for the system. CART is guided by a Board of Directors made up of representatives from its nine member communities, three regional planning commissions, three transportation provider agencies, and NHDOT. Call center and vehicle operations are provided under contract by Easter Seals of New Hampshire. In January 2008 CART hired its first Executive Director, and as of Spring 2008 is transitioning to operating independently of MVRTA.

## E. Short Term Actions

REDC will continue to fulfill its EDD responsibilities over the next year by working with other economic development stakeholders in the region. While REDC and its partner, Rockingham Planning Commission (RPC), have specific actions to address, the other economic development stakeholders contribute to meeting the CEDS goals and objectives developed in 2005. The overall Short-Term Actions for the period from July 1, 2008 to June 30, 2009 will be as follows:

1. *Continue CEDS “grass-roots” planning process:*
  - Implement the EDA Planning Investment and develop a schedule for the Annual CEDS Update for 2009;
  - Schedule four (4) CEDS Steering Committee meetings during the program year;
  - Maintain Evaluation as an ongoing process;
  - Identify Priority Projects as part of the Annual CEDS Update process;
  - Host two public forums that build upon previous initiatives in the “green” energy area or emerging industries;
  - Submit Annual CEDS Update for 2009 to EDA by July 1, 2009 and distribute copies to the economic development stakeholders in the region; and
  - Provide demographic data and information developed through Annual CEDS Update process to municipalities, businesses, non-profit groups and the public.
  
2. *Provide support for local economic development efforts:*
  - Assist local communities in implementing their Priority Projects through general technical assistance and recommendations;
  - Meet with representatives from “pockets of distress” communities to identify infrastructure and community needs;
  - Provide technical assistance and support to municipalities in identifying federal, state, non-profit and private funds to support their economic development activities;
  - Provide technical assistance to the Town of Raymond in creating 200-300 jobs;
  - Provide technical assistance and grant administration services, if needed, to the Town of Hampton and the Hampton Beach Village District in developing a Master Plan for Hampton Beach
  - Provide technical assistance to the proponents of this year’s Priority Projects, as needed; and
  - Assist other communities as requested.

3. *Assist and provide technical assistance for regional economic development projects:*
  - Implement the Bi-State Alliance projects by supporting the work groups and focusing upon biotechnology, life sciences and “green” technologies as emerging industries;
  - Support workforce housing efforts in the region and in the Bi-State region;
  - Provide financing for expanding businesses that create jobs;
  - Advance major development projects in the region;

The previous material summarized the Short-Term Actions according to overall tasks, while the following information identifies the specific actions by goal:

**Economic Development** – *To create high-paying and high-skill jobs in cluster industries and to improve the standard of living of District residents.*

- Maintain CEDS “grass-roots” process and EDD eligibility;
- Focus upon biotechnology, life sciences and “green” technologies as part of the Bi-State Alliance;
- Match the needs of biotech and software development firms with the economic development stakeholders providing the services; and
- Support the creation of better-paying jobs in distressed communities.

**Infrastructure Development** – *To maintain and expand the District’s transportation (highway and transit), sewer and water, and telecommunications infrastructure in order to accommodate balanced industrial, commercial and residential “smart growth”.*

- Implement priority Regional Transportation Improvement projects;
- Support regional sewer and water infrastructure projects;
- Work with the Regional Planning Agencies (RPAs) to implement their Hazardous Substance Assessment grants from EPA; and
- Target grants to “pockets of distress” communities.

**Workforce Development** – *To prepare the region’s workforce for high-paying and high-skilled jobs in the growth industries through active collaboration among employers, educational institutions and the workforce development system.*

- Present the work by Professor Ross Gittel on “green collar” jobs and work with the workforce development system to develop training for growth occupations;
- Submit the Regional Innovation Grant for \$ 250,000 to DOL as a means to provide technical support for additional work in the “green collar” area;
- Identify DOL funding opportunities for laid-off and/or incumbent workers affected by plant closings or layoffs.

**Environmental Preservation** – *To preserve, protect and utilize the natural resources and open space in the County as a means to balance economic growth.*

- Encourage purchases of open space parcels to maintain quality of life;
- Support agricultural and fishing industries through specific initiatives;
- Promote “green technology” for construction and incubator activities; and
- Preserve cultural, historic and natural resources through grant funds.

**Workforce Housing** – *To create workforce housing as an assurance to expanding and relocating businesses that their workforce will be able to afford housing in the region.*

- Support events with the Workforce Housing Coalition of the Greater Seacoast to address the supply of workforce housing;
- Identify workforce housing needs in Rockingham County communities and match these needs with available resources; and
- Develop workforce housing plan for Rockingham County.

