

# ANNUAL CEDS UPDATE 2003

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## **I. Executive Summary**

The submission of the 2003 Annual CEDS Update to the Economic Development Administration (EDA) by the Rockingham Economic Development Corporation (REDC) reflects the increased economic development capacity that has been developed in Rockingham County since 2000. When REDC and its economic development partners took up the challenge of completing the Five-Year CEDS “grass-roots” process and document in 2000 and re-establishing the partnership between Rockingham County and EDA, it was hard to imagine, given the limited EDA funds nationwide, that the County would be able to secure nearly \$ 1.5 million in EDA public works, economic adjustment and planning grants within the first three years of the CEDS effort. The investment by EDA does not even include the leveraged funds from other federal, state, regional and local agencies, non-profit entities and private agencies that have created jobs and improved the overall economy. Clearly, the EDA projects developed in Rockingham County have met the EDA investment guidelines and have moved Rockingham County much closer to the vision outlined in the Five-Year CEDS.

The 2003 Annual CEDS Update provides an overview of economic development activities in Rockingham County during the past year and begins to chart out economic analysis activities for the future. The economic recession has created new challenges for the economic development stakeholders in Rockingham County and the numbers of layoffs, particularly in the Information Technology and Computer Manufacturing sectors, have been fairly extensive throughout the County. This document has been divided into six parts – Executive Summary, CEDS Steering Committee, Past Year’s Activities, The Regional Economy, Development Strategies and Evaluation. The 2003 Annual CEDS Update documents the activities that occurred during this past year in order to illustrate how REDC has maintained a continuous, comprehensive planning process in Rockingham County.

Part II summarizes the activities of the REDC and the CEDS Steering Committee during this past year and references the membership list and minutes for the meetings in Appendix I and the Quarterly Forum information in Appendix 7. REDC held five (5) CEDS Steering Committee meetings and five (5) Quarterly Forum Workshops during the past year. REDC also established an Evaluation Committee to provide feedback to the CEDS Steering Committee on the previous year’s activities and scheduled initiatives to address performance issues under the specific programmatic goals. The Quarterly Forums provided a means to address topics of concern identified in the Five-Year CEDS process and document, to provide a networking opportunity for economic development stakeholders in Rockingham County and to maintain a continuous, comprehensive planning process. This past year the Quarterly Forums focused on workforce housing, marketing the CEDS process (PowerPoint presentation), job development for laid off workers, industry clusters and development and traffic issues. The REDC Board met on June 27, 2003 and formally adopted the 2003 Annual CEDS Update. The Annual CEDS Update Approval is included in Appendix 4.

Under Part III REDC addressed the past year’s activities by focusing upon project development, goal attainment and capacity building activities. Under the project development section, REDC cited its ability to secure local matching funds from the New Hampshire Housing Finance Authority, Public Service of New Hampshire, Sovereign Bank and Citizens Bank for its EDA Planning Grant and also described the following EDA activities: 2002 Annual CEDS Update, the North Apron Access Road and Utility Infrastructure at Pease International Tradeport, the Epping Crossing project, Granite Meadows Commercial Park, the Rockingham County Economic Development District (EDD) application and the RPC/Brentwood Technical Assistance grant application. Under non-EDA activities, REDC referenced the Appleseeds Day School project, the transportation funds available to local communities under the Transportation Improvement Program (TIP) and the Community Audit Project funded by the U.S. Department of Labor. Under the goal attainment section, REDC summarized the activities undertaken during

the past year in relation to the specific Short-Term Goals outlined in the 2002 Annual CEDS Update for this year. Once again, the performance of the economic development stakeholders in meeting these Short-Term Goals has been quite good, notwithstanding the state of the economy. The final section on capacity building summarizes the activities undertaken during the past year that illustrate the level of capacity that has been developed during the past three years to address economic development issues in Rockingham County. The CEDS PowerPoint Presentation and Article are included in Appendix 8.

The Regional Economy is discussed in terms of its current status and what can be done to positively influence it in the future. The introductory paragraphs highlight the current problems facing Rockingham County – higher unemployment rates and extensive layoffs, lack of housing at affordable prices for employees of expanding firms, increased burdens upon State and municipal governments in addressing budget issues, increased cost of energy and health care, and the diminution of the small-town character that has always reflected the values of New Hampshire residents. Comparison data on unemployment rates from 2001 through 2003 and layoffs between January 1, 2001 and May 14, 2003 illustrate the economic problems currently being faced by communities and private businesses in Rockingham County. The first section was developed by the Rockingham Planning Commission and updates the 2002 Annual CEDS Update through the use of new U.S. Census and state data. Updated or supplementary information has been added in the areas of population counts and projections, unemployment and occupation trends, while a new section summarizing current housing affordability issues has also been added. New charts are included in Appendix 3 and the 2001 Rockingham County Profile is included in Appendix 6. The second section was entitled Industry Cluster Analysis and was developed by Professor Charles Tontar of Merrimack College. This section is designed to focus attention on what industries Rockingham County needs to promote based upon an analysis that shows which industries provide the greatest competitive advantage. In particular, the analysis focuses upon seven industry clusters in Rockingham County: electronic manufacturing, retail, diversified industrial, tourism, financial services, business services and health services. A chart on Journey to Work data from the U.S. Census is also provided. Appendix 2 contains a collection of “bubble charts” that provide a visual perspective on these industries.

Section V entitled Development Strategies provides an overview of the CEDS Project RFP Process, the FY 2003 EDA Investment Policy Guidelines (including an update on the cluster-based industry analysis), a summary of the top, intermediate and long-term priority projects (EDA-funded and non-EDA funded) for Rockingham County, and a section on the Major Development Projects in Rockingham County (includes the EDA Public Works Funded Projects, Little Bay Bridge Expansion, Science & Technology Initiatives and Rockingham Park Racetrack).

The Top Priority EDA projects for this year are the Route 125 Infrastructure South – Drakes Site – Epping, the Main Street Reconstruction Program in Newmarket, the Black Bear Business Park in Newmarket, the Rockingham Park Racetrack Economic Impact Study in Salem and the Hampton Beach Master Plan (TIF zone) in Hampton. The Top Priority non-EDA projects are the Capitalization of the Countywide Regional Revolving Loan Fund, the Regional Sewer Project and the Ash Street Business Park (TIF zone) in Derry. REDC has also listed four EDA funded and one non-EDA funded Intermediate Priority Projects and one EDA funded and two non-EDA funded Long-Term Priority Projects.

REDC continues to encourage feasibility studies and non-construction projects as a means to diversity the Priority Project list and to show how important each type of project is to the overall economic development strategy for Rockingham County. The CEDS RFP Package is included in Appendix 5.

The Evaluation Section has been added this year to build upon the information that has been provided previously. Amendments to the 2001 and 2002 Annual CEDS Updates in the form of an Evaluation Section were submitted to EDA earlier this year. The Evaluation Section for the 2003 Annual CEDS Updates builds upon the formats used for the 2001 and 2002 documents and provides both a quantitative and qualitative evaluation for the State of the Regional Economy Relative to Goal Attainment under CEDS, CEDS Implementation Process (includes levels of participation, data development & dissemination, and marketing & outreach of CEDS), and the ten Goals and Objectives established under the Five-Year CEDS, as modified by the Annual CEDS Updates.

Without the active participation of the CEDS Steering Committee, the REDC Board of Directors and the economic development stakeholders in Rockingham County, REDC would not be able to complete our activities under the annual CEDS process. Special thanks are also extended to Rita Potter, the Economic Development Representative for the State of New Hampshire, Cassandra Lightly and the Philadelphia and Washington EDA Offices for their ongoing support and guidance.

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

In its attempt to maintain a continuous comprehensive planning process, the Rockingham Economic Development Corporation, Inc. (REDC) has held five (5) CEDS Steering Committee meetings and (5) Quarterly Forum workshops. The combination of the CEDS Committee meetings and the Quarterly Forums has ensured that there is a continuation of “grass-roots” input into the Annual CEDS planning process. In addition to these meetings, REDC has also established an Evaluation Subcommittee, which has provided feedback to the CEDS Committee on the overall performance of the CEDS program from both a quantitative and qualitative perspective. REDC has continued to publish its newsletter entitled “REDC Developments” to keep economic development stakeholders in the region informed on CEDS-related issues. Finally, REDC has developed a PowerPoint presentation on the CEDS and has utilized this presentation before professional organizations, the REDC Board of Directors and the CEDS Steering Committee.

The CEDS Steering Committee first met on October 23, 2002 to review the status of the 2002 Annual CEDS Update submitted to EDA and to respond to the comments received. Although the information requested was already in the document, the CEDS Steering Committee agreed to establish an Evaluation Subcommittee and to submit the requested Evaluation section for 2001 and 2002. A copy of the minutes for this meeting can be found in Appendix I. (Note: On January 22, 2003, the Evaluation Subcommittee met to review the draft Evaluation sections and to recommend that they be forwarded to the CEDS Steering Committee for final action.)

The CEDS Steering Committee met next on January 29, 2003 to review the draft Evaluation sections for the Annual CEDS Updates for 2001 and 2002. REDC outlined the general schedule for the development of the Annual CEDS Update for 2003 and discussed the funding situation related to EDA in Washington. A copy of the article prepared for the Public Service Company of New Hampshire newsletter was also distributed. A copy of the minutes and the article are included in Appendix I.

The CEDS Steering Committee met on March 19, 2003 to review the specific schedule for the completion of the CEDS document and the request for proposals format. The CEDS Steering Committee also reviewed the letter from EDA regarding the Evaluation component. A copy of the minutes for this meeting can be found in Appendix I.

The CEDS Steering Committee met on April 23, 2003 to review the projects that were submitted as a result of the RFP and to hear a presentation from Professor Charles Tontar on the Industry-Based Clusters Analysis for Rockingham County. The CEDS Steering Committee recommended that the two new projects be added to the CEDS Priority Project list. A copy of the minutes for this meeting can be found in Appendix I.

The CEDS Steering Committee met on June 18, 2003 to review the 2003 Annual CEDS Update and to make its final recommendation. With the changes recommended, the CEDS Steering Committee voted to approve and ratify the CEDS 2003 Update with revisions and recommendations that the REDC Board of Directors approve the document as well. A copy of the minutes for this meeting can be found in Appendix I.

The REDC Board of Directors met on June 27, 2003 to review the 2003 Annual CEDS Update and to receive the recommendation of the CEDS Steering Committee. The REDC Board of Directors voted to adopt and approve the CEDS 2003 Update. A copy of the official vote is included in Appendix 4.

The Quarterly Forums sponsored by REDC provide an opportunity to focus upon important issues faced by Rockingham County, reach out to the economic development stakeholders in the region and to receive feedback on these issues. REDC focused upon job creation, workforce housing, CEDS marketing and development and traffic issues. As always, REDC sponsored these events with other agencies in order to strengthen the regional partnerships already established and to reach a broad cross-section of people. A summary of each of the Quarterly Forums is listed below:

- REDC sponsored the first Quarterly Forum at a Workshop entitled “**Threats to the Regional Economy**” in Salem, New Hampshire on November 7, 2002. Other sponsors for this workshop included Public Service of New Hampshire, the New Hampshire Housing Finance Authority and the Community Development Finance Authority. Through presentations made by the representatives of the New Hampshire Finance Authority, the Workforce Housing Coalition, the Rockingham Planning Commission and the Town of Salem, the topic of workforce housing was thoroughly discussed in terms of its impact upon future economic growth in Rockingham County. Copies of the Agenda, Attendance List and workshop materials are included in Appendix 7.
- REDC hosted a formal gathering of the REDC Board of Directors, the CEDS Steering Committee members and other economic development stakeholders to hear an update on the CEDS process in Rockingham County and to view the **newly created PowerPoint presentation on the CEDS** to be utilized at various public and private functions. Previously, REDC had showcased this PowerPoint presentation at a meeting of the Board of Directors of the Community Development Finance Authority, who gave feedback on the presentation format. Networking opportunities were also made available and the EDA Representative, Ms. Rita Potter, was introduced and thanked for her support at the meeting. Copies of the Agenda and Attendance List are included in Appendix 7.
- On April 9, 2003, the REDC sponsored a workshop in Derry, entitled “**A Forum for Business Development**”. The purpose of this forum was to attract new business development and new jobs to the area. Derry has been adversely affected with job losses and company closings, in particular, the closing of Sanmina Corporation and resulting job losses of 210 employees. The program included an overview of State of New Hampshire Economic Development Services and comparative tax analysis of doing business in NH vs. Massachusetts. Many local officials were on hand to promote and encourage a positive development climate in Derry.
- During the April 23, 2003 Steering Committee meeting, the REDC had its first workshop on **Industry Clusters**. Professor Charles Tontar presented his preliminary findings to both the CEDS Steering Committee and the REDC Board of Directors. The presentation detailed the profile of Rockingham County companies by code and cluster. The Workshop was designed to foster discussion about the potential uses of Industry Cluster Analysis.
- Building upon its long-established relationship with the Rockingham Planning Commission, REDC was one of the sponsors of the **2003 Municipal Board Training Series**. These Training Series are held every spring and provide an opportunity to pull together municipal decision-makers to discuss issues of importance. Rockingham County, the Rockingham County Conservation District and the University of New Hampshire sponsored this year’s Training Series in Kingston, New Hampshire. The sessions entitled “Mock Planning Board” and “A Guide to Traffic Impact Studies” was held on June 23, 2003 and June 30, 2003 respectively. Given the impact of

development and traffic upon the quality of life in Rockingham County, these sessions prove an overview and networking opportunity for municipal officials in dealing with private development. Copies of the course description are included in Appendix 7 and copies of the Agenda and Attendance List will be forwarded under separate cover.

### **III. Past Year's Activities**

This section provides an overview of the past year's activities in relation to the Short-Term Goals outlined in the 2002 Annual CEDS Update. This past year has been quite successful in terms of receiving EDA funding for projects in Portsmouth, Epping and Raymond. With the limited staff and financial resources available to undertake the Annual CEDS Update process and the numerous grant application submissions, this region has accomplished as much, if not more, than other areas with larger staffs and resources. The ultimate objective is to establish an Economic Development District (EDD) for Rockingham County, which will provide annual planning funds and access to other economic development funds that can support staffing for the Annual CEDS Process, promoting economic development projects across the region and providing technical assistance to local communities in implementing their own economic development agenda.

This section consists of three components: Project Development, Goal Attainment and Capacity Building. The Project Development component summarizes the actions related to specific projects, which have occurred over the past year. The Goal Attainment component summarizes the past year's activities according to how REDC, RPC and their economic development partners accomplished the short-term actions (1 year) by specific goal, as outlined in the 2002 Annual CEDS Update, The Capacity Building component essentially summarizes how the past year's activities have increased the capacity of REDC and RPC to meet the requirements for an EDD. Somewhat related to this section is the Evaluation section included in the document under Part VI.

#### **A. Project Development**

This past year saw a leveling off of activity during the previous year due to a change in the economy. However, Rockingham County was able to receive EDA Public Works funding for Pease Development, Epping Crossing and Granite Meadows Commercial Park. REDC also received an EDA Planning Assistance Grant to support its Annual CEDS Update activities.

With the Planning Grant funds in hand, the REDC was able to secure matching funds from several private sources to continue the work of the CEDS. REDC received grants from the New Hampshire Housing Finance Authority (\$5,000.); Public Service of NH (\$10,000.); Sovereign Bank (\$5,000.) and Citizens Bank (\$5,000.).

Other non-EDA funded projects have also been summarized, as well as projects that were not initially listed in the Five-Year CEDS. A summary of each of these projects is as follows:

#### **Rockingham County Annual CEDS Update**

REDC built upon its successful "grass-roots" planning process undertaken for the Five-Year CEDS in 2000 and the 2001 Annual CEDS Update by completing the 2002 Annual CEDS Update. Once additional information on an Evaluation Component was submitted to EDA, the document was approved by EDA and projects in Rockingham County remained eligible for EDA funding.

The CEDS Steering Committee, CEDS Strategy Team and REDC Board of Directors continued to play active roles in this comprehensive economic development planning process. Funding for this effort was generated principally through an EDA Planning Grant and private contributions.

**North Apron Access Road and Utility Infrastructure**

**At Pease International Tradeport**

Pease Development Authority received \$ 500,000 in Public Works funds from EDA to build out a 3,500-foot access road and infrastructure to the airport. This project is currently being implemented. Refer to the Major Project Development section for more information on this project.

**Epping Crossing**

This project received \$ 500,000 in EDA Public Works funds during the past year and is currently being implemented. Refer to the Major Project Development section for more information on this project.

**Granite Meadows Commercial Park**

In March 2002, a public works pre-application for \$ 358,000 was submitted to EDA. This grant, which is being matched by \$ 450,000 from the Community Development Finance Authority (CDFA), will finance water and road improvements at Exit 4 of Route 101 in Raymond. The infrastructure improvements will assist in opening a 39-acre industrial park that consists of seven lots. This project received funding from EDA this past year and is currently being implemented. Refer to the Major Project Development section for more information on this project.

**Rockingham Economic Development District Application**

REDC submitted an application for Economic Development District (EDD) designation to EDA in October 2001. EDA has requested additional information from REDC regarding the application, but no designation of REDC as an EDD has been received yet. It is hoped that EDA will be able to move ahead on this designation soon.

**REDC Planning Grant Application**

REDC submitted a pre-application and application for EDA Planning Grant funds in early 2002. The \$ 50,000 planning grant was approved and helped pay for activities related to the Annual CEDS Update. REDC has completed its activities under this planning grant.

**Rockingham Planning Commission/Town of Brentwood**

**Technical Assistance Grant Application**

The Rockingham Planning Commission and the Town of Brentwood submitted a pre-application for \$ 10,000 in EDA Technical Assistance funds. Additional information was requested by EDA, but, ultimately, the pre-application was returned and no funding was made available.

Non-EDA funded projects were financed as well during the past year and supported the attainment of the CEDS Goals. These projects included the following:

- REDC provided \$ 280,000 in Community Development Block Grant (CDBG) funds to Appleseeds Day School in Exeter for a total project cost of \$ 1.1 million. This project has provided 104-day care slots and created 20 jobs at competitive wages. The project also provides twelve college credits for Early Childhood Education courses to enable the workers to improve their skills and advance through the childcare job ladder.

