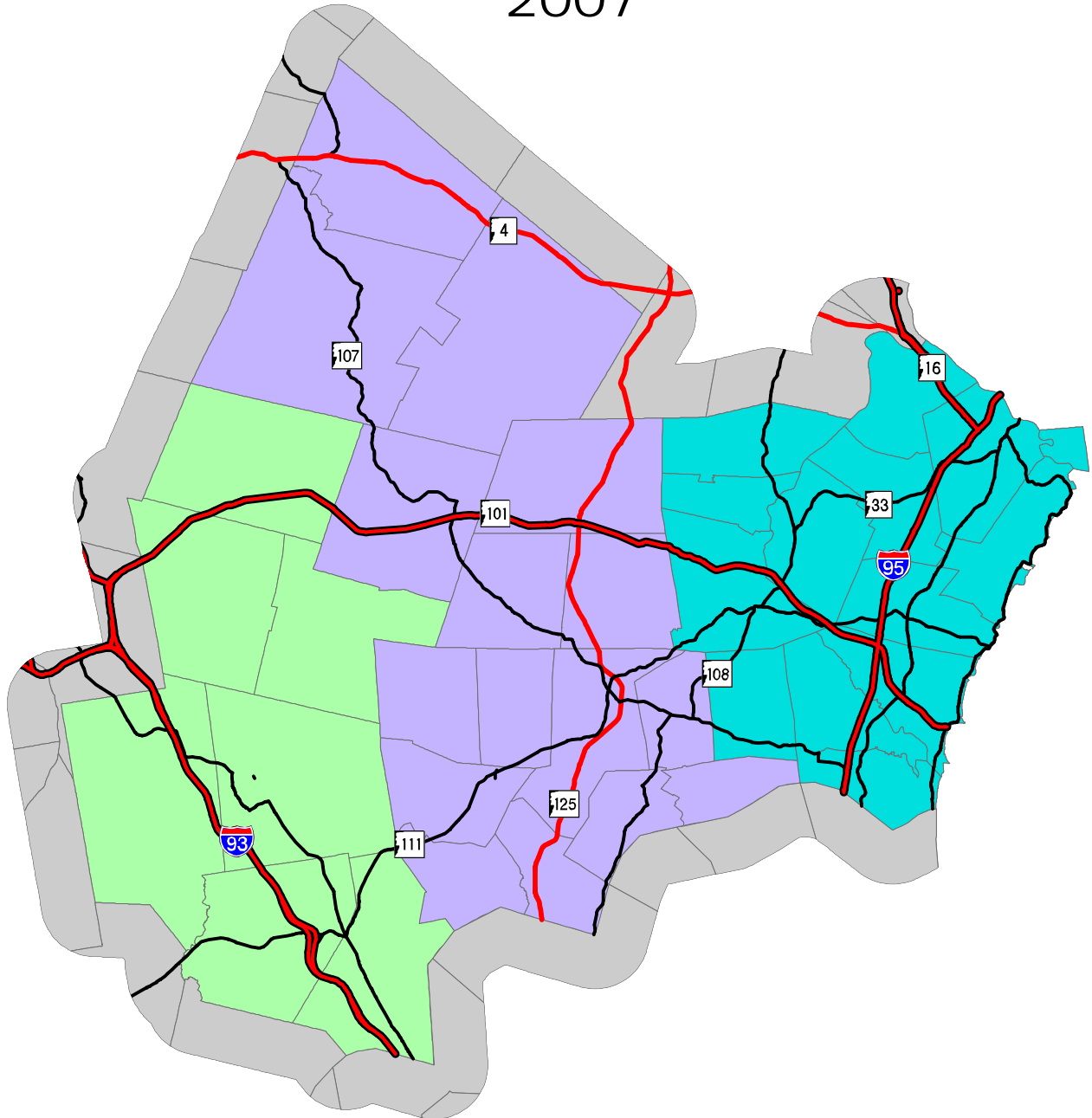


COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY
(CEDDS)
ROCKINGHAM COUNTY, NH
2007



Prepared by
Rockingham Economic Development Corp.
37 Industrial Drive, Suite F2
Exeter, New Hampshire 03833

2007 CEDS UPDATE

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Part I - Executive Summary

The 2007 Annual CEDS Update builds upon the Five-Year CEDS completed in 2005. The Rockingham Economic Development Corporation (REDC), working in conjunction with the Rockingham Planning Commission (RPC) and the other economic development stakeholders in Rockingham County, has maintained the “continuous, comprehensive economic development planning process” for the region. In fact, the economic development stakeholders in Rockingham County reached across state lines to partner with their counterparts in York County, Maine to develop a common vision for the future of the Portsmouth Naval Shipyard. The active “grass-roots” participation of economic development stakeholders in both states will only strengthen the regional economy and potentially lead to new emerging technologies and emerging clusters in the areas of “green” and marine technology, as an example.

REDC held four CEDS Steering Committee meetings during the past year on November 8, 2006, February 7, 2007, May 2, 2007 and June 13, 2007. These meetings provided an opportunity for input into the CEDS planning process, as well as presentations on current economic development projects in the region. The CEDS Steering Committee oversaw the annual CEDS planning process, approved the Priority Projects list for 2007 and recommended approval of the Annual CEDS Update for 2007 at its June 13th meeting to the REDC Board of Directors. The REDC Board of Directors approved and ratified the Annual CEDS Update for 2007 on June 21, 2007 based upon the recommendations of the CEDS Steering Committee. A summary of the activities of the CEDS Steering Committee and REDC Board of Directors is included in Part II of this document, while the agendas and minutes are included in Appendix I.

In addressing the past year’s activities, REDC outlined the region’s achievements under the Project Development, Goal Attainment and Capacity Building components of this document. Under the Project Development component, REDC cited its work on five separate non-EDA projects that resulted in 161 jobs and the investment of \$ 9.37 million in private funds and \$ 1 million in public funds. The principal focus of this past year’s activities was on the Bi-State Summit “Looking Beyond the Shipyard”, and a follow-up event which resulted in six different focus groups – Boomer Power, Emerging Technologies, Housing, Small Business, Tourism and Transportation. Among the other projects cited were the second round of Intermediary Relending Program (IRP) funding under the U.S. Department of Agriculture (USDA) Rural Development for \$ 500,000, \$ 500,000 in alternative and gap financing through Community Development Block Grant (CDBG) funds for Bio-Concept Laboratories, technical assistance to Liquid Planet, and more than \$ 825,000 in public funds for Asphalt Recovery Technologies, LLC. New Hampshire Community Technical College received a community-based job training grant from the U.S. Department of Labor (DOL) for its Bio-Connect endeavor and a team from Rockingham County was invited to participate in a Strategic Partnership for Competitive Workforce (SPCW) Institute for Building Partnerships and Career Pathways in high growth industries.

REDC focused upon addressing the six goals established in the Five-Year CEDS: **Economic Development**, Infrastructure Development, Workforce Development, Environmental Preservation, Workforce Housing and Regional Cooperation. Under the Economic Development goal, REDC continued to fulfill its role as the administrative entity for the Rockingham County Economic Development District (EDD) by maintaining the Annual CEDS planning process through the development and submission of the Annual CEDS Update for 2007. Other economic development efforts included sponsoring the Bi-State Summit and “Looking Beyond the Shipyard”; financing regional economic development projects such as BioConcept Laboratories, Asphalt Recovery Technologies, LLC and supporting local economic development projects, such as the Smutty Nose Brewery project in Portsmouth, the mills project at Newmarket Mills and the Hampton Beach Redevelopment Plan. Projects under **Infrastructure Development** included the I-93 Transit Investment Study, Community Technical Assistance grants for communities impacted by the widening of I-93, the \$ 200,000 Environmental Protection Agency (EPA) grant to RPC to address ten brownfield sites in the region, the expansion of the WiFi network and the practical WiFi applications of the InterOperability Laboratory of the University of New Hampshire. Under the **Workforce Development** goal, the region moved forward through projects, such as the biotech feasibility study by the New Hampshire Department of Resources and Economic Development (DRED) and the Biotechnology Career Pathway established by the New Hampshire Department of Education (NH DOE), the DOL-funded community-based job training grant to New Hampshire Community Technical College, the “Financing Fast Growth in New Hampshire” public forum initiated by the Advancing Industry Clusters in Rockingham County project and participation in DOL’s regional conference focusing upon Workforce Innovation in Regional Economic Development (WIRED).

Activities under the **Environmental Preservation** goal included a renewed focus upon “green” technology, a \$ 1.4 million grant from the National Oceanic and Atmospheric Administration’s (NOAA) Coastal and Estuarine Land Conservation Program to purchase 84 acres in North Hampton, multiple grant awards from the Land and Community Heritage Investment Program (LCHIP) and numerous grants from the New Hampshire Estuaries Project (NHEP). In the area of **Workforce Housing**, the Workforce Housing Coalition of the Greater Seacoast continued their efforts to address the need for workforce housing in the region and projects, like the Squamscott Block Building in Exeter and the housing density bonus in Portsmouth, are being implemented to address this critical need. Under the **Regional Cooperation** goal, the Bi-State Summit epitomized the ultimate regional cooperation project. Additionally, the lessons learned from the Pease redevelopment project can be readily applied to the Londonderry project and homeland security funds from the Federal Emergency Management Administration (FEMA) have been made available to finance equipment and personal protective equipment for local fire departments.

The capacity of the Rockingham County EDD has improved immeasurably since 2000. During this period of time, REDC and RPC have collaborated on numerous CEDS

documents. REDC has managed five EDA grants to date, completed two Five-Year CEDS and six Annual CEDS Updates, been designated as an EDD and supported the funding of two EDA public works projects – the Epping Crossing and the North Apron Access Road at Pease. The forum planning skills associated with the Bi-State Summit and Financing Future Growth seminar were undeveloped in 2000 and the ability to attract financing from public utilities, private banks and other public and private institutions reflects the quality of the programming provided by REDC. REDC actively participated in the EDA-sponsored conference in Providence, Rhode Island in April 2007, as well as the DOL-sponsored conference in Portland, Maine in May 2007. In order to further its CEDS outreach efforts, REDC will be hiring a part-time Economic Development Planner to expand the capacity of the organization and to meet the growing demands from economic development stakeholders in Rockingham County.

Within the section on **Changes to the Regional Economy**, three components are included: Update to CEDS Data Summary, the State of the Economy and the Industry Cluster Update. The Update to the CEDS Data Summary includes new data related to population estimates and projections, employment (unemployment rates, recent closings, unemployment trends, labor force and current employment) and the housing market (changes in housing supply and housing purchase price data). As of May 2007, population estimates for Rockingham County in 2005 showed an increase of 0.8%, as compared to the 1.2% increase the previous year. Housing costs in Rockingham County increased by 7% in 2005 to an average purchase price of \$ 303,900 for all homes.

According to the State of the Economy, the overall economic condition and outlook for Rockingham County was positive. Rockingham County has continued to outperform the United States, while lagging slightly behind New Hampshire. The average unemployment rates for Rockingham County in 2005 and 2006 were 4.2% and 3.8% respectively, while the unemployment rate for April 2007 increased to 4.1%. The unemployment rates for 27 communities in Rockingham County increased from their average unemployment rates in 2006 to their unemployment rates for April 2007, reflecting a trend toward higher unemployment rates. The “pockets of distress” communities actually decreased from three communities (Plaistow, Salem and Seabrook) in 2006 to a single community – Seabrook – in 2007. Reported layoffs in Rockingham County were nearly cut in half from 620 workers in 2006 to 377 employees in 2007. Additional information on the New Hampshire economy is included in this section through reports provided by the New Hampshire Employment Security Department (NHES) and the New Hampshire Economic & Labor Bureau (NHELMB). In “Looking Forward: Preparing for the future New Hampshire economy” completed in November 2006 by NHES, economic trends within the New Hampshire economy are summarized. The monthly *Economic Conditions in New Hampshire* reports published by NHELMB provide extensive data and stories on different aspects of the state’s economy, such as the biotechnology industry, wage rates and employment levels in different industries and the number of businesses by community and industry sector.

The **Industry Cluster Update** builds upon the Advancing Industry Clusters in Rockingham County project undertaken with the University of New Hampshire Small Business Development Center (SBDC) last year. REDC and Sovereign Bank co-sponsored the “Financing Fast Growth in New Hampshire” public forum on July 19, 2006 to address a major issue identified by software development and biotechnology firms responding to the Advancing Industry Clusters survey. Additional information on “Biotechnology and the role it plays in New Hampshire” and the Biotechnology Career Pathway is provided in this year’s Industry Cluster Update section.

The **Development Strategies** section focuses principally on the Priority Project list for 2007, but also includes descriptions of major economic development generators that continue to impact the Rockingham County economy. Initially describing the 2007 RFP Process and the FY 2007 EDA Investment Policy Guidelines, this section then lists the Priority Projects (both EDA-funded and non EDA-funded) on a short-term, intermediate and long-term basis. The Short-Term Priority Projects for 2007 include the Route 125 Infrastructure South- Drakes Site in Epping, the New Hampshire Biotechnology Incubation – Warehouse Conversion, the Epping Downtown Feasibility Study, the Capitalization of the Regional Loan Fund and the Stratham Fire Suppression District. The Project Oriented and Other Economic Development Initiatives section includes descriptions of the following major economic development generators in Rockingham County: Manchester-Boston Regional Airport, the Pease Tradeport and the Port of New Hampshire, the Portsmouth Naval Shipyard, the Route 93 Expansion (includes Exit 4A and the I-93 Transit Investment Study), the Regional Sewer Project, the Newington-Dover Little Bay Bridge, Hampton Beach Redevelopment, the East Coast Greenway Routing Study, Tidal Energy and the Bi-State Summit.

The Development Strategies section concludes with a chapter on the Short-Term Actions for 2007-2008. Outlined within this chapter are specific actions listed by goal to be addressed by REDC, RPC and the other economic development partners in Rockingham County over the course of the next year. This chapter provides the basis upon which next year’s Evaluation Component will be developed regarding CEDS goal attainment.

The **Evaluation Component** concludes the Annual CEDS Update for 2007. The format utilized is based upon one that was recommended by EDA staff and used in the Five-Year CEDS. This section serves as a self-evaluation of the past year’s CEDS program based upon numerous qualitative and quantitative measures. The Evaluation Component also addresses the fairly ambitious Evaluation Criteria outlined in the 2005-2009 CEDS. In general, the Evaluation Component focuses upon the Evaluation of the CEDS Process (levels of participation, data development and dissemination and CEDS marketing and outreach), Evaluation of the CEDS Goals, and Evaluation of CEDS Projects. The Evaluation Component provides a fairly extensive assessment of the performance of the Rockingham EDD, as measured against the established evaluation criteria.

The Annual CEDS Update for 2007 would not have been possible without the active participation of the CEDS Steering Committee, the REDC Board of Directors and our economic development partners in Rockingham County and at the federal and state levels. REDC wishes to express its appreciation to Tyrone Beach and Bill Good and the Philadelphia Regional EDA Office for their continued support and guidance in the annual “grass-roots” CEDS process.

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

During the period from July 1, 2006 to June 30, 2007, the Rockingham Economic Development Corporation (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 Bi-State Summit became the focus of working across state lines to develop an overall strategy to ensure economic development activity beyond the Portsmouth Naval Shipyard. While many of this year's activities were in relation to completing the Annual CEDS Update for 2007 "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 for the future of Seacoast Rockingham County became the Bi-State Summit.

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 2007. This year project proponents were invited to the CEDS Steering Committee meetings and Committee members had an opportunity to question the proponents about their projects. 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 first met this year on November 8, 2006 (see Agenda and Minutes in Appendix I) and approved its new members – Bill Scott of Salem, Rick Bates of Raymond and David Preece of the Southern New Hampshire Planning Commission. The Committee was informed about the submission of the Annual CEDS Update for 2006 to EDA and the designation of Bill Good at the Philadelphia EDA Regional Office as our new CEDS contact. Discussion then focused upon the successful Bi-State Summit, "Looking Beyond the Shipyard", held at the Portsmouth Sheraton Harborside on September 12, 2006 where 200 economic development stakeholders from New Hampshire, Maine, other parts of New England and EDA attended. A follow-up meeting, was held on November 29, 2006 at the Kittery Trading Post in Maine. A discussion regarding partnership arrangements with York County and/or Strafford County was held by the Committee members and it was recommended that a feasibility study be completed to identify the pros and cons for these actions and to build a solid case for action. Rick Bates and Ernie Creveling of Raymond provided a presentation on the Granite Meadows Project and other development activities in Raymond. Clay Mitchell of Epping then provided an overview of the Epping Crossing project.

At the next meeting on February 7, 2007 (see Agenda and Minutes in Appendix I), Andre Garron of Londonderry made a presentation on his community's major economic development projects. It was suggested during the discussion that the "lessons learned" from the re-development of Pease could be applied in Londonderry. The discussion then focused upon the criteria for EDA funding and Committee members were encouraged to identify quality economic development projects that met these criteria. It was announced that Ms. Rita Potter, the EDA Representative for New Hampshire, had retired and the new EDA Representative would be based in Philadelphia. The final portion of the meeting focused upon two items: a potential "road show" to connect economic development stakeholders with workforce housing and transportation policy makers and the "green" building initiatives being implemented in Epping.

The third CEDS Steering Committee meeting was held on May 2, 2007 (see Agenda and Minutes in Appendix I). Ms. Cappello provided an update on the EDA Regional Conference held in Providence, Rhode Island during the week of April 23rd. Ms. Cappello also had an opportunity to meet with the new EDA Representative for New Hampshire, Paul Matyskiela. Mr. Egelston then made a presentation on the Smuttynose Brewery Expansion project in Portsmouth and the need for an access road to the rear of the project. The CEDS Steering Committee approved the inclusion of the Access Road project on this year's CEDS Priority Projects list and was then briefed on the status of the other projects. Additional topics discussed included targeting grants for "green" and "marine" technologies and adding a part-time CEDS coordinator position in next year's budget.

At the final CEDS Steering Committee meeting on June 13, 2007 (see Agenda and Minutes in Appendix I), the Committee approved the Annual CEDS Update for 2007, 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 2007 on June 21, 2006 (see Annual CEDS Update Approval in Appendix IV).

Part III - Past Year's Activities

In implementing the second year of the new Five-Year Comprehensive Economic Development Strategy (CEDS), Rockingham Economic Development Corporation (REDC) has continued to perform its partnership role with EDA in encouraging and supporting economic growth in Rockingham County. 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 possibility of closure facing the Portsmouth Naval Shipyard and reached out to their counterparts in York County, Maine to host the initial Bi-State Summit, "Looking Beyond the Shipyard", and follow-up session, where the various subcommittee groups met separately to discuss specific areas of weakness or challenge to the region and steps to improve those situations. Focusing upon the future economy for the region through the development of an agenda to address targeted industries has received widespread support from economic development stakeholders in New Hampshire and Maine. REDC looks forward to building upon the framework established this past year and to identifying new opportunities for economic activity 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 broken into three components: 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 2006 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. In retrospect, this past year has been one of many changes – new CEDS contact person in the Philadelphia Regional EDA Office, new PWEDA regulations, new Economic Development Representative for the region and a new Congress. REDC and its economic development partners in Rockingham County have been able to adjust to many of these changes and still perform well for the region.