**Regional Cooperation** – *To resolve local problems through regional solutions as a means to improve economic growth and to maintain the quality of life in the region.*

- Support regional infrastructure projects that will enable private industry to create higher-paying jobs;
- Document benefits of TIF Districts to encourage other communities to collaborate; and
- Identify opportunities for collaboration and cost savings for local communities
- Continue to partner with York County, Maine stakeholders in implementing goals for the Seacoast regions of both Maine and New Hampshire.

## Part VI – Evaluation Component

Evaluation of the partner and stakeholders on-going efforts in regional planning is perhaps the most important component of the CEDS process. Does the process and resulting annual report make a difference in our region? Are we able to point out projects and efforts that have made our region a better place, fertile for sustainable economic development? The Rockingham County CEDS began its second five year plan in 2005. We are now in the third year of that five year Strategic Plan, during economic times that continue to change and present challenges on the economic, housing, and workforce areas, to name a few. These current challenges force stakeholders to adjust and respond to those challenges in new ways, and continue to work towards goals already established with a sense that they are more important than ever. Goals such as developing a strong workforce to meet the needs of future jobs are needed more than ever. Goals to develop new technologies in emerging areas has only gained more steam as the region and the country find new ways to meet energy demands through research, discovery, and planning. Goals such as re-using Brownfield sites continue to make sense for our region in a region of diminishing new land for development. Goals that encourage new municipal infrastructure development that leads to new economic opportunities are part of the mixture of action items necessary to move forward in a regional economy. In some years, certain goals advance more than others, and hopefully, over a five year period, advances are made in all goals and potential growth areas.

Since the REDC has been coordinating the CEDS process and Strategic Plan, much information has been made available to many stakeholders. Regional discussions have been elevated to a new level as a result of the forums that REDC provides in bringing people together to share ideas and foster innovation and change. REDC has provided numerous forums and workshops over the years in order to provide academic or other information that has been identified as an important piece in the economic puzzle. The studies, workshops and forums provide underlying data and have proven to be a source of information, debate and critical thinking in our region. Our forums are well attended by a variety of folks who are able to piece together ideas and thoughts into action items and bring that information back to their own groups. The group meetings have been invaluable for CEDS stakeholders to have a forum to continue discussions that are part of the common thread under the CEDS Planning process.

When we began our second five year plan in 2005, we had a slate of ambitious goals and objectives, some specific, some long range that we planned to advance. Some goals have had more success than others, and the economic changes that are still taking place have also impacted the of ability stakeholders moving goals forward.

Our goals and objectives included the following specific actions:

- 50 new jobs created/retained by REDC's use of Revolving Loan funds;
- Two new affordable/workforce housing projects receiving site plan approval;
- One town amending zoning requirements to include bonus for affordable/workforce housing;
- Two parcels of land transferring to conservation to maintain quality of life in the region (LCHIP funding);
- Three transportation projects funded via Planning Commission and CMAQ grants;
- Two new EDA Public Works applications developed for submission;
- One new EDA Planning Grant for CEDS continuation;
- Participation at CEDS events and forums at a minimum of 20 participants per event;
- Four CEDS Steering Committee meetings;
- Increase Steering Committee membership by five new persons;
- Open CEDS Steering Committee meetings to the public;
- Revise website and publish meeting dates for the full year; and

It is important to note that while REDC serves as the administrative entity for the Rockingham County EDD and is responsible for the maintenance of the CEDS annual "grass-roots" planning process, there are many other partners who contribute to the regions Economic Development District and the CEDS, and play an important role in the achievement of programmatic goals and the implementation of priority projects that address the EDA Investment guidelines and the project eligibility criteria. Those partners include the Rockingham Planning Commission, The Southern Maine Planning Commission, Great Bay Community Technical College, the University of New Hampshire and Professor Ross Gittell, the surrounding planning commissions such as Strafford and Southern NH, local municipal representatives, workforce housing organizations, and the private sector.

The REDC Board of Directors, who oversee the process and final document, represent private and public sector individuals, utility companies and lenders. The CEDS Steering Committee has a growing number of private sector representatives, municipal representatives, utility companies, educators, planners and State of NH as well. The goals are to achieve a cross section of interested parties to lead the planning process in direction consistent with quality economic development.