- According to the Rockingham Planning Commission, the Rockingham County region received approval for \$4.38 million in Federal transportation enhancement (TE) and congestion mitigation/air quality (CMAQ) in the most recent round of project selection. These grants fund transportation projects that generally enhance quality of life by improving the functionality of the transportation system, and by addressing congestion and air quality problems. The projects approved in 2002 will be funded within the next 2 to 4 years. The Federal funds require a minimum of 20% match from local and/or state sources. The projects approved in 2002 include:
  - Piscataqua Riverwalk (30% of cost) in Portsmouth
  - Bicycle Route in Hampton (Rt. 1 to Beach via Winnicunnet Rd.)
  - Scenic Byway Pull off in Kensington
  - Express bus service from Portsmouth-Rochester
  - Train Station Parking expansion in Exeter
  - Coordinated traffic signal system in parts of Portsmouth downtown
  - Coordinated traffic signal system on 111 in Windham
  - Coordinated traffic signal system on NH 33 in Greenland/Portsmouth
  - Develop Intelligent Transportation System Plan for Salem
  - Construct bicycle shoulders on NH108 between Newmarket and Newfields
  - Construct approx. 1.2 miles of multipurpose path and sidewalk on Mammoth Rd in Londonderry.

Other major Rockingham County transportation and planning projects included on this year's Transportation Improvement Program (TIP) include the following:

- Hampton and other toll facilities (approximately \$13,000,000): implementation of Electronic Toll Collection will be completed over the next 2 years. This will include some widening, computer upgrades, and other work at the Toll facilities in addition to the installation of the ETC equipment.
- ITS and Incident Management System Deployment. An Incident Management System and other Intelligent Transportation Systems improvements will be implemented on Interstate 95 and the Spaulding Turnpike (NH 16) beginning in the summer of 2003.
- Intersection upgrade at Hunt Road/Newton Junction Road Intersection with NH 125 will begin work in 2004. This is the first phase of a larger project to make improvements to NH 125 in Plaistow and Kingston.
- Signal coordination projects will be implemented in Salem (Pelham Road), Portsmouth (Woodbury Avenue), Plaistow (NH 125) and Greenland (NH 33 near I-95).
- NH 111 bypass will begin construction in Windham and Salem in 2003. This project is expected to be completed in 2005 and will create a limited access roadway to connect between NH 111, NH 28 and Interstate 93.
- The Interstate 93 widening through Salem, Windham, Derry and Londonderry is in the process of completing an Environmental Impact Statement and is scheduled to begin some construction work in 2004.

- The Spaulding Turnpike/Little Bay Bridges project to make improvements to the Spaulding Turnpike in Newington and Dover is beginning the Preliminary Engineering phase and will be starting work on an EIS in 2003. Construction will not begin on this project for several years.
  - NH 125 widening project in Plaistow and Kingston is in the engineering and design phase. The Hunt Road/Newton Junction Road Intersection with NH 125 will be constructed beginning in 2004 and the remainder of the widening will be phased after that.
  - US 1 Bypass improvements in Portsmouth, including changes to the Portsmouth Traffic Circle at the Interchange of I-95, US 1 Bypass and NH 16 is beginning engineering work.
- REDC completed the Community Audit Project during this past year. This project tied together Rockingham County and North Country in an attempt to match excess business demand in Rockingham County with the excess labor supply in North Country. Due to changes in economic conditions over the past two years, this project did not continue to meet a pressing need and implementation of the project was put on hold until market conditions improve.

## **B. Goal Attainment**

REDC, in conjunction with its economic development stakeholders in Rockingham County, has been able to accomplish many of the Short-Term Actions outlined in the 2002 Annual CEDS Update. The changes in the economy and the eligibility of local communities for EDA funding based upon new 2000 Census data has made for some changes, but REDC has been able to focus upon other economic development opportunities caused by extensive layoffs throughout the County. Some programmatic changes needed to be made during the year, but, the overall focus of the CEDS effort has been maintained and expanded.

This year's CEDS effort has been dedicated to maintaining a continuous planning process, to encourage the involvement of as many economic development stakeholders as possible, to develop worthy projects that meet the goals and objectives of the Rockingham County CEDS and conform with the FY 2003 EDA Investment Policy Guidelines and to build upon the capacity already established.

REDC has accomplished much of this through the scheduling of five CEDS Steering Committee meetings, five Quarterly Forum sessions, outreach efforts to professional organizations and municipalities, the development of a CEDS PowerPoint presentation for marketing purposes, the authorship of a guest article on CEDS for "New England Developments" Newsletter, sponsored by NorthEast Utilities system members and the formalization of an Evaluation component within the CEDS and the establishment of an Evaluation Subcommittee. Furthermore, REDC has promoted projects in Epping, Raymond and Brentwood, while also providing follow-up information to EDA regarding its EDD Designation. REDC was also successful in receiving a planning grant to maintain a continuous comprehensive planning process and to develop the 2003 Annual CEDS Update.

REDC held five CEDS Steering Committee meetings (10/23, 1/29, 3/19, 4/23, and 6/18) and an Evaluation Subcommittee meeting on January 22. The Quarterly Forum Sessions have addressed job creation, workforce housing, CEDS marketing and development, industry clusters and traffic issues. Member communities have been notified about eligibility requirements for EDA projects and have been provided a copy of the EDA Investment Policy Guidelines. REDC has been quite active

in securing EDA public works grants for Epping and Raymond, as well as an annual planning grant for \$ 50,000. REDC has been able to tie its activities administering the Revolving Loan Fund into other non-EDA job creation activities.

In terms of meeting the specific goals established in the Five-Year CEDS developed in 2000 and maintained in the 2002 Annual CEDS Update, REDC and the other economic development stakeholders in Rockingham County were able to accomplish the following:

**1. Increase the supply of skilled and semi-skilled workers for private industry through increased collaboration between employers, educational institutions and the workforce development system.**

The DOL Community Audit project has been completed and a model has been developed that can be utilized in the future. New business contacts were developed because of this project and new ways to explore a continuing relationship between Rockingham County and North Country in addressing pockets of distress were laid out. There are ongoing efforts to secure funding from DOL under the H-1 B Visa program in conjunction with the Biotechnology Council. The applicant is still awaiting word on the funding of a grant that was submitted recently. REDC has established a working relationship with the Workforce Opportunity Council to work jointly on EDA/DOL funded programs. REDC is also actively promoting the Training Challenge grant. REDC has also provided access to college level credits in a Child Care degree program to employees of Appleseeds Day School, as part of a financing package. This was collaboration among the employer, the educational institution and the lender.

**2. Expand the County's infrastructure to encourage balanced growth that accommodates industrial, commercial and residential development, while maintaining the quality of life in Rockingham County.**

As a result of the TIF District Quarterly Forum held last year, there is active interest in the towns of Derry, Hampton and Newmarket to pursue such a designation. REDC will be providing support to these communities on an as needed basis. The REDC, along with an affiliate organization, the Seacoast Business Alliance Corporation (SBAC), has co-sponsored a Rural Business Opportunity Grant Application from USDA – Rural Development on behalf of the Hampton Beach Development project and the formation of a TIF District. REDC worked with the Town of Brentwood and the Rockingham Planning Commission to develop a pre-application for funding to help address development pressures in the area, but the Town was not invited to submit an application by EDA. REDC has been active in marketing the Garrison Glen Corporate Park in Exeter with between 750 and 1,000 marketing pieces being mailed to, potentially expanding businesses.

REDC has provided similar support to other development projects in the region as well. This effort may be part of a broader Promote Rockingham County effort with the CEDS document as a centerpiece of this marketing campaign.

**3. Target assistance to those areas in the County that are not fully sharing the economic benefits of the current economy and are likely to be left behind in the future economy.**

The changing nature of the economy and the data to be utilized to determine eligibility for EDA grants has affected which communities are eligible for funding. In the past, many of the communities were eligible based upon per capita income. Now some of these communities and other communities are becoming eligible based upon unemployment rates and major layoffs within the community. REDC has been working with EDA and the local communities to adjust to the new realities regarding eligibility. The Cluster-Based Industry Analysis has been included in this year's Annual CEDS Update and will provide the basis for future economic strategies. REDC has worked closely with Epping and Raymond on their EDA public works applications and has provided the necessary technical support when requested. The model developed by REDC in the case of the Compaq closing in Salem several years ago is an excellent model to be applied to firms that are laying off workers in Rockingham County. The sponsoring of Job Fairs with Sanmina in Derry as part of the Quarterly Forums and other sessions throughout the County ensures that REDC stays in touch with the needs of employers, employees and local municipalities.

**4. Expand employment and access opportunities for all residents by implementing public transit networks that address the needs of workers, the elderly, youth, employers and local communities.**

The Route System study for COAST has been completed and several additional routes, such as the one connecting the Portsmouth Community Center to job sites in the region, are under consideration. Grant applications are being developed to support the extension of a route along Route 7. The transit plan for the Derry/Londonderry transit system has been adopted and funding has been secured from the New Hampshire Endowment for Health and future funding will need to be secured from the Federal Transit Administration. Apart from the success of the "Down Easter" train line, the expansion of train service into New Hampshire is still in the planning phase.

**5. Preserve and protect the quality of life in Rockingham County by enhancing the area's natural resources and encouraging concentrated development throughout the County.**

Several communities, such as Epping, Hampton Falls and East Kingston, have taken advantage of the Rockingham Planning Commission's "tool box" and are at different phases of implementation. The hazard mitigation planning efforts to implement the new Homeland Defense initiatives have begun and plans have been completed for Exeter and Fremont. RPC has completed the draft Water Resources section of the Regional Master Plan.

**6. Encourage the re-use of commercial/industrial land to reduce the dependence upon new development and to target investment to those areas with established infrastructure.**

Market forces have affected the pursuit of Brownfield sites at this time. REDC has been working with local communities on their downtown revitalization plans and attempted to work with RPC and Brentwood as well. Additional work needs to be done in this area.

**7. Increase the supply of housing available to workers at an affordable price through active partnerships between employers, state agencies and local development entities.**

REDC sponsored a Quarterly Forum workshop on Workforce Housing in Salem on November 7, 2002. Another workshop was tentatively planned for the Spring of 2003 for the Seacoast region, but it was determined that it would be hard to attract people due to recent programs that had already been held. The Housing Needs Assessment based upon the Silicon Valley model is still being completed. A representative of the Workforce Housing Task Force has been added to the CEDS Steering Committee.

**8. Resolve problems through increased intermunicipal cooperation and create regional solutions that address local economic development issues.**

The sponsorship of the Municipal Board Training Series by REDC has ensured that there is an interconnection between the CEDS and municipal issues. This year's Series, which was held in June, will focus upon development and traffic issues. RPC will provide some hands-on expertise for these municipal officials in dealing with these issues. Additional topics of interest relate to shared sewer facilities and the feasibility of a waste treatment facility. REDC is scheduling a Quarterly Forum in the Fall of 2003 for Professor Charles Tontar to make a presentation on his Cluster-Based Industry Analysis for Rockingham County. Other topics to be considered would be focusing on the New Hampshire Advantage and the availability of financing from federal and state agencies.

**9. Identify and secure federal, state, local, private and non-profit funding sources to implement the CEDS Action Plan and provide information to local communities on available resources.**

REDC has delayed applying for IRP and EDA Revolving funds until it can be determined how competitive Rockingham County would be. In the case of the EDA Revolving funds, we have been informed that there are no funds available at this time. REDC has developed a pre-application for EDA planning funds and will be submitting it to EDA shortly. REDC has provided additional information to EDA regarding its EDD designation and is anxiously awaiting designation. REDC has been quite active in securing other grants, such as a two-year Seed grant from CDFA for \$50,000. REDC has been able to secure private matches from financial institutions and utilities to meet the local match requirement for the EDA Planning Grant. REDC's administration of the Revolving Loan fund has enabled it to benefit local communities and private businesses as evidenced by the following examples:

Appleseeds Day School in Exeter, \$ 242,000 loan, 20 new jobs, 104 day care slots; Kiddie Academy in Windham, \$ 280,000 loan, 27 new jobs; 130 day care slots; Novia Associates in Salem, SBA expansion loan, 15 retained jobs; PALCO/NH Freight in Raymond, 12 retained jobs and 5 new jobs; and North American Equipment Upfitters in Auburn, 20 retained jobs.

**10. Initiate new ways of resolving problems and moving projects forward that encourage active citizen involvement and participation resulting in a new spirit of volunteerism.**

REDC has implemented an outreach and marketing program to encourage the involvement of more residents in the CEDS process. An updated web page and the CEDS power point presentation will be utilized as the principal marketing tools. REDC is constantly updating its mailing list and keeps in touch with the Rockingham County economic development stakeholders through its newsletter.

### **C. Capacity Building**

Since REDC completed its initial “grass-roots” CEDS planning process, there has been continual capacity building in Rockingham County. A network of economic development stakeholders has been established and the combination of CEDS Steering Committee meetings and Quarterly Forums has ensured that there is a feedback mechanism for this process. The ability to secure several EDA public works and planning grants reflects how far Rockingham County has come in four short years. REDC, working in conjunction with the Rockingham Planning Commission (RPC), has continued to provide the leadership in addressing the economic future of Rockingham County and in developing partnerships needed to move the County closer to the vision outlined as part of the Five-Year CEDS planning process.

Even with the small staff and limited resources, REDC has been able to complete the following capacity building activities during the past year:

- The completion of the \$ 70,000 economic adjustment (Compaq) and the \$ 50,000 planning grants from EDA demonstrate REDC’s ability to manage federal grants. REDC will be submitting an additional planning grant for \$ 50,000 to EDA shortly.
- In terms of longer-term prospects, REDC submitted an Economic Development District (EDD) application to EDA in November 2001 and recently provided updated information related to the application to EDA. This formal designation would essentially formalize the role that REDC has played during the past four years, provide annual planning funds to support the CEDS planning process promote economic development projects throughout the County and provide technical assistance to local communities in their economic development planning efforts.
- REDC has reached out to local communities to assist them in addressing their economic development needs. Utilizing public presentations, the Quarterly Forums, and the recently developed CEDS power point presentation, REDC has reached out to local communities and provided support for their economic development needs.
- REDC was able to identify \$ 10,000 in EDA Technical Assistance funds and to encourage RPC and the Town of Brentwood to apply for these funds. Unfortunately, the funds were not provided.

- REDC has provided technical and liaison support with the EDA on three major public works projects – Epping Crossing (\$ 500,000), the Pease North Apron Access Road (\$ 500,000), and Granite Meadows Commercial Park (\$ 358,000). Each of these projects has received funding from EDA. The funding of these three public works projects represents a major achievement for an area the size of Rockingham County.
- As a result of REDC’s role in the Five-Year CEDS Planning Process, the Executive Director for REDC was asked to make a presentation on the CEDS process to the CDFA last year. This opportunity represented the first time that the CEDS PowerPoint presentation was used. Participation in this private sector planning process represented a significant step in linking public and private sector initiatives to promote the economic future of Rockingham County. See Appendix 8.
- Additionally, the REDC Executive Director was asked to write a “guest column” on the CEDS for the “New England Developments” Newsletter, sponsored by the Northeast Utilities System. The article focused on what we gain from participating in a CEDS process. See Appendix 8.
- During the course of the last year, it is estimated that REDC made five presentations to the Boards of Selectmen, local Boards and private agencies related to the economic development planning process in Rockingham County. REDC has also established a regular newsletter entitled “REDC Developments”, which is designed to keep the economic development community informed of upcoming events and to elicit their active participation in the CEDS planning process. REDC has also upgraded its web page so that greater access to the CEDS documents may be provided and an additional outreach mechanism may be established.

## IV. The Regional Economy

The problems facing Rockingham County today are similar, yet somewhat different, from those outlined in the Five-Year CEDS completed in 2000. The growth in the County has continued building upon the 12.8% population growth between 1990 and 2000. According to Vital Signs 2003 – Economic and Social Indicators for New Hampshire – 1998-2001 developed by the Economic and Labor Information Bureau for the New Hampshire Employment Security Office, New Hampshire has been the eighth fastest growing state in the country and has the fastest growth rate in New England at 1.6%. Rockingham County has experienced an even higher growth rate between 2000 and 2001 – 2% - and is projected to grow by nearly 45% to a total population of 400,848 in 2020 according to projections done by the Office of State Planning in 1997.

The high rate of growth has had an impact upon other problem areas – the availability of housing at affordable prices for the County’s workforce, the increase in traffic congestion, the increased burdens upon municipal budgets in keeping up with the demands for services, the increasing cost of energy and health care and the diminution of the small-town character that has always reflected the values of New Hampshire residents. The growth in industry and available jobs from the early 1990’s to 2000 has helped raise the per capita income above the 80% threshold, however, the more recent layoffs, particularly in the telecommunications and computer industries, since 2000 have created new problems for pockets of distress throughout the County. The vibrant dot.com industry of 2000 has also been seriously impacted by recent economic conditions.