A. Project Development

REDC has been quite successful this year in initiating the Bi-State Summit and in developing EDA and non-EDA projects. REDC has managed five EDA grants to date – the Compaq Economic Adjustment Assistance Grant, the 2002 Planning Grant, the 2004 and 2005 EDD Planning Grants and the 2006 EDD Planning Investment – and has applied for \$ 60,000 under the 2007 EDD Planning Investment. REDC also completed and submitted an EDD application to EDA and was approved for EDD designation as of June 2003. REDC played a major role in encouraging the development and funding of two EDA public works grants – the Epping Crossing and the North Apron Access Project at Pease. As submitted as part of this year's Government Performance and Results Act (GPRA) report, REDC worked on five separate non-EDA projects this year that resulted in 161 jobs and the investment of \$ 9.37 million in private funds and \$ 1 million in public funds.

Originally, the partners that created the Bi-State Summit came together to discuss the potential economic threat posed by the potential closure of the Portsmouth Naval Shipyard and what would happen to the skilled and specialty trained workers who would lose their jobs. The challenge facing the partners – REDC, Southern Maine Planning Commission, Greater York Chamber of Commerce, University of Southern Maine, University of New Hampshire, Greater Portsmouth Chamber of Commerce, Strafford Regional Planning Commission and Rockingham Planning Commission – was to outline ways to save the shipyard or finding ways to retain the skilled workforce through other jobs with similar or transferable skills. As it turned out, the shipyard was saved and we began planning for the economic future of the region.

The initial scheduling of the Bi-State Summit, "Looking Beyond the Shipyard" on September 12, 2006 in Portsmouth, which was co-sponsored by EDA, enabled more than 200 interested participants to hear the perspectives of the two present Governors of New Hampshire and Maine, former Governor Angus King of Maine and Neil Peirce, noted journalist and regionalism expert, on how to pull the resources of the region together and to develop a vision for the future of the Portsmouth Naval Shipyard and the combined Bi-State Seacoast region at large.

The follow-up session held at the Kittery Trading Post on November 29, 2006 offered an opportunity for the active 80 participants to join six different focus groups – Boomer Power, Emerging Technologies, Housing, Small Business, Tourism and Transportation – and to offer their perspectives on these issues. The organizers of these events are working to continue the focus group sessions so that final recommendations can be brought back to the full group and then an Action Plan to move forward on these agreed upon goals and objectives can be developed. Once the Action Plan is developed and approved, the respective responsibilities of the various groups will be outlined in order to implement the Vision outlined for the future of the Maine and New Hampshire Seacoast region.

Apart from its role as the administrative entity for the Rockingham County EDD, REDC is responsible for managing 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. REDC offers technical assistance to start-up and emerging businesses, which represent the backbone of the region's economy. REDC bridges the gap between the municipalities and the companies and those most in need and available jobs. REDC has established strong ties with the financial community – private and public- in New Hampshire and utilizes these relationships to bring worthy projects to fruition. To date, REDC has provided more than 30 loans to primarily manufacturing and high tech businesses in Rockingham County. Loans made to date total more than \$ 5 million and leverage millions more in private investment and helped create hundreds of new jobs. REDC also manages a revolving loan fund with funds from the United States Department of Agriculture (USDA) Rural Development REDC has applied for a second round of Intermediary Relending Program (IRP) for \$ 500,000.

In the past year, REDC provided \$ 500,000 in alternative and gap financing through CDBG funds, which leveraged an additional \$ 4.5 million in bank financing, to Bio-Concept Laboratories. This project also utilizes U.S. Department of Labor (DOL) funding for specific job training programs for new workers. Twenty-five full-time manufacturing jobs in the biotech field will be created as a result of this funding a portion of their expansion project that will create 25 new biotech jobs in western Rockingham County.

REDC provided significant technical assistance to Liquid Planet, a proposed water park and tourist attraction to be located in Candia. The technical assistance consisted of a Business Development Plan, feedback on the gaps in the plan and the steps needed to finance this project. The owner has secured more than \$ 3 million in private financing and proposes to create 20 full-time jobs and more than 100 seasonal jobs.

REDC has provided \$ 170,000 in regional loan funds, which was privately matched by \$800,000, to a Salem based company to assist them in securing a business contract for homeland security products (helmets). The funds will help create six new high tech jobs and return the contract to a U.S. company instead of keeping it with a Chinese firm.

REDC plans to assist Asphalt Recovery Technologies, LLC, which is a start-up company that recycles asphalt shingles for other uses. By investing \$ 500,000 in CDBG funds, \$ 125,000 in IRP funds and \$ 200,000 in REDC funds, REDC expects a private investment of \$ 1 million and twenty-five newly created manufacturing jobs for central Rockingham County. REDC financing for this start-up venture will allow the company to position itself for additional private investment at a later date.

Recently, New Hampshire Community Technical College received a Community-Based Job Training Grant from DOL for its BioConnect endeavor. As part of this award, a team from Rockingham County, consisting of representatives from REDC, New Hampshire Community Technical College, the Eastern Region Partnership for Tech Prep (NH DOE), The Seacoast School of Technology, and Lonza Biologics, as well as the DOL Project Director of Biotechnology – Bioconnect, were invited to participate in a Strategic Partnership for a Competitive Workforce (SPCW) Institute for Building Partnerships and Career Pathways in high growth industries. Jointly sponsored by DOL and DOE, the purpose of this initiative was “to support enhanced educational outcomes and to build comprehensive educational assets for workforce solutions that will ultimately contribute to local and regional economic growth”. The partnerships developed as part of this initiative will continue to make Rockingham County more attractive for biotech firms looking to invest and expand.

B. Goal Attainment

In implementing the Short-Term Actions outlined in the Annual CEDS Update for 2006, REDC has principally fulfilled its role as the Rockingham County EDD by maintaining a continuous, comprehensive economic development planning process for the region. As outlined in other sections of this document, REDC has addressed the overall 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 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. REDC staff made a concerted effort to identify as many projects for the region as possible so as not to underreport the activities in the region. 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 2007. 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 from New Hampshire and Maine to schedule the highly successful Bi-State Summit “Looking Beyond the Shipyard” on September 12, 2006 in Portsmouth and the follow-up session on November 29, 2006 in Kittery, Maine. The breakout into six different focus groups – Boomer Power, Emerging Technologies, Housing, Small Business, Tourism and Transportation – has provided the framework for economic development stakeholders in both states to develop a vision for the future of the region. EDA actively assisted in this effort by providing \$ 10,000 to co-sponsor the Bi-State Summit.
- REDC has worked on five separate non-EDA projects this year that resulted in 161 jobs and the investment of \$ 9.37 million in private funds and \$ 1 million in public funds. The projects identified on the GPRA report include Liquid Planet, BioConcept Laboratories, Asphalt Recovery Technologies, LLC to name a few. REDC has also applied for an additional \$ 500,000 in Intermediary Relending Program (IRP) funds from USDA, Rural Development.

- REDC has actively supported regional and local economic development efforts that include the following projects: Smutty Nose Brewery project access road in Portsmouth, the Exit 4 project in Raymond, the mills project at Newmarket Mills, new zoning district for neighborhood services/businesses in Danville and the parking study related to the Hampton Beach Redevelopment Plan.

2. ***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 Study has been established for the length of I-93 from Boston to Manchester to identify long-term transit investments, such as commuter rail, bus rapid transit, ride share options and land use recommendations, which are needed and feasible. The study will determine how and when these investments can be implemented. The study has been broken out into three phases: (1) developing a Purpose and Need Statement and initial set of alternatives, (2) Refining alternatives, developing recommendations and developing the travel demand model and alternative analysis and (3) the Strategic Plan. This study is being overseen by a Stakeholder Group consisting of transportation, planning and business representatives from New Hampshire and Massachusetts.
- Atkinson has received a \$ 15,000 grant under the Community Technical Assistance program to improve their roads and GIS mapping capabilities. These funds have been made available to communities impacted by the I-93 widening project. Other communities receiving funding under this program include Windham, Salem, Sandown, Hampstead and Danville.
- REDC and RPC are working with the Town of Hampton in securing scenic byway funds as part of the Route 1A Corridor Management Plan. Other projects in the region include the Raymond Wastewater Treatment Center, the new fire station in Stratham, and related fire suppression project.
- The Rockingham Planning Commission has been awarded a \$ 200,000 grant from the Environmental Protection Agency (EPA) for Hazardous Substance Assessment funds in order to address ten brownfield sites in the region. REDC plans to look into opportunities related to a revolving loan fund related to this project.
- The Wireless High Fidelity (WiFi) network is expanding in Rockingham County. The availability of WiFi provides an inexpensive means to level the playing field in terms of accessing information and communicating. There has been a ten-fold increase in the number of hot spots and free hot spots since 2004. Free hot spots are available at Manchester-Boston Regional Airport, Derry’s two public libraries, Hampstead Public Library and Windham’s

Nesmith Library. Small WiFi networks, called “clouds”, have also been established in Portsmouth.

- The InterOperability Laboratory of the University of New Hampshire has formed a partnership with WiFi Alliance, the industry association, to ensure that all new WiFi products meet international standards. During scheduled “plugfests”, competing manufacturers bring their new products to the lab to ensure they all work together. These products must meet the specifications recommended by the Institute of Electrical and Electronic Engineers, Inc., which are converted into software programs that test whether the product meets the international standards. Companies such as Apple, Microsoft, Dell, IBM, Cisco and various small businesses from New Hampshire use the facility.

3. ***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.***

- With the funding of a biotech incubator feasibility study by the New Hampshire Department of Resources and Economic Development (DRED), the state government declared its interest in encouraging growth in the biotechnology field. The New Hampshire Department of Education (NH DOE) has established the Biotechnology Career Pathway, which focuses on biotechnology literacy, career development and postsecondary education. With courses being offered at schools such as Portsmouth Senior High School and the Seacoast School of Technology in Exeter, “the curriculum in the Pathway includes:
 1. Exposing students to all aspects of biotechnology;
 2. Aligning with state and national science standards;
 3. Offering the opportunity for dual-enrollment college credits;
 4. Including current biotechnology practices in a state-of-the-art laboratory;
 5. Integrating other disciplines;
 6. Simulating a biotechnology company; and
 7. Providing opportunities for internships.”
- New Hampshire Community Technical College received a Community-Based Job Training Grant from DOL for its BioConnect endeavor. As part of this award, a team from Rockingham County, consisting of representatives from REDC, New Hampshire Community Technical College, the Eastern Region Partnership for Tech Prep (NH DOE), The Seacoast School of Technology and Lonza Biologics, as well as the DOL Project Director of Biotechnology – Bioconnect, were invited to participate in a Strategic Partnership for a Competitive Workforce (SPCW) Institute for Building Partnerships and Career Pathways in high growth industries. Jointly sponsored by DOL and DOE, the purpose of this initiative was “to support enhanced educational outcomes and to build comprehensive educational assets for workforce solutions that will ultimately contribute to local and regional economic growth”. The

partnerships developed as part of this initiative will continue to make Rockingham County more attractive for biotech firms looking to invest and expand.

- As summarized under last year's Economic Development goal, REDC identified more than forty biotech and software development firms in Rockingham County as part of the Advancing Industry Clusters in Rockingham County project with the SBDC at the University of New Hampshire. REDC will follow up with those firms that identified workforce development as a major issue and match them with the appropriate workforce development agency or educational institution.
- The Bi-State Summit, "Looking Beyond the Shipyard" sessions have set the standard for future work in workforce development. The partnerships developed as part of this initiative will create new opportunity to match funds from EDA, DOL and the U.S. Department of Education (DOE). Issues related to Boomer Power, Emerging Industries and Small Business will need to be addressed from a workforce development perspective.
- REDC attended the DOL regional conference in Portland, Maine in May 2007 that focused upon the "Workforce Innovation in Regional Economic Development (WIRED) framework of fostering economic growth in a region by identifying and utilizing local area resources". The establishment of new networks to link various funding sources together must be done in order to compete in the global economy.
- REDC continues to support permanent space for the New Hampshire Community Technical College to expand their programs at Pease.
- REDC supports the growth and expansion of small businesses through its resources from EDA, the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture Rural Development. REDC has invested a \$ 500,000 CDBG loan with BioConcept Laboratories, which has also received workforce development funds to train its staff. REDC has established a \$ 170,000 loan with a Salem based company that will result in 6 jobs and the return of contract work from China. REDC is working with Liquid Planet in Candia, which could bring 120 jobs through the creation of a water park. REDC has applied for an additional \$ 500,000 in IRP funds from USDA Rural Development.

4. ***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 Smuttynose Brewery Project in

Portsmouth, the Asphalt Recovery Technologies start-up business, and the LEEDS Certified Squamscott Community Commons development. REDC plans to focus upon “green” industry in the coming year and to establish workshops related to this issue.

- The Town of Epping has established the “first-in-the nation” zoning codes that deal with “green” technology and require conservation measures within the sustainable designs of new buildings.
- The U.S. Department of Energy has awarded \$ 1.7 million to the University of New Hampshire and Dartmouth College to establish a new center that will develop theoretical and computer simulation models for application to controlled thermonuclear fusion and to the problems of turbulence and heating in the sun’s environment.
- The Town of North Hampton acquired 84 acres of upland forests, vernal pools and recreational trails for permanent conservation of the headwaters of Berry’s Brook, the Little River and the Winnicut River through a \$ 1.4 million grant from the National Oceanic and Atmospheric Administration’s (NOAA) Coastal and Estuarine Land Conservation Program (CELCP).
- The Land and Community Heritage Investment Program (LCHIP) awarded the following grants for conservation and historic preservation purposes to Rockingham County communities during the past year:
 1. Danville’s Corneliusen Orchard for \$ 125,000;
 2. East Kingston Depot for \$ 68,874.75;
 3. Raynes Farm in Exeter for \$ 200,000;
 4. Wiggins/Raynes Barn in Exeter for \$ 50,000;
 5. Hurd Farm in Hampton and Hampton Falls for \$ 100,000;
 6. The James House in Hampton for \$ 12,000;
 7. The Ingersoll Tri-Town Tree Farm in Londonderry, Hudson and Windham for \$ 300,000;
 8. The Engine House in Newmarket for \$ 40,000;
 9. Grapevine Hill/Tuttle Swamp in Newmarket for \$ 250,000;
 10. Piscassic River in Newmarket for \$ 48,000;
 11. Centennial Hall in North Hampton for \$ 166,258;
 12. Moffatt-Ladd House in Portsmouth for \$ 10,000;
 13. Portsmouth Music Hall for \$ 14,000;
 14. Pearl of Portsmouth for \$ 164,000; and
 15. Bartlett House in Windham for \$ 40,000.
- The New Hampshire Estuaries Project (NHEP) has awarded the following grants to benefit Rockingham County communities:
 1. Southern New Hampshire Planning Commission for buffer outreach program along the Lamprey and North Branch Rivers in Candia and Deerfield;
 2. Newfields for Prime Wetlands Designation;

3. University of New Hampshire to monitor the seasonal and long-term impact of invasive species in Great Bay;
4. Town of Seabrook for a restoration plan for the Cains Pond impoundment along Route 1; and
5. Exeter River Local Advisory Committee for the 6th Annual Exeter River Festival.

5. **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.*

- The Bi-State Summit focused upon workforce housing as a critical element for economic development. The Workforce Housing and Land Conservation Forum was held on May 4, 2007 in Kittery, Maine to “learn how communities are developing projects that create workforce housing while successfully preserving conservation lands”. Additional sessions will be held during the next year.
- Workforce housing initiatives in Rockingham County include the housing density bonus in Portsmouth and the Squamscott Block Building in Exeter, which is a mixed-use facility with 50% workforce housing.
- The workforce housing issue is being addressed by the Workforce Housing Coalition of the Greater Seacoast on a regular basis. Through their monthly bulletins and regular meetings, the Coalition provides an educational and advocacy function in this area. As a result of workforce housing advocates taking part in the Bi-State Summit, the New Hampshire group opened its meetings to their counterparts in York County, Maine. Now, those groups meet together to further their efforts.

6. **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 Bi-State Summit epitomizes the ultimate regional cooperation project. Working across state lines and functional areas, the organizing committee has successfully held the Bi-State Summit, “Looking Beyond the Shipyard” and follow-up session and the initial work groups. The success of this initiative will determine the economic future of the region.
- The lessons learned from the Pease redevelopment project can be readily applied to the Londonderry TIF project currently underway. REDC hopes to play a role in passing on these lessons. Additionally, REDC is working with a regional team to address the Hampton Beach Redevelopment Plan and to identify funds for the parking lot needed as part of the redevelopment.

- Homeland security is a major issue for communities in Rockingham County and the ability of these communities to work cooperatively with their neighbors, as well as state and federal agencies, is critical to the safety of the region. The Federal Emergency Management Administration (FEMA) recently awarded grants to local fire departments through the Assistance to Firefighters Grant (AFG) program. Recipients of these grants for equipment and personal protective equipment included Fremont (\$ 18,525), Exeter (\$7,125), Plaistow (\$ 170,275), Raymond (\$ 13,249), Derry (\$ 244,642), Newton (\$62,123). Rye (\$ 33,725) and Greenland (\$ 183,901).
- 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 partnership formed in 2000, REDC and RPC have worked closely over the years to produce two Five-Year CEDS and six 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. The establishment of this framework and the ability to complete projects together successfully has provided a firm basis for the activities related to the Bi-State Summit. The need for a true public/private partnership to address issues surrounding the Portsmouth Naval Shipyard and a vision for the future economy in the region was never more necessary. Based upon the initial results of the Bi-State Summit and follow-up session, a positive attitude has developed that the region can work across state lines and develops a “brand” for the region that reflects the future.

In completing this work, REDC and RPC have accomplished it with limited staff and financial resources. The annual EDD planning 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.

Ironically, the CEDS process was initiated in 2000 at a time when the regional economy was doing well, but the impact of the Pease Air Force Base was still being felt. The foresight shown by the REDC and RPC leadership in establishing this process to assist the region in times of economic downturn, and the work done by the region’s economic development stakeholders, resulted in the ability to save the Portsmouth Naval Shipyard from the BRAC closure list and to work with those economic development stakeholders on both sides of the state line to develop a vision for the region. Within the area of Emerging Technologies, new opportunities in the fields of marine and “green” industry are growing as small businesses locate and expand in Rockingham County due to its fine balance between economic growth and quality of life.

REDC staff has readily participated in the EDA-sponsored workshops, such as the conference held in Providence, Rhode Island this past April. REDC also accesses information provided by EDA on Best Practices from across the country and tries to see how the components of these projects would fit into similar situations in Rockingham County. In order to assist in handling the CEDS workload, REDC is planning to utilize a portion of its EDA Investment Grant to hire a part-time Economic Development Planner. Hiring this person will enable the Executive Director to market the CEDS and the EDA investment funds to the municipalities, non-profit organizations and private sector.

Furthermore, it will 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.

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 this region, REDC has demonstrated the capacity to manage that task as well.

Part IV - The Regional Economy Narrative

This section provides an overview of the current economic conditions facing Rockingham County and updates the statistical data provided in every Annual CEDS Update. This “snapshot” of the regional economy provides an annual look at the economic conditions and trends in the region.