## Evaluation of the CEDS Process

### 1. Levels of Participation

**Goal and Objectives:** *To encourage a high level of participation in CEDS activities by a diverse group representative of both municipal and business leaders alike. Maintaining a minimum of 20 persons attending each forum, with forum topics to be consistent with the years plan and focus.*

In this past year, REDC has assisted with planning and delivering several key events, along with other critical partners.

**The Bi-State Initiative** included an exploration of emerging technologies in the field of BioTechnology, delivered in 2 parts: **Economic & Jobs Forecast in BioTechnology as Part I; Financing New and Emerging Technologies as Part II.** Both sessions were well attended by more than 20 people, representing a variety of backgrounds and interests. Several key follow-on ideas came out of these sessions.

**The Bi-State Green Project** report was distributed to all CEDS stakeholders, Steering Committee members and the REDC Board of Directors. A meeting of experts in the field of new technologies or emerging green technologies, met for a discussion of the report and discussed the more technical aspects of the proposal and which action items might be feasible in this region. This session was well attended at more than 25 persons.

The CEDS Steering Committee meets quarterly to discuss goals, review new projects, meet with other stakeholders to offer advice based on experience. Participation in these meetings generally run at 80% attendance. A future goal is to invite more community stakeholders to these meetings for added viewpoints.

### 2. Data Development & Dissemination

**Goals and Objectives:** *To provide comprehensive data and other statistical analysis tools for the region's economic development stakeholders; and to have that body of work "recognized" as an all-inclusive source of current information on each of the 37 towns that comprise the region. To maintain that data as current, accurate, and available.*

The CEDS Annual Update has become known in the region as the source of updated and current data in a number of economic indicator categories. This portion of the CEDS is primarily performed by our key partner, the Rockingham Planning Commission in the collection of data, the crafting of various maps that detail our region and Development District, as well as providing an analytical discussion of what certain changes mean for our economy now and in the future. The statistics, as well as the

entire report, are offered on the REDC website so they may be readily available to any person, organization, or business who seeks information on the region and sub-regions. The CEDS as a source document has become a known resource for organizations and municipalities in the region. The REDC assists small business with Business Plan Development and the CEDS demographic section has proven to be a valuable resource in looking at small business planning such as market, competition, family wages, population and other indicators relevant to product sales, traffic counts or other data needed to evaluate a Business Plan.

### 3. Marketing & Outreach of CEDS

**Goals & Objectives:** *To promote the use of the CEDS document by the regions economic development stakeholders as a major resource and source of data in Rockingham County, as well as a “blueprint for success”. High levels of attendance and participation in CEDS events, forums, and, in particular, the goal setting and vision sessions to further promote the use of the CEDS as a blueprint and a strategy.*

As outlined in the previous section, there are many different users of the CEDS as an information source on demographics, maps, and the annual narrative discussion on economic and other trends that may affect our region. The REDC uses every opportunity to market the CEDS and advance participation in events, forums etc. In this past year, the REDC has participated in a **“Stories of Success” Economic Forum** in Salem, where REDC presented to a group of over 200 persons and detailed our programs and services. Our exhibition table well represented the CEDS Report and REDC staff gave out over 20 CD's of the CEDS Update 2007 to interested persons mostly from private industry.

At each forum or event, the REDC sets up a section with an example of the CEDS hard copy book, several copies of the CD and a sign-up sheet for future notices.

In conjunction with the Bi-State Initiative, a **“Transportation Forum”** was also organized along with the planning commissions, to discuss the **“Future of the Downeaster”**, a passenger rail service beginning in Maine, going through 3 NH communities and on to Boston, Mass. With rail personnel, local and state transportation representatives, and local elected officials, the forum was attended by over 60 persons. This was also an opportunity to promote the CEDS process and plan and to sign up persons to the CEDS email list to receive all future notices and reports.

At the completion and acceptance of CEDS Update 2007, the REDC produced CD's of the CEDS document, charts and graphs and sent them around to various groups in the State of NH, the region, and local groups. All other participants of the CEDS were emailed a notice that CEDS was complete and a CD is available by calling the REDC office. At some point the CEDS is also placed on the REDC website. Over 50 CD's were produced and sent to various groups including the State of NH economic



development representatives, the REDC Board of Directors, the CEDS Steering Committee and other partner organizations.

## Evaluation of CEDS Goals

### 1. Economic Development

**Goal:** *To create high-paying and high-skill jobs in cluster industries and to improve the standard of living of District residents.*

**Objectives:** Maintain CEDS “grass-roots” process and EDD eligibility.  
Implement recommendations from Bi-State Summit.  
Match needs of biotech development firms with the economic development stakeholders providing the services.  
Support the creation of better-paying jobs in distressed communities.