The unemployment problem in Rockingham County has grown since the Five-Year CEDS was completed in 2000. Unemployment rates have grown by nearly two percentage points in most communities since January 2001. These unemployment rates generally undercount the number of people out of work because their unemployment status has exceeded their unemployment benefits; therefore, these people disappear from the statistical ranks of the unemployed. In general, the unemployment rate for Rockingham County has been higher than that of New Hampshire, but lower than the national average. In December 2002, the unemployment rate for Rockingham County (5.9%) exceeded the nation’s (5.7%) for the first time in nearly a decade. Also, pockets of distress within the County, particularly in the Seabrook – South Hampton, NH Portion Boston, MA-NH Primary Metropolitan Statistical Area (PMSA) and the Salem-Derry, NH Portion Lawrence MA-NH PMSA, have experienced unemployment rates 1-2% above the national unemployment rate for the past twenty-four months. A comparison of these unemployment rates since January 2001 illustrates the increase in the number of unemployed in Rockingham County. In 2003, the unemployment rate seems to have peaked in January and has come down somewhat as of the April figures. The following chart summarizes the changes in unemployment rates that have taken place since January 2001:

<u>Community/Area</u>	<b>2001</b>		<b>2002</b>		<b>2003</b>	
	<u>Jan'01</u>	<u>Jan'02</u>	<u>July'02</u>	<u>Dec'02</u>	<u>Jan'03</u>	<u>Apr'03</u>
United States	4.7	6.3	6.0	5.7	6.5	5.8
New Hampshire	3.4	4.5	4.0	4.6	5.1	4.3
Rockingham County	3.9	5.3	5.1	5.9	6.4	5.3
Salem-Derry PMSA	4.4	6.4	6.0	7.0	7.5	6.3
Seabrook-South Hampton PMSA	8.0	8.7	7.4	8.1	10.1	8.4
Derry	3.9	6.0	5.8	7.0	7.7	6.2
Exeter	2.9	4.0	4.5	4.2	4.4	3.3
Hampstead	3.6	6.7	6.1	7.3	6.9	6.6
Hampton	4.3	5.4	4.4	6.3	6.2	4.9
Kingston	4.9	6.1	5.3	6.1	7.1	4.6
Londonderry	3.5	5.1	5.1	5.7	5.5	4.6
Newmarket	2.9	3.3	5.4	4.7	5.0	4.7
Plaistow	4.6	7.5	6.6	6.5	7.2	7.0
Portsmouth	2.1	3.4	3.5	4.4	4.6	3.8
Raymond	4.2	5.4	5.5	7.4	8.2	6.0
Salem	5.1	6.9	6.0	7.4	7.6	6.4
Seabrook	8.8	9.3	7.7	8.5	10.8	8.9
Windham	4.4	6.0	6.5	6.4	6.3	6.0

The unemployment trends during the past two and a half years have been fueled by the layoffs in Rockingham County. Based upon information developed by the New Hampshire Department of Resources and Economic Development (DRED), there were 324 companies experiencing rounds of layoffs statewide between January 1, 2001 and February 12, 2003. These layoffs have resulted in 118 closures and the termination of 19,135 workers. In the case of Rockingham County during this same period, there have been 72 layoffs and approximately 5,500 terminated workers. This represents an overall impact of 22% of the layoffs and 28% of the terminated workers statewide. Furthermore, layoffs that have occurred in adjacent counties, Massachusetts and Maine have negatively affected residents of Rockingham County as well. Even though only twelve Rockingham County communities experienced layoffs during this period (based upon the reported data), the economic impact was felt countywide. Major corporations experiencing layoffs and, in some cases closures, included Bradlees, Sanmina Corporation, Celestica, Service Merchandise, Flextronics, Tycom Ltd. (Simplex), TyCom Ltd., Enterasys, and FPL Energy, Seabrook Station. The most severely impacted communities were Portsmouth (27 layoffs; approx. 1,200 terminations), Salem (13 layoffs; approx. 600 terminations), Newington (8 layoffs; approx. 1,100 terminations), Derry (6 layoffs; approx. 1,100 terminations), and Exeter (6 layoffs; approx. 500 terminations).

The other communities impacted were Deerfield, Londonderry, Newfields, Northwood, Plaistow, Seabrook and Stratham. (Note: During the period from February 13, 2003 to May 14, 2003, DRED reported an additional 37 layoffs, 7 closures and the termination of 1,093 workers statewide. Within Rockingham County, there were five layoffs, one closure and the termination of 191 workers. The specific communities impacted were Hampstead, Plaistow, Portsmouth and Salem.)

The next two chapters of this section provide more detailed information on the Regional Economy and what can be done to address the economic problems. As outlined in the most recent Beige Reports from the Federal Reserve Bank of Boston, the problems encountered by Rockingham County are not dissimilar from those experienced in the rest of New England and, more particularly, the Greater Boston region. The state of the economy is largely controlled at the national level, but there are steps that economic development stakeholders in Rockingham County can take to assist the private sector in improving the economic situation. The first chapter was developed by the Rockingham Planning Commission and updates the 2002 Annual CEDS Update using new U.S. Census and state data. In particular, updated or supplementary information has been added in the areas of population counts and projections, unemployment and occupation trends. A new section summarizing current housing affordability issues has been added as well. The second chapter was developed by Professor Charles Tontar of Merrimack College and is entitled Industry Cluster Analysis. This analysis attempts to determine the regional characteristics that drive economic development in Rockingham County. By understanding what the strengths are of the Rockingham County economy, the CEDS Steering Committee can better work with the REDC and RPC staff to develop policies that support these industries. In particular, the analysis focuses upon seven industry clusters in Rockingham County: electronic manufacturing, retail, diversified industrial, tourism, financial services, business services and health services. The response to this analysis by economic development stakeholders in Rockingham County will help determine new CEDS policies to be implemented next year and, more importantly, in 2005 when Rockingham County develops its "grass-roots" driven Five Year CEDS.

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

Since the publication of the 2002 Annual CEDS document, updates to some of the data compiled in the report have become available. Where available, new data has been incorporated into the appropriate data summary tables, which are included as part of this CEDS Update. Specifically, updated or supplementary information had been added in the areas of population counts and projections, unemployment and occupation trends. In addition, a new section summarizing current housing affordability and related factors has been added. This information is summarized below.

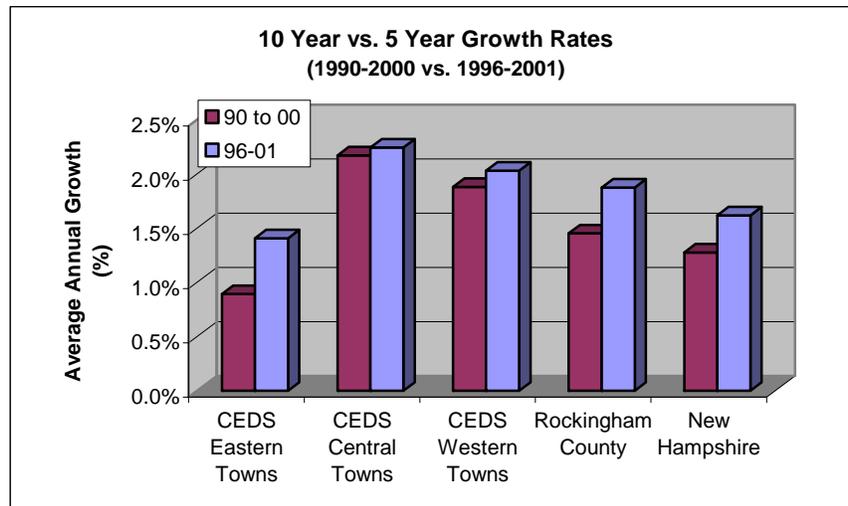
### **1. Population**

#### **2001 Population Estimates**

In August of 2002, the NH Office of State Planning Published its annual population estimates for New Hampshire Cities and Towns. This is the first such estimate released by OSP since publication of the 2000 Census population count. OSP bases its annual estimates on responses received from cities and towns on an annual survey taken each year regarding numerical changes in constructed housing units (both additions and demolitions).

Results are converted to population estimates based on person-per-household data applicable to the county. The results of the estimate for 2001 indicate a population increase of 4,146; a 2.3% increase in population over 2000 population. This is a considerably higher growth rate than the average for the past decade of 1.5%. This continues a trend observed in the latter half of the 1990s, which saw faster growth than in the early 1990s (Figure 1).

**FIGURE 1**



The largest proportionate increase was seen in the CEDS Eastern towns, which have been growing more slowly in recent years. The fastest growth is still occurring in the Central towns, which grew at 3.1% for the year and 2.2% over the past 5 years. In absolute terms, the Western towns grew the most in 2001, adding nearly 3000 in population in this single year. See Table A-1: Population History and Projections – Incl. 2001 Population Estimates for Town-by-Town detail of these numbers. (Appendix 3)

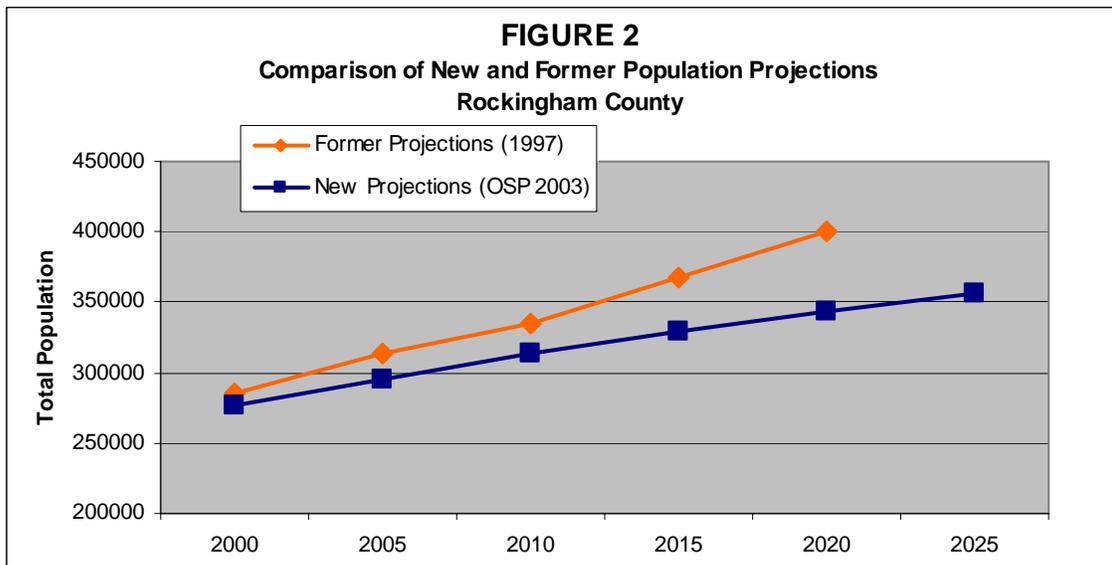
## Population Projections

The Office of State Planning is also responsible for preparing population projections for the state. These projections are updated approximately every 5 years, with the previous projection prepared in 1997. In March of 2003, OSP released new projections, which adjusted the forecast to account for 2000 Census results and for what generally appears to be an over-estimate of the 1997 population projections.

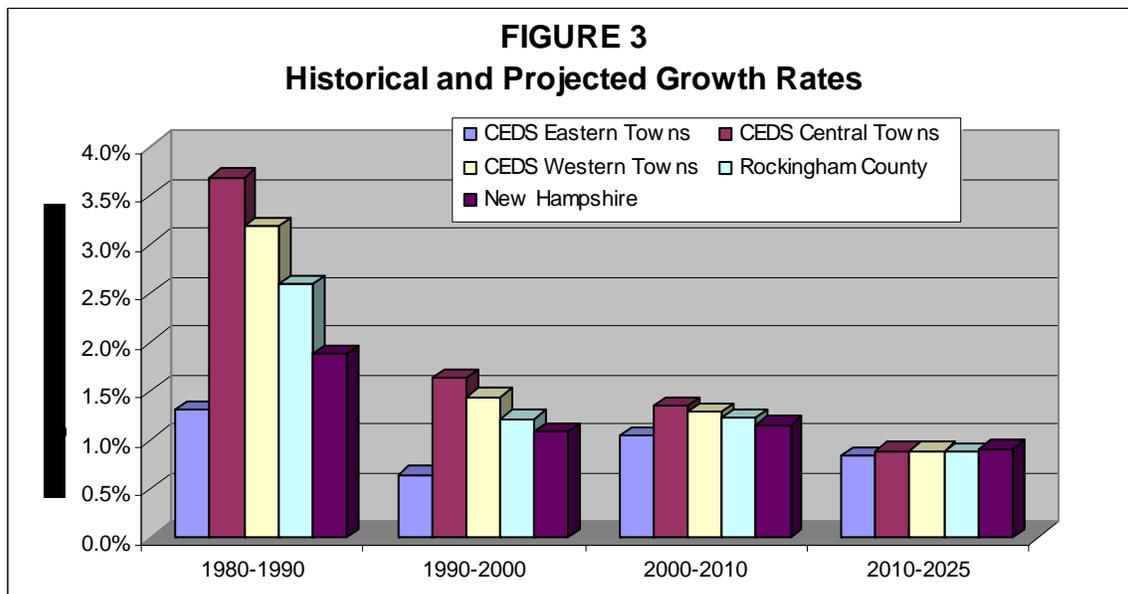
The projections are made at a 'macro' or statewide level. State totals are then distributed at the county and town levels based on an expected share of the overall growth. The sub-state distributions are made based in part on historical growth shares and in part on input from the state's nine regional planning agencies. The project period has been advanced 5 years and now covers the period 2005 to 2025. Within this period, projections are provided in 5-year increments. A new table, inserted as Table A-1A: Population History and Revised Population Projections have been added to the CEDS Data Summary (see Appendix 3) to provide additional detail about these projections, and to show them in context with historical growth.

As illustrated in Figures 2 and 3, the new projections show a significant decline in expected growth for Rockingham County. Whereas the old projections indicated that the average annual growth rate between 2000 and 2020 would be 1.7%, the new projections reduce that to 1.0% per year – a reduction of over 40%.

Further, the new projections show a slightly declining rate over the projection period, with growth at 1.2% per year to 2010 and 0.9% from 2010 to 2025. The 1997 projection actually showing increasing growth rates over time.



Also interesting to note (as illustrated in Figure 3) is that Rockingham County growth estimates are coming more into line with the statewide projections. Even within the County, the CEDS sub regions are showing less variation over time. Viewed in the historical growth context, the new projections show a continuation of a trend toward slower growth in all geographic segments in evidence from 1980 to 2000, but with the trend moderating significantly. This slowing is in large part inevitable because the sheer size of population in the County makes rapid growth less sustainable.



Although growth rates are shown to be slowing, even at 1% per year, the County will grow by 80,000 people or about 30% between 2000 and 2025. To help put that number into context, consider that a reduction of 80,000 people from 2000 would place us at our 1982 population levels. The new projections translate to an average population gain of 3200 per year – about 30% less than the average growth over the past 3 decades.

Within the big picture of future population growth, considerable variation is shown in town-by-town projections. As illustrated in Appendix 3, color graph entitled “Projected Growth by Town in Rockingham County 2000 – 2025”, the largest absolute growth is expected to occur in the larger communities in the CEDS Western sub region. According to the projections, that sub region will account for about 35,000 of the 80,000 in new population, while the Central region will see about 21,000 and the Eastern region, 23,000.

A word of caution is in order regarding the town-by-town projections: these numbers are heavily influenced by *past* growth history, which is not necessarily a reliable indicator of future growth. This is especially true for communities that are approaching ‘build out’ under existing zoning or where growth policies have changed in response to rapid growth.

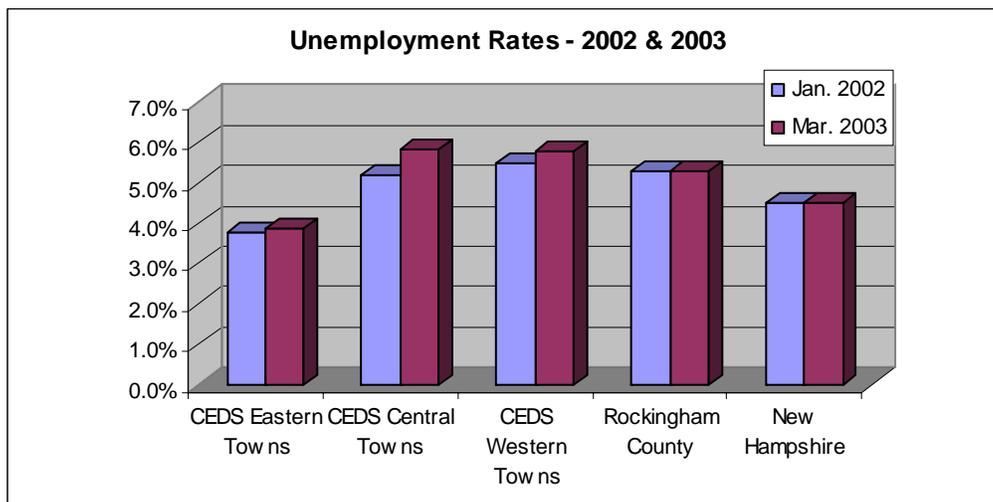
## 2. Employment Data

### Current Unemployment Rates

Table E-1 – Other Economic Indicators from the CEDS report has been updated to include the most recent unemployment data (March 2003)<sup>1</sup> available from NH Department of Employment Security (see Appendix 3). Overall, the 2003 numbers show no change in unemployment either for the County as a whole or for the State. They continue to show Rockingham County’s rate to be significantly higher, at 5.3%, than for the State, at 4.5%.

Looking at the average of Towns within each CEDS region, a marginal rise in unemployment can be seen in the Eastern region; more significant increases are seen in the Central and Western region. (See Figure 4).

**FIGURE 4**



<sup>1</sup> Comparisons between 2002 and 2003 use unemployment statistic from different months (January and March) which may introduce seasonal variation in the numbers and make them less comparable. In the future, the CEDS report will standardize on March employment data.

The Eastern region continues to have a significantly lower rate, averaging 3.9%, while both the Central and Western regions both average 5.8%. These numbers tend to mask a large number of towns with much higher unemployment, including Seabrook (9.8%), Danville (9.0%), Newton (7.9%), Plaistow (7.2%) and East Kingston (7.0%). Nine communities (Newmarket, Newfields, Fremont, Chester, Auburn, Danville, Candia, Sandown, and East Kingston) have seen their unemployment rate increase by 200% or more over the past two years. The broad economic context is that the underlying rate nationwide is rising slowly, reflecting a weak economy producing few new jobs.

### Unemployment Trends

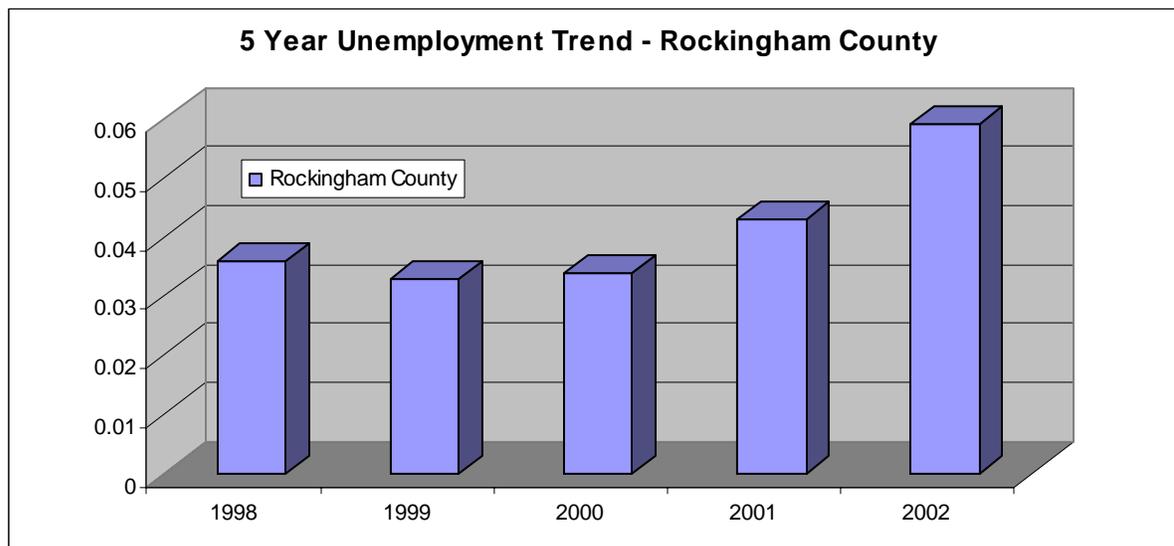
As is true for all of New England, the past several years have seen a steep upward trend from historically low rates of unemployment. As illustrated in Table 1 and Figure 5, unemployment reached a low of about 3.3% in 1999 and had close to doubled by 2002. If first quarter 2003 trends continue for the remainder of 2003, it appears that unemployment will level off at approximately 2002 levels or better.