The Regional Economy section is comprised of three components: CEDS Data Update, State of the Economy and Industry Cluster Update. Under the CEDS Data Update portion of this section, new data related to population estimates and projections, employment (unemployment rates, recent closings, unemployment trends, labor force and current employment) and the housing market (changes in housing supply and housing purchase price data) are included. Within the State of the Economy portion of this section, a “snapshot” of the Rockingham County and New Hampshire economies is presented, along with specific information on “pockets of distress” and future economic trends. The Industry Cluster Update portion of this section summarizes the activities to date regarding the identification of industry clusters in the region and the focus upon the biotechnology and software development industry clusters. Additionally, there is more focus upon the Career Pathways initiative and how these workforce development initiatives can prepare the region’s workforce in the life sciences and attract an expanding biotechnological industry.

Changes in the Regional Economy

A. Update to CEDS Data Summary

Since the publication of the 2005 CEDS document and 2006 update, updates to some of the data compiled in those reports have become available. New data has been incorporated into the appropriate data summary tables where available. Updated data tables are included as part of this CEDS Update in Appendix 2. Specifically, updated or supplementary information had been added in the areas of population counts, population projections, housing counts and costs, employment, unemployment and wage data, property valuations and tax rates. This information is summarized in narrative form below.

1. Population Data

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 estimates. 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 May of 2007, the most recent estimates are for 2005. Year-over-year growth estimates from 2004 to 2005 show a population increase of 2350 for the County, representing a 0.8% increase. This is one-third less than the 3405 increase of the year before, and about half the average annual increase for the past 10 years (1995-2005) of about 4220. Figure 1 shows a year-to-year summary of population change for the County.

Except for a two-year period of flat or declining population growth between 1990 and 1992, the County population has been growing steadily over the five decades. Annual average population increases have ranged from 1200 per year 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 5 years of the current decade, growth has rebounded to a midway point of about 3900 per year for an average of about 1.4% (Figure 2). In the same period, the State's growth rate averaged 1.3% per year

The largest population increase in 2005 was seen in the CEDS Central sub-region which grew by 1,123 persons while the Western region, which usually experiences the largest growth, fell to half of the past year level at 714. As in previous updates, the slowest was in the Eastern region, which added just 513 persons or 0.8% growth. The Central region, with the smallest population overall, continues to be the fastest growing region at 1.5%. (Figure 3)

FIGURE 1

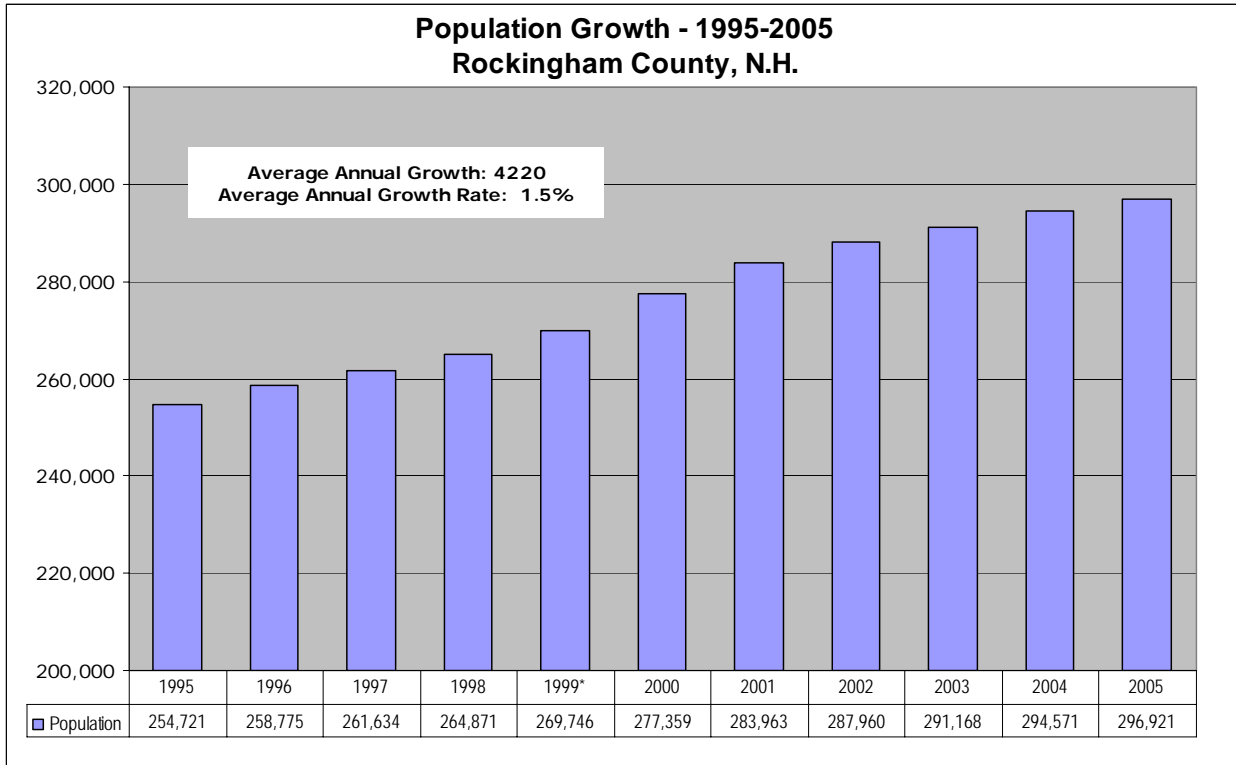
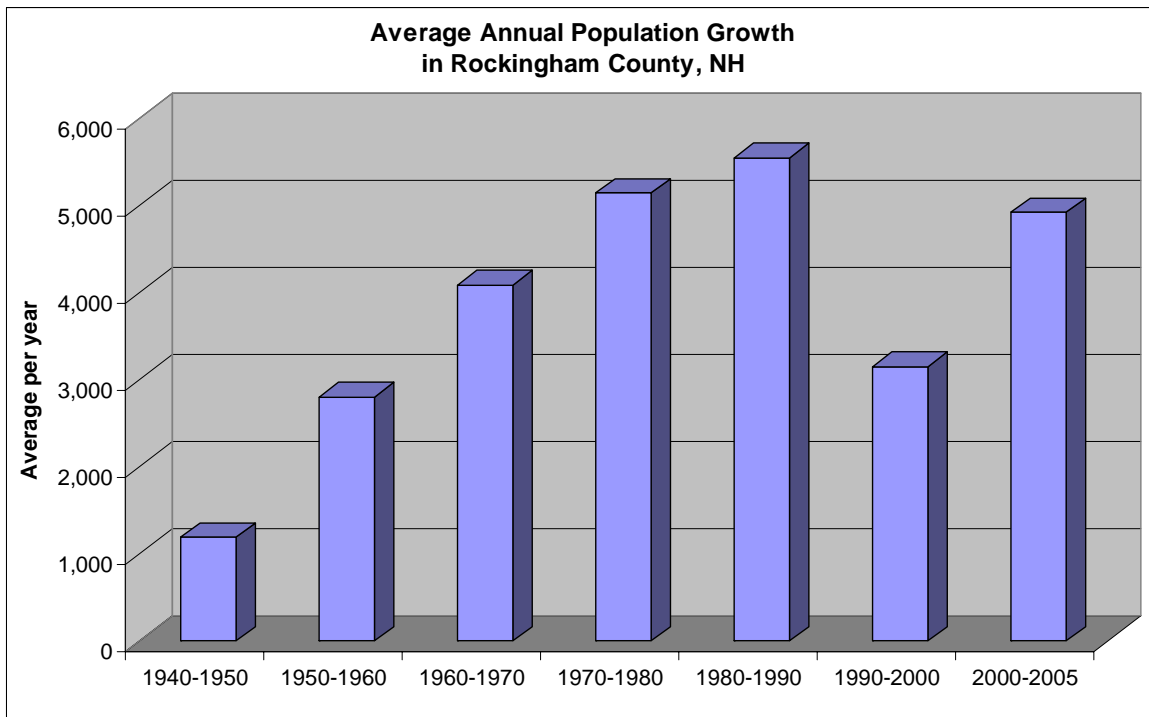


FIGURE 2



The largest growth in population occurred in Stratham, which at 369 units, accounted for a little less than 17% of all the growth in the County in 2005. This was likely due to the first counting of several large multifamily developments that have been occupied in the 2004-2005 timeframe and is not typical of the Town's recent growth rate. On a percentage basis, the small town of East Kingston showed the highest growth at 131 persons and 6.6% growth. Likewise this is largely due to the occupancy of several unusually large developments (elderly housing) Nottingham also experienced a large percentage gain, growing by 202 people or 4.8%. Other Town's showing significant growth included Londonderry (265, 1.1%), Raymond (255, 2.5%), Windham (197 (1.6%), Salem (173, 0.6%), Newmarket (150, 1.6%) and Sandown (157, 2.8%). 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.

FIGURE 3

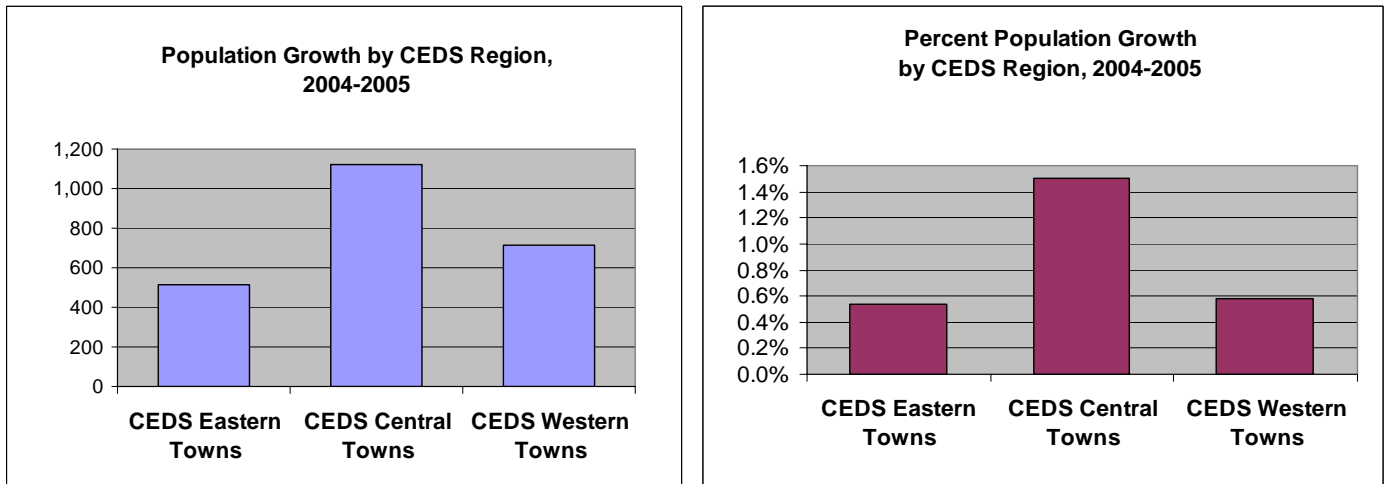


FIGURE 4

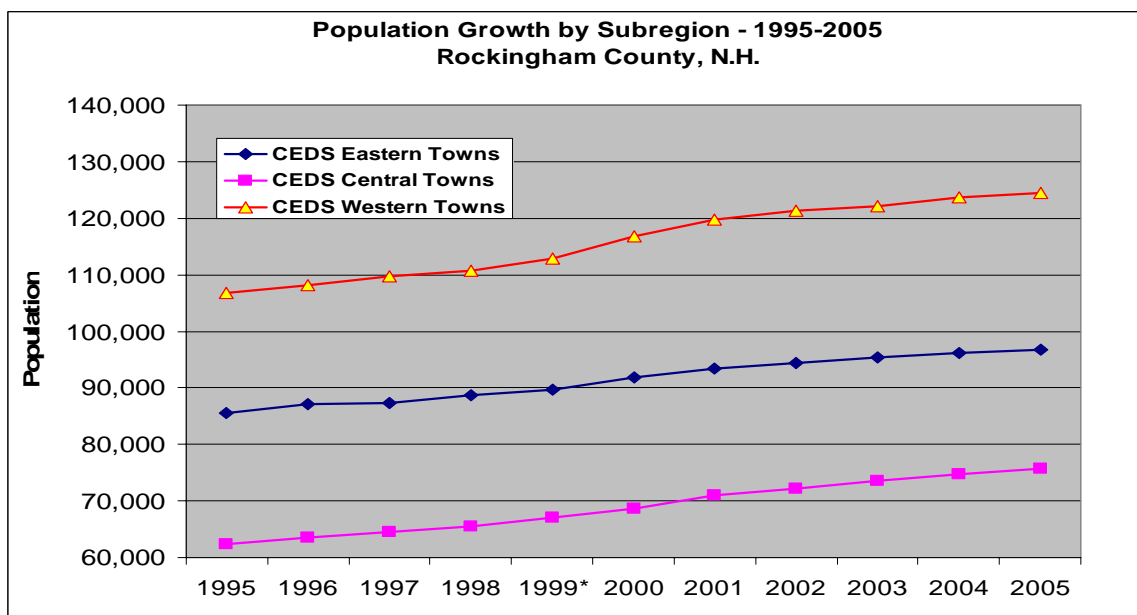


TABLE 1
Updated Population Projections for 2010 – 2030
NH Office of Energy and Planning, January 2007

AREA	NH OEP PROJECTIONS (January 2007)						Avg Annual Growth 2005-2030	Change in Projctn 2025 Population
	2005	2010	2015	2020	2025	2030		
CEDS Eastern	96,530	99,580	103,380	106,760	110,400	113,680	0.66%	-5,140
CEDS Central	75,820	78,530	81,960	84,770	87,630	90,340	0.70%	-2,100
CEDS Western	124,390	130,090	135,160	139,670	143,840	147,670	0.69%	-7,670
Rockingham County	296,740	308,200	320,500	331,200	341,870	351,690	0.68%	-16,240
New Hampshire	1,315,000	1,365,140	1,420,000	1,470,010	1,520,310	1,565,040	0.70%	-72,710

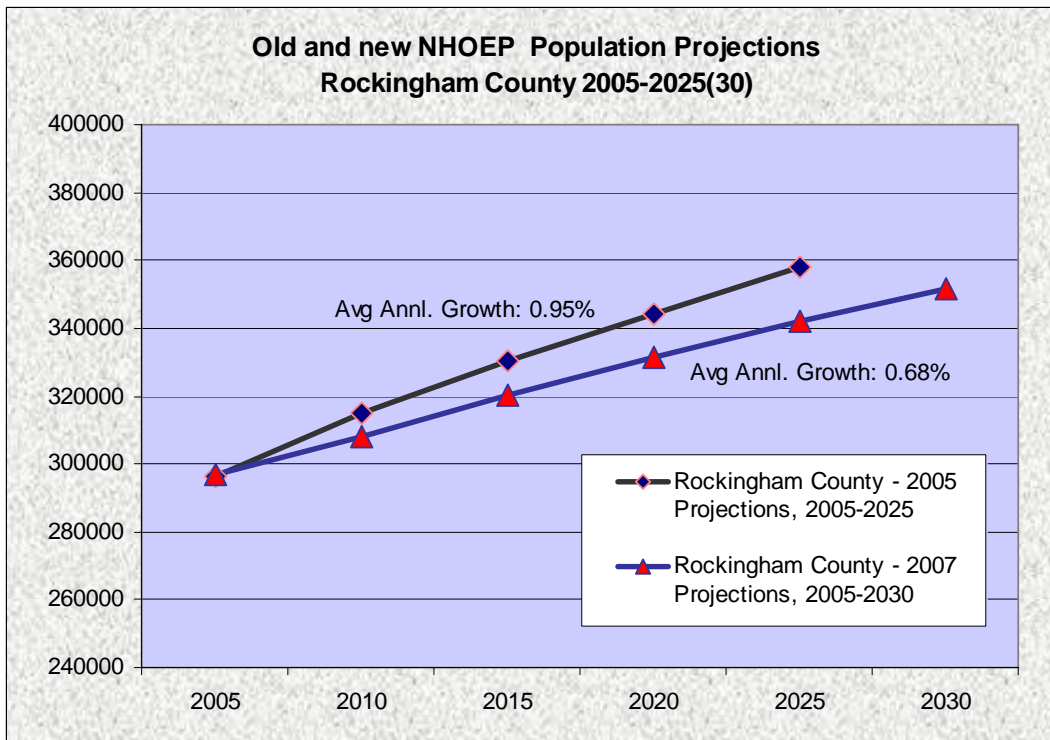
Updated Population Projections

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 use the agency's own 2005 population estimates as a beginning point. The municipal-level population projections contained in this report are controlled to county projections also developed by OEP.¹

The new projections, which extend the horizon year to 2030, show a population of 351,690 in 2030, an increase over the 2005 population of about 55,000 or about 19%. This represents a further decline in the projected population for the County as compared to previous forecasts. Projections for the State as a whole show a nearly proportionate decline. At 2030 about 16,000 fewer people are projected to live in Rockingham County and 72,000 fewer in New Hampshire – both representing a decline of about 0.5%. This is the fourth release by NHOEP of population projections since 1997 and with each release the projected rate of growth has slowed. The average annual growth rate for the next 25 years is expected to be 0.68%, down from nearly 1% in the previous (2005) edition (see Table 1 and Figure 5).

¹ See the NHOEP publication, *N.H. Population Projections for State and Counties, 2010 to 2030, Update: November 2006*. This publication explains the underlying assumptions of the projections. It should be noted that Town by Town projections are largely driven by changes in the Towns' share of the County population over time and does not take into account knowledge about local events or developments likely to effect population growth. The Office of Energy and Planning encourages users to view the municipal level projects as a point of departure for establishing their own projections and/or for evaluating other projection efforts. This report attempts to present a set of future population levels which reflect past and emerging trends. Because they are controlled to county and state projections, these projections are considered to be reasonable in the aggregate as well as at the local level.

FIGURE 5



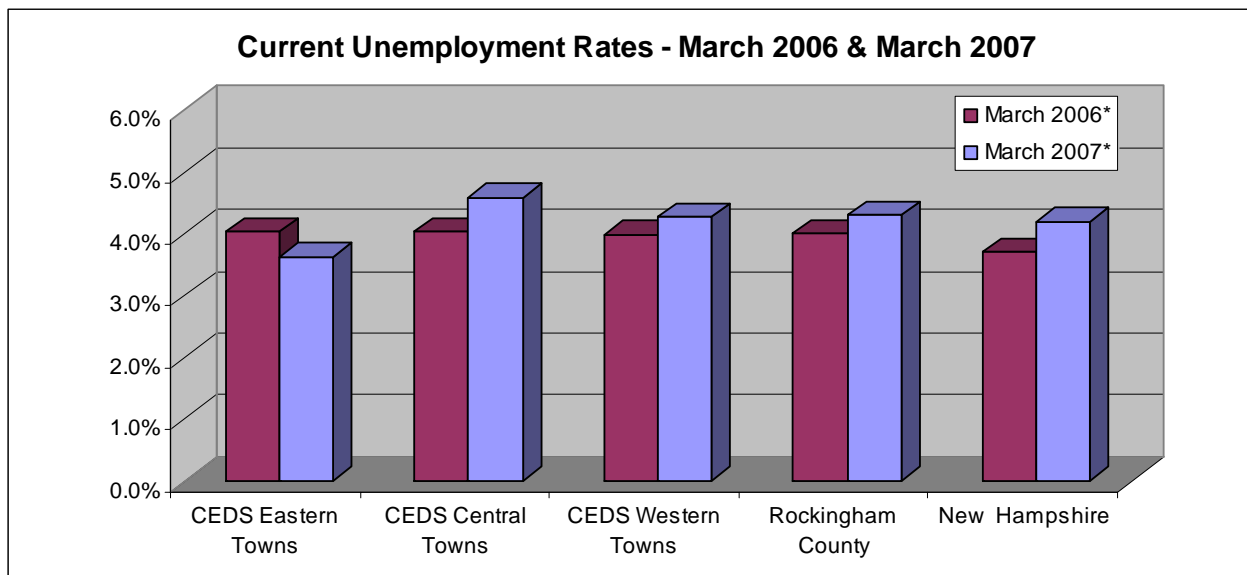
2. Employment Data

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 2007)² available from NH Department of Employment Security. Overall, the 2007 numbers show a small increase in the unemployment rate in both the County and Statewide. The rate for the County increased from 4.0% to 4.3% from March 2006 to March of 2007, while for the State as a whole, it increased from 3.7% to 4.2%. About three quarters of the Towns in the County saw increases in unemployment, typically in the range of 0.3-0.6 percentage points. The largest increase was seen in Kingston, which increased by nearly 2%, and in South Hampton and Brentwood, all 1% or higher. Interestingly, the towns with the highest unemployment (Seabrook, Salem, Plaistow) showed small decreases in their unemployment rates. As with all previous updates, Rockingham County’s unemployment rate remains higher than the State’s, though the gap has narrowed in 2007 to just 0.1%. The Central and Western sub-regions, show significantly higher unemployment rates than the Eastern subregion. All six of the communities with unemployment rates of 5% or higher (Seabrook, Kingston, Danville, Plaistow, Salem and Raymond) are in the Central or Western subregions. (See Figure 6).