This past year, REDC and partners focused on working in specific technology areas including life sciences (biotechnology) and the new “green” technologies, which have taken center stage recently. Working with Southern Maine Planning Commission, two forums in BioTechnology were provided. Professor Charles Colgan from the University of Southern Maine and Professor Ross Gittell from the University of New Hampshire detailed a report on the future job outlook in this life sciences sector. The information presented allowed regional stakeholders to look objectively at which jobs were likely to thrive in our region and why other types of jobs would not thrive in this region. The Rockingham County District was compared to the middle of a donut in that much investment into the field of BioTechnology was provided in geographic locations that had a teaching hospital, university and companies who would hire. These were the donut areas that include northern Maine ( due to investment at Jackson Labs by the National Institute of Health); the Hanover-Lebanon area of NH ( due to its proximity to Dartmouth College, a major hospital and large companies with jobs); and lastly Massachusetts in the Cambridge-Boston area, where there are any number of universities and teaching hospitals surrounded by growth companies and venture capital. What this region had was an opportunity for job growth in the process manufacturing lab jobs, due to large biotech companies locating at Pease, as well as the western sub-region (Salem area). Great Bay Community College hosts a process manufacturing lab that is well supported both financially and technically by the regions biotechnology business community. This information was quite an eye opener and gave the group much to discuss in terms of college programming, and support for growing business through the Regional Revolving Loan Fund. Part II of the series looked at various ways to finance a biotech business, and what federal resources are available, such as the Dept of Labor BioConnect Grant, that worked so well in promoting this sector of business growth.

The format of this presentation and the meaningful results that were discussed gave organizers and the REDC the idea to repeat the study and the methodology in the area of new and emerging growth opportunities for “green” industries. At that time, REDC

contracted with Professor Ross Gittell to perform a similar study of the Job outlook in green jobs in our region, and also in the State of NH. The study will be presented in Fall 2008. This will provide a platform for planning activities and investments in green jobs. One action that seems likely is to plan and write for a Regional Innovation Grant to develop a consortium of businesses that would participate in curriculum development for emerging green jobs, leading to a much larger federal DOL grant to implement that curriculum. Preliminary study findings indicate a need for the demonstration of a “sustainability lab”, where new emerging businesses could learn about scientific advances, new products and testing of those products. The REDC will seek partnership with the State of NH, Workforce Opportunity Council, in promoting these economic development goals.

This past year, REDC provided loans to 2 health related business start-ups that will create 13 jobs in the western sub-region. The past year was challenging in terms of new loan production, with the state of the economy in flux, many existing companies chose not to grow at this time; others, in particular manufacturing, closed for a variety of reasons. The REDC attempts to assist all companies in danger of closing, if possible.

REDC received a \$3,000 grant from the Citizens Bank Foundation to continue and promote its Technical Assistance to Small Business Program.

REDC assisted the NH Business Finance Authority in its application for between \$80,000,000 - \$100,000,000 in New Markets Tax Credit funds for the State of NH eligible areas. Rockingham County has several key eligible areas where economic development projects are appropriate. REDC solicited information from numerous towns and coordinated meetings to help develop this important financing tool. The NH Business Finance Authority Executive Director met with Derry staff to identify, quantify and document eligible areas. If successful in securing this grant, the REDC will host a financial forum in Derry and other qualifying areas targeted towards bankers, to instruct them on how they become part of a New Markets Tax Credit project.

The REDC participated in 3 Derry planning and visioning sessions in order for Derry to explore their economic development goals and objectives and find new ways to work with regional and other partners to capitalize on each partner strengths. The REDC’s strength is in management and operation of loan programs as well as coordinating the CEDS and the data found in the resource.

## **2. Infrastructure Development**

**Goal:** *To maintain and expand the District’s transportation (highway and transit), sewer and water, and telecommunications infrastructure in order to accommodate balanced industrial, commercial and residential “smart growth”.*

**Objectives:** Implement Regional Transportation Improvement projects.

Support regional sewer and water infrastructure projects.  
Identify telecommunication infrastructure improvements.  
Implement EPA Hazardous Substance Assessment grant.  
Target grants to “pockets of distress” communities”.