**TABLE 1**

AVERAGE ANNUAL UNEMPLOYMENT RATE					
	1998	1999	2000	2001	2002
Rockingham County	3.6%	3.3%	3.4%	4.3%	5.9%
Portsmouth-Rochester PMSA	2.6%	2.4%	2.4%	3.0%	4.4%
Salem-Derry PMSA	4.5%	4.1%	4.3%	5.2%	7.1%
Seabrook-So. Hampton PMSA	6.2%	5.3%	5.4%	6.9%	8.5%
New Hampshire	2.9%	2.7%	2.8%	3.5%	4.7%
New England	3.5%	3.3%	2.8%	n/a	n/a
USA	4.2%	4.2%	4.0%	4.8%	5.8%

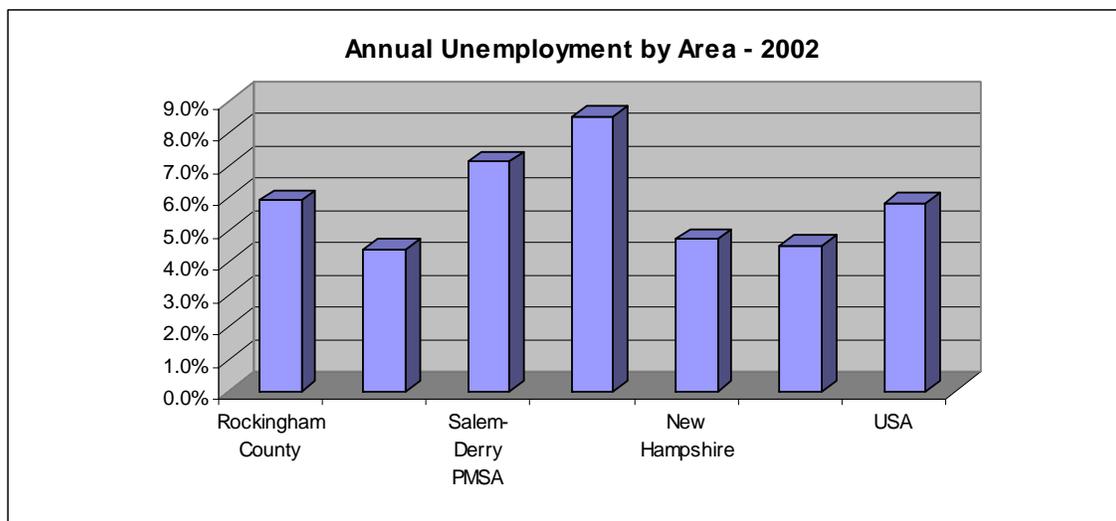
Source: NH Employment Security

**FIGURE 5**



Although New Hampshire as a whole has fared better during the recent economic downturn than most of New England, Rockingham County has been more severely affected. In part, this is due to the higher percentage of workers dependent on jobs in neighboring Massachusetts. Many of these jobs have been in high tech and software service sector, which have been disproportionately affected by recent job losses.

**FIGURE 6**



Within the relevant labor market areas, the Seabrook and Salem-Derry areas continue to show significantly higher unemployment, while the Portsmouth-Dover-Rochester LMA fares significantly better than the County average.

### Current Employment

Table C-5 has been updated to include the latest information from the NH Department of Employment Security's *County Profiles* Report and shows changes in numbers of employers, employees and average wages between 2000 and 2001 (see Appendix 3). Table C-5 attempts to present this data town-by-town, summarized by CEDS sub region but unfortunately, some data is suppressed in smaller communities or where a single employer makes up more than 80% of the collected data. This means that only the County and State totals are accurate. The subregion subtotals do not account for suppressed data.

As shown in Table 2 on the following page, employment and wages held up reasonably well in the 2001 totals, despite the weakening economy nationwide and the shock of the September 11 terrorist attacks. The total number of reported employment rose by 1400 or 1.1% yet the population grew at a considerably faster pace of 2.3%. Average wages rose by \$15 per week or 2.3%, and this helped keep wages ahead of inflation, which was half only 1.4%. A very small decline was registered in the total number of establishments employing people.

Since 1998, Rockingham County's total average weekly wage grew by 14.8% to \$704, compared to the statewide increase of 14.7% to \$682. Rockingham County's average weekly wage is the second highest in the state, and is second only to Hillsborough County, which had a total average weekly wage of \$756.

**TABLE 2**

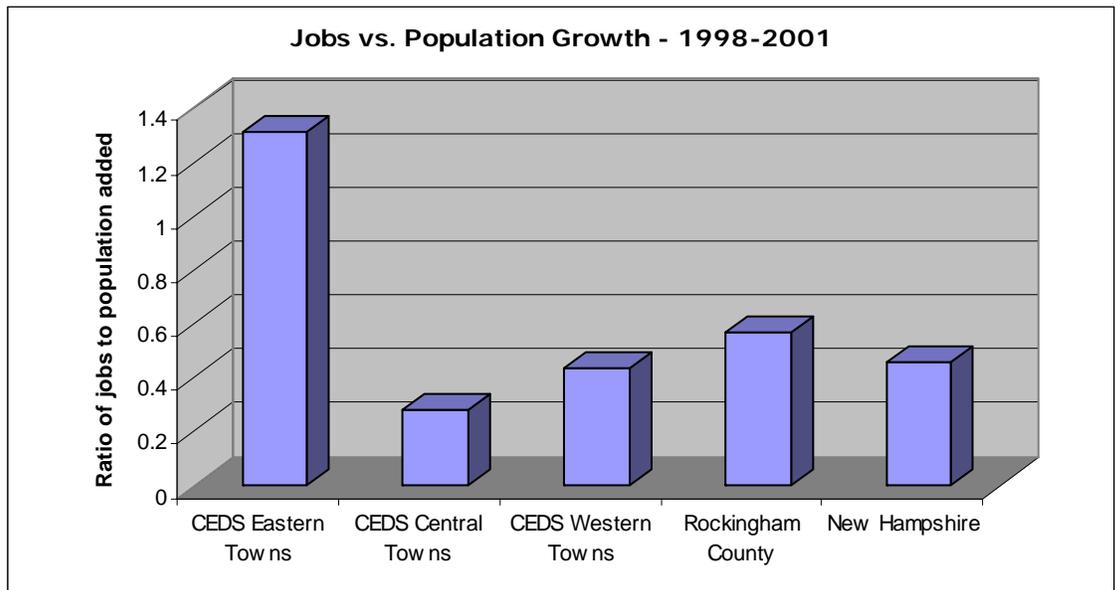
**Changes in Employment and Wages, 2000-2001**

	Units (Establishments)	Average Annual Employment	Average Weekly Wage
<b>Rockingham County</b>			
2000	9,526	129,560	\$688.80
2001	9,490	130,960	\$704.60
Change	-36	1,400	\$15.80
% Change	-0.4%	1.1%	2.3%
<b>New Hampshire</b>			
2000	41,906	606,604	\$667.90
2001	42,238	610,446	\$682.38
Change	332	3,842	\$14.48
% Change	0.8%	0.6%	2.2%

Comparing employment from 1998 to 2001, the greatest job growth occurred in the Eastern sub region, where about 6203 jobs were added, and in the Western sub region, which added about 3,900 jobs. The majority of the growth was concentrated in the larger communities. A striking difference between job growth and population growth is shown in Figure 7. Whereas the average ratio of jobs added per population growth is about .5 jobs per person, in the eastern portion of Rockingham County, that ratio is more than doubled.

Conversely, in the Central area of the county the ratio is lower than average. These data are yet another indicator of the jobs-housing imbalance, which is further discussed in Section 3 below.

**FIGURE 7**



## Employment Projections

The New Hampshire Department of Employment Security publishes employment projections by industry and occupation every two years. The most current projections were released in February 2003 and began the agency's transition to a new industry classification code, the Standard Occupational Classification (see definition). Results for this projection are included here to compliment the REDC's Industry Cluster Analysis effort, which began this year (See Appendix 2 Industry Cluster Analysis) and will continue with greater emphasis in future CEDS updates.

Although employment projections are not made at the County level, for the purposes of this analysis we have applied statewide growth projections to the County employment base as of 2000. This assumes that statewide industry and occupational trends will apply more or less equally within the County as they do in the State as a whole. This is probably true for some industry groups and not true for others. The effect of industry clustering, for example, may mean that certain industries grow faster or slower in certain regions of the state based on proximity to other establishments in the same industry. Our derived County level projections are not intended to be a specific prediction of employment levels, but rather to show the relative magnitude and general direction of employment change that can be expected for major industry sectors.

### "Occupational Classification Codes"

The Bureau of Labor Statistics assigns a six-digit code designed to classify occupations logically, based on type of work performed and the skills required in the job. Projections for 2000 –2010 use the new Standard Occupational Classification (SOC) system that has replaced the occupational codes used in prior versions of projections. Comparison with prior years should be avoided, because there have been many changes.

Major occupational groups have been renamed, recombined, and reorganized. Some occupations are no longer listed, while newer occupations are listed for the first time. Significant changes have been made in teaching and computer-related occupations – special education teachers are now classified according to the level of school, and computer occupations make distinctions between applications, systems, and networks.

## Methodology

The OES (Occupational Employment Statistics) Statewide projections for 2010 are influenced by national economic forecasts developed by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). Below are some assumptions made in the development of national and statewide projections.

### National Projections (developed by BLS):

- The dollar value of a barrel of crude oil, will gradually stabilize, with a moderate downward trend in oil prices over the ten-year period.
- There will be a gradual decrease in personal income taxes over the next decade, reflecting the recently passed (2001) tax cuts; there will be virtually no increase in federal gasoline taxes; and a decline in corporate tax rates to an anticipated level of 29.8 percent by 2010.
- Productivity growth will occur at a sustained rate of 2.8 percent annually.

- The labor force will expand by 1.1 percent per year from 2000 to 2010, the same rate as the 1990-2000 period.
- A total U.S. population will increase at an annual rate of 0.9 percent.
- No major wars, oil embargoes, significant price shocks, or serious natural catastrophes affecting long-term growth will occur.

State Projections (developed by Economic and Labor Market Information Bureau):

- Population growth will be close to the national average of 0.9 percent annually.
- Personal income per capita will grow at a 2.9 percent annual rate, compared to the national rate of 2.6 percent.
- No major changes in state business, personal, or property taxes will occur.
- No assumptions are made about cyclical or seasonal changes, or events such as large plant openings or closings.

The ELMIB (Economic and Labor Market Information Bureau) provides the additional general caveats regarding employment projections, which should be considered when reviewing these projections:

- New Hampshire has a relatively small economy, so movement of a large company into or out of the state would have a large effect on percentages. (This is even more predominant at the County level, which is perhaps one reason that ELMIB does not publish sub-state projections.)
- A loss or gain of a small number of jobs in an occupation class that has few workers can yield large percentage changes.
- Users should not consider the projections as a precise prediction of employment levels. Instead, the relative magnitude and probable direction can be used as a starting point in analyzing future industry and occupational employment.

### **Overall Employment Growth**

The ELMIB projections show statewide employment growth between 2000 and 2010 of 18.1%, or 1.7% per year. This is a considerably slower pace than for the previous ten-year period during which total employment grew at 3.5% per year – more than three times the rate of population growth (see Table 3). However, it remains faster than projected overall population growth, which is projected to grow at 1.22% per year for the same period. Rockingham County and the State saw virtually the same rate of overall job growth from 1990-2000. Population and growth comparisons for Rockingham County and the State show consistent patterns as well, with both state and county growth projected to be level between the 1990-2000 and 2000-2010 periods. The ratio between employment to population shows a steady rise over time as employment growth continues to outpace population growth.

**TABLE 3**

Population and Employment Growth Comparisons							
		1990	2000	2010	Annual Growth		
					1990-2000	2000-2010	
<b>Population</b>							
	Rockingham County	245,845	277,359	313,130	1.21%	1.22%	
	New Hampshire	1,109,252	1,235,550	1,385,210	1.08%	1.15%	
	Rock. County as % of NH	22.2%	22.4%	22.6%	--	--	
<b>Employment</b> (covered empl, except govt)							
	Rockingham County	77,045	109,376	129,415	3.57%	1.70%	
	New Hampshire	429,529	603,931	713,357	3.47%	1.68%	
	Rock. County as % of NH	17.9%	18.1%	18.1%	--	--	
<b>Ratio of Employment to Population</b>							
	Rockingham County	31.3%	39.4%	41.3%	--	--	
	New Hampshire	38.7%	48.9%	51.5%	--	--	

**INDUSTRY SECTOR PROJECTIONS**

If the statewide projection hold true for Rockingham County, the next ten years will, with some exceptions show the continuation of employment and industry sector trends that have been in place for the past decade and longer. As shown in Table 4 and in Figures 8, 9 and 10, the manufacturing sector will continue to decline in its share of total employment. Moreover, manufacturing is the only sector that is projected to show an actual decline in the total number employed, despite an overall employment growth of nearly 20%. Despite the decline, the manufacturing sector will remain the third largest employment sector in our economy, at 12%.

On the positive side, the services sector is expected to continue gaining share just as it did in the 1990s. It is projected to see an increase of more than 10,000 jobs and climb to 30% in total employment – far more than any other sector. The next largest gainer is retail trade, which will add 6000 jobs or 18%. Its share of total employment will remain steady at about 27%. Other sectors show smaller changes, both in job share and percentage gain or loss.

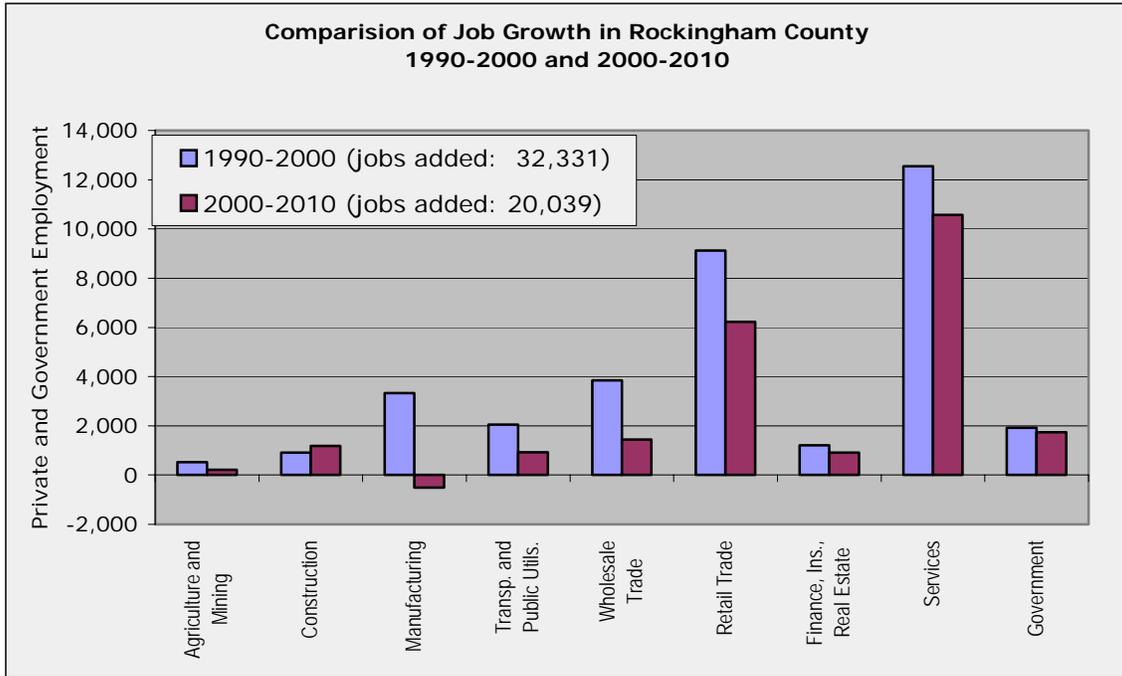
**TABLE 4**  
Rockingham County Employment History & Projections by Industry and Occupation

SIC Code	Industry	Employment 1990	Employment 2000	Employment Change 1990-2000	% Change 1990-2000	Projected NH Employment Growth 2000-2010	Projected Rockingham County Employment 2010 (1)	Projected Growth - Rockingham County 2000-2010 (1)
<b>Total Wage and Salary Employment</b> (excludes government, self employed and non-paid family workers)		<b>77,045</b>	<b>109,376</b>	<b>32,331</b>	<b>42.0%</b>	<b>18.1%</b>	<b>129,415</b>	<b>20,039</b>
7-14	Agriculture and Mining	476	1,001	525	110.3%	20.5%	1,206	205
15-17	Construction	5,094	6,006	912	17.9%	19.8%	7,192	1,186
20-39	Manufacturing	15,430	18,764	3,334	21.6%	-2.7%	18,257	-507
40-49	Transp. and Public Utils.	4,143	6,186	2,043	49.3%	14.8%	7,103	917
50-51	Wholesale Trade	4,197	8,043	3,846	91.6%	17.9%	9,484	1,441
52-59	Retail Trade	25,386	34,510	9,124	35.9%	18.0%	40,733	6,223
60-67	Finance, Ins., Real Estate	5,820	7,026	1,206	20.7%	13.0%	7,941	915
70-89	Services	22,319	34,866	12,547	56.2%	30.3%	45,439	10,573
--	Government	10,880	12,800	1,920	17.6%	13.5%	14,534	1,734