² 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.

FIGURE 6



The overall low rate of unemployment for the County as a whole tends to mask a still significant number of towns with high unemployment. Five towns in 2007 have unemployment rates a point or higher than the County average, including Seabrook (7.0%), Plaistow (5.4%), Kingston (6.7%), Salem (5.2%), and Danville (5.6%). All of these communities were in this category in the previous update with the exception of Kingston, which as previously indicated, jumped 2 percentage points. Newton, East Kingston and Kensington saw small declines in their unemployment rates; all other increased slightly or remained level. Salem and Seabrook, typically having seen the County's highest unemployment rates, were flat (Salem) to slightly declining (Seabrook -0.1%). Town by town rates are shown on Table C-4 and its accompanying chart. 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 expansion 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 from 0.5 to 1.0 point below the national average since that time. As of 2006, the jobless rate in New England exactly matched 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. 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 two years, and the labor force in Massachusetts has begun to grow again.

Recent Closings

Both the NH Department of Resources and Economic Development and the REDC monitor significant plant and business closings during the year. Table 2 summarizes known closings and or reductions in workforce that occurred in 2006 and to date in 2007. In the previous update, 818 workers had been subject to workforce reductions or terminations due to business and plant closures in 2005 and through March of 2006. In the 2006-2007 cycle the recorded reductions are much lower, totaling 168 new reductions. It should be noted however that over half of the previous year's layoffs were attributed to a single business – the Celestica contract electronics manufacturer which closed operations in Salem, resulting in the reduction of 420 workers. These reductions were phased over a several month period from mid 2005 to early 2006.

TABLE 2
Reported Workforce Reductions from Layoffs and Plant Closings
2006 and 2007, Year to Date

Company	Town	Date	Industry	Total employees	2006 & YTD 2007 Workforce Reductions	New Reductions (Since 06 CEDS)
Celestica	Salem	7/05 – 3/2006	Mfg.	420	420 – closing	0
Ecora Software Corp.	Portsmouth	1/1/2006	Software	88	14	0
StockerYale	Salem	1/17/2006	Mfg.	24	4	0
Casual Corner	Salem	1/29/2006	Retail	22	22 – store closing	0
Europackaging	Salem	2/3/2006	Mfg.	133	35 – downsizing	35
Menio Worldwide	Sale	2/10-3/3/06	Mfg.	11	11 – closing	0
SI International	Portsmouth	2/6 & 2/17/06	Services	350	40	0
Office Max	Portsmouth	thru 3/31/06	Retail	17	17 – store closing	0
Filene's	Salem	3/21-4/2/2006	Retail	83	10 – store closing	0
Portsmouth Paper Co.	Portsmouth	6/30/2006	Wholesale	70	6 – company sold	6
LabCorp	Portsmouth	6/29-8/11/06	Health	323	35	
American Trad. Designs	Northwood	9/1/2006	Mfg.	62	17 – move production	17
Portsmouth Hospital	Portsmouth	9/22/2006	Hospital	1200	12 – closing unit	12
Sanmina	Salem	1/31 & 2/1/07	Mfg.	105	6	6
Furniture World	Salem	3/26/2007	Retail	21	21 – store closing	21
Elite Trucking	Salem	3/26/2007	Trucking	37	37 – company closing	37
Furniture World	Windham	3/26/2007	Retail	7	7 – store closing	7
Furniture World	Salem	3/26/2007	Retail	22	22 – store closing	22
TOTAL					736	163

Another notable change in the reductions this year is that they are not concentrated in the manufacturing sector but spread between the manufacturing, transportation and retail sectors. While the relatively small number of these layoffs is good news, the continued weakening of the manufacturing sector in the County continues to be a major concern as documented in previous CEDS reports.

It represents the loss the well-paying jobs with good benefits, but also a further erosion of the area's manufacturing base, particularly its electronics manufacturing capacity. Perhaps symbolic of this transition, the building site of a large electronics manufacturing business in Seabrook which closed in 2003 has recently been proposed for yet another large "big box" retail complex.

3. Unemployment Trends

As reported in the 2005 CEDS the geographic area designations and labels have been changed from the former "Metropolitan Statistical Area" (MSAs) designations to the current "New England City and Town Areas" (NECTA) designations.³ (See the 2005 CEDS report, Part 1, Section A.1. for town-by-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 3 and Figure 7, the unemployment rate for the County reached a low of about 3.0% in 2000 and jumped by over 70% to 5.5% by 2002. Unemployment rates in the County and in New Hampshire generally began to decline the following year, and have continued to decline slowly to the present time (although as reported above, year-to-date information for 2007 indicates that the rates are beginning to rise slowly). New Hampshire as a whole fared better during the 2001-2003 economic downturn than most of New England. Rockingham County, however, was somewhat more affected, as illustrated in Figure 8. A significant percentage 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.

³ 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 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.

TABLE 3
Area Average Annual Unemployment Rates – 2000-2006

AVERAGE ANNUAL UNEMPLOYMENT RATES							
	2000	2001	2002	2003	2004	2005	2006
Rockingham County	3.0%	4.0%	5.5%	5.4%	4.7%	4.3%	3.8%
Portsmouth-Kittery NH-ME NECTA	2.4%	3.0%	4.1%	4.1%	3.6%	3.5%	3.1%
Lawrence-Meth-Salem MA-NH NECTA, NH Portion	4.1%	5.3%	7.2%	7.1%	6.4%	5.7%	4.8%
Haverhill-No. And.-Ames. MA-NH NECTA, NH Portion	3.1%	4.2%	6.0%	5.8%	5.3%	4.6%	4.2%
Manchester NH NECTA	4.3%	5.2%	4.3%	4.3%	3.7%	3.5%	3.5%
Nashua NH-MA NECTA, NH Portion	2.7%	3.9%	5.5%	5.3%	4.4%	4.0%	3.6%
New Hampshire	2.7%	3.4%	4.5%	4.4%	3.9%	3.6%	3.4%
New England	2.8%	3.6%	4.8%	5.4%	4.9%	4.7%	4.6%
USA	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%

Source: NH Employment Security; US Bureau of Labor Statistics

Historically, the portion of the County with lowest unemployment is the Portsmouth labor market area, while the labor market areas containing Salem (Lawrence-Methuen-Salem) and Seabrook (Haverhill - North Andover - Amesbury) continue to show significantly higher unemployment.

FIGURE 7

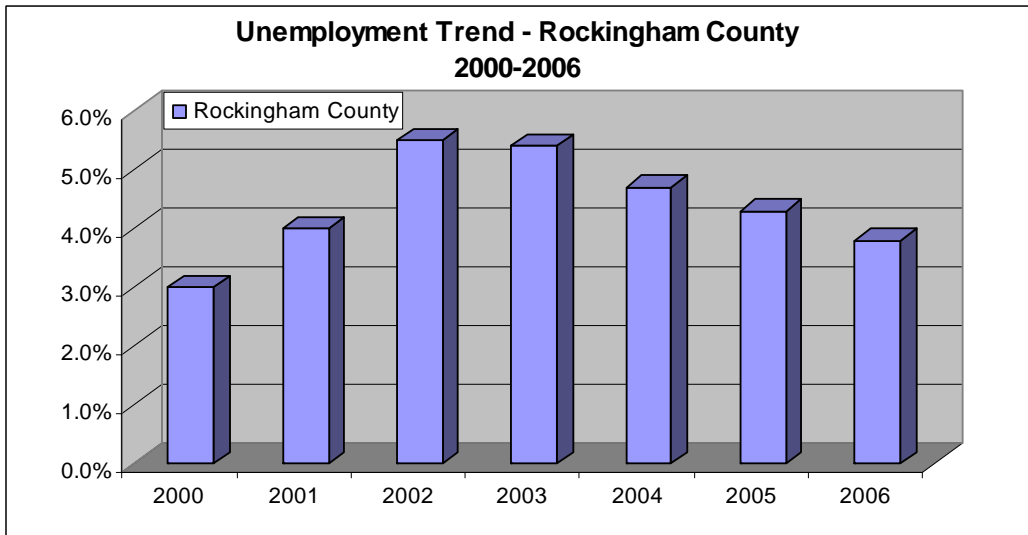
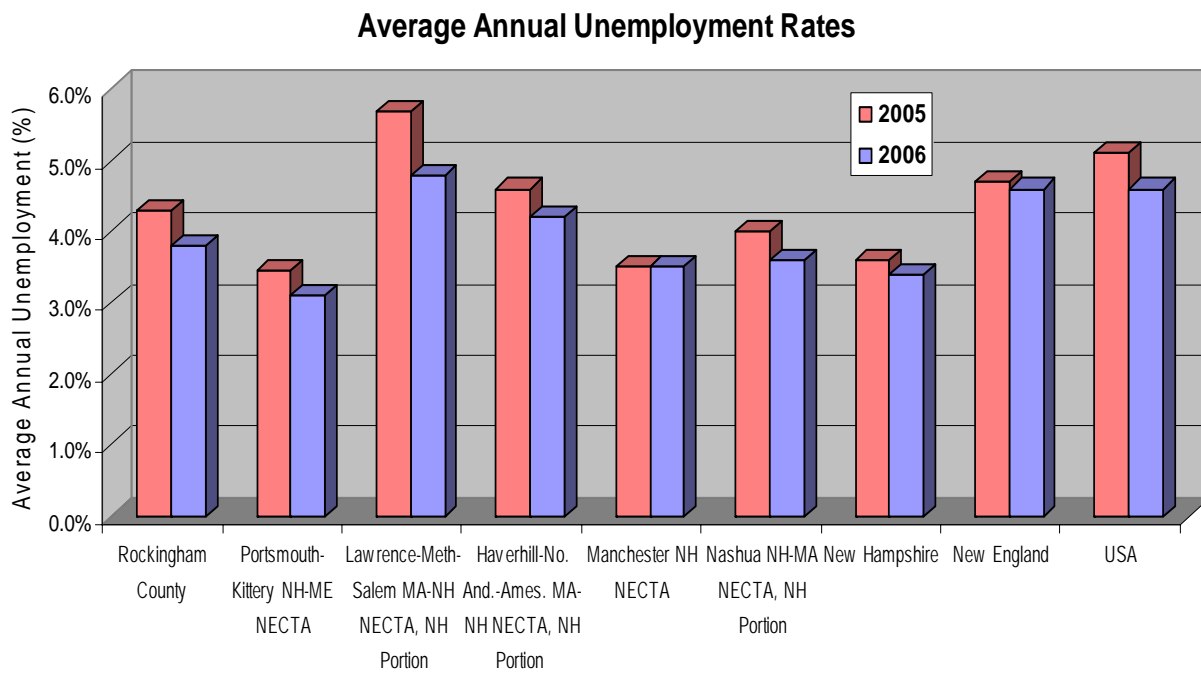


FIGURE 8



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 table Appendix 3 as of the 2006 Update, and has been update for the current update (Appendix 2). 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 growth, but at an irregular pace, and has not yet returned to the 2002 level. The 2006 data adjusted for this update shows a slowing of the growth in labor force in Rockingham County from the previous year. From 2004-2005 it grew by 4330 or 2.5% and represented over half that reported for the State that year. In the 2005-2006 period, an increase of only 1380 was reported – or 0.8%.

In the 2000-2005 period population growth averaged 1.5% per year, while average labor force growth was lower at only 1.0%. There are a number of possible explanations for this. One factor may be that during the 2001-2002 recessionary period with rapidly rising unemployment rates, a number of individuals left the area in search of employment. Another factor may be the disproportionate growth of the retirement age segment of the population compared to other areas (in part promoted by the recent boom in the construction of age restricted housing in the region). This trend may have contributed to overall population growth, but resulted in little or no growth in the labor force. Labor Force data tends to be somewhat volatile so more careful research on this question is warranted.

All the New England states except Massachusetts showed average increases in labor force in this period ranging from 4.5% in Connecticut to 6.0% in Vermont. New Hampshire and Maine grew 5.4% and 5.9% respectively. Massachusetts showed a slight loss both in labor force and total population of 0.3%. Recent studies have correlated this loss to high housing costs. Of note for the most recent year's data is that New Hampshire had the lowest growth in labor force growth (1%) among the New England states except for Massachusetts (0.9%).

Current Employment

Tables C-2 and C-3 from the 2005 CEDS Document have been updated to include the latest available information (2005) from the NH Department of Employment Security regarding the number of employers, employed person and wages on a town-by-town basis. (Covered Employment & Wage Annual Averages Report, 2005). 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. Because of this the subregion subtotals do not account for suppressed data.

Table 4 below summarizes total employer, employment and wage information for the County and State for 2006 and changes from 2004.

The comparison of 2004 – 2005 data for Rockingham County shows average annual employment increasing by 2351 persons or 1.8%, rising at slightly more than twice the rate of population growth. The total number of new establishments grew somewhat slower at 1.6%. Average weekly wages gained 2.9%, about 30% less than the rate of inflation for that period.

The statewide results show somewhat lower growth in average employment (1.2%) and number of establishments (1.3%), while wages grew at 3.5% nearly matching the inflation rate.

TABLE 4
Changes in Employment – 2004 to 2005

Town/Area	2004			2005			# CHANGE: 2004-2005			Jobs per Capita		
	Estab- lishments	Avg. Annl. Employ- ment	Average Weekly Wage	Estab- lishments	Avg. Annl. Employ- ment	Average Weekly Wage	Estab- lishments	Avg. Annl. Employ- ment	Average Weekly Wage	1990	2000	2005
CEDS Eastern Towns	4,541	65,996	\$780.58	4,434	66,293	\$802.51	-107	297	\$21.93	0.59	0.72	0.69
CEDS Central Towns	1,573	16,585	\$629.51	1,628	17,946	\$641.91	55	1,361	\$12.40	0.16	0.23	0.24
CEDS Western Towns	3,706	49,740	\$699.45	3,764	50,281	\$728.96	58	541	\$29.51	0.32	0.41	0.40
Rockingham County	9,881	133,803	\$774.11	10,037	136,154	\$796.86	156	2,351	\$22.75	0.38	0.47	0.46
New Hampshire	43,403	613,327	\$753.70	43,954	620,909	\$779.84	551	7,582	\$26.14	0.45	0.49	0.47

Source: NH Dept of Employment Securities, Labor Market Information Bureau;
Employment estimates include, private employment plus government employment

Considerably more variation is seen at the sub-region level and for specific towns (See Table C-3 in Appendix 2). The greatest job growth between 2004 and 2005 has occurred in the Central sub region, where about 1361 jobs were added or about 8%. The Western region, even with its much larger employment base, added just 541 (1.1%) in average employment and the Eastern region added 297 in average employment (0.5%). The Eastern sub-region grew at about half that rate, adding 946 jobs, and the Central sub-region added only 26 jobs. The large increases in the Central region are likely attributed to the growth in businesses, especially retail establishments in the Route 125 corridor.

4. Housing Data

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 May of 2007, the 2006 estimates are not yet complete as results have not been received from over one-third of the towns in the County. The data shown in Table B-1 in Appendix 2 is the most up-to-date data available. The data shows that between 2000 and 2005, approximately 8900 housing units were added to housing stock in the county, representing a growth rate of 1.5%, slightly higher than the population growth rate in the same period of 1.4%. This is a welcome reversal of recent trends. The fastest housing growth was seen in the Central subregion which grew at nearly 2.1% annually. This continues a trend observed in prior CEDS documents. Improved access to the central and northern part of the County provided by the Route 101 expansion has made communities in these areas more accessible and desirable for residential development.

B. Housing Purchase Price Data

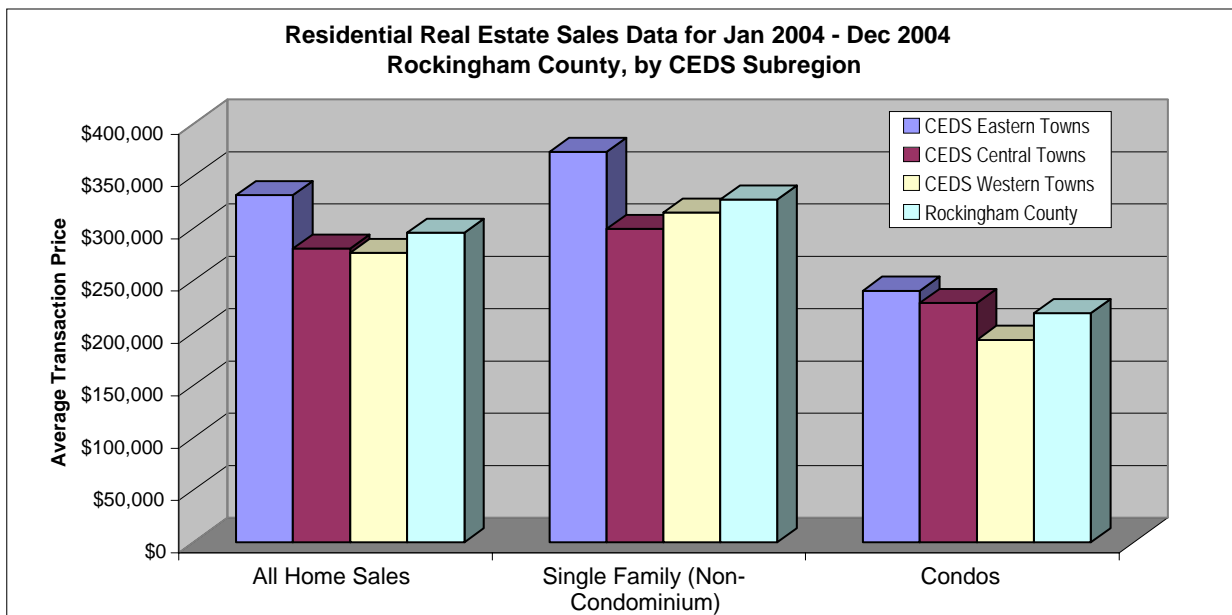
From 2001 to 2004 the Rockingham Planning Commission acquired residential real estate transaction data from Real Data Corp. covering Rockingham County. This activity has been funded under an annual SEED grant from the CDFR for the purpose of enhancing the RPC's ability to track and analyze trends in 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-condominiums⁴). Mobile home sales data is no longer available.). Summarized results for the County covering the 12 month period from January 2005 – December 2005 are presented in Table B-5 in Appendix 2.