This past year, REDC encouraged the submission of new projects from towns that previously had indicated some degree of distress, either in higher than average unemployment numbers, or lower than average per capita income levels to name a few. The Town of Seabrook continues to face challenges in the area of higher than average unemployment rates, compared to the rest of the region, or the State of NH. In order to assist the Town of Seabrook with infrastructure improvements leading to job creation, REDC visited the town several times to encourage the submission of an Infrastructure Priority Project that could lead to expanding the employment base for Seabrook. The Town of Seabrook submitted a project that will assist with the widening of the bridge over Route 107 and I-95 to accommodate future growth on Route 1, the commercial district of town.

The Town of Plaistow has had a project on the CEDS Long Term list for a number of years without any action. This project, the development of a rail stop and station in Plaistow, has seen somewhat of a resurrection this past year stemming from interest from the State of Massachusetts to divert some Haverhill, Mass activities to a new site in Plaistow, a NH town not too far away. Additionally, the Town of Plaistow was well represented at the “Downeaster” Financing forum, networking, making contacts and understanding the challenges that face the Downeaster today.

Several towns in the region have advanced local infrastructure goals that will lead to enhanced economic vitality in the future. Kudos goes to those towns that have made significant in-roads towards the goals of improved infrastructure:

- Town of Newmarket in the last phase of the Downtown Reconstruction Project road, water and sewer improvements for better traffic flow and upgrading of water and sewer pipes for future economic expansion of the downtown.
- Town of Stratham in continuing with its Gateway Project that seeks to plan, design and construct a downtown center “feeling” in its commercial district to preserve a New England character and encourage new commercial development in the Gateway District. The Town of Stratham has a Fire Suppression Project on the CEDS list which is part of the overall expansion plan by bringing increased water flow to area businesses so they may expand.
- Town of Salem in their efforts to investigate Tax Increment Financing Districts as a method for funding much needed commercial infrastructure improvements in town.
- Town of Raymond in approving TIF District and negotiating with private developer to construct a sewer treatment plant that will serve a mixed use commercial development that will create 200-300 new jobs in the central sub-region of the county.

Several towns received planning assistance funds from the Rockingham Planning Commission to improve the planning process for land use, zoning and infrastructure.

- Atkinson received \$2,000 to develop new goals, vision, and objectives for their Master Plan.
- Brentwood has completed an inventory of all existing community facilities as a baseline in order to plan for future community and commercial needs.
- Fremont will prepare an existing and future land use chapter using a \$2,500 grant.
- East Kingston will update their background tables and text of the Capital Improvement Plan with \$1,800.
- Kingston on going support for revision of rules and regulations.

The Town of Raymond received CDBG funding in the amount of \$418,603 to fund the connection of the Lamprey River Coop to the municipal water system, alleviating problems due to an unprotected well radius that was compromised during last years spring storms.

### 3. Workforce Development

**Goal:** *To prepare the region's workforce for high-paying and high-skilled jobs in the growth industries through active collaboration among employers, educational institutions and the workforce development system.*

**Objectives:** Match workforce development needs of biotech development firms with workforce development agency or educational institution.  
Identify Bi-State employment needs as a result of the Bi-State Summit.  
Support permanent space for Technical College at Pease.  
Identify DOL funding opportunities for laid-off and/or incumbent workers affected by plant closings or layoffs.

This past year, REDC and partners focused on Life Sciences ( Biotechnology) and Green technologies, as two areas where workforce growth may occur in the future. The REDC has invested much time and effort this past year on developing an understanding of the future job growth potential and what curriculums we may need to achieve those goals. As we have discussed, the forums presented this past year in Biotechnology, as well as the studies by both Professor Gittell and Professor Colgan on future jobs in that sector, has given us a blueprint for moving forward to encourage company expansions and expansion of jobs. Using the successful strategy that was crafted to bring in federal Dept of Labor dollars for specific skills training in biotechnology ( BioConnect – NH), the REDC has embarked on a similar strategy to encourage workforce development in green jobs. Professor Ross Gittell is investigating green job growth using current NAICS codes, and current demographics to demonstrate where jobs will be in the future. From this, REDC, and its educational partners, Great Bay Community College and the University of New Hampshire will address these specific skill sets needed for future jobs. The goal is to secure a Regional Innovation

Grant from the DOL in order to develop business consortiums that would create the curriculums for incumbent and new worker training, in hopes that this work will lead to the development of a “sustainability lab” for the region.

REDC has assisted new job creation through its regional revolving loan program. This year REDC assisted 2 health related start up businesses each creating new jobs in the region in the sustainable area of health care, slated to grow quite fast in the next 20 years as a response to the aging population and their health care needs.