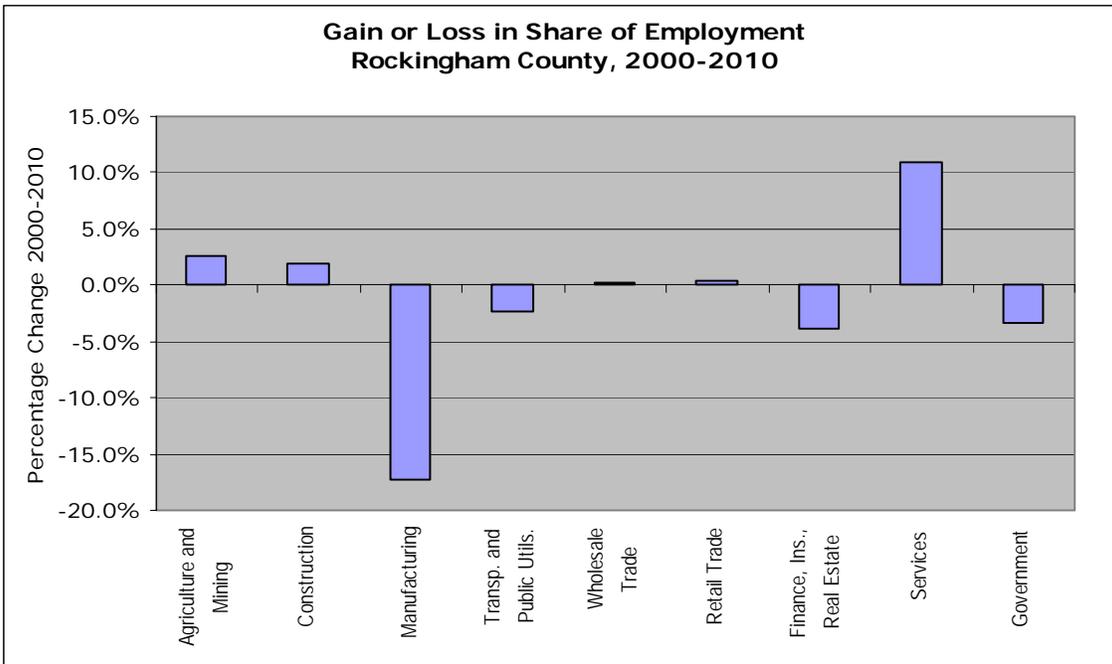
n = Not disclosable - indicates that data does not meet disclosure standards.  
\* = numbers were combined for SIC Codes with same figures

(1) County level projections are not published; the figures shown for Rockingham County are the result of applying statewide percentage changes to 2000 County employment

**FIGURE 8**



**FIGURE 9**



**FIGURE 10**

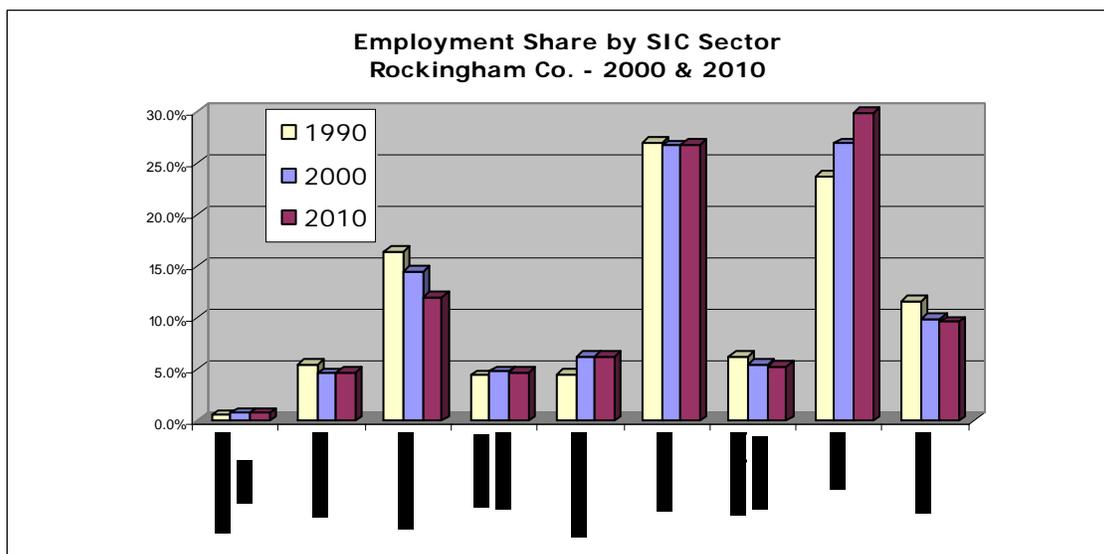
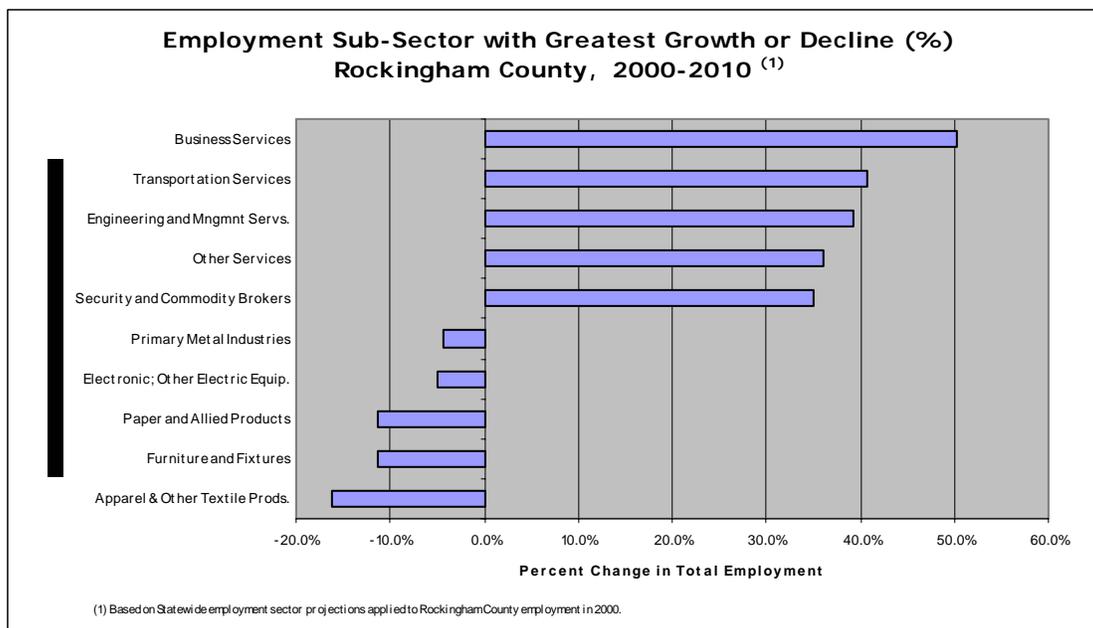


Table C-6 located in Appendix 3 shows employment trends within employment sub sectors. Not unexpectedly, four of the five top gainers in employment are in the service sector, while all of the five biggest losers in employment are from the manufacturing sector.

**FIGURE 11**



Of greatest concern in these trends and projections is the continuing erosion of the manufacturing sector. If the projections are accurate, Rockingham County will do no better than maintain the existing number of manufacturing jobs, even as total employment grows by 20,000.

Thus, the manufacturing sector will shrink significantly as a percentage of the economy – to be replaced largely by jobs in the service sector, which are typically lower paying, and with less ‘multiplier’ benefit to the economy.

### 3. Affordable Housing

A key area of concern for Rockingham County identified in the 2000 CEDS was the lack of adequate affordable housing to support a growing workforce. Among other problems this creates is the inability of employers to find and employ an adequate workforce, thus making the region less attractive to new employers. This will have the effect of limiting future economic development in much of the County. It also has the effect of stimulating sprawl and highway congestion as commute trips become longer and longer and workers move further away from the county’s job centers in search of housing they can afford. This CEDS update includes a summary and analysis of the problem as it exists today. This will be further expanded upon in the next full CEDS Plan update, which will occur in 2005.

#### Overview

According to the 2000 US Census, New Hampshire is the ninth most expensive State in the U.S. to live. Over 40% of New Hampshire’s homeowners and 33% of our renters pay more than 30% of their household income for housing, a federally defined measure of affordability. This statistic succinctly defines the key housing issue facing Rockingham County today: *the lack of an affordable supply of housing to meet the needs of a diverse population and a rapidly growing workforce.*

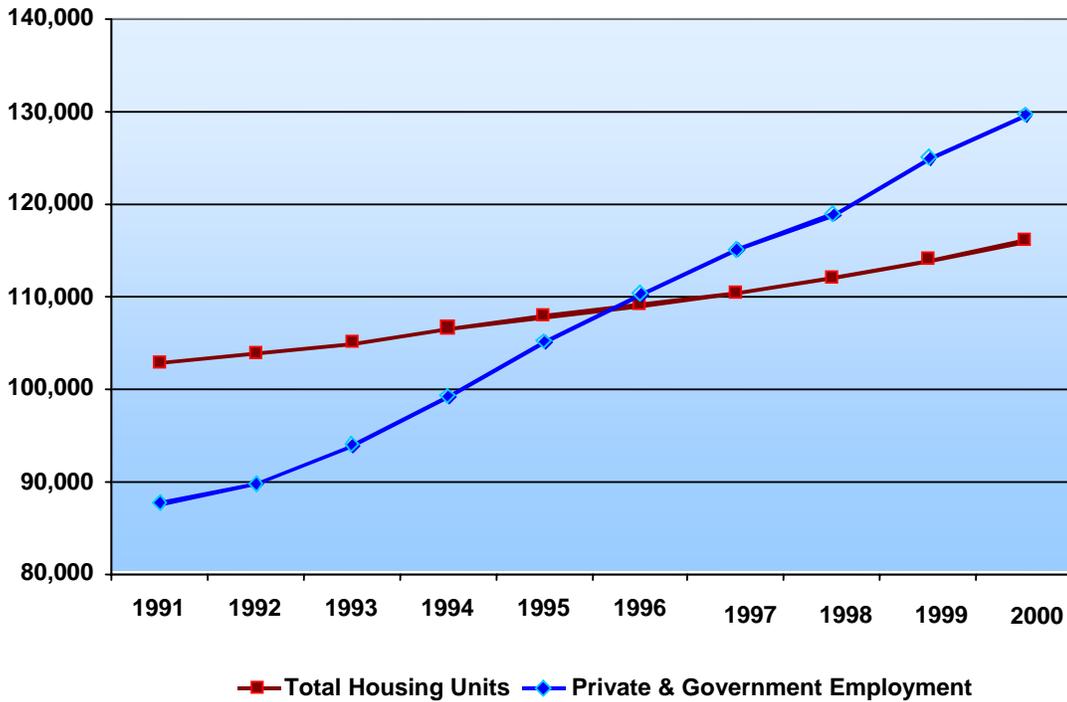
Rank	State	Housing Wage for Two Bedroom Rental
51	New Jersey	\$16.88
50	District of Columbia	\$16.60
49	Hawaii	\$16.52
48	Massachusetts	\$16.43
47	New York	\$16.04
46	Connecticut	\$15.67
46	California	\$15.22
44	Alaska	\$15.18
<b>43</b>	<b>New Hampshire</b>	<b>\$14.15</b>

This situation has been brought about by a number of conditions, including the strong and sustained period of economic growth during the 1990s, the resulting growth in jobs and labor force, a robust market for high cost homes, high land costs, little opportunity for high density residential construction, and low production rate for housing.

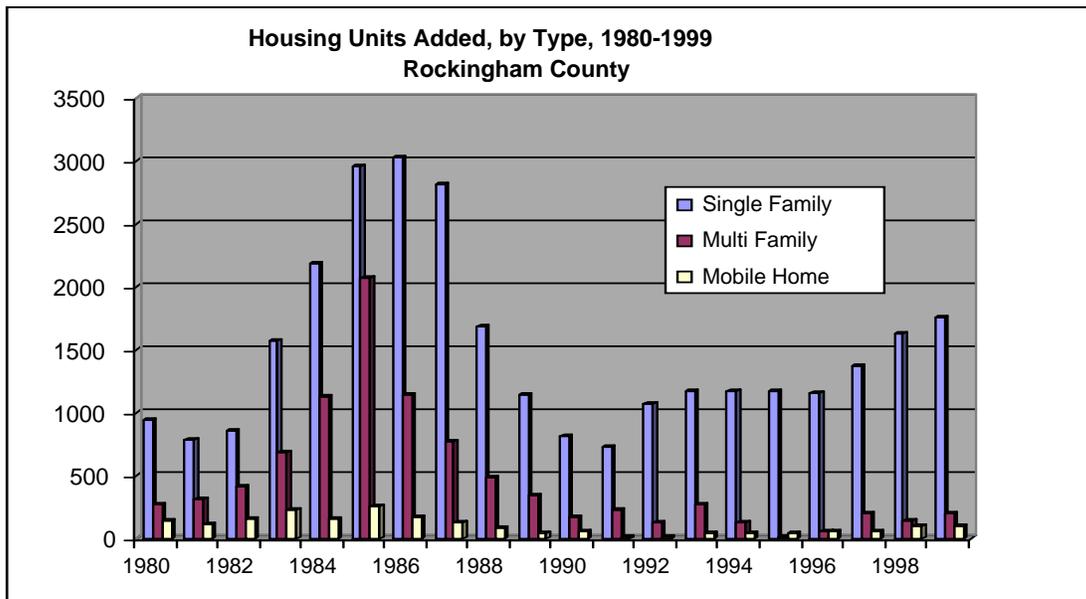
The current housing crunch began with the economic growth of the 1990s that created jobs, and the labor force expanded in response. Over the same period, however, the rate of housing creation was substantially less than the rate of job growth. As seen in the following chart, beginning around 1992 the trend in employment growth began to rise dramatically in comparison to the trend in housing production. Historically, housing in the State was created at a rate of 800-900 units per 1,000 jobs created; in the 1990s housing creation dropped to about 450 units per 1,000 jobs.

Not only has total housing construction been limited, but also the type of housing units being constructed has been, and continues to be predominantly single-family homes. The following chart illustrates the peak housing construction boom in the mid-1980s, followed by a drop during the recession of the early 1990s. While single-family home construction has recovered from the recession, multi-family and mobile home construction continues to lag. This is critical since those types of housing are a significant source of “affordable” or “workforce” housing.

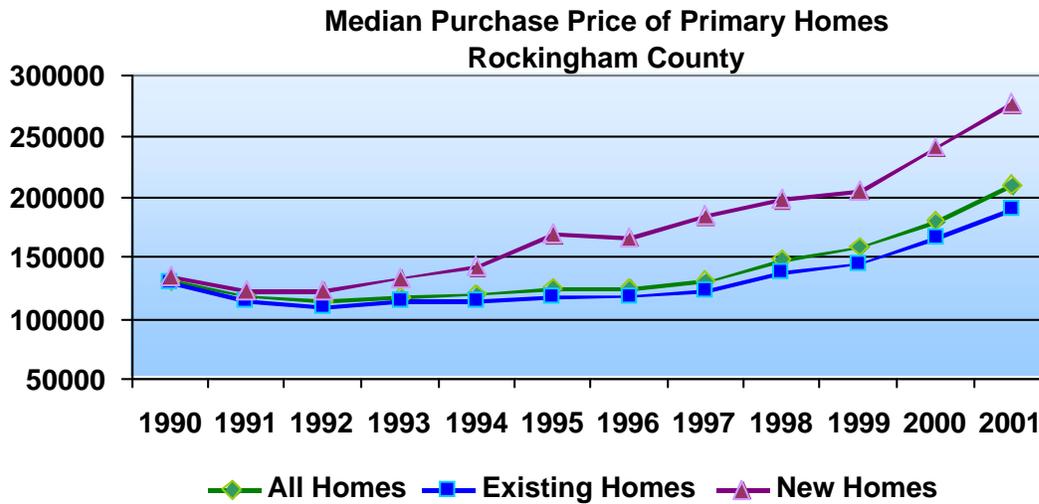
**Employment vs. Housing Units  
Rockingham County**



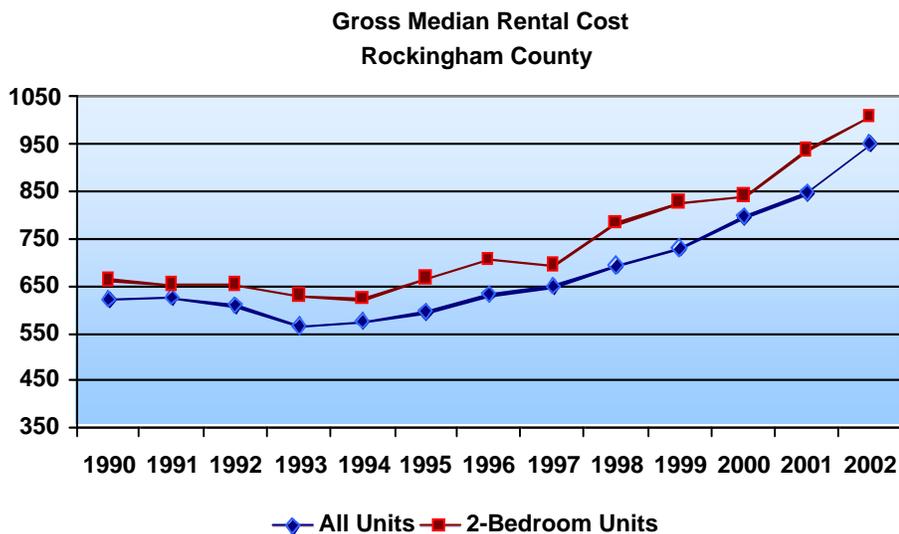
Looking in more detail at the types of single-family homes being constructed, it is clear that the market favors high-end, high-cost homes. Much of this is driven by the high cost of land and the costs of development, which are passed on to homebuyers.



The chart below illustrates the trend in median purchase prices of single-family homes in Rockingham County, with a comparison between existing and new homes. The price of both existing and new homes has been rising since around 1992, but more strikingly, the price of a newly constructed home is significantly greater and has risen substantially faster than prices of existing homes.



The cost of rental housing has also seen a sharp increase over the past decade, and with more residents competing for fewer units being constructed, vacancy rates are alarmingly low. While this situation is advantageous for landlords, many would argue that the region is in, or is approaching, a crisis situation for business owners who are facing problems finding workers, and for residents who are finding it increasingly difficult to work and live in the same region.



For both homeowners and renters, an affordability gap has developed, and is especially pronounced in lower income households. The unbalanced housing situation has significant human, social and economic impacts. Economic growth in the future requires a balanced housing market, one that will accommodate an expanding labor force, reduce the affordability gap and provide reasonable housing choices to residents. Without a balanced market, economic growth will be curtailed and recoveries from economic downturns and recessions will be slowed.

According to the New Hampshire Housing Finance Authority, housing production must be doubled from its present rate to match the rate of job creation in the 1990s. This statistic is particularly startling as the data is statewide, and Rockingham County is experiencing significantly higher growth than the State.