Some 4402 sales were reported for this 12 month period, with average transaction prices ranging widely from \$155,000 in the condominium category in Nottingham, (based on 5 sales) to \$860,000 in the single family home category in New Castle (based on 11 sales). These values individually are not statistically reliable in that they are based on few records, especially in smaller towns. However, in aggregate they do present an accurate picture of how home price averages vary within the County. As expected, Towns in the Eastern sub-region show consistently higher prices averaging \$348,000, while the Central and Western sub-regions report averages of about \$304,000. (See Figure 8). The gap in average prices between CEDS regions has closed significantly over the past two years.

⁴ 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

Towns with older and more diverse housing stock, such as Portsmouth, Hampton, Exeter, Salem and Derry have average sales prices that are significantly lower than their sub-region's average. County wide, the average single family home sales value was \$307,000. Condominiums averaged 65% of the single family home value and mobile homes averaged 22%.

FIGURE 8



In 2005, Rockingham County continued to exhibit the highest housing costs in the state, both in purchase prices for owned homes, as well as for rental prices. The NH Housing Finance Authority's annual purchase price data for the state shows Rockingham County with an average purchase price for all homes of \$303,900, a 7% increase over 2004. Hillsborough County had the second highest purchase price average, but at \$263,000, was substantially below Rockingham County's. See Table 4.

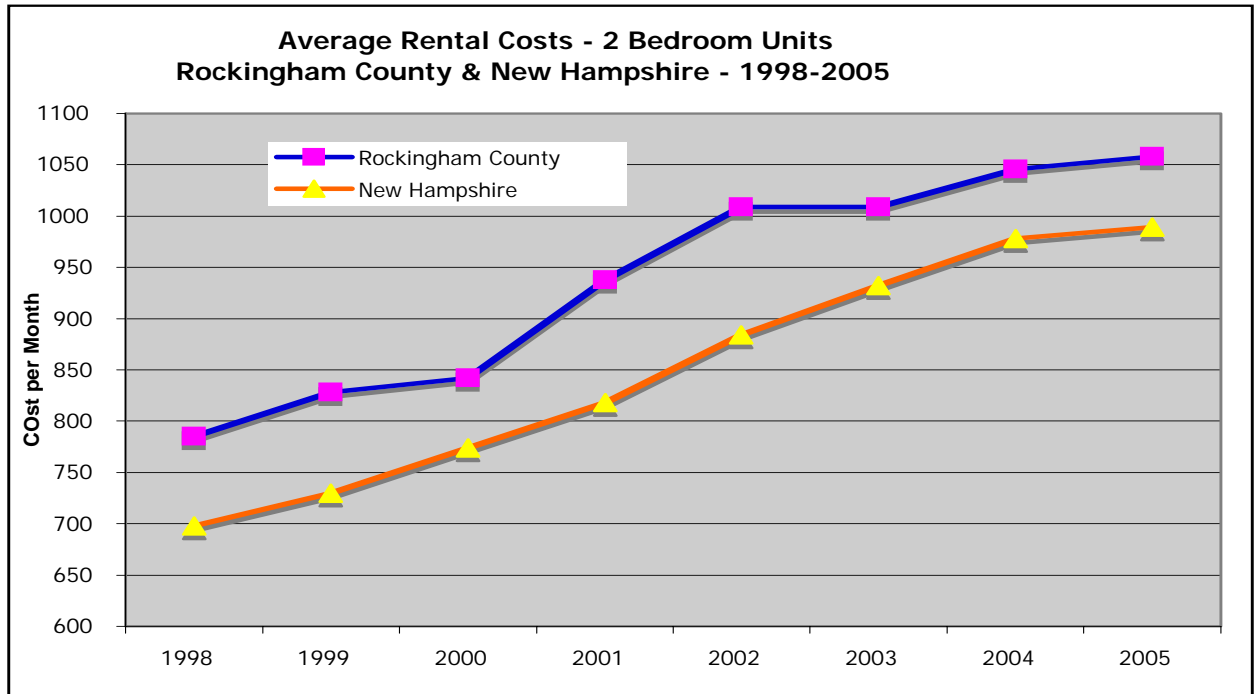
TABLE 4
Housing Purchase Prices, All Homes – 2000-2005
Source: NH Housing Finance Authority

	2000	2001	2002	2003	2004	2005	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>68.0%</i>
Belknap County	\$115,000	\$128,000	\$149,750	\$175,000	\$194,000	\$220,000	91.3%
Carroll County	\$109,900	\$125,500	\$142,933	\$165,000	\$195,000	\$210,000	91.1%
Cheshire County	\$113,131	\$122,500	\$139,900	\$159,000	\$177,000	\$191,000	68.8%
Coos County	\$69,900	\$65,000	\$75,000	\$87,000	\$93,000	\$105,000	50.2%
Grafton County	\$104,000	\$118,000	\$129,900	\$153,000	\$181,000	\$199,000	91.3%
Hillsborough County	\$149,900	\$172,000	\$203,700	\$225,000	\$249,900	\$263,000	75.5%
Merrimack County	\$129,900	\$145,000	\$172,500	\$195,000	\$222,000	\$234,000	80.1%
Strafford County	\$128,500	\$156,000	\$175,000	\$199,500	\$220,000	\$235,000	82.9%
Sullivan County	\$90,000	\$107,000	\$120,000	\$134,000	\$147,000	\$170,500	89.4%
New Hampshire Statewide	\$143,000	\$162,000	\$189,900	\$215,000	\$237,400	\$250,000	74.8%

Though not evident yet in these numbers, most recent purchase price surveys indicate a cooling of the housing market in the County, as evidenced by slightly moderating prices, greater inventory and longer average time on the market for units for sale. This is due to several factors including rising interest rates over the past year, the impact of sharply higher energy costs, and, according to some recent analyses in neighboring Massachusetts, the loss of labor force to states with more affordable housing and lower overall cost of living.

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 Figure 9. Prior to that time, from about the mid 1990s, rental costs in the County were rising at 6%-8% per year.

FIGURE 9



B. State of the Economy

Based upon the economic figures that have been developed over the past year, the State of the Economy in Rockingham County is good. Now that the Portsmouth Naval Shipyard has been saved for the near term and that additional contracts, such as the VIRGINIA class submarine, have been secured, it does not appear that there will be any drastic impact upon the region. It is also reassuring that the private and public sector officials from New Hampshire and Maine have joined together to focus upon the regional economy of Rockingham and Strafford Counties in New Hampshire and York County in Maine and to prepare for the economic future of the region. By focusing upon the changing demographics in the region (Boomer Power), the infrastructure needs (Transportation and Housing) and the job generators (Emerging Technologies, Small Business and Tourism), these private and public sector leaders will be charting the economic future for the region.

In reviewing the unemployment data for the region, New Hampshire has consistently outperformed the nation as a whole since 2005. The average annual unemployment rate for New Hampshire in 2005 was 3.6%, as compared to the national average unemployment rate of 5.1%. As the average unemployment rates for 2006 indicate, this trend has continued with New Hampshire at 3.4% and the nation at 4.6%, but the gap between the two economies has been closing. The average for the twenty-four months covered by 2005 and 2006 was 3.5% for New Hampshire and 4.8% for the nation. The most recent unemployment figures for April 2007 reflect a change in this trend with the unemployment rate for New Hampshire increasing to 4.0% and the national unemployment rate decreasing slightly to 4.5%. Rockingham County has found itself in the middle economically, outperforming the United States, but lagging behind New Hampshire. The average annual unemployment rates for Rockingham County in 2005 and 2006 were 4.2% and 3.8% respectively, while the unemployment rate for April 2007 increased to 4.1%. In reviewing the unemployment figures for the thirty-seven communities in Rockingham County, nearly three-quarters (73%) or 27 of these communities experienced an increase from their annual average unemployment rates in 2006 to their unemployment rates for April 2007.

With the overall improvement in the regional economy, the problems faced by the “pockets of distress” communities were reduced somewhat. In the Annual CEDS Update for 2006, three communities – Plaistow, Salem and Seabrook – were identified as experiencing unemployment rates from January 2003 through December 2004 at least 1% higher than the national unemployment rate. During the period from January 2005 through December 2006, the average unemployment rates were 4.9% for Plaistow, 5.2% for Salem and 6.1% for Seabrook, as compared to the national unemployment rate for the same period of time of 4.8%. Plaistow experienced an average annual unemployment rate of 5.1% in 2005 and 4.7% in 2006 and the latest figures for April 2007 place the unemployment rate at 5.2%. Salem had an average annual unemployment rate of 5.6% in 2005 and 4.8% in 2006, as well as a slightly growing unemployment rate of 4.9% in April 2007. Since the major layoffs at Celestica

in 2005, Salem has experienced smaller layoffs at Casual Corner (22 jobs), Stocker Yale (4 jobs), Menino Worldwide (11 jobs), Europackaging (35 jobs), Filene's (10 jobs), Sanmina (6 jobs), Furniture World (22 jobs) and Elite Tracking (37 jobs), which may be impacting the current unemployment rate. Seabrook continues to suffer the highest unemployment rates in Rockingham County with average annual unemployment rates of 6.2% in 2005 and 6.1% in 2006, as well as a more recent rate of 6.5% in April 2007. Seabrook also experienced 70 layoffs at the Seabrook Greyhound Park during this period, which may have been seasonal given the end of live racing season. Based upon these overall figures, Seabrook at 6.1% remains the only community in Rockingham County with an average unemployment rate for the period from January 2005 through December 2006 at least 1 % higher than the national rate (4.8%) for the same period.

The number of layoffs being experienced by Rockingham County, as reported by the New Hampshire Rapid Response Unit through March 31, 2007, has decreased since last year. Discounting the layoffs of 420 employees at Celestica, which were reported in the Annual CEDS Update for 2006, the total number of employees laid off were 377, as compared to the 620 workers laid off last year. These layoffs directly affected only five communities, with the most incidents occurring in Salem (8) and Portsmouth (7). Portsmouth is currently experiencing a great deal of "economic churning" with a number of expanding firms, newly relocated firms and firms laying off employees or closing. The Portsmouth firms experiencing layoffs during this period of time were Ecora Software Corporation (14 jobs), Office Max (17 jobs), SI international (40 jobs), Liberty Mutual (12 jobs), Portsmouth Paper Company (6 jobs), LabCorp (3 jobs) and Portsmouth Hospital (12 jobs). (Note: A complete summary of the layoffs experienced in Rockingham County is provided in the CEDS Data Update section preceding this one.) Another indicator of economic distress – homelessness – appears to be decreasing in Rockingham County. Based upon a recent report by the New Hampshire Department of Health and Human Services, there were 172 homeless people counted in Rockingham County, as compared to 228 people last year. Yet, Rockingham County still accounts for 13% of the total homeless population in the State and the homelessness advocates stress that this population is undercounted and that a community, such as Derry, could have as many as 300 homeless people.

New Hampshire Economy

In "Looking Forward: Preparing for the future New Hampshire economy" completed in November 2006 by the New Hampshire Employment Security Department (NHES), economic development stakeholders are provided with a mid-year look at the New Hampshire economy so as to assist them in their day-to-day decisions. The information below represents a summary of the significant points raised in this document that will have an impact upon our CEDS planning process:

- The New Hampshire economy has grown moderately and its unemployment rate remains below the national average. The labor force has grown almost as fast as the U.S. labor force. There has been a 2.2% growth in private service-

providing employment in 2006, while manufacturing employment continues to decline by 0.5%. The real estate market is slowing, as reflected in the declining number of housing permits.

- The state's unemployment rate remains flat, while the U.S. unemployment rate has been declining. As of 2004, only 24% of the unemployed actually filed claims in New Hampshire. Young workers, less than 25 years of age, represent 32% of the total unemployed, but less than 6% of the claimants.
- In terms of the state's competitive advantage with the rest of the nation, the industry subsectors with the highest location quotients are *computer and electronic product manufacturing, nonstore retailers, electrical equipment and appliance manufacturing, electronic markets and agents and brokers, and scenic and sightseeing transportation*. The industry subsectors with the largest employment are *food service and drinking places, professional and technical services, ambulatory health care services, hospitals, computer and electronic product manufacturing and specialty trade contractors*.
- Employment in New Hampshire is projected to grow by 16.7% between 2004 and 2014. Those occupations expected to grow at the fastest rates are *home health aides, network systems and data communications analysts, medical assistants and computer software engineers*. *Retail salespersons and registered nurses* are expected to add the most jobs, while *business operations specialists* and *teacher assistants* will also be at the top of the list.
- New and emerging occupations, as identified by NHES, will be as follows: transfer/recycling center attendant, accounts administrator or CORF (comprehensive outpatient rehabilitation facility) coordinator, adult in-home caretaker/day program staff, mortgage loan closer/officer, technology center coordinator, healthcare specialist, video conferencing technician, emergency medicine/emergency room physician, warranty development manager/coordinator/specialist and animal rehabilitation specialist.
- According to an analysis of the skilled-based employment projections to 2014, the two skills projected to be most in demand will be *reading comprehension* and *active listening*. The two knowledge's projected to be most in demand will be *customer and personal service* and *English language*, while the two most important work activities will be *establishing and maintaining personal relationships* and *getting information needed to do the job*. Retiring workers will need to be replaced and the skills, knowledges and work activities with the highest replacement indexes for 2014 are largely found in the Manufacturing industry.

- Through an analysis provided by Business Employment Dynamics (BED), those industries exhibiting the highest “job churning” can be identified. Due to their seasonal nature, *retail trade* and *accommodation and food services* exhibit a great deal of “job churning”. There is also a significant amount of “job churning” in the *manufacturing* and *healthcare and social assistance* industries.
- Average annual pay in New Hampshire is greater than the United States, but less than New England. Manufacturing pay, however, was 4.6% higher than New England and 41.4% higher than the United States in 2005.

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. As an example, the May 2007 edition provided an overview of the biotechnology industry entitled “Biotechnology and the role it plays in New Hampshire”. Due to the industry’s importance to the Rockingham County economy, this document was summarized in the Industry Cluster Update section following this one. Summarized below are some other facts and figures provided through the July 2006 to April 2007 editions of *Economic Conditions in New Hampshire*, which can be accessed at www.nhes.state.nh.us/elmi/:

- New Hampshire workers earned \$ 18.30 per hour on average as of May 2005. Workers in the Portsmouth area earned \$ 20.77 per hour on average. *Healthcare practitioners and technical occupations* (up to \$ 94.04 per hour) had the highest wages, while *ushers/lobby attendants/ticket takers* had the lowest average wage at \$ 7.39 per hour. *Management* occupations had the highest mean hourly wage at \$ 41.57 per hour, while *food preparation and serving related* occupations had the lowest mean wage of \$ 9.32 per hour.
- Total employment in New Hampshire grew by 1.5%, or 8,800 jobs, from the first quarter of 2005 to the first quarter of 2006. Leading the list was *health care and social assistance* employment, which grew by 2,256 jobs with 1,100 from *hospitals* and 600 from *nursing and residential care facilities*. Other sectors that added jobs during this period were the *administrative and support, waste management and remediation services* (1,655 jobs), *retail trade* (1,643 jobs), *professional, scientific and technical services* (1,100 jobs), *construction* (965 jobs), *finance and insurance* (766 jobs), and *wholesale trade* (584 jobs). The industry sectors experiencing job losses were *agriculture, forestry, fishing and hunting, manufacturing, real estate, and rental and leasing, and transportation and warehousing*.
- In reviewing which communities have the highest number of businesses in New Hampshire, Portsmouth (28,787), Salem (20,919), and Londonderry (13,506) ranked 4th, 5th and 11th of the top 15 cities and towns with the most average, total and private, covered employment in 2005. Portsmouth was ranked 4th in retail trade, 3rd in Accommodations and Food Services, 5th in Wholesale Trade, 5th in

Health Care & Social Assistance, 3rd in Finance and Insurance, 2nd in Professional and Technical Services and 3rd in Administrative and Waste Services. Salem ranked 3rd in Retail Trade and 4th in Administrative and Waste Services. Londonderry ranked 3rd in Wholesale Trade and 5th in Administrative and Waste Services.

C. Industry Cluster Update

During the past few years, REDC has done an extensive amount of work related to industry clusters. In 2003 REDC worked with Professor Charles Tontar of Merrimack College to identify industry clusters in Rockingham County based principally upon their location quotients. Our work in 2004 with the University of New Hampshire Small Business Development Center (UNH-SBDC) and Professor Ross Gittell under a \$ 100,000 EDA grant was designed to identify industry clusters in three New Hampshire counties, including Rockingham County. This study provided a broader understanding of these specific industry clusters.

Last year REDC built upon this previous effort by working directly with Janice Kitchen of the UNH-SBDC on a pilot program called the Advancing Industry Clusters in Rockingham County project. This pilot project focused upon an established industry cluster – software development – and an emerging industry cluster – biotechnology. By working with the New Hampshire Biotech Council and the Software Association of New Hampshire (SwANH), REDC was able to develop a survey that was distributed to thirty-six software development and ten biotech firms. Based upon a response rate of 15.2%, REDC was able to identify the specific needs of these firms to maintain or expand their operations in Rockingham County. Chief among the needs identified was access to capital. In response to these findings, REDC co-sponsored a Public Forum with Sovereign Bank entitled “Financing Fast Growth in New Hampshire” on July 19, 2006 to address some capital access issues. Depending upon the availability of future resources, REDC plans to work with these firms in order to refer them to the appropriate economic development stakeholders for assistance.

Biotechnology and the role it plays in New Hampshire

In the May 2007 issue of “New Hampshire Economic Conditions” prepared by the New Hampshire Economic & Labor Market Information Bureau, the role that biotechnology plays in New Hampshire was focused upon. According to the U.S. Department of Labor (DOL), biotechnology industries have experienced employment increases of 12% per year since 2000. These biotech industries range from “research and development companies included under the *Professional and technical services* industry group, to laboratory testing facilities which are part of *Ambulatory health care services*, to mass production of pharmaceuticals from *Manufacturing*”. The two largest sectors of biotech companies in New Hampshire are related to the production of medicine, principally pharmaceuticals in *Manufacturing*, and the research and development companies in *Professional and technical services*.

The characteristics of the biotechnology industry, in terms of employment, occupations and average weekly wages, in New Hampshire are as follows:

- Employment in the Pharmaceutical and medical manufacturing sector has grown from just over 100 workers in the early 1990’s to more than 800 workers in 2006.

In essence, its share of all Chemical manufacturing employment grew from approximately 10% in the early 1990's to nearly 50% of total employment in 2006. Similarly, employment in the Scientific research and development services group grew from 1,069 jobs in 1990 to 1,481 jobs in 2006. Due to continued growth in other components within the *Professional and technical services* sector, biotech jobs represented 5% of total jobs throughout this period.