In the spring of 2008, the REDC assisted the NH Business Finance Authority with its federal New Markets Tax Credit application submitted on behalf of the State of New Hampshire. REDC was asked to meet with specific geographies that qualified for the New markets Tax Credit and document economic development projects in those eligible territories. In Rockingham County, several key areas qualify for New Markets Tax Credit. They are portions of Salem, Derry, Seabrook, Newmarket, Raymond, and Londonderry. The REDC facilitated a meeting with Derry economic development personnel to identify key projects that could benefit from the tax credit. If the grant is successful there is much potential for new job creation in these newly developed areas.

#### **4. Environmental Preservation**

**Goal:** *To preserve, protect and utilize the natural resources and open space in the County as a means to balance economic growth.*

**Objectives:** Encourage purchases of open space parcels to maintain quality of life.  
Support agricultural and fishing industries through specific initiatives.  
Promote “green technology” for construction and incubator activities.  
Preserve cultural, historic and natural resources through grant funds.

Environmental Preservation takes many different forms and economic development stakeholders in this region work hard to ensure that historical properties, open space and eco systems are protected via purchase agreements or easements; that brownfields sites are cleaned up and re-used for economic or conservation purposes; and new construction is performed in a manner that is environmentally sound using new standards for building construction.

Last year the State of New Hampshire awarded 31 grants for conservation and preservation. Of those grants awarded through the LCHIP Program ( Land & Community Heritage Investment Program), five were awarded in Rockingham County.

1. Danville - Webster Stagecoach Stop & Shop, \$15,000 to relocate historic building to prevent further deterioration.
2. Newington – Old Meetinghouse, \$124,000 reinforce historic building
3. Portsmouth – Moffatt-Ladd Coach House, \$ 60,000 building renovations
4. Portsmouth – The Music Hall, \$100,000, historic restoration to period
5. Portsmouth – Temple Israel, \$ 65,350, historic preservation

The New Hampshire Estuaries Project funding to the Southeast Land Trust of New Hampshire that helped the land trust and its partners conserve more than 400 acres in this region. The goal of the grant was to increase the amount of land conserved within the coastal watershed throughout outreach to landowners and partnerships with communities. Eleven land protection projects were completed totaling 449 acres within the coastal watershed. They include:

1. 91 acres and 1,000 feet of river frontage on the Exeter River in Brentwood
2. 70 acres and 3,000 feet of shoreline on the Lamprey River in Epping
3. 14 acres and 300 feet of shoreline on the Taylor River in Hampton Falls
4. 39 acres of fields and forest land in the Cove wetland in Kensington

In the area of Brownfields re-development progress has been made on a number of fronts. For the first time, the Rockingham Planning Commission received a \$200,000 EPA grant to perform site assessments on brownfields sites in the region. An Advisory Committee was formed ( with REDC represented on that committee), to select the initial sites for assessment. An inventory of sites was documented throughout the region and several sites were selected for initial review for re-development potential. To date, two sites are moving forward in both Hampton and Fremont, with several sites in Epping, Portsmouth and Exeter under discussion as of this writing.

The Fremont site, if successful, will clean up a former auto shop and provide public river access. The Hampton project is a demonstration project at the Hampton Landfill, to encourage the use of solar and wind power to turn the old landfill into a “green field” Both projects are in early stages of assessment.

In the Town of Plaistow, the Beede property clean up project is expected to begin in 2010. This has been long in the works due to legal issues of liability and financial responsibility of clean up on this site. Finally, the last responsible party has agreed to sign the clean up agreement. This last hurdle cleared the way for the actual clean up to begin. This project is coordinated by the EPA.

This region has a number of examples of “green” building and LEED Certified projects, either already completed or in process. They are:

1. City of Portsmouth Library wins LEED Certification as the first municipal building in NH to become LEED certified.
2. Town of Epping and TD Banknorth approve first commercial building to be build under the town’s newly adopted “ energy and sustainable design ordinance” for green building design.
3. The Town of Hampton recently approved plan for LEED certified design of Smuttynose Brewing Company’s new manufacturing facility and restaurant, while preserving elements of this historic site.
4. The Squamscott Community Commons project of Exeter is also designed and planned as a LEED Certified space.

## 5. Workforce Housing

**Goal:** *To create workforce housing as an assurance to expanding and relocating businesses that their workforce will be able to afford housing in the region.*

**Objectives:** Partner and support the Workforce Housing Coalition of the Greater Seacoast to address the supply of workforce housing.  
Assist and provide support with the development of a workforce housing plan for Rockingham County.