### Gross Rental Cost for Two Bedroom Units

Median Gross Rental Cost 2002

- Less than \$600
- \$600 to \$750
- \$750 to \$900
- More than \$900



Generally, rates of housing production are driven by economic growth; as housing developers try to satisfy a need created by an expanding labor market. The housing market in Rockingham County is more complicated, however. As a result of housing shortages beginning in the 1990s, the free market has been unable to react timely to the current shortage.

There are many barriers to meeting the region's housing need, including, but not limited to:

- ✓ A construction labor force that diminished to half its size in the late 1980s as a result of the severe economic recession;
- ✓ Changes in banking and contractor attitudes regarding risk, especially in terms of extended build-out periods for developments which can be subject to market contraction;
- ✓ High, and largely unavoidable construction costs;
- ✓ Unfavorable tax benefits resulting from Federal tax law changes;
- ✓ Limited subsidies from the Federal government; and,
- ✓ Community resistance to residential development.

One reason often cited by developers for not keeping pace with the demand for housing is community resistance to housing proposals. New Hampshire's reliance on property taxes to fund education drives this resistance. Efforts to limit housing development and growth are related to a myriad of valid concerns, including the desire to maintain rural and historic character, the desire to avoid increased traffic congestion, concerns about potential environmental impacts, and apprehension about the potential demand for municipal services, particularly the cost of education.

There is a widespread perception in communities within the County and across the State that residential development does not pay for its share of municipal costs. While many communities encourage the development of non-residential uses, which are understood to be net property tax generators, housing development--especially housing for families with children--is often discouraged. At the same time, while it appears that communities are merely attempting to prevent new housing development, many believe that they are carrying out goals stated in their Master Plans that stress the importance of maintenance of community character.

The first step in addressing the housing situation is to recognize and understand the problem, and broaden the discussion to include all stakeholders, including communities, the business community and human service organizations. By elevating the discussion and involving more affected parties in the local processes that yield decisions on housing, such as local and regional master planning, the region is beginning to work towards a solution.

## **B. Industry Cluster Analysis**

By Charles Tontar, Associate Professor of Economics, Merrimack College

Increasingly over the past decade, economic development specialists have recognized that their efforts can be enhanced through an understanding of the unique characteristics that provide a geographic region with its competitive advantage. The question is: how does one identify the regional characteristics that drive economic development?

**Cluster analysis** is an analytical technique that examines economic activity by industrial sector with the intent of defining those sectors that are the best local performers.

The assumption is that these sectors have prospered because they are particularly suited to the geographic characteristics of the region. For example, a region may possess a concentration of a particular type of skilled labor, be located in proximity to natural resources, or be the beneficiary of local public policy such as the absence of a sales tax.

It is also recognized that there are competitive benefits to firms that locate in geographic proximity to their market competitors (hence, cluster together). Firms that have prospered over the past two decades have tended to focus on their core competencies and have relied on outsourcing to supplement these. This places a high premium on location in a region with a ready source of sub-contractors that provide customized support services. In addition, there is an inevitable transfer of knowledge and technological know-how that is dispersed through entrepreneurial areas and among companies.

In the past, economic development activities have focused on the needs of a particular firm or, at best, a particular industry. Cluster analysis allows the focus to be placed on the broader needs of groups of industries.

The thinking is that by enhancing the development of a region's mature clusters they will grow, new firms will be attracted to the area and new clusters will emerge from the older clusters.

Once industry clusters have been identified there is a range of actions economic development agencies can utilize to support their growth:

- Loan funds can be targeted to cluster activity.
- Cluster based industrial parks or technology centers can be developed.
- Efforts can be undertaken to strengthen already existing informal firm networking within clusters.
- Human capital investment can be used to assure sufficient skilled labor necessary for cluster expansion.
- Marketing efforts can be used to promote the advantages of location in the region and also to promote the region's goods and services.

The critical first step, however, is to identify the clusters and to obtain an understanding of the unique advantages of the region and the unique needs of the clusters. This study is a first effort to define the set of unique industry clusters that drive economic development in Rockingham County, New Hampshire.

## A Note on Method

As noted above, the prime purpose of this study is to identify those clusters of economic activity in Rockingham County that have been and hold the promise of continuing to be strong economic performers. To do so, we have examined two categories of information: statistical analysis of past performance by sector and New Hampshire employment projections by industry.

### **“Location Quotient (LQ)”**

The principle statistical tool utilized to identify strong sectors in Rockingham County is the Location Quotient (LQ). This term is designed to indicate the strength of a particular sector in Rockingham County as compared to the same sector nationwide. A Location Quotient greater than one ( $LQ > 1$ ) indicates that a higher proportion of jobs in Rockingham County exist in a particular sector than the same proportion in the nation as a whole.

For example, the highest Location Quotient in Rockingham County in 2001 was for the Bare Printed Circuit Board Manufacturing sector with a LQ of 9.09. This indicates that the percentage of workers in this Rockingham County sector is nine times greater than the same sector on the national level. As a first approximation, therefore, we would conclude that Rockingham County possesses characteristics that make it a particularly favorable place for producing bare printed circuit boards.

In addition to the Location Quotient, a number of other statistical terms were generated in order to assess the relative strength of local sectors. The significance of each is discussed below.

- **Share of Rockingham County Jobs (Share of RC)** indicates the percentage of total jobs a particular sector constitutes and therefore the importance for County economic health.

For example, 2.75% of total jobs in Rockingham County were in the Electronic Components and Accessories sector in 2000. In other words, 2.75 jobs out of every 100 jobs were in this sector.

In contrast, the average sector in Rockingham County had approximately one-half a job for every 100 workers in the County.

- **The Change in Rockingham County Jobs Between 1990 and 2000 (Emp Ch)** indicates the percentage increase or decrease in jobs in a particular sector from peak to peak in the last business cycle.
- **Change in the Share of Rockingham County Jobs (Share Ch)** indicates whether the sector is increasing or decreasing relative to other County sectors. An increase suggests that the sector is becoming more important for County economic health.
- **Change in Location Quotient (LQ Ch)** indicates whether a particular sector has increased relative to the same national sector between 1990 and 2000. The strongest sectors are ones that have high LQs and a positive change in their Location Quotients over time. For example, The Computer and Office Equipment sector had a high LQ of 2.47 in 2000 but experienced a 58% decline in the quotient since 1990. This is cause for concern.
- **Local Advantage (Local Advant)** is based upon a technique known as 'shift-share' analysis. This analysis isolates the job growth that occurs for purely local reasons by taking out overall economic growth and national sector growth. It is a good indicator that a sector possesses a regional competitive advantage. For example, the Measuring and Controlling Devices sector has a Local Advantage term of 712 as opposed to an average term of 61 indicating that it possesses strong local competitive characteristics.
- **Payroll Change (Payroll Ch)** indicates the increase in overall payroll by the sector between 1990 and 2000. If this is larger than the change in jobs, it indicates that an increase in compensation per job has occurred.
- **Local Pay as a Percentage of National Pay (Local Pay % of Nat'I)** indicates whether local pay is greater than or less than the pay in the same sector nationwide. For example, the Hotels and Motels sector of Rockingham County pays 83% of the pay in Hotels and Motels nationwide. This could indicate a local surplus of workers in this sector or a lack of local demand for this sector's services.
- **Earnings Change (Earnings Ch)** indicates the change in earnings per job in the sector. A positive increase indicates sector strength but it could also indicate potential labor shortages for the sector.
- **Number of Establishments in the Sector (EST)** indicates how many establishments exist in a sector. This is important for understanding how robust a sector is. For example, the Racetracks sector has a strong LQ in 2001 of over 8 but only has 6 establishments. The closure of one of these establishments could have an important impact on sector performance.

The second tool used to identify clusters is the employment projections by industry data published in New Hampshire Employment Projections by Industry and Occupation, Base Year 2000 to Projected Year 2010 (Prepared by: Michael Argiropolis, Labor Market Analyst and Peter S. Bartlett, Economist, in Cooperation with The Employment and Training Administration, United States Department of Labor). This information was used to supplement the Location Quotient analysis in light of what the State projects to be the fastest growing sectors in the state economy. For example, the Health Services sector does not appear to be a strong sector in Rockingham County based upon historical performance. However, given the fact that the State projects increases in jobs in this sector of 30% over the next ten years, this is a sector worthy of closer examination.

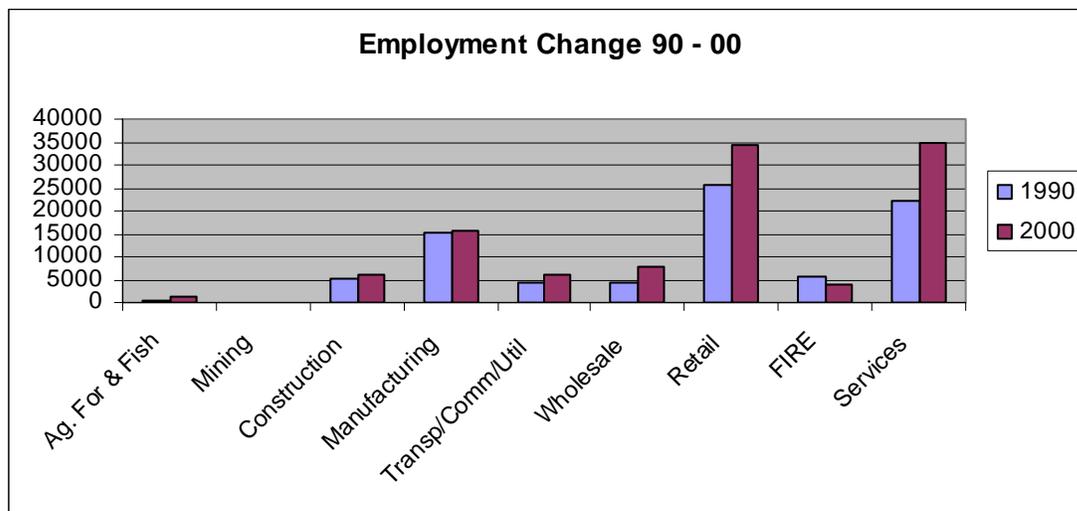
## A Note on the Data

The data utilized in this study (Covered Employment and Wages Program – ES-202) derives from quarterly tax reports submitted to State Employment Security Agencies by employers subject to State unemployment insurance laws. The most significant set of people not covered by the data are individuals who are self-employed. This data reports jobs in Rockingham County; it does not report employment held by residents of Rockingham County. It is therefore, a very good data set for analyzing job creation in the County.

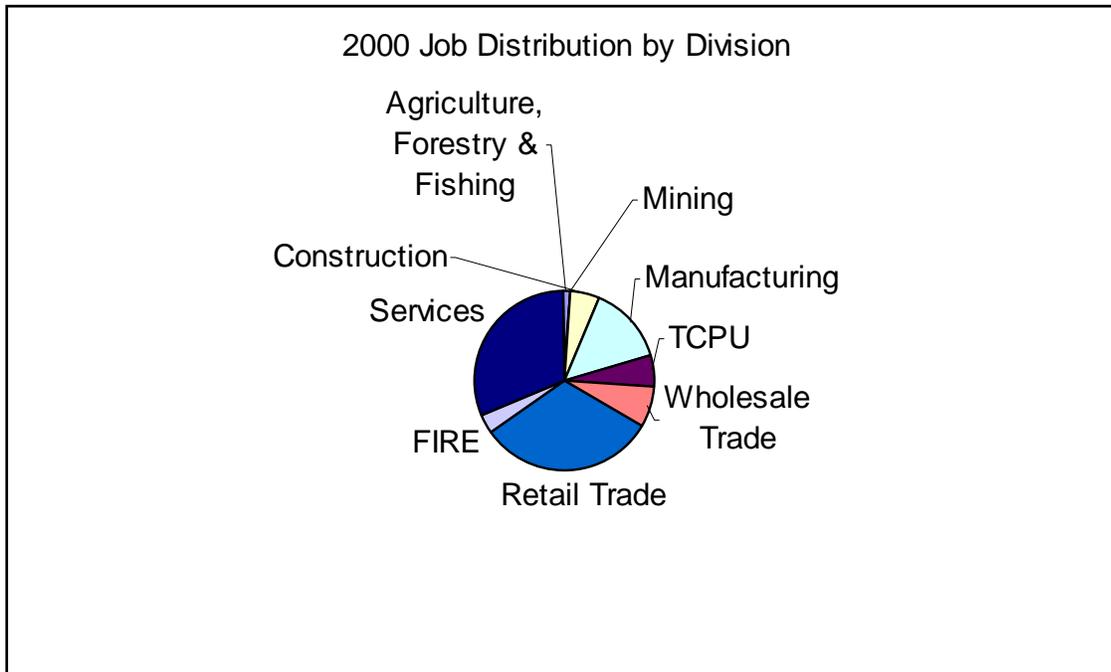
Starting in 2001 (the last year for which annual data is available) the Bureau of Labor Statistics started using a new industry classification system (the North American Industry Classification System – NAICS) for reporting data. Since this new system is not completely comparable to the earlier data reported using the Standard Industrial Classification (SIC) codes, there are sometimes significant differences in results. Accordingly, this study uses both the SIC data for the analysis from 1990 to 2000 and the NAICS data for 2001. Finally, the analysis exclusively examines private sector jobs.

## Overview

Between 1990 and 2000 Rockingham County experienced robust growth in jobs. While the number of jobs grew nationally by 21%, jobs in Rockingham County grew by 41%. The following Chart indicates how the job increases were distributed among the major Divisions in the County economy. The two sectors that experienced the largest increases were the Retail and Services Divisions. Manufacturing showed a slight increase running against the national trend of decreases in Manufacturing. The decline in Finance, Insurance and Real Estate (FIRE) seems to be a function of data suppression in the 2000 reporting.



In 2000, Rockingham County had 116,694 private sector jobs. These were distributed across the nine industry divisions as indicated in the Chart on the following page. The Service and Retail Divisions were the two largest with Manufacturing maintaining a significant proportion of all jobs.



It should be noted that although there were approximately 117,000 jobs in Rockingham County, the Census Bureau's Place of Work data indicate that 78,659 County residents worked in the County while 25,350 worked in another County in New Hampshire and 44,694 worked out of the state. An examination of the Place of Work data by community (see Appendix A) indicates that most of the County's workers who work out of state reside in communities along the Massachusetts border. In addition, significant numbers of Massachusetts residents in Essex and Middlesex Counties work in New Hampshire as do residents of York County, Maine. The fact that 33% of Rockingham County jobs are filled by non-County residents accompanied with the fact that 47% of the County's residents work outside of the County emphasizes the regional characteristic of the County economy. Rockingham County's economic health is critically linked with those of its neighboring Counties.

## Rockingham County Clusters

This study identifies seven Industry Clusters in Rockingham County. They are identified in the Chart below according to their 2001 NAICS data. These Clusters represent 54% of the jobs in the County and 53% of Total County Payroll.

	Total Jobs	% Jobs	% Payroll	LQ
<b>Electronic Manufacturing</b>	3,614	3.07%	5.09%	2.5
<b>Retail</b>	22,516	19.15%	11.66%	1.71
<b>Diversified Industrial</b>	1,887	1.61%	1.90%	1.42
<b>Tourism</b>	10,407	8.85%	3.84%	1.42
<b>Financial Services</b>	1,682	1.43%	2.37%	1.04
<b>Business Services</b>	14,371	12.22%	18.94%	0.93
<b>Health Services</b>	7,593	6.46%	6.50%	0.76
<b>Total</b>	62,981	53.57%	52.70%	

With the exception of the aforementioned Health Services Cluster and the Business Services Cluster, they all have Location Quotients above one indicating a strong competitive position. Each Cluster will be examined in detail below.

## **Electronic Manufacturing**

The Electronic Manufacturing Cluster consists of four SIC sectors constituting approximately 5% of total jobs in the County. It has a 2000 LQ of 3.44 and had 90 establishments.

Two of the sectors in this Cluster, Computer and Office Equipment and Electric Lighting and Wiring Equipment, showed declines in their Location Quotients through the nineties. This was particularly the case with Computer manufacturing. Both pay higher than average compensation and do not indicate that there is any particular local competitive advantage.

The other two sectors, Electronic components and Accessories and Measuring and Controlling Devices, show significant strength across the board. This is particularly the case with factors that indicate they possess local competitive advantage. Interestingly, both pay less than the National average.

An examination of the 2001 NAICS data provides a somewhat more detailed picture of the Cluster and indicates some strength. The 18 firms that produce navigational, measuring, electromedical and control instruments are intriguing. Although the LQ is .82 the SIC data showed strong growth through the nineties. It may be that this is a local sector that has developed a particular market niche. It bears further investigation.

State projections anticipate that jobs in this Cluster will decline over the next 10 years. This sector could benefit from Cluster-based efforts. The jobs in this Cluster are relatively high paying and high skilled and the firms produce goods that are sold outside of the County. In addition, this is a cluster of sectors that play a large role in the regional economy.

## **Retail**

The second Cluster consists of firms in the Retail sector. Almost 21% of all jobs in Rockingham County are in this Cluster with over 1,462 establishments. It had a 2000 LQ of 1.55 and a 2001 LQ (based upon NAICS data) of 1.71. However, many of the jobs in the Retail Cluster are part-time jobs and compensation is relatively low resulting in this Cluster's payroll constituting about 12% of the Total County Payroll. It is clear that the absence of a sales tax and the easily accessible retail areas along the Route 93 and Route 95 highway corridors serve to attract shoppers from Massachusetts. This is supported by the fact that the Location Quotient for the Retail sector in the lower Merrimack Valley Service Delivery Area of Massachusetts is significantly below one (with the exception of food stores).

Normally, one would be hesitant to characterize the Retail Sector as constituting a key regional Cluster. This is because it is generally thought that retail sales are dependent on the existence of a base of industries that export from the region. In Rockingham County's case, however, due to its location along the Massachusetts border and the sales tax advantage the Retail Sector can be thought of as providing a regional service to individuals who live outside the County.

This is a large cluster. The State estimates that it will experience an 18% increase in jobs over the next ten years. Aside from maintaining public policies that support the regional retail advantage and assuring that transportation infrastructure is in place (the widening of Route 93 comes to mind), the best strategy might be to define sub-groups within the Cluster that could benefit from networking and broader support.

## **Diversified Industrial Support**

Firms in this sector consist of manufacturing shops that constitute important outsourcing support for other manufacturers. A strong Diversified Industrial Support Cluster can serve as a magnet for other firms that concentrate on their core competencies and rely on sub-contractors to supplement their own production.