- Based upon the concentration of occupations in the biotechnology industry obtained from DOL, similar conclusions regarding biotech occupations in New Hampshire can be reached. With the *Pharmaceutical and medical manufacturing* industry, occupations included chemists (median hourly wage of \$ 26.91), microbiologists (median hourly wage greater than \$ 30), industrial engineers (median hourly wage greater than \$ 30), various managers (median hourly wage greater than \$ 30), and sales representatives and supervisors (median hourly wage greater than \$ 20). Of the twenty-two occupations listed for this industry, nine required formal education. In the case of the *Scientific research and development services* industry, executives, managers and engineers (both computer and science) had the highest wages within the industry. Scientists had high range median hourly wages and sixteen of the twenty-two occupations cited require a formal education above an Associate's Degree.
- Both biotechnological industries have high average weekly wages compared to the statewide average of all industries. Employees within these industries are highly specialized and must be able to keep up with changing procedures in their field. While the average weekly wage for all industries in New Hampshire in 1991 was approximately \$ 450, the average weekly wage in the *Pharmaceutical and medicine manufacturing* industry was \$ 554.97, 23% higher than the statewide average. The average weekly wage in the *Scientific research and development services* industry was \$ 733.72, or 63% higher than the statewide industry average. By 2006, the average weekly wages in the *Pharmaceutical and medicine manufacturing* industry (\$ 1,101.21) and in the *Scientific research and development services* industry (\$ 1,857.24) exceeded the statewide weekly wage for all industries (\$ 827.30) by 33% and 124% respectively.

The Biotechnology Career Pathway

According to a 2001 study by Ernst and Young on Biotech Industries, there were more biotech firms in New England than in any other part of the country. Due to its proximity to Cambridge, Massachusetts and Route 128, Rockingham County can expect growth from the biotech industry. However, in order to support the growth of the biotech industry, there needs to be a qualified workforce in place to support new industry. With the funding of a biotech incubator feasibility study by the New Hampshire Department of Resources and Economic Development (DRED), the state government declared its interest in encouraging growth in the biotechnology field. The New Hampshire Department of Education (NH DOE) has established the Biotechnology Career Pathway, which focuses on biotechnology literacy, career development and

postsecondary education. With courses being offered at schools, such as Portsmouth Senior High School and the Seacoast School of Technology in Exeter, “the curriculum in the Pathway includes:

- Exposing students to all aspects of biotechnology;
- Aligning with state and national science standards;
- Offering the opportunity for dual-enrollment college credits;
- Including current biotechnology practices in a state-of-the-art laboratory;
- Integrating other disciplines;
- Simulating a biotechnology company; and
- Providing opportunities for internships.

Recently, New Hampshire Community Technical College received a Community-Based Job Training Grant from DOL for its BioConnect endeavor. As part of this award, a team from Rockingham County, consisting of representatives from REDC, New Hampshire Community Technical College, the Eastern Region Partnership for Tech Prep (NH DOE), The Seacoast School of Technology and Lonza Biologics, as well as the DOL Project Director of Biotechnology – Bioconnect, were invited to participate in a Strategic Partnership for a Competitive Workforce (SPCW) Institute for Building Partnerships and Career Pathways in high growth industries. Jointly sponsored by DOL and DOE, the purpose of this initiative was “to support enhanced educational outcomes and to build comprehensive educational assets for workforce solutions that will ultimately contribute to local and regional economic growth”. The partnerships developed as part of this initiative will continue to make Rockingham County more attractive for biotech firms looking to invest and expand.

Part V - Development Strategies

A. CEDS Project RFP Process

The CEDS RFP process is two-fold and designed to ensure that all economic development stakeholders in the Rockingham County CEDS region, are informed about project selection criteria, the regional goals, the current priority project list, and the EDA criteria for further funding.

Since this is a building process, there is no one event or time when the REDC CEDS District reviews the regional goals selected by stakeholders in 2005. Those regional goals are available on the REDC website and they are identified whenever CEDS participants meet for events and discussions as part of an on-going process. This year our regional goals were discussed as part of the Bi-State Summit, and refined and discussed further as part of the process. Participants at the Bi-State Summit included all participants and stakeholders throughout the region, as several common goals and objectives were discussed.

The CEDS Steering Committee this year changed the process by which projects are accepted to the Regional Priority List. Steering Committee members desired to invite all CEDS project proponents to come to the Steering Committee meeting and present their project in person. In this manner, the committee could hear first hand about the project, ask questions, and suggest ways to assist the project move forward.

Projects were solicited a number of ways. On March 5, 2007, "Request for Projects" RFP was sent via postal mail to each of 37 municipalities in the region. This RFP included a letter of explanation, a project submission form, and a "Rockingham County CEDS Project Criteria Form 2005-2009". Each municipality was invited to call the REDC and set an appointment to review any projects that might qualify for the regional list. In addition, each of 37 municipalities were notified via an email newsletter/flyer announcing the timetables for project submission. Where a municipality already had a project on the list, a separate request for a project update was requested via email and a separate detailed flyer, as well as the original letter and forms. The municipal database is updated annually for both changes in elected official, and to ensure proper email address is used for the reminders. Several persons in each municipality receive the notices to ensure that all parties in various departments of town get the notice. Generally, the notice is received by the Town Manager or Town Administrator, Chair of the Board of Selectmen or Town Council, Chair of the Planning Board, and the Economic Development Director, if one exists.

The next group that receives the project RFP are economic development stakeholders in the region, who have been participating in the CEDS activities on-going. The REDC maintains up to date databases of information that is verified from time to time as a way of contacting CEDS participants. Included in this solicitation this past year were the participants from the Bi-State Summit as well. Both these groups received an e-flyer,

requesting projects and were referred to the REDC website for project forms and project criteria, which is posted on the REDC website. This multi-part solicitation is designed to be all-inclusive so that every stakeholder has the opportunity to participate in the regions goal attainment through economic development and construction projects that meet those goals.

B. FY 2006 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 FY 2007

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.

2007 Priority Project List

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

1.	Rte. 125 Infrastructure South – Drakes Site *	Epping
2.	NH Biotechnology Incubation Space (warehouse conversion) *	Pease
3.	Downtown Feasibility Study *	Epping
4.	Capitalization of Regional Loan Fund	Countywide
5.	Stratham Fire Suppression District	Stratham

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

6.	Main Street Reconstruction Program *	Newmarket
7.	NH Community Technical College – Emerging Technology Center *	Pease Tradeport
8.	Squamscott Community Commons-LEEDS Certified *	Exeter
9.	Lamprey River Mill Re-development *	Newmarket
10.	Pettengill Road Commerce Park *	Londonderry
11.	Town of Raymond Route 101 Exit 4 Development *	Raymond
12.	Exit 4A – new Ramp off I-93	Derry / Londonderry
13.	Infrastructure Improvements for Smuttynose Expansion Project *	Portsmouth
14.	Route 93 Widening – Western Sub region	Western Subregion

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

15.	Development of Railroad Station	Plaistow
16.	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 – 2007

SHORT TERM 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>
1. <i>Rte. 125 Infrastructure South – Drakes Site-Epping *</i>	Completion of water & sewer lines to access new development site – Phase II	Town of Epping	\$ 1M	EDA, state, local, private	2008	Yes	1, 2, 3
2. <i>NH Biotechnology Incubation - Warehouse Conversion *</i>	Process Development Lab – Expansion for Incubator	NH Community Technical College	\$ 1,000,000	EDA, DOL, State, private	2008	No	1, 3
3. <i>Epping Downtown – Feasibility Study *</i>	Planning & development of a downtown district	Town of Epping Citizen Committee	\$ 100,000	EDA, HUD, CDIP	2008	No	1, 2, 3, 5
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
5. <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	2, 3, 6

(*) EDA Funding Candidates

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>ENVIRON- MENTAL IMPACT</i>	<i>GOALS ADDRESSED</i>
6. Main Street Reconstruction Program *	Water, sewer and road upgrades as part of downtown revitalization	Town of Newmarket	\$ 3-4 M	EDA, State, local TIF District	2005	Yes	1, 2, 3, 5
7. <i>NH Community/ Technical College – Emerging Technology Center - Pease Tradeport</i> *	Renovation of existing building for mixed use incubator and teaching space	Emerging Technology Center of NH Community Technical College	\$ 12 M	EDA, DOL, State	2008	Yes	1, 3, 4, 6
8. <i>Squamscott Community Commons – a LEEDS 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
9. <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
10. <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

CONTINUED

(CONTINUED) 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>
11. <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
12. <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
13. <i>Infrastructure Improvements for Smuttynose Brewing Company Expansion Project *</i>	The construction of a LEEDS Certified development to expand current business and create over 100 new jobs in the region.	City of Portsmouth	\$11,000,000	Federal, State, private	2008	Yes	1, 3, 4
14. <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

(*) EDA Funding Candidates

LONG TERM PRIORITY PROJECTS

<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>
15. <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
16. <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

(★) EDA Funding Candidates

3. Rockingham Priority Project Updates and Status Report

2006 - 2007

TOP PRIORITY PROJECTS

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

The major commercial development project in Epping has completed Phase One with the completion of a Wal-Mart Superstore, Lowe's, and other smaller retail outfits as anchors creating hundreds of jobs in the region. Phase One also included the development of 200 acres of industrial space behind the Wal-Mart plaza. Project proponents for that space have completed required infrastructure on the industrial space including a fire suppression system for the area and have completed initial planning board approvals for conceptual lots to be developed on site. Developers are marketing the site for industrial users at this time. Phase Two includes the advancement of commercial development south of Route 101 in Epping for additional retail and commercial users. The approvals for Phase Two are in place and the project has just been sold to a new developer. Town officials expect to see activity on this project shortly.

2. NH BioTechnology Incubation Space (warehouse conversion) – Pease Tradeport

NH Community & Technical College plans to expand current biotechnology incubator space by approximately 5,000 sq. ft. as a process development laboratory and training space. As this project is part of the expansion of the Pease campus for the technical college, the expansion is subject to state approvals, architectural and engineering plans, as part of the whole building renovation. This project has maintained a high degree of support from the business community, including monetary support, research & development support and job creation support. Four companies will donate high level equipment to the project as well, including bioreactors, disposable filtration and chromatography supplies. While in the planning stage for several years, the project timetable suggests that construction may begin in early 2008.

3. Epping Downtown Feasibility Study

Epping officials still plan to embark on a downtown study as part of its master planning. The town has started a citizen revitalization committee and will initiate this discussion with the citizens group; the citizen sponsored planning effort called "Speak Up Epping" has had much success, and town leaders hope the revitalization committee will do the same. The group should see some activity in 2008.

4. Capitalization of the Regional Revolving Loan Fund – Countywide

This on-going effort seeks to make additional funds available to the business community in the region for expansions and relocations into the region where new jobs are created and/or existing jobs are retained. Each year the goal is to add new assets to the loan fund. In the past year, the REDC has increased the regional loan fund via new HUD loans to area companies creating jobs for low to moderate income persons. One HUD loan for \$450,000 and one HUD loan of \$475,000 approved this year will eventually capitalize the loan fund as part of loan repayments. Additionally, the REDC submitted a second application to the USDA Rural Development office for the Intermediary Re-Lending Loan Program (IRP) in the amount of \$500,000. Award notification may happen in Fall 2007.

5. Regional Sewer Feasibility Study Project - Countywide

This project began in 2004 with funding from the State of NH Department of Environmental Services up to \$1,000,000. The feasibility study is 85% complete but the project has run out of funds. Project Proponents are seeking additional funds to complete the study; but public opinion and the results of the feasibility study may determine that this project is not feasible at this time. This project does not meet the goals of priority projects under the CEDS guidelines at this time and will not continue to be listed under the regions priority project list.

6. Stratham Fire Suppression District

This 3 phase project has made significant advancements in the past 12 months. The upgrading and replacement of water lines to provide fire suppression to Route 33 corridor businesses (over 100 businesses affected) when completed, will allow those businesses to expand operations and create new jobs. Area businesses are currently limited by the lack of adequate fire suppression. A major portion of the water line from Shaw's to Market Basket has been installed, and town officials are working on legal agreements and easements required with the project. Preliminary water rates have been calculated based on costs provided by Pennichuck Water Service Company. Phase One should be completed by July 1st.

INTERMEDIATE PRIORITY PROJECTS

7. Main Street Reconstruction Program – Newmarket, NH

The Main Street Reconstruction project has been advancing slowly. The Town of Newmarket hired a project coordinator last year to manage and coordinate the TIF Downtown project and to facilitate information sharing among town leaders and the affected business community in downtown Newmarket. As part of Phase Two, town leaders solicited a Request for Proposal for the construction project. Town Council authorized the award of the contract to Severino Construction. Work under this contract this season will include road improvements from Route 152 and Exeter Road to New Road. Second phase will include Main Street in front of downtown businesses up to the Lamprey River Bridge. This project will move to Intermediate Projects as it will take longer to complete than originally planned.

8. Black Bear Business Park – Newmarket, NH

Black Bear Business Park was established as a Tax Increment Financing District several years ago by Newmarket town officials. The goal of this project was to develop a commercial park in an undeveloped area of Newmarket. No activity has happened on this project in recent years as town officials began to understand the costs and challenges in constructing a 2.5 mile access road to the proposed site. Challenges include wetlands and railroad crossings at the proposed roadway site. In the Fall of 2006 a proposal was made to re-zone a portion of the TIF district for workforce housing. Neighborhood opposition did not allow the project to move forward. Discussions ensued to disband the TIF District, but no official action has been taken at this time until a new Town Administrator is hired. Without a clear cut set of outcomes desired for this project, and more discussions with town officials happening at a future date, this project has been taken off the priority project list at this time.

9. NH Community Technical College – Emerging Technology Center

The timetable for this project follows the same timetable as the BioTechnology Incubator warehouse conversion project also on the list. This project outlines the renovation of the entire campus space for incubator and teaching space. When complete, this project will merge the college's Stratham campus with the Pease Tradeport campus at Pease for a more efficient operation. The project is still in the architectural and engineering phase and will be funded with State funds. In 2008, the project should be ready to move to the next step.

10. Squamscott Community Commons – a LEEDS Certified Development Project

This project seeks to acquire the former Exeter Jr. High School site, and renovate the space into a LEEDS Certified "green" building that will house an 80,000 sq. ft community center, that will be home to a new full service YMCA, and 10 – 12 social service organizations that provide programs and services in health, wellness, arts, culture, nutrition, childcare and recreation. This project will create dozens of new jobs in the region and serve critical needs of low to moderate income persons. During this past year, project proponents made significant advances in the project. In August 2006, the Exeter Region Cooperative School District voted to sell the annex to the Commons project. In the fall of 2006, the project received \$2,500,000.00 from three anonymous donors. In January 2006, the architects were selected; and in February 2007, Harvey Construction was hired as construction manager. Construction is estimated to begin in mid 2008.

11. Lamprey River Mill Redevelopment Project

The Lamprey River Mill Re-development Project seeks to renovate a mill building on Main Street in Newmarket into a mixed use project that will provide jobs in the community; housing to meet the needs of the population; and tax revenue for the Town of Newmarket. The Newmarket Community Development Corp. recently issued a Request for Proposal to solicit developer interest in this portion of the mill complex totaling 180,000 sq. ft of space. Final selection of a developer should happen in the next 6-9 months.

12. Pettengill Road Commerce Park

This Londonderry road project seeks to upgrade a Class IV roadway to a Class V roadway to help stimulate development of over 1000 acres of industrially zoned land. Planned along with the NH DOT airport access road, the town of Londonderry plans to finance this roadway with a Tax Increment Financing District. Approval in process.

13. Town of Raymond Route 101 Exit 4 Development

This major development project for the Town of Raymond develops 300 acres for commercial/industrial development and a wastewater treatment plant that will serve parts of Raymond initially. Phase One of that development is the development of a 40 acre parcel with visibility to Route 101 into a commercial park called Granite Meadows Business Park. Project proponents have completed a concept plan and are in the planning board approval process while concurrently seeking end users for the park. Public Hearings on the project are happening at this time. During the past 12 months several key votes have been taken with Raymond residents that have brought this project closer to fruition. Those approvals include approved zoning changes; Tax Increment Financing District approval; and the bonding for the wastewater treatment facility all authorized by the voters of the Town of Raymond. The wastewater treatment site is in Archaeological Phase One Assessment, reviewed by NH Division of Historical Resources, prior to the commencement of Brownfield Clean-Up activity. Brownfield clean-up will commence late summer of 2007.

LONG TERM PRIORITY PROJECTS

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

This new proposed exit off Route 93 will be located between Derry and Londonderry and will enable attractive access for commercial/industrial businesses by providing a direct route to those industrial areas. This project is documented in the NH DOT 10 year Transportation Improvement Plan 2007-2016. The project is listed for construction in 2011. The environmental impact study has been submitted to NHDOT/FHA. Public Hearings are scheduled for July 31, 2007.

15. Route 93 Widening – Western Sub-Region

The expansion of Interstate Route 93 between exit 1 in Salem and exit 5 in Londonderry, will alleviate severe traffic congestion and safety issues currently experienced in this stretch of highway. Cost estimates have grown to \$700,000,000. A more detailed explanation of this current project, issues, and timetables can be found in the Major Development section of the CEDS, Part V, D.

16. Development of Railroad Station - Plaistow

The Town of Plaistow desires to construct a railroad station at the location of the existing NHDOT park and ride facility on Westville Road in order to facilitate regional access for resident commuting with the Boston/Portland corridor. CMAQ (Congestion Mitigation Air Quality) funding has been approved, but additional costs for infrastructure not determined at this time. One bit of progress to date is that town officials have begun preliminary discussions with Pan Am Systems (owner of the estimated 80 miles of track) who appear favorable to the expansion. However, AmTrak, (owner of the train service from Portland to Boston called the “Downeaster”) has not begun this discussion with Plaistow officials yet.

17. Jack’s Bridge Road TIF District - Londonderry

This proposed project seeks to create a roadway network and connections, with related infrastructure improvements, to facilitate the development of over 400 acres of industrially zoned land in Londonderry, with proximity to the Manchester Airport.

18. Smuttynose Brewing Company Leeds Certified Expansion Project

The Smuttynose Brewing Company produces a regional brand of beer at their current location in Portsmouth. The company would like to relocate and expand their operation to include a larger brewery and a new restaurant, which will employ over 100 persons. Owner and project developer desires to build the expansion project under a Leeds Certified Building design.

D. Project Oriented & Other Economic Development Initiatives

1. Manchester – Boston Regional Airport

The Manchester-Boston Regional Airport is being marketed as “the convenient alternative to Logan International Airport and a better way to Boston” since its renaming on April 18, 2006. The airport is located less than 50 miles north of Boston and is generally recognized as the premier airport in Northern New England. The airport serves as a major economic generator of passengers, cargo, jobs and private investment for the region.

Largely due to airline downsizing, bankruptcies and mergers during late 2005 and early 2006, Manchester-Boston Regional Airport lost significant passenger traffic. Based upon the year-end report for 2006, passenger traffic was 3.9 million in 2006, as compared to 4.3 million in 2005 for a 10.1% decrease in activity. According to the March 2007 report, passenger traffic was down 7.7% for the first quarter of this year compared to the first quarter of 2006. If you project these passenger figures for 2007, they will total 3.3 million for the year, as compared to the actual total of 3.9 million passengers for 2006.