The Housing Partnership and Workforce Housing Coalition have made great strides in working towards increasing the workforce housing stock in the region, through awareness, education and implementation. This group shares this challenge with its neighboring State of Maine's seacoast region and York County. Groups from both NH and Maine have been meeting together regularly for some time now to work together on this important issue of affordable/workforce housing in the region as new jobs are created. Utilizing a forum setting, a music and entertainment venue as fundraiser, these groups have increased awareness to the impacts of a lack of workforce housing in a region. The Housing Partnership held its own vision session in May 2008 and set some goals for the next five years. Those strategic goals include the creation of 150 new units and the preservation of an additional 150 affordable units. Developments have begun in both Kennebunk, Maine and Rye, New Hampshire.

Important workforce housing legislation was signed this past year, SB 342, amending the workforce housing law, RSA 674. Senator Martha Fuller Clark was the prime sponsor of this bill. The bill seeks to address the growing problem of a workforce housing shortage which jeopardizes the state's economic growth by creating a barrier to the expansion of the labor force. The new law takes effect on July 1, 2009 and provides maximum flexibility for municipalities in exercising their zoning authority, creating opportunity for municipalities to develop and expand workforce housing, but not in a way that results in a system of statewide land use regulations or a statewide zoning process. Many communities in the region have embarked on workforce housing projects and/or a review of land use regulations that favor density bonuses for development. This is being done as a way to address the economic weakness identified by private industry that a lack of affordable housing has a negative affect on the businesses' ability to create new jobs.

Lastly, the recent publication of the book, titled "**Communities & Consequences**", by demographics expert Peter Francese, of Exeter, and co-authored by Lorraine Stuart Merrill, has elevated the awareness and discussion of workforce housing solutions to a statewide level.

Mr. Francese was the REDC's keynote speaker at the CEDS Vision sessions held in 2005 in order to craft a new five year Strategic Plan for Rockingham County. Mr. Francese was asked by REDC to review certain economic indicators and demographic information for the eastern and western portions of the region, detailing a forecast of what we could expect in terms of population, employment, and housing; where our

strengths and weaknesses might be in looking ahead to the future. Mr. Francese presented this address and analysis in both Portsmouth and Derry. This presentation began to tell a story that the future growth of this region may be tied to workforce housing; if companies cannot grow here because they cannot find employees who can afford to live here, they will grow somewhere else. This could begin a trend that could ultimately create a threat to the economic vitality of the region.

In the three years since that study and presentation, Mr. Francese has found his voice in taking this issue up in the region and statewide. He has presented this information in a number of forums since then, and has elevated the awareness statewide. The book, “**Communities & Consequences**”, is a result of these explorations.

## 6. Regional Cooperation

**Goal:** *To resolve local problems through regional solutions as a means to improve economic growth and to maintain the quality of life in the region.*

**Objectives:** Support regional infrastructure projects that will enable private industry to create higher-paying jobs.  
Document benefits of TIF Districts to encourage other communities to collaborate.  
Identify opportunities for collaboration and cost savings for local communities.

The Bi-State Initiative, in partnership with the State of Maine, strives for opportunities to provide regional solutions to issues and potential threats to the region. This effort has begun a discussion among stakeholders in the seacoast sub-region to identify regional problems and work towards partnerships in implementation. In the two years since the Bi-State Summit was held, the participants from across state lines have identified key goals for follow-up activities. Those goals include:

1. Providing a climate for new and emerging technologies;
2. Protecting the tourism economy of the region;
3. Improving the transportation infrastructure in the region;
4. Supporting workforce housing efforts in the region;
5. Harnessing “Boomer” power for supplementing the area’s workforce needs

In the past year, the organizer group has worked on several key areas – new and emerging technologies and transportation. We have invested in studies to seek future job opportunities in Life Sciences (**Biotechnology**); we have promoted a transportation summit (**The Future of the Downeaster**) and began the process of getting Maine and New Hampshire to understand the needs and costs of providing this service, its impact, and threats going forward. We have invested in exploring new technologies and job opportunities in green jobs and investigated various bi-state implementation projects that could add jobs, new technologies, and energy efficiencies. The challenge is to now find ways and means to work together on implementing projects and strategies based on our discoveries.



On a more local level, the REDC continues to support local efforts by communities working together or sharing information and best practices. Whether it is forming a TIF District for funding local infrastructure projects, or crafting new zoning language, regional towns are sharing information, and at times both the REDC and the RPC are assisting with that information sharing. The CEDS Steering Committee has also become a place for discussions on best practices and passing on experience of one community to another embarking on a similar project. We have seen much information and resource sharing at the CEDS meetings. This practice of providing a forum for the exchange of ideas has been a cornerstone activity for this region's CEDS. Networking is done, contacts are made and information is presented. Ideas and solutions are explored and a climate is set for change.