Based upon 2000 SIC data this Cluster constitutes about 3% of all county jobs, has 154 establishments and a LQ of 1.07. However, the 2001 NAICS data shows this Cluster to have a stronger LQ of 1.42 with 129 establishments.

The strongest sectors in this Cluster appear to be in the sheet metal and machine shop area. For example, there are 57 machine shops in the County. Most sectors pay at or above the National average and possess a local competitive advantage. Most experienced an increased LQ from 1990 to 2000. This is also a strong sector in the Merrimack Valley region of northeastern Massachusetts.

Like the Electronics Manufacturing Cluster, jobs in this area are expected to decline over the next ten years. The firms in this sector are important ones to hold if Rockingham County is to maintain a manufacturing base. It is a Cluster that could benefit from support.

## **Tourism**

This Cluster is defined broadly as consisting of eating and drinking establishments, hotels and motels and various sectors that serve as attractions such as amusement parks, racetracks and golf courses. Retail shops that sell souvenirs and the like are also included. It makes up 14% of total county employment with a Cluster LQ of 1.15 based upon the 2000 SIC data. 2001 NAICS data indicate a higher LQ of 1.42 but a lower proportion of total jobs. This may be the result of data on establishments that serve alcoholic beverages being suppressed in the NAICS data. It is also the case that the more broadly defined SIC categories include more retail shops than the NAICS data. Nevertheless, even with the more modest NAICS data there are 591 establishments in this Cluster. It is probable that a Location Quotient designed to represent the seacoast area exclusively would be higher.

Like the Retail Cluster, jobs in this Cluster are more likely to be part time jobs and are relatively low paying compared to the National averages. Outside of the retail area, they also do not show much of a local advantage. Again, this may be because the data represents the entirety of the County and not just the seacoast area.

The fact that the Hotel and Motel sector shows a low Location Quotient indicates that regional tourists are most likely either visiting for the day or own or rent for longer periods of time during the summer.

This Cluster requires further examination. It is clearly one that is geographically limited relative to the whole County. For example, there are 251 full service restaurants in the County.

How many of them are located along the coast? Could they benefit from broader sector support? Rockingham County's coastline also offers a strong attraction to high pay, high growth firms that are looking to locate in proximity to amenities. Coupled with the proximity to the White Mountains, this can be a powerful tool for attracting firms to the area. In examining the growth potential of the seacoast tourist sector, this factor should be paramount.

## **Financial Services**

The Financial Services Cluster is another service sector that is predicted by the State to experience significant growth over the next ten years. It is also another instance in which the new NAICS reporting scheme provides better detail for understanding the Cluster.

In 2001, there were 219 establishments in this Cluster with a LQ of 1.04. It comprised about 1.5% of total jobs but 2.4% of total County Payroll. The LQ based upon SIC is not as high (with the exception of Credit Reporting and Collection) but the reason for this is clear from an examination of the NAICS data.

The strong sectors consist of Collection, Portfolio management, Securities Brokerage and Investment advice in which there are 100 establishments. These sectors of the Cluster experienced impressive job growth, increase in LQ, payroll growth and hold a local competitive advantage. Pay relative to the national average is low.

It appears from the data that this Cluster predominantly serves local customers and a preliminary judgment would be that the Investment Banking role is not strong. This is probably a function served by the larger regional banks.

Because of its growth potential, this Cluster should be watched especially if other sectors find difficulty in obtaining financing.

## **Business Services**

The Business Service sector is expected to grow by over 50% over the next 10 years. Both nationally and in New Hampshire, this will be the fastest growing sector. Like the Diversified Industrial Support Cluster, the Business Services Cluster represents an important source of sub-contracting support for other businesses. If the sectors identified in Diversified Industrial Support can be thought of as the backbone of "old economy" production, these firms can be thought of as the backbone of the "new economy."

According to the 2000 SIC data, this Cluster made up almost 12% of all County jobs, had over 1,600 establishments and had a LQ of .9. 2001 NAICS data are in line with these figures. However, one should not conclude that this is a weak Cluster. An examination of the SIC data indicates that key sectors in this Cluster were particularly strong. For example, Computer and Data Processing had a 2000 LQ of 1.53 and increased its LQ by 50% since 1990.

This Cluster also represents one in which the shift to NAICS classifications is beneficial for analysis. NAICS provides a much more detailed breakdown of business service activity. Here we see that the County is particularly strong in those areas that could be characterized as providing outsourcing support for other businesses.

Overall, the sectors in this Cluster pay well, have increased their Location Quotients over the nineties and constitute a larger share of County jobs. Cluster-wide economic development efforts that serve to encourage networking and linkages among firms could be a strategy that would enhance this Cluster's role in the regional economy.

## **Health Services**

Because of the aging of the population, the State estimates that Health Services will experience a strong increase of 30% in job creation over the next ten years. It is currently a large sector with about 6.5% of all County jobs and the same percentage of County Payroll. Over the 1990 – 2000 period the Health Services Cluster experienced strong growth in jobs, payroll and earnings. The notable exception to the growth in jobs is in the Hospital Sector whose share of County jobs declined, as did its Location Quotient and competitive advantage.

Like the Financial Services Cluster, it appears as if this Cluster also serves predominantly a local clientele and thus does not export services to residents outside of the County. Nevertheless, because of anticipated demand, this is a Cluster that should be watched. There may be a role for Cluster activities to assist in attracting and/or training qualified workers. Since quality health care is one of the necessary local amenities that serve as a draw in attracting high wage growth firms, there is a regional economic interest in assuring its strength.

## **Next Steps**

This study has identified seven broad potential Industrial Clusters in Rockingham County: Electronic Manufacturing, Diversified Industrial Support, Retail, Tourism, Business Services, Financial Services and Health Services. Each offers its own unique contribution to the County economy. Each is linked in important ways to the broader regional economy.

From an economic development perspective, the two most intriguing Clusters are those of Business Services and Diversified Industrial Support. This is because they provide the varied and flexible base that other companies rely on for outsourcing and sub-contracting support. Their existence can be an important catalyst for future job growth in the County. In order to determine whether or not Cluster-based economic development strategies such as targeted investment funds, technology centers or networking processes are warranted an effort should be undertaken to contact firms within these Clusters to obtain more qualitative information to supplement the quantitative data presented in this study.

For example, there are 53 Software Publishers, 93 Computer Design firms and 87 firms that offer custom computer design programming services in the County. Potentially these could constitute a more narrowly defined Cluster that could benefit from Cluster-based development activities. Discussions with these firms and among these firms are the only means to determine if this is the case.

The Electronics Manufacturing Cluster offers a particular challenge for economic development. On the one hand, particular sectors in this Cluster have performed counter to the national decline in manufacturing employment; on the other hand, manufacturing is predicted to decline over the next decade.

However, given the quality of the jobs in this sector, the presence of a skilled labor force and the importance of this sector in the broader regional economy, this Cluster offer the potential to remain a strong performer in the County economy. Once again, further qualitative information should be gathered by contacting these firms.

The Retail and Tourism Clusters constitute a large proportion of Rockingham County jobs. It is not clear that the Retail Cluster could benefit from Cluster-based development strategies beyond what is already taking place. On the other hand, work to better define the Tourism Cluster in terms of its geographic location is warranted and some support may be necessary to enhance this Cluster's role in the County economy.

Finally, the Health and Financial Services Clusters pose development issues of a unique character. Both will experience strong growth over the next decade and both appear to predominantly service local consumers. The challenge in these sectors will be ones of maintaining and attracting qualified employees.

Broadly speaking, the next step in defining specific Clusters in Rockingham County would be one of narrowing the large Clusters identified in this study to fewer critical sectors. This study and the information in Appendix 2 Industry Cluster: Bubble Charts is a base upon which to do this, but it must be supplemented by an outreach effort to the firms in these Clusters.

A specific relatively easy step that could be taken would be to publish and disseminate the Cluster information from this study to businesses throughout the County. Given the enhanced quality of NAICS data reported on a Quarterly basis (albeit with a nine-month lag) the Clusters could be tracked and reported over time. Doing so would begin to get individual firms to focus on the potential for Cluster-based activities. Firms could self-select themselves for participation by contacting the REDC and operational Clusters would thus emerge through a natural process.

	Total	Work in County	% of Total
County Total	148,703	52.9%	100.00%
Greenland	1,698	80.3%	1.14%
North Hampton	2,260	76.5%	1.52%
Exeter	7,322	75.2%	4.92%
Newington	461	73.3%	0.31%
Stratham	3,120	73.1%	2.10%
Portsmouth	11,777	72.8%	7.92%
New Castle	452	71.5%	0.30%
Epping	3,038	71.4%	2.04%
Newfields	804	70.9%	0.54%
Rye	2,316	70.0%	1.56%
Brentwood	1,392	69.6%	0.94%
Newmarket	4,933	66.6%	3.32%
Hampton	7,786	66.4%	5.24%
Hampton Falls	979	64.4%	0.66%
Nottingham	2,100	59.5%	1.41%
Kingston	3,124	57.5%	2.10%
Seabrook	4,330	56.8%	2.91%
Raymond	5,279	55.3%	3.55%
Kensington	1,013	55.1%	0.68%
Fremont	1,982	54.7%	1.33%
East Kingston	961	53.1%	0.65%
Danville	2,176	52.2%	1.46%
Chester	2,013	51.1%	1.35%
Sandown	2,739	50.8%	1.84%
Hampstead	4,308	45.7%	2.90%
Derry	18,251	44.7%	12.27%
Northwood	1,975	42.9%	1.33%
Salem	14,850	41.9%	9.99%
Deerfield	1,909	41.4%	1.28%
South Hampton	452	40.3%	0.30%
Newton	2,365	37.8%	1.59%
Atkinson	3,422	37.4%	2.30%
Plaistow	4,181	37.3%	2.81%
Londonderry	12,516	37.1%	8.42%
Windham	5,579	36.0%	3.75%
Auburn	2,644	33.5%	1.78%
Candia	2,196	25.9%	1.48%

## V. Development Strategies

### A. CEDS Project RFP Process

The Request for Proposal process for project solicitation is an on-going process. During the first CEDS Year 2000, REDC made presentations to 14 towns in the County to ensure towns had ample opportunity to consider submitting qualified projects under the CEDS. In 2001, REDC made five additional presentations to promote the CEDS and project submissions. In 2002, REDC continued to work with communities that had projects currently on the Priority Project List, by identifying and facilitating opportunities to advance existing projects closer to fruition.

In March 2003, a formal RFP package was sent to all 37 towns in the county, the Pease Development Authority and other local economic development officials soliciting new projects as well as updating existing projects on the list. Included in this solicitation was a copy of the project criteria, a Project Submission Form for new projects, and a Project Update Form for all existing projects currently on the Priority List. See Appendix 5. As a follow-up to the formal RFP package, the Executive Director of REDC met with several towns individually to review current and future project status and to provide technical assistance in the process.

### B. EDA Investment Policy Guidelines

EDA re-issued its FY 2003 Investment Policy Guidelines in November 2002 and provided a detailed explanation of the individual policies at its May EDA Conference entitled "Locomotives of Growth". These Investment Policy Guidelines provide direction for applicants for EDA funding and must be responded to when a pre-application or application is submitted to the Philadelphia Regional Office. The responses to these Investment Policy Guidelines are then forwarded to the Washington, D.C. EDA Office for their review.

Copies of the FY 2003 Investment Policy Guidelines have been distributed to members of the CEDS Steering Committee, representatives of local communities and other economic development stakeholders. These FY 2003 Investment Policy Guidelines are an integral part of REDC's Project Criteria. It is fully understood that EDA projects from Rockingham County must meet the following FY 2003 EDA Investment Policy Guidelines in order to be funded:

#### **EDA INVESTMENT POLICY GUIDELINES** **FY 2003**

1. **The proposed investments are market-based.** The investment should capitalize on the community's unique regional assets and strengths to build comparative advantages for future business investment.

2. **The proposed investments are proactive in nature and scope.** The investment should support and advance innovation and increased productivity. It should enhance a community's success in achieving high and rising standard of living.

Prosperity depends upon the productivity with which the U.S. economy uses labor and capital to produce goods and services. Productivity rises because of innovation. Moreover, sustained economic growth will require continued innovation at all levels of the U.S. economy, especially as we enter a new era when the workforce will be increasing more slowly.

3. **The proposed investments look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy.** The investment should be part of an overarching, long-term regional strategy that includes expanding existing industry clusters and developing emerging, new clusters. Investments should create the conditions for sustained productivity.

4. **The proposed investments maximize the attraction of private sector investment and would not otherwise come to fruition absent EDA's investment.** EDA should serve, as a unique public sector source of "venture capital" to assist distressed communities that otherwise would be at a distinct competitive disadvantage in attracting the higher levels of private capital investment in facilities and equipment that drives the creation of higher-skill, higher-wage jobs.

5. **The proposed investments have a high probability of success.**

- The investment should have a high level of local, state, and private matching funds. EDA funds are limited and should be highly leveraged with matching funds to the greatest extent possible. A larger local, private match indicates a higher level of commitment to successful completion by the public sector and higher market-based credibility by the private sector.
- High degree of commitment of local political "capital" by elected officials. Local officials' support should not be "pro forma" but should reflect their willingness to champion the cause. Shared vision on the part of local elected officials significantly enhances a sustained economic development strategy.
- Significant commitment of human resources talent to ensure achievement of project outcomes. Strong leadership is a necessary part of any successful economic development strategy, initiative, or investment.

6. **The proposed investments result in an environment where higher skill, higher wage jobs are created.** While wages should be evaluated in comparison to regions' average wages and skills, the jobs created or retained as a result of EDA's investments should be higher than the average wage and skill level for the community. The goal of economic development is to achieve a high and rising standard of living. By helping our citizens develop their job skills, we will foster productive careers in the private sector rather than dead end jobs.

7. **The proposed investments maximize Return on Taxpayer Investment.** EDA investment should do more than merely preserve the taxpayers' dollars. Investments should generate a return for the taxpayer by attracting private capital investment and high wage jobs and promote regional prosperity through the consumer demand they

create. Successful economic development investments promote economic self-sufficiency; provide the resources for building safe, healthy, and attractive communities; and minimize poverty.

As outlined previously, REDC has moved ahead to develop its initial cluster-based industrial profile, which is included in this document. Previous attempts to secure funding for the University of New Hampshire to develop this data have been delayed so the REDC was required to develop the data using an Economics Professor Charles Tontar of Merrimack College. Professor Tontar completed this analysis previously for the Merrimack Valley Planning Commission in their 2002 Annual CEDS Update and is quite familiar with the data sources and the EDA requirements for such an analysis. REDC will utilize this information to form the framework for its work next year and in preparation for the Five-Year CEDS in 2005. Additional information from the EDA Conference on Cluster-Based Economic Development by Professor Christian H.M. Ketels of the Institute for Strategy and Competitiveness of the Harvard Business School will be made available to the CEDS Steering Committee as well.

## C. CEDS 2003 PRIORITY PROJECT LIST

### Top Priority Projects (UP TO 18 MONTHS)

#### EDA FUNDING CANDIDATES

1. Rte. 125 Infrastructure South – Drakes Site - Epping

Total cost: \$561,000.

Completion of water and sewer lines to Drakes Site commercial Development south of Rte. 101 on Rte. 125. second leg of the infrastructure development of the proposed regional shopping center.

2. Main Street Reconstruction Program – Newmarket

Total cost: \$85,000. (D) \$620,000. (C)

A. Phase 1 – Exeter Road Corridor. Design and construction of offsite public infrastructure and roadway improvements along Exeter Road, which is the transition segment between the downtown and Black Bear Business Park.

Total cost: \$115,000. (D) \$950,000. (C)

B. Phase 2 – Main Street Downtown. Final design and construction of infrastructure and highway improvements.

3. Black Bear Business Park - Newmarket

Total cost: \$ 3,600,000.

Development of Commercial Park. Design, planning and construction of a 2.5-mile access road to site, creating the potential for 600 new jobs in the region.

4. Rockingham Park Racetrack - Salem

Total cost: \$ 100,000.

Economic Impact Study of the pending closure of the racetrack and the resulting job losses on site.

5. Hampton Beach Master Plan - Hampton

Total cost: \$ 50,000.

Technical Assistance – TIF District Formation for the re-development of Hampton Beach into year round use to promote job creation as well as increase the local tax base.

#### NON-EDA FUNDING CANDIDATES

1. Recreation Walkway - Plaistow

Total cost: \$300,000.

Project is to reclaim 2,400 feet of Old County Road with walkway, which stretches from Plaistow Road (Route 125) to the future site of the proposed Plaistow Recreation Fields.

2. **Capitalization of the Regional Revolving Loan Fund - Countywide**

Total cost: \$1,000,000.

Goal is to increase the supply of capital available for lending in the region to small businesses creating new jobs.

3. **Regional Sewer Project – Regional**

Total cost: \$50,000.

Preparation of detailed work plan for determining the feasibility of undertaking a major sewer infrastructure project for eastern Rockingham and Southern Strafford Counties (Great Bay region).

4. **Ash Street Business Park - Derry**

Total cost: \$12,000.

Creation of a Tax Increment Financing District (TIF) to re-zone residential land to commercial uses, as adopted in the town's Master Plan.

## Intermediate Priority Projects (2-4 years)

### EDA FUNDING CANDIDATES

1. **Sewage Treatment Plant Feasibility Study - Raymond**

Total Cost: \$85,000.

This will provide a feasibility study to determine sewage and treatment facility options for industrial land along Rte. 101, Exit 4.

2. **Main Street Re-Development Design, Reconstruction and Wastewater Improvements - Newmarket**

Total Cost: \$3,580,000.

Conceptual Planning/Preliminary Design. Through public involvement and consensus building, finalize planning concepts and preliminary designs for the downtown. Incorporation of highway improvements, multi-modal transportation components and economic attractiveness.

3. **Water Tower Purchase and Installation - Epping**

Total Cost: \$1,380,000.

The Purchase and installation of a water tower and well to support infrastructure needs of new regional center.

4. **Regional Transit System - Epping**

Total Cost: TBD

Establishment of a regional transit system that would enable affordable mass transit from area cities to the new economic center in Epping in support of the area businesses and the hundreds of new jobs that will be created.

# LONG-TERM PRIORITY PROJECTS (5+ YEARS)

## EDA FUNDING CANDIDATES

1. Essex Mills Re-Development – Newmarket

Total Cost: \$900,000.

Final design and construction of the re-development of the Essex Mills into a mixed-use facility.

Total cost: \$20,000. (C)

Implementation of new programs to include corrosion control to protect the water system, to eliminate tuberculin buildup, and to assure reliable services to the community.