Conversely, the airport handled 176.4 million pounds of cargo in 2006, as compared to 155.4 million pounds of cargo in 2005 for a 13.5% increase in cargo. This trend has continued into 2007 with 16.9 million pounds of cargo reported in March 2007; an increase of 27.5% from March 2006. For the first quarter of 2007, 48.6 million pounds of cargo has passed through the airport, as compared to 36.5 million pounds in the first quarter of 2006, an increase of 33%. Projected for the rest of the year, the total cargo passing through the airport in 2007 will be 194.4 million pounds or 10.8% higher than the actual total cargo for 2006.

U.S. Senators Judd Gregg and John Sununu recently announced that the Manchester-Boston Regional Airport will receive \$ 23.5 million in federal funds from the U.S. Federal Aviation Administration (FAA) to complete four projects: extend the safety area of Runway 6/24 (\$ 13.5 million), land acquisition for the safety area of Runway 6/24 (\$ 4.2 million), rehabilitate portions of Runway 17/35 (\$ 3.3 million) and noise mitigation measures for surrounding neighborhoods (\$ 2.5 million). The airport continues to implement its Master Plan Update from 1997 in order to improve security and passenger convenience at the facility.

Manchester-Boston Regional Airport is served by thirteen commercial airlines and has instituted a number of improvements to enable better access to the facility and to provide better service to the traveling public. Since July 2006 the airport has announced the following improvements:

- The airport has established free Wireless High Fidelity (WiFi) service and its usage has increased by more than 300%.
- The New England Regional Airport System Plan released by the FAA predicts that the airport will handle between seven and nine million passengers by 2020.
- The airport has established free shuttle service between the Anderson Regional Transportation Center in Woburn, Massachusetts, Boston and the airport. The Manchester Shuttle will operate every two hours and will be free to ticketed passengers.
- The new Airport Traffic Control Tower, which has been operational since mid-August, was dedicated by the FAA on October 30, 2006.
- Southwest Airlines announced the addition of another daily roundtrip flight to both Orlando and Philadelphia as of March 11, 2007. Another daily roundtrip flight to Chicago was added by Southwest as of May 13, 2007. Southwest recently announced that it will begin daily nonstop service to and from Phoenix, Arizona on August 26, 2007.

2. Pease Tradeport / Port of NH

The Pease International Tradeport/Port of New Hampshire has been described extensively in the 2005 Five-Year CEDS and its role as a major economic generator for Rockingham County and the seacoast in general continues. The Tradeport is at the forefront of the state's New Hampshire Advantage marketing program and is often cited as a prime example of how to turn a former BRAC property into productive economic use for the region. Additional information on available properties at the Tradeport can be accessed at <http://www.peasedev.org>.

In March 2007 when Airbus of France scheduled the flight of its A-380, which has a seating capacity of 555 and a wingspan of 261 feet, officials at the Tradeport noted that the facility in Portsmouth was one of the few in the country that could accommodate the A-380. With the runway measuring 11,321 feet, the required strength of pavement and the necessary separation between the taxiway and the runway, the Tradeport currently meets all the necessary requirements for the A-380. In addition to examples such as this one, recent activities at the Pease International Tradeport and Port of New Hampshire reflect a sampling of the types on ongoing economic activities. These economic activities included the attraction of container ship business to the Market Street terminal, the establishment of a terminal lease and airfield agreement with Skybus Airlines, the expansion of Lonza at the Tradeport, the creation of 150 to 200 jobs through the relocation of John Hancock Insurance and the attraction of other businesses to the Tradeport. Summarized below from recent newspaper articles are examples of this year's economic activity at the Tradeport:

- The Pease Development Authority has approved a plan to bring at least twenty container ships to the Market Street terminal this year. Northeast Marine

Development will be establishing a cargo operation at the port and the containers will be stored off site.

- The Pease Development Authority entered into a terminal lease and airfield agreement with Skybus Airlines of Columbus, Ohio in April 2007. Skybus is a low-fare commercial airline that will schedule four flights per day on A319 aircraft. Skybus planned to begin flights on May 22, 2007 with up to ten seats per flight costing \$ 10. Skyway received final certification from the FAA and flew its initial flight from the Tradeport as scheduled. Flights from Portsmouth will fly directly to Port Columbus International Airport and then will connect to twenty-four other cities, including the West Coast.
- Lonza announced in April 2007 that it would invest approximately \$ 300 million in the expansion of its bio-manufacturing plant at the Tradeport, which could result in the creation of an additional 350 jobs. The new 330,000 square foot facility is expected to house "leading edge bio-therapeutics manufacturing technologies, as well as offices, warehouse and support systems. Lonza officially broke ground for this facility on May 17, 2007. The Biopharmaceuticals sector is growing at a rapid rate with sales increasing from \$ 35 billion in 2004 to \$ 52 billion in 2010. Lonza is currently projecting annual sales growth of 8 to 12 percent and operating profit growth of 15 to 20 percent by 2012.
- John Hancock Insurance announced plans in May 2007 to relocate its 65-person Portsmouth staff and to hire an additional 150 to 200 people for its new Tradeport facility at 164 Corporate Drive by the end of the year.
- Plans by the Northeast Rehabilitation Health Network to build a 33-bed rehabilitation hospital at the Tradeport were announced in May 2007. It was expected that the facility would eventually employ 80 full-time doctors, therapists and nurses and a few skilled aides.
- Grubb & Ellis/Coldstream Real Estate Advisors, Inc. announced in May 2007 that it had leased more than 9,000 square feet of space at 30 International Drive to Action Software Corporation, a provider of Web-based chemical management solutions, Crotched Mountain Community Care, Inc. and Bank Street Mortgage, a full-service mortgage broker headquartered in New London, Connecticut.

3. Portsmouth Naval Shipyard

The Portsmouth Naval Shipyard remains a significant economic generator in the region, as evidenced by the facts and figures outlined in the previous CEDS documents regarding the negative economic impact the BRAC closure would have had on the region. Yet, instead of waiting around for the next BRAC closure round, private and public officials from New Hampshire and Maine have embarked upon a way for economic development stakeholders in the region to work across state lines. The initial scheduling of the Bi-State Summit on September 12, 2006 in Portsmouth, which was co-sponsored by the Economic Development Administration (EDA), enabled more than 200 interested participants to hear the perspectives of the two present Governors of New Hampshire and Maine, former Governor Angus King of Maine and Neil Peirce,

noted journalist and regionalism expert, on how to pull the resources of the region together and to develop a vision for the future of the Portsmouth Naval Shipyard.

The follow-up session held at the Kittery Trading Post on November 29, 2006 offered an opportunity for active participants to join six different focus groups – Boomer Power, Emerging Technologies, Housing, Small Business, Tourism and Transportation – and to offer their perspectives on these issues. The organizers of these events are working to continue the focus group sessions so that final recommendations can be brought back to the full group and then an Action Plan to move forward on these agreed upon goals and objectives can be developed. Once the Action Plan is developed and approved, the respective responsibilities of the various groups will be outlined in order to implement the Vision outlined for the future of the Portsmouth Naval Shipyard.

While the strategic planning activities continue, the Portsmouth Naval Shipyard moves forward to complete its work with the Department of Defense. In an announcement provided by the U.S. Senators from New Hampshire and Maine on February 28, 2007, the Navy has designated the Portsmouth Naval Shipyard as the Ship Availability, Planning and Engineering Center (SHAPEC) for the VIRGINIA class submarine. This action by the Navy represents a significant amount of work for the Portsmouth Naval Shipyard and reflects the esteem that the Shipyard is held based upon its previous work on the LOS ANGELES Class Submarine Program.

As a result of the activities related to saving the Portsmouth Naval Shipyard from closure, the community and the shipyard have been brought together more closely. Yet, there is a realization that the shipyard may not be as fortunate the next time that a BRAC round is held. Therefore, it makes a great deal of sense for private and public officials from New Hampshire and Maine to follow through on the Bi-State Summit initiative and to re-invent the region in accordance with the changing economic times.

4. Route 93 Expansion

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 represents significant economic and community development costs to the region. The unreliability of travel on I-93 during commute times is causing an increase in the commuting period, traffic diversion 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. 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 \$480 million, and has seen rapid cost escalation over the past two years due to rising construction costs. It was initially expected to take up to 12 years to complete. However, significant progress was made in the New Hampshire Legislature in 2004 and 2005 to authorize bonding 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 area 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.

a. 2007 Project Update

Although the use of GARVEE bonds for this project was authorized by the NH Legislature in 2005, both the final cost and scheduling of the project is more uncertain at this time. In reviewing available funding and the scale of construction involved, the NHDOT Commissioner has determined that the project should be phased over a longer period of time than planned, even with the use of the bonding capacity. In the prior CEDS update, active construction was expected to begin in 2006 and extend through 2011. Construction will likely extend much further into the future due to financial constraint, construction capacity, and impact on travel in the corridor. Limited construction for the project did begin 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. However, it is now expected that construction will continue through at least 2016.

The estimated final project cost has risen dramatically over the past two 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. Absorbing this amount of cost increase will require a larger GARVEE bond authorization, or stretching the project contraction over a longer period of time, or both.

CLF Lawsuit: 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 CLF claims that, (1) the EIS withholds information about the affect that induced growth will have on the level of congestion on I-93 and secondary roads after the project is finished; and (2) that the NHDOT did not adequately consider alternatives to widening, especially rail alternatives. Regardless of the merits or lack there of, this lawsuit will likely cause substantial delays in the start of major construction. The Federal District Court and participants agreed to an expedited process for acting on the case in order to limit uncertainty and delay. Oral arguments for the case was heard by the Court in March 2007; a ruling is expected in July 2007. Construction of the park and ride lots and work on final design of the project has continued unaffected by the lawsuit, and to date no major delays in the project schedule have resulted. Assuming no adverse outcome from the lawsuit, construction is expected to commence on the southern (Exit 1 & 2) and northern most (Exit 5) project segments in late 2007.

CTAP: As summarized in the 2005 CEDS, the I-93 Community Technical Assistance Program (CTAP) is being developed in cooperation with the State of New Hampshire's Office of Energy and Planning (OEP) and the regional planning commissions to provide planning assistance to 26 communities expected to experience additional growth due to the project. This \$3.5 million initiative, now fully underway, provides technical assistance to the 26 towns and

cities to help these communities meet the wide range of planning and community development challenges faced in the region, by providing technical assistance and access to tools for innovative land-use planning practices. During the past year, a project steering committee has been established to oversee this formal scoping process, the formal scoping process for the CTAP program was completed; year one program tasks were initiated; and individual kickoff meeting held in each community. Year one activities include: training, direct technical assistance grants to each town; detailed land use mapping, buildout analysis, open space planning, regional grantwriting assistance and several others. The program is expected to continue for an additional four years; the scope of services will be determined year by year.

Commuter Bus Expansion: The I-93 Expansion Project includes a project to significantly expand commuter bus services available in the corridor. This service, which would include approximately 10 round trips per day overall, would service the new and/or expanded/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 some sites has started. In addition, a vendor (First Transit Inc.) has been selected to operate the service, however as of the Spring of 2007, the NHDOT has requested alterations in the service design and is seeking new proposals from vendors. This alteration is not expected to delay the service startup since the park and ride lots and facilities will not be ready for service until the Fall of 2008.

b. Exit 4A Update

This project has been moving ahead with the expansion of Route 93. This project is in the NH DOT 10 year plan. An environmental impact study has been submitted to NH DOT/FHA and public hearings are scheduled for July 31, 2007.

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 4 times over the past year (June 06 – June 07) 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 or BRT, and the B&M New Hampshire Maine Line (for MBTA commuter rail extension to Nashua and Manchester).

5. Regional Sewer Project

Eleven of the 37 municipalities in Rockingham County operate wastewater treatment plants. (See Table 28 in Section 1B of the 2005 CEDS document.) Many of these systems, especially the ones that discharge wastewater into coastal rivers and estuaries, are constrained during low flow periods for their receiving waters by low dilution factors. This typically is worst during the summer when wastewater volumes are at their highest levels. Wastewater discharge permits are issued by the US EPA, and establish flow limits based on nutrient loading and toxicity considerations for the receiving waters. Future NPDES permits for these plants (including Seabrook, Hampton, Exeter, Epping, Newfields, and Newmarket) may further limit their ability to process wastewater, necessitating sewer connection moratoria or other measures. Expanding capacity for these systems will require costly upgrades to achieve higher levels of treatment to meet water quality standards at the discharge point, or the relocation of that discharge into waters with higher dilution rates. These limitations will have significant impacts on future development in these communities if not rectified.

A long-range plan to alleviate this constraint has been proposed which would involve intercepting discharges from the secondary treatment plants in the Great Bay and coastal river drainage basins and collecting and discharging the treated effluent into an ocean outfall. This may or may not prove to be a cost-effective and environmentally sound way of increasing sewer capacity in the region and warrants further study. As

described in 2005 CEDS report, this proposal is now being actively studied as a result of the establishment of the Great Bay Estuaries Study Commission (SB-70) and the authorization of \$1.0M in funding to undertake a formal feasibility study of this concept. Additional legislation was passed in 2004 enabling communities to form a regional authority (Estuary Alliance for Sewage Treatment or "EAST") to implement the recommendations of the feasibility study following review and approval by the legislature.

The consulting firm of Metcalf & Eddy was selected in early 2004 to complete this study. The scope of the study has expanded to include an evaluation of septage disposal needs of the region and to consider other alternatives to a single common outfall, including individual treatment plant upgrades, groundwater recharge of effluent, and combinations of solutions, or no action at all. For communities that presently have no sewer systems and where the further need for such facilities is anticipated (such as Raymond and Stratham), the feasibility study will also consider the installation of collection systems in those communities to connect to one of the existing wastewater plants.

Work on the Feasibility Study was started in the Summer of 2004. Several public informational sessions were held in 2004 and early 2005 to gather input. The major alternatives under consideration include a single regional outfall connecting existing wastewater treatment facilities, a single regional advanced treatment facility and outfall, and individual treatment plant upgrades with groundwater recharge. Metcalf & Eddy (M&E) is currently gathering information from the 44 communities and 16 wastewater treatment plants in coastal watersheds and preparing various projections and analyses necessary for the feasibility study. The study will include estimated costs for each alternative. It is expected that the regional outfall solution will be very costly to construct, although it may be less costly than the cumulative cost of upgrading the existing sewage treatment plants individually.

Project Update

The Great Bay Estuaries Commission (SB-70) met four times in the second half of 2005 and first half of 2006 as the study has progressed. A significant milestone in the study occurred in October 2005 with the release of the Final Preliminary Findings Report by Metcalf and Eddy which summarized all current information about treatment capacities, operational limitations and permit status of all existing waste water treatment plants in the Great Bay and coastal study area. The Report also included future population growth and commercial and industrial growth for the years 2015 and 2030 to use as the basis for projecting sewage treatment demand. Specific projections for sewage loading and septage treatment demand were also made.

Subsequent to this, in February 2006, the consultant developed ten Preliminary Wastewater Management Alternatives which describe the major options through which future demands could be addressed.

These ten alternatives were the subject of a major public charrette in March of 2006 designed to seek input from various stakeholders about the issues and concerns associated with each. The charrette was attended by approximately 120 people. The session was preceded by a well attended public education event, also in March, designed to familiarize the public with wastewater management issues in the Seacoast. Based on the weight of comments made at the charrette, there appears to be continued public skepticism about any single regional wastewater management solution.

Subsequent to the charrette the consultant has recommended the following four alternative for further detailed analysis in the remainder of the study: (1) No action – business as usual; (2) Treatment at existing plants, but with collection and discharge of the treated effluent to the Gulf of Maine. This alternative is required to meet the intent of SB-70. (3) Decentralized treatment and continued use of existing plants. Similar to the no-action alternative, except only a portion of the additional flow projected over the 20 year planning period will be transported to existing plants. (4) Treatment at existing plants and discharge to land application sites. This alternative responds to the concerns for developing a more sustainable alternative in that wastewater is kept in the watershed and re-supplies groundwater.

The remainder of the feasibility study will focus on defining the feasibility, cost effectiveness and potential impacts of these alternatives. The schedule for completion of the study has been extended into the Fall of 2006. Implementation of any of the alternatives regionally is uncertain and will depend on the willingness of communities to pursue them cooperatively under EAST or similar institutional mechanism.

Little further progress has been made on the Feasibility Study itself since the Fall of 2006 and the consultant's work has been temporarily suspended pending the securing of additional funding. The term of the SB-70 Great Bay Estuaries Commission was extended to December 2007 by the enactment of HB 1491 in May of 2006.

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 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 2008, at the earliest and will not be completed until 2011 or 2012. The project cost will likely exceed \$130 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 the range of alternatives to be 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/bikeland 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.

Project Update

Significant milestones for the project were met on schedule in 2006. 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 remaining phases include the Final EIS and Record of Decision, expected to occur late 2007 or early 2008, Final Design, expected to be completed in early 2009 and construction beginning shortly after. Based on the most recent State 10 Year Plan (July 2006), construction of some project elements will begin in 2010 and would not be complete until 2015. This represents another one to two year extension to the time before the new facility is in place and yet is probably optimistic. Re-evaluation of fiscal constraint and well as the need to adjust project costs to reflect escalating construction costs may well result in project delays or phasing.

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.

While the project design and permitting proceeds, a number of traffic mitigation measures 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 and 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 the past year. This may help reduce northbound backups on the bridge. Final design for a new large park and ride lot/transportation center at Exit 9 has been completed after some delay associated with ROW acquisition and will be constructed in 2007-2008. COAST and C&J bus service will begin shortly afterwards providing regular commuter service from Rochester to Portsmouth, and from there on to Boston.

7. Hampton Beach Re-development

Hampton Beach Re-Development has seen much progress over the past 2 years, with infrastructure and roadway improvements making way for the potential of denser and higher buildings, year round use of this seacoast asset, and more full time job creation. As part of this effort, the Hampton Beach Commission seeks to identify parking solutions for the long term. They came to REDC and RPC for assistance in securing grant funding for a parking study. It has been suggested that the RPC Update the Route I-A Corridor Management Plan's transportation chapter and include a parking study as part of that scope of work. Budgets are being prepared now, for a possible grant submission date by December 2007 by the RPC.

8. 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). 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.

The Greenway route through New Hampshire has not yet been defined. The goal of this planning project is to select the route of the East Coast Greenway in New Hampshire and take some initial steps toward implementation. While an informal planning effort in 2001 identified a potential route along the NH seacoast, this current project will include more extensive community involvement, which hopefully will lay the groundwork for trail implementation in coming years.

This project will be 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.

Once established, the existence of the Greenway will be a significant enhancement to recreational and heritage tourism in the Seacoast.

9. 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 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:

- its 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 intervener in both FERC application processes and will continue to monitor the proposals on behalf of the REDC and its member communities. Tidal energy development in the 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.

10. Bi-State Summit

The Bi-State Summit initiative began as a response to the potential closure of the Portsmouth Naval Shipyard, but emerged as a bi-state dialogue and network of people interested in keeping the Seacoast economy vibrant with high paying jobs in new technologies, housing for the regions workforce, and “branding” the larger combined regions of Rockingham, Strafford and York Counties as tourist destinations.