## Evaluation of CEDS Projects

**Goal:** *To identify economic development projects that meets or exceeds the region's goals and objectives.*

**Objectives:** To create a Priority Project List for Rockingham County consistent with the goals in the region. To assist stakeholders in identifying and developing appropriate projects. To identify funding sources for projects. To document and memorialize projects that have successfully completed or enhanced the region's goals.

This past year has seen much movement on the CEDS Priority Projects List. Several projects came off the list as being completed, changed, or back to the drawing board for re-design.

In Epping, the Route 125 Infrastructure South – Drakes site has been bought by a new developer who is in process developing infrastructure for future commercial and industrial use. Since that project is moving forward with private funds, the project has completed its goal of development.

The BioTechnology Incubation space ( warehouse conversion) project was taken off the list as it must go back into the planning phase. With the lack of space at the Great Bay Community College campus, the space set aside for this project had to be re-deployed to other uses. It is hoped that REDC and Maine partners can work towards providing a different solution to the space issue in the future.

The Newmarket Main Street Reconstruction project, fully funded through a local TIF District, is in its last year of construction and will be completed this year. The upgrades to the downtown area are part of a larger vision for mixed use commercial, housing and industrial growth. Key to the downtown redevelopment are the redevelopment of the historic mill properties. The REDC hopes to provide support for the mill renovations and re-use plan, once the town successfully completes its discussions on re-zoning, and

best uses for the property, as well as attracting and selecting a developer for the project.

The Squamscott Community Commons project in Exeter has made key benchmarks this past year and has moved to the Top Priority List. This past year has seen final negotiations occur for completing the purchase and sale of the subject property. Fundraising is on-going with the project proponents raising large donations, including \$1,000,000 from local best selling author, Dan Brown, of the “DaVinci Code” fame. Their plan to fund the entire project with private donations is ambitious and commendable.

Several projects moved from long term to intermediate this past year including the Route 93 widening project and the Exit 4a project in Derry/Londonderry.

The Smuttynose Brewing Company Infrastructure and Job Creation project was moved from long term to Top Priority as this project has received final approvals for building a LEED certified building in Hampton, creating 50 new jobs, and preserving historically significant elements of the project site. REDC hopes to provide financing assistance for this project.

Several new projects were added to this list this year, including the Town of Seabrook’s bridge expansion over Route 107 and I-95 in order to add more lanes for future commercial development in Seabrook’s commercial district. In the Town of Derry, 2 new infrastructure projects were added that will enhance new and existing commercial areas in town for development, as Derry tries to bring the towns’ commercial sector to a larger share of the towns’ tax base.

Since the CEDS began in 2000, the REDC has only had a few opportunities to qualify for EDA Public Works funding. The Epping Crossing project received \$500,000 in EDA funding to help with the widening of Route 125, that would open up several hundred acres for new development in central Rockingham County. That project allowed for an explosion of new jobs and new businesses in this area, including the new TD Banknorth “green” bank building. Follow-up projects on abutting land may be seen in the near future as town staff research ways to design and implement a regional water supply chain with several surrounding towns.

The Pease North Apron access road received a \$500,000 EDA Public Works grant to build out the final roadway leading to commercial development on the aviation side of the Tradeport. While the Pease Development Authority has had some challenges this past year with the exit of the air carrier, Skybus, the agency will look ahead to future development potential on this site. On the positive side, a company called Alpha Flying, Inc. has expanded its operations at the Manchester Airport to Pease by constructing an 84,000 sq. ft facility to handle future growth, while maintaining its Manchester presence as well. The company currently employs 220 employees.

In summary, while Rockingham Priority projects have less opportunity for EDA Public Works funding due to eligibility requirements, all other sources of funds, both public and private, have been used to advance both infrastructure and job creation projects forward. We have more towns now using **Tax Increment Financing (TIF)** as an infrastructure financing tool than ever before. In 2000 when the CEDS began, no towns used TIF as a financing mechanism. Today more than 10 towns in the region (representing approximately one third of all towns) have used or are exploring the use of TIF. REDC over a two year period beginning around 2004 provided technical assistance to towns on TIF using a workshop format. We hope to continue to train our region's stakeholders on other sources of funds such as the New Markets Tax Credit, if successful in receiving these funds.