The kick-off event held on September 12, 2006, was attended by over 200 people from Maine and New Hampshire. With inspiring speeches by Maine Governor Baldacci, NH Governor Lynch, former Maine Governor Angus King, and noted author and “regionalism” expert, Neal Pierce, the event was rich with support from legislative leaders. Ross Gittell, economist from University of New Hampshire and Charles Colgan from University of Southern Maine, presented a PowerPoint presentation outlining some of the ways to find common ground in advancing our regional economy. Please see full Report and presentation in Appendix 5. Evaluations from the kick-off event were quite positive with participants very interested in follow-up work. A follow-up session was held on November 29, 2006 at the Kittery Trading Post where 80 participants broke out into small groups to identify action steps in six different areas: Harnessing Boomer Power, Transportation, Workforce Housing, Tourism, New & Emerging Technologies and Small Business Development. Organizers are planning more specific follow-up events during 2007 to keep the effort moving forward.

E. Short Term Actions

REDC will fulfill its EDD responsibilities during 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, 2007 to June 30, 2008 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 2008;
- 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 a “green” forum series of workshops that address co-generation facilities, municipal zoning codes (language and enforcement), sustainable design building construction and recycling opportunities;
- Submit Annual CEDS Update for 2008 to EDA by June 30, 2008 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 to the Town of Newmarket in their re-development efforts of the downtown district;
- Provide technical assistance to the Town of Epping in their efforts to promote their first-in-the-nation “green” building codes and permits that require environmentally friendly business design;
- Provide technical assistance and grant administration services, if needed, to the Town of Hampton and the Hampton Beach Commission in developing an update of the Rte. 1 Corridor Management Plan and Parking Study for Hampton Beach; and
- Assist other communities as requested.

3. ***Assist and provide technical assistance for regional economic development projects:***

- Build upon the Bi-State Summit with the State of Maine by supporting work groups and focusing upon marine and “green” technologies as emerging industries;
- Support workforce housing efforts throughout the region;
- Provide financing for expanding businesses that create jobs;
- Advance major development projects in the region;
- Build upon the Cluster Survey by maintaining partnerships with UNH, the Biotech Council and the Software Association of New Hampshire; and
- Provide support to the Rockingham County Community Action Program.

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 marine and “green” technologies as part of the follow-up to the Bi-State Summit;
- Match 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;
- Identify telecommunication infrastructure improvements;
- Implement Hazardous Substance Assessment grant from EPA and develop revolving loan fund; 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.*

- Support Career Pathway initiative as a means to prepare youth for jobs in the biotech field;
- Focus upon Bi-State employment needs as a result of the Bi-State Summit;
- Support permanent space for Technical College at Pease; and

- 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 as well as conservation efforts; 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.*

- Partner with the Workforce Housing Coalition of the Greater Seacoast to address the supply of workforce housing;
- Work with the Rockingham County Community Action Council to identify housing opportunities for workers; and
- Assist other agencies 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.

Part VI – Evaluation Component

The Evaluation Component for the Annual CEDS Update for 2007 builds upon what was established in the Five-Year CEDS in 2005. While most of this material has been covered in the Past Year's Activities section, it has been formatted in this section to conform to the input-output model used by REDC previously and agreed to by EDA. As mentioned in last year's Annual CEDS Update, the levels of activity have been raised to a new plateau. The Bi-State Summit has re-oriented the thought process of economic development stakeholders in New Hampshire and Maine and will result in a creative approach to determining the future of the Portsmouth Naval Shipyard and the region as a whole. When the region was faced with the possibility of the shipyard being closed, the focus was upon how to match the skills of the current workers with other available jobs in the region. Now that the shipyard has been saved, the focus has shifted to what emerging industries should be supported and how do we deal with the aging workforce in the region.

The Evaluation Criteria established in the Five-Year Plan was quite ambitious and didn't really anticipate the changes that have taken place since 2005. Yet, since the Evaluation Criteria has not been formally changed, here's the slightly modified version for the Annual CEDS Update for 2007:

- 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
- Annual CEDS Update for 2007 completed in full by June 30, 2007.

As will be seen in the goals established for the CEDS process, programmatic Goals & Objectives and Priority Projects, most of these overall goals were achieved during the past year. As mentioned several times, REDC's use of the Regional Revolving Loan Fund has resulted in 161 jobs during the past year. The Squamscott Block Building in Exeter, which is a mixed-use facility with 50% workforce housing, is being constructed and Portsmouth has approved a housing density bonus. There have been an extensive

number of LCHIP projects approved in the region and the Hodgson Brook Restoration Project in Portsmouth is being implemented. At least three transportation projects were funded through the Transportation Improvement Program (TIP) overseen by the Rockingham Planning Commission. REDC has applied for additional EDA planning grant funds. There have been more than 20 participants at every public forum that REDC sponsored this past year. The CEDS Steering Committee met four times during the course of the year and membership has been increased. The Annual CEDS Update for 2007 is expected to be completed as of June 30, 2007.

The evaluation methodology developed by REDC, in conjunction with EDA staff, focuses upon the quantitative and qualitative measures related to program performance. 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. Rockingham Planning Commission and the other economic development stakeholders in the region play an important role in the achievement of the programmatic goals and objectives and the implementation of priority projects that address the EDA Investment Guidelines and REDC project eligibility criteria. The evaluation of the CEDS Process, Goals and Projects builds upon what was accomplished last year.

Evaluation of the CEDS Process

1. Levels of Participation

Goal: *To encourage a high level of participation in CEDS activities by a diverse group representative of both municipal and business leaders alike.*

Objective: To maintain a minimum of twenty persons at each CEDS event, session or forum and deliver two to four forums per year.

Inputs: EDA capacity investment grant this past year of \$ 62,000 and local private match pays for staff support, while additional funds from private industry and other sources pays for forum costs, such as speakers, refreshments or space fees. Last year match funds were provided by Sovereign Bank for “Financing Fast Growth in New Hampshire” (\$10,000) and EDA (\$ 10,000) for the Bi-State Summit.

Outputs: Three forums – Financing Fast Growth in New Hampshire, the Bi-State Summit, “Looking Beyond the Shipyard” and the Bi-State follow-up session – were held during this past year. Planning for a series of “green industry” workshops has begun for next year.

Outcomes: Attendance at CEDS forums generally meets or exceeds the participation goal of twenty persons at each event. Attendance at the Financing Fast Growth forum exceeded 54 attendees, while the Bi-State Summit (200+ participants) and follow-up session (80 participants) greatly exceeded the established participation goal. Evaluation forms reflected a high response

rate and overall satisfaction with the programs. Thirty-three (33) evaluation forms were submitted for the Financing Fast Growth forum and fifty-six (56) evaluation forms were submitted for the Bi-State Summit.

Impacts: The Financing Fast Growth forum has created some clients for the financial institutions, while the Bi-State Summit and follow-up session has established a framework for addressing the future of the Portsmouth Naval Shipyard, and the Seacoast region at large. Separate work groups have begun meeting and the incentive for the “green industry” workshop series was established through the search for emerging technologies appropriate for the region, as well as the ground breaking work in Epping regarding “green” building codes.

2. Data Development & Dissemination

Goal: *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.*

Objective: To maintain current and accurate demographic and other data on all towns, projects, available real estate sites, and companies in the region.

Inputs: EDA grant and local matching funds support staff, consultants and other outside persons to research, collect, collate, and provide the data in chart form. In particular, the Rockingham Planning Commission provides much of this updated information each year as part of the CEDS document.

Outputs: REDC continues to receive more than fifteen data requests per year. Seacoast United Way and the Rockingham Community Action Council have continued to rely on the data developed through the annual CEDS planning process for their Community Assessments and other planning activities. Private firms also use the data provided in the Five-Year CEDS and the Annual CEDS Updates. Municipalities rely on the data for their own reporting as well as comparative data from other towns for analysis. The analysis of the combined Maine and New Hampshire Seacoast economy as prepared by Ross Gittell and Charles Colgan for the Bi-State Summit provided an in-depth report on economic indicators in the Seacoast region.

Outcomes: The availability of this data provides the basis for grant applications by social service agencies, such as Seacoast United Way and the Rockingham Community Action Council, to access federal, state and non-profit funding sources to maintain or expand services available to low-income residents of Rockingham County. Similarly, private firms that utilize this data for their marketing plans will be able to expand and create new job opportunities for area residents.

Impacts: REDC worked on five separate non-EDA projects this past year that resulted in 161 jobs and the investment of \$ 9.37 million in private funds and \$ 1 million in public funds. Furthermore, grants received by municipalities and social service agencies serving Rockingham County have helped to maintain and/or expand the level of services to residents.

3. Marketing & Outreach of CEDS

Goal: *To promote the use of the CEDS document by the region's economic development stakeholders as a major resource and source of data in Rockingham County, as well as a "blueprint for success".*

Objective: 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.

Inputs: EDA annual planning investment funds of \$ 62,000 and local match funds provide support for the marketing and outreach effort.

Outputs: Hard copies and/or CDs of the Annual CEDS Update for 2006 were made available to the 37 municipalities, CEDS Steering Committee members, the REDC Board of Directors, federal and state funding agencies and other economic development stakeholders in Rockingham County. The Annual CEDS Update for 2006 and the Five-Year CEDS for 2005-2009 are available on-line at www.redc.com. The CEDS Newsletter, which is an e-mail update document, continues to be utilized as a means to reach out to the more than 200 economic development stakeholders. Other forms of communication, such as blogs, are being reviewed for their use in the marketing and outreach process.

Outcomes: The continued participation by more than 100 economic development stakeholders in the Five-Year CEDS "grass-roots" planning process, the CEDS Steering Committee members, local municipalities and private firms speaks well for the CEDS effort in Rockingham County. Requests for additional information continue to exceed fifteen per year and new projects, such as the Smutty Nose Brewery project, are being presented to the CEDS Steering Committee for their consideration every year.

Impacts: The CEDS Marketing and Outreach effort has established the CEDS "grass-roots" planning process as an established fixture in planning for the economic future of Rockingham County. Even though most communities in Rockingham County aren't currently eligible for EDA funding due to their positive economic status, the municipalities continue to participate in the CEDS process. The two funded EDA public works projects, the focus on the future of the Portsmouth Naval Shipyard and the continued interest in maintaining Rockingham County as an attractive place to live, work and visit provide encouragement for increased participation.

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 and software development firms with the economic development stakeholders providing the services.
Support the creation of better-paying jobs in distressed communities.

Inputs: EDA planning investment funds and local matching funds. Additional \$ 10,000 in EDA funds for the Bi-State Summit and matching funds from Sovereign Bank for the Financing Fast Growth forum (\$10,000).

Outputs: Fulfillment of EDD responsibilities through the maintenance of the comprehensive economic development planning process, support for local economic development projects and promotion of regional economic development projects. Continued support for forty-six (46) biotech and software development firms through the Financing Fast Growth forum. Established the framework for the future of the Portsmouth Naval Shipyard through Bi-State Summit activities.

Outcomes: Held Financing Fast Growth forum on July 16, 2006 and received 33 evaluation forms that will be utilized for future forums. Held Bi-State Summit on September 12, 2006 and received 56 evaluation forms. On November 29, 2006 held the follow-up session and created six focus groups: Boomer Power, Emerging Technologies, Housing, Small Business, Tourism and Transportation. Follow-up meetings are being planned.

Impacts: Implementation of five separate non-EDA projects that resulted in 161 jobs and the investment of \$ 9.37 million in private funds and \$1 million in public funds. Companies assisted include Liquid Planet, BioConcept Laboratories, Asphalt Recovery Technologies, LLC. REDC applied for an additional \$ 500,000 in IRP funds from USDA Rural Development. Establishment of framework to address the future of Portsmouth Naval Shipyard as a result of the Bi-State Summit, “Looking Beyond the Shipyard”.

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”.

Inputs: \$ 480 million in federal and state transportation funds for the widening of I-93. \$ 1 million state-funded two-year study to outline a regional water treatment system for 44 communities. REDC and RPC staff time to oversee the TIP and to meet with local officials.

Outputs: Community Technical Assistance program to assist communities impacted by I-93 widening. I-93 Transit Investment Study to address alternative forms of transportation for southern New Hampshire and northern Massachusetts along I-93. Ten-fold increase in the number of WiFi hot spots and free spots since 2004.

Outcomes: Improved and expanded infrastructure leads to increased private investment and attention to environmental issues. New infrastructure projects have been added to this year’s Priority Project List.

Impacts: \$ 15,000 grant to Atkinson under the Community Technical Assistance program. \$ 200,000 in EPA Hazardous Substance Assessment funds awarded to the Rockingham Planning Commission to address ten (10) brownfield sites. Expanded WiFi network in Rockingham County. Scenic byway funds to establish parking area in conjunction with the Hampton Beach Redevelopment Plan.

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 and software 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.

Inputs: Biotech incubator feasibility study by the New Hampshire Department of Resources and Economic Development (DRED). Biotechnology Career Pathway participation by the New Hampshire Community & Technical

College at Pease as part of “WIRED” effort with USDOL and USDOE. EDA Planning Investment funds to support REDC staff.

Outputs: Community-based job training grant from DOL to New Hampshire Technical Community College. Opportunity for team from Rockingham County – REDC, New Hampshire Technical College, the Eastern Region Partnership for Tech Prep (NH DOE), Seacoast School of Technology, and Lonza Biologics – and the DOL Project Director of Biotechnology to participate in a Strategic Partnership for a Competitive Workforce (SPCW) Institute for Building Partnerships and Career Pathways in high growth industries. REDC applied for additional \$ 500,000 in IRP funds from USDA Rural Development.

Outcomes: REDC has invested a \$ 500,000 CDBG loan with BioConcept Laboratories, which also has received workforce development funds to train its staff. REDC has also invested in a Salem based company, which will result in the creation of six jobs and the return of contract business from China. REDC is working with Liquid Planet, which could create 120 jobs in the central part of the county. REDC also attended the regional DOL conference to learn more about their Workforce Innovation in Regional Economic Development (WIRED) framework.

Impacts: The Bi-State Summit will establish the combined economic development and workforce development agenda for the next few years. The continued focus upon biotech and software publishing, in addition to the emerging clusters of “green” and marine industries, will provide direction for the allocation of workforce development funds in the near future.

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.

Inputs: Nearly \$ 1.6 million in Land and Community Heritage Program (LCHIP) funds were awarded to fifteen projects in Rockingham County during the past year. The New Hampshire Estuaries Project (NHEP) awarded grants to projects in Candia and Deerfield, Newfields, Seabrook and Exeter recently.

Outputs: The Town of North Hampton acquired 84 acres of open space through a \$ 1.4 million grant from the National Oceanic and Atmospheric Administration’s (NOAA) Coastal and Estuarine Land Conservation Program (CELCP). The Blue Ocean Society hired a watershed

coordinator through a grant from the New Hampshire Department of Environmental Services (DES) to restore Hodgson Brook in Portsmouth.

Outcomes: REDC has been working with the Smutty Nose Brewery project in Portsmouth and Asphalt Recovery Technologies, which have energy efficiency and recycling components. The Town of Epping has established the first-in-the-nation zoning codes requiring energy conservation measures within the sustainable designs of new buildings. REDC plans to focus upon “green” and marine industries as emerging technologies for the future. Plans are being made to sponsor a “green industry” workshop to focus attention on this growth industry.

Impacts: The State of New Hampshire is making a concerted effort to preserve open space. Rockingham County needs its share of open space in order to provide balance to the development that is occurring. Without the appropriate balance between economic development and quality of life issues, the region will be less attractive for private investment.

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 with the Workforce Housing Coalition of the Greater Seacoast to address the supply of workforce housing. Work with the Rockingham County Community Action Council to identify housing opportunities for workers. Assist with the development of a workforce housing plan for Rockingham County.

Inputs: The Workforce Housing Coalition continues to be the leading force in Rockingham County in addressing this issue. As a result of the Bi-State Summit, it appears that workforce housing advocates in New Hampshire and Maine will begin to pull together their resources in making a concerted effort to encourage the construction of more workforce housing units. The Workforce Housing and Land Conservation Forum was held on May 4, 2007 in Kittery, Maine to discuss developing housing projects, while also preserving conservation lands. Housing data provided by the Rockingham Planning Commission has become an integral component within the CEDS document.

Outputs: REDC has focused upon the need for more workforce housing as an economic development issue. Expanding and relocating firms are finding it difficult to attract workers due to the limited affordable housing opportunities. The Greater Portsmouth Chamber of Commerce continues to advocate for workforce housing due to its importance to the overall economy.

Outcomes: The Squamscott Block Building in Exeter, which is a mixed-use facility with 50% workforce housing, is currently under construction. Portsmouth recently adopted a housing density bonus in order to encourage the development of more workforce housing.

Impacts: The Bi-State Summit recognized this issue as a top priority in developing a vision for the future of the region. This will remain a leading issue for businesses until the state and local communities, in concert with the housing development community, work together to address the problem.

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.

Inputs: The Bi-State Summit epitomizes the ultimate regional cooperation project. The ability of economic development stakeholders from New Hampshire and Maine to work toward a common vision for the region will depend largely by focusing upon areas of common interest. REDC encourages communities to work together to address their problems through a regional solution. RPC continues to host its Municipal Forums to encourage collaboration among local communities.

Outputs: REDC has been working with Hampton Beach to access scenic highway funds in order to develop a parking area as part of the Hampton Beach Redevelopment Plan. REDC has also encouraged Londonderry to learn from Portsmouth's experience in redeveloping Pease Air Force Base.

Outcomes: Local fire departments in Rockingham County recently received assistance from the Assistance to Firefighters Grant (AFG) program administered by the Federal Emergency Management Administration (FEMA). More than \$ 730,000 for equipment and personal protective equipment was made available to eight communities to assist them with their homeland security issues.

Impacts: Regional infrastructure projects are necessary to limit the financial burden on individual communities and to encourage economic development and private investment. The experience related to development around Route

101 in central Rockingham County has served as a prime example of how public infrastructure projects can lead to increased private investment.

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.

Inputs: REDC staff time to meet with project proponents and to issue the annual Request for Proposals (RFP). REDC staff has also provided a briefing to the CEDS Steering Committee and followed up requests for additional information. During this past year, project proponents have made presentations at the CEDS Steering Committee meetings.

Outputs: 250 hours of REDC staff time to complete the tasks outlined under Inputs. One (1) new project was added to the Priority Project List this past year. The 2007 Priority Project List includes three top priority EDA funding candidates – Rte. 125 Infrastructure South – Drakes Site – Epping; the New Hampshire Biotechnology Incubation space; and the Epping Downtown Feasibility Study.

Outcomes: As outlined in the 2005 CEDS, the following outcomes occurred during the five year period ending in 2006:

Epping Crossing: 600 new jobs and improved road access;
Child Care loans: 40 new jobs, 225 new child care slots for the region;
Manufacturing loans: 100 new jobs created, 40 jobs saved.
North Apron Access Road completed to support future job creation.

In the last 12 months, the Priority Projects have had some movement forward. The I-93 Widening Project has begun at several locations; the Squamscott Community Commons project has made significant strides in acquiring property, site plan approvals utilizing a LEEDS Certified building design, and the receipt of \$2,500,000 in private donations to the project. The Community & Technical College at Pease has begun its' major renovations to the campus. The Newmarket Downtown project is about to enter Phase II. Tangible progress was seen on these projects this past year bringing the region much closer to goal attainments.

Impacts: Although Rockingham County has been the recipient of only two Public Works grants, the CEDS impact on the region has been significant. For the past seven years, economic development stakeholders in Rockingham County have sat around the table to discuss economic development priorities for the region. The ability to organize the Bi-State Summit would not have been possible in 2000 when this effort first began. REDC plays an important role in bridging the gap between the private and public sectors and it helps that REDC has other resources – CDBG and IRP – to match the limited resources available through EDA.