## NON-EDA FUNDING CANDIDATES

1. Rockingham Community Action's COMPASS (Community Partnerships for Self-Sufficiency) Program – Portsmouth – On-Going Project

Total cost: \$195,000.

The mission is to provide an opportunity for current/recent recipients of public assistance and the chronically underemployed to increase employment potential and enhance life skills needed to become self-reliant.

2. Exit 4A New Ramp off of I-93 – Derry

Total cost: \$ 1,000,000.

Promote and provide better access to industrial area for economic development. Help relieve traffic congestion along Rte. 102 in Derry and Londonderry. New industrial and commercial development will create new jobs.

3. Route 93 Widening – Western Sub region

Total cost: \$200-300Million

This State and Town of Salem Project is designed to alleviate severe traffic congestion on Route 93, Exits #1 through #5.

## **D. Major Development Projects**

### **1. EDA Public Works funded Projects**

#### **a. North Apron Access Road - Pease Tradeport – Portsmouth/Newington**

This project received EDA funding of \$500,000 for infrastructure improvements at the Pease International Tradeport. The North Apron Access Road is the completion of a road extension project designed to open another commercial area at the Tradeport, creating new opportunities for job creation. The Pease North Apron Access Road has completed the final design phase in May 2003. The bid opening date was in June 2003. Construction is scheduled to begin in August 2003 after contractor selection. The project is scheduled to complete in the Spring of 2004.

#### **b. Epping Crossing – Epping**

This project received EDA funding of \$500,000 for the widening of Route 125 in conjunction with the development of a major retail and commercial shopping and industrial center called Epping Crossing. That project will widen portions of Route 125 from two to four lanes, with additional stoplights and traffic signals. With an anchor tenant of Wal-Mart, the development will create is scheduled to create over 1000 jobs in central Rockingham County at full build-out. The project has gone out to bid in Spring 2003 and construction has begun.

#### **c. Granite Meadows Commercial Park – Raymond**

This project received EDA funding of \$358,000 for the completion of a 1200-foot roadway and other infrastructure improvements to a 39-acre parcel of land strategically located at the intersection of Route 101 and Exit #4 in Raymond. The award was granted in the Spring of 2003 and plans are currently underway to begin the bid process for selection of the contractor. This project will open development and create over 100 jobs when built out.

### **2. Newington-Dover Little Bay Bridge Expansion Project**

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. Hence, the highway transportation system of these communities and the larger urban area are unusually dependent on this single highway. There is no practical highway alternative except secondary routes that involves 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 closing 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 services (LOS F) with motorists experiencing severe congestion and long delays within this segment of the corridor. 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.

A project to address this congestion has been included in the State's 10 Year Plan for the past six years and for most of that, time has been identified as the top long-term transportation priority of the Seacoast Metropolitan Planning Organization (MPO). 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. Unfortunately, due to financial constraint and a long permitting process, which will include the preparation of a full Environmental Impact Statement, construction on this project is not expected to begin until 2008, and will not be completed until 2011. The project cost will likely exceed \$120 million. The project was officially started this past April 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.

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

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 accident 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.

### 3. Science and Technology Initiatives and Issues

Consistent with the focus upon industry-based clusters in Rockingham County, the emergence of the biotech and bioscience industries in New Hampshire, particularly southeastern New Hampshire, is beginning to have an impact on employment in the State. The State has developed a statewide Science and Technology Strategic Plan to identify where it wants to be in the next two, five and ten years regarding the following industries: biotechnology, biomanufacturing, medical devices, bioinformatics and biomedical equipment manufacturing. The ultimate goal is to promote economic development in New Hampshire with long-term goals in biotech education, business development, job creation and retention. The State has also created a statewide high tech – biotech incubator network that consists of an incubator to be built adjacent to Dartmouth College in Hanover and another in the Durham-Portsmouth area. These state initiatives will have a major impact upon the economic future of Rockingham County.

The Guide to New Hampshire Biotech & Bioscience was recently published through a collaborative partnership between Seacoast Newspapers and the New Hampshire Biotechnology Council (NHBC). This guide is being promoted by the State of New Hampshire through its Division of Economic Development and is an authoritative source on the biotech/bioscience industry in New Hampshire. NHBC is only three years old and, although biotechnology has been in New Hampshire since the early 1980's, this guide represents its first major publication. NHBC currently tracks more than one hundred twenty (120) companies involved in biotech and biomedical related sciences, including the following industry segments: biomanufacturing, testing and biotech related disciplines (24 companies or 20%); medical device companies (42 companies or 34%); original manufacturer of equipment, laboratory instruments and supplies (41 companies or 34%); and bioinformatics and medical informatics companies involved in computer programming, software development or consulting (14 companies or 12%). These companies are located primarily along the southern border of New Hampshire, principally in Rockingham, Strafford, Hillsborough and Cheshire Counties. According to the New Hampshire Business Review, five of these biotech/bioscience companies were represented in the top fifteen public companies in New Hampshire. These five companies were all located in Rockingham County and included the following:

- #1 Tyco International (Exeter), \$ 36.3 billion sales, 495 NH employees;
- #2 Fisher Scientific International, Inc. (Hampton), \$ 2.88 billion sales, 144 NH employees;
- #3 GenTek, Inc. (Hampton), \$ 1.244 billion sales, 2 NH employees;
- #12 Apogent Technologies, Inc. (Portsmouth), 600 NH employees; and
- #15 Bentley Pharmaceuticals, Inc. (North Hampton), \$ 26.4 million, 10 NH employees.

Since its establishment in 1999, the NHBC has sought to educate people about the biotech/bioscience industry in New Hampshire. NHBC has been able to accomplish six major milestones during its short history:

1. Establish an Industry Identity

NHBC worked with the New Hampshire Office of International Commerce to bring companies, educators and government representatives together and became part of a CD-ROM called “A Tour of New Hampshire Products and Services” that highlighted the biotech industry.

2. SWOT Analysis & Inventory

NHBC produced the white paper “New Hampshire Biotechnology Industry SWOT Analysis – A Marketing and Strategic Development Tool to Address the Strengths, Weaknesses, Opportunities and Threats facing the New Hampshire Biotechnology Industry, May 24, 2001” and developed an inventory of 120 companies involved in the biotech/bioscience industry statewide to track.

3. Networking to Create a Cohesive Identity

NHBC has networked with representatives of industry, academia and government and has developed an e-mail list of 1,500 contacts in the industry. The first-ever Biotech-Bioscience Guide is an attempt to reach beyond this established list.

4. Building Biotech is a Regional Issue

NHBC has been active in developing relationships with similar organizations in neighboring states and provinces. The International Northeast Biotechnology Corridor (INBC), of which New Hampshire is a part, has focused on creating a regional marketing cluster for biotechnology throughout New England and southern Canada. NHBC has been quite active with INBC.

5. Important New Biotechnology Initiatives

NHBC has worked with the State of New Hampshire to initiate two biotechnology incubator projects in Hanover near Dartmouth and in the Durham/Portsmouth area near the University of New Hampshire. The State is currently overseeing two plans – the “Strategic Plan for Science and Technology” and the statewide “Biotech – High Tech Incubator Plan”- through the Division of Economic Development and the New Hampshire Office for Business and Industry Development respectively.

6. NHBC Partnerships

As an all-volunteer organization, NHBC has had to rely upon partners in order to finance its initiatives. In particular, Unitil Corporation in Hampton and Public Service of New Hampshire have been important partners.

The initiatives by NHBC and the State of New Hampshire in the biotech/bioscience industry offer great promise for future economic development in Rockingham County. REDC needs to develop an inventory of the biotech/bioscience companies located in

Rockingham County and to establish a more formal relationship with NHBC on how each organization can assist in the growth of this industry. REDC also needs to work with the New Hampshire Division of Economic Development and Office for Business and Industry Development to determine how the state plans tie into the Annual CEDS Update and, more particularly, the Five-Year CEDS to be developed for Rockingham County in two years. The newly established relationships between REDC and NHBC and the State of New Hampshire could serve as a model for other economic development corporations in New Hampshire. The biotech/bioscience cluster should be added to the clusters identified in the Industry Cluster Analysis and examined more thoroughly as part of next year's CEDS activities.

#### **4. Rockingham Park Racetrack – Economic Analysis**

The pending closure of the 160-acre Rockingham Park will create problems and opportunities. Issues such as land use implications, infrastructure impacts, resource allocation such as water, traffic, housing, services impacts, tax revenues, job loss and creation are all part of the scope to determine prior to the development of the sites' reuse. Typically, many of these issues are assessed within the context of the development proposals. The municipality responds to a plan and using the developer's funds, hires consultants to review proposals and determine impacts. However, this is a case where the developer has announced two years in advance of the closure (now 18 months) the Town with sufficient time to establish proactive plans on all of the necessary fronts. This is a case where the land use transition will most likely be drastic. The transition from the specific use of a racetrack to any other use could have impacts that create permanent job loss and greater community impacts.

To effectively address this situation we should outline a comprehensive strategy to accomplish the following over the next year:

**a. Job Loss and Creation:** The outcome of transitioning from a racetrack to any other use could be devastating to those whose skills and businesses are limited to that industry. The result is that residents of Salem associated with the track may have no other options. The answer is determining the impacts and taking the time and opportunities to retrain, reequip, and target skills to the new uses and or other job sectors. Therefore, over the next year the following need to be accomplished:

- Identify the job nontransferable loss as a result of the track closure.
- Identify the economic ripple affect to other businesses and the job/business loss.
- Based on job needs, determine what the new uses should/could provide for opportunities and establish a jobs transition plan.
- Identify and establish programs for retraining and other resources to mitigate job/business loss.

**b. Housing Impacts:** The loss of an industry reduces everyone's ability to maintain housing and other basic living costs. At times, the loss is temporary, however, the impact could be a permanent loss of housing as mortgage and rent bills mount. To assist Salem residents during these transition periods there needs to be a clear understanding of the potential impacts of the closing on housing loss. Conversely with

the redevelopment comes the rise in competition for housing as new land uses brings new employees.

Therefore, a review of the housing impacts and the development of incentive programs need to be established to mitigate the impacts and take advantage of the opportunities.

- Determine the relationship between job loss and housing affordability.
- Determine the potential for increased demand for workforce housing as part of the redevelopment.
- Assess resources and tools for both the problems and the opportunities.
- Establish housing programs to offset the impacts and address the heightened needs.

**c. Utility Infrastructure Impacts:** A project that cannot be clearer in its link to this site is the Westside and Route 28-sewer projects. Specific projects such as drainage detention for the Route 28 crossing make the understanding of the problem more important. We have a web of infrastructure that needs to be clearly planned in conjunction with a major reuse of the Rockingham property. To create effective partnerships in the redevelopment phase, the Town and Developer need to understand the infrastructure impacts to create an economic incentive package to the benefit of positive economic development. Failure to define impacts to the developer can create a dysfunctional negotiation process, which can affect positive job creation. The traffic impacts are currently underway and separate from the infrastructure analysis; therefore, some of the following steps require addressing prior to know what to negotiate with the developers of the site.

- Determine the carrying capacity issue of the infrastructure such as drainage, sewer and water supply.
- Determine the possible impacts of varying development scenarios on sewer, water and drainage.
- Establish a clear and detailed list of related infrastructure projects and the resulting impacts. This would be similar to creating a capital improvements plan specifically related to the redevelopment.
- Establish a cost analysis of the relative betterment and or exactions for each of the projects.
- Establish betterment and or extractions plan for the phased funding of the capital plan.

There are many other issues, which are affected by such a drastic change in the community. However, some of the impacts mentioned above are specific to these changes and require attention and planning prior to the impacts occurring. The outcome of the above will be documents that will address these issues and create a baseline from which the Town can effectively access resources and negotiate with the development community to provide a smooth transition.

## **E. Short-Term Actions**

The overall Short-Term Actions (1 year) for Rockingham County during the next year will be as follows:

- Submit the EDA Planning Grant and follow up on the EDD Designation Application;
- Hold a minimum of four CEDS Steering Committee Meetings and one Evaluation Subcommittee meeting as part of the Annual CEDS Update process;
- Follow up with EDA regarding the availability of EDA Revolving Loan Fund monies to complement job creation activities already in place through other funding sources (CDBG, SBA, USDA);
- Schedule four “Quarterly Forum” Workshop Sessions (to include presentation on Cluster-Based Industry Analysis) as part of the outreach and networking effort;
- Provide support to local communities in accessing economic development funds and in promoting economic development projects;
- To begin new recruitment efforts for the CEDS Strategy Team in preparation for the new 5 year Plan in 2005.
- Develop criteria for assistance to businesses based upon the cluster-based industrial analysis for Rockingham County; and
- Coordinate the Annual CEDS Update Process and submit the 2004 Annual CEDS Update by June 30, 2004.

The Short-Term Actions by goal will be as follows:

**1. Increase the supply of skilled and semi-skilled workers for private industry through increased collaboration between employers, educational institutions and the workforce development system.**

- Develop new initiatives that tie together the use of EDA and DOL funding sources in recognition of the new partnership between EDA and DOL.
- Promote the use of the H-1 B Visa funds available through the State to provide training assistance for laid-off high tech workers.
- Utilize the Compaq model for other situations in Rockingham County whereby there are major layoffs affecting the region.

**2. Expand the County’s infrastructure to encourage balanced growth that accommodates industrial, commercial and residential development, while maintaining the quality of life in Rockingham County.**

- Encourage the establishment of TIF Districts in Derry, Hampton, Newmarket and Epping, as well as other communities.
- Focus upon the New Hampshire Advantage campaign to determine what advantages can be marketed to encourage more firms to expand and relocate to communities in Rockingham County. Utilize the information developed through the Industry-Based Cluster Analysis to focus upon specific industries.
- Work with the New Hampshire Department of Economic Development to market Rockingham County and to address the layoff situation affecting most of these communities.

- 3. Target assistance to those areas in the County that are not fully sharing the economic benefits of the current economy and are likely to be left behind in the future economy.**
  - Build upon the cluster-based industry analysis by determining those industries that would best serve pockets of distress communities.
  - Provide technical support in the development of pre-applications and applications to EDA for projects in these areas.
  - Market the Compaq model as a means to address layoffs and to assist firms and laid-off workers in creating new employment opportunities.
  - Promote business expansions in targeted areas through the Regional Loan Fund.
  
- 4. Expand employment and access opportunities for all residents by implementing public transit networks that address the needs of workers, the elderly, youth, employers and local communities.**
  - Identify employment clusters by geographic location that can be matched up with the COAST route system. Also, utilize the Environmental Justice information from COAST to identify the location of minority and low-income residents in relation to the proposed route system.
  - Provide technical assistance in identifying funding sources to support the implementation of the coordinated transit plan for the Derry/Londonderry transit system.
  - Support the expansion of train service into New Hampshire.
  
- 5. Preserve and protect the quality of life in Rockingham County by enhancing the area's natural resources and encouraging concentrated development throughout the County.**
  - Work with additional communities in utilizing the "tool box" developed by RPC under the Sustainable Development Grant from EPA to more communities.
  - Continue hazard mitigation planning efforts on a regional basis to implement the new Homeland Defense initiatives and complete plans for Seabrook, North Hampton, Rye, Portsmouth and Plaistow.
  - Finalize the draft regional protection plan for water resources by June 2004.
  
- 6. Encourage the re-use of commercial/industrial land to reduce the dependence upon new development and to target investment to those areas with established infrastructure.**
  - Explore the potential for a Business Incubator at the Essex Mill site in Newmarket.
  - Host a "Quarterly Forum" Workshop Session on Brownfields and Downtown Revitalization in February 2004.
  - Develop inventory on Brownfield sites and Main Street Programs in Rockingham County.
  - Work with the private sector to revitalize Brownfield sites and develop effective partnerships with local communities and funding agencies.

- 7. Increase the supply of housing available to workers at an affordable price through active partnerships between employers, state agencies and local development entities.**
  - Participate in an Economic Impact Study that identifies related impacts to Workforce Housing Shortages in Rockingham County.
  - Finalize Housing Needs Assessment for Rockingham County based upon the new adopted method (Silicon Valley Model).
  - Continue to partner with the Workforce Housing Task Force to address Workforce Housing issues in Rockingham County.
  
- 8. Resolve problems through increased intermunicipal cooperation and create regional solutions that address local economic development issues.**
  - Determine whether mediation/negotiation/coordination/skill-training sessions should be held to improve overall management skills, possibly as a topic for the Annual Municipal Board Training Series in 2004.
  - Address issues related to shared sewer facilities and the feasibility of a waste treatment facility in Raymond.
  - Sponsor the 2004 Municipal Board Training Series in June 2004 as part of the “Quarterly Forum” Workshop Sessions.
  
- 9. Identify and secure federal, state, local, private and non-profit funding sources to implement the CEDS Action Plan and provide information to local communities on available resources.**
  - Determine whether Rockingham County would be competitive in applying for IRP and EDA Revolving funds to expand the resources available to businesses in Rockingham County.
  - Apply for EDA Planning funds to implement next year’s 2004 Annual CEDS Update and follow up on EDD Designation request.
  - Identify other funding sources to build capacity, promote economic development projects throughout the Region and implement job creation activities that meet EDA’s Priority Investment Guidelines.
  
- 10. Initiate new ways of resolving problems and moving projects forward that encourage active citizen involvement and participation resulting in a new spirit of volunteerism.**
  - Promote the CEDS as a citizen involvement project to attract new members to the REDC-CEDS Strategy Team in preparation for the new 5 Year Plan.
  - Utilize the REDC web page as a means to increase access to CEDS information and to market Rockingham County to potential investors. Post the 2003 Annual CEDS Update on the REDC web page.
  - Encourage the active participation of minority, low-income and female residents in the “grass-roots” CEDS planning process.

## VI. Evaluation

### THE 2003 CEDS PROGRAM EVALUATION

REDC has established an Evaluation Component as a result of its amendment to the 2001 and 2002 Annual CEDS Updates. This component is based upon the vision statement agreed to by the participants in the Five-Year CEDS process and recognizes the quantitative and qualitative aspects of the CEDS program. This program evaluation has been developed in conjunction with Part III – Past Year's Activities and attempts to compare the Short-Term Actions outlined in the 2002 Annual CEDS Update with the actual performance of the economic development stakeholders this past year. As a result of this evaluation, we can assess the strengths and weaknesses of the program and identify what needs to be improved. This process is essentially a self-examination process but it will be even more important once REDC receives EDD designation.

Based upon the sentiment of the Evaluation Subcommittee, the following criteria enacted in 2001 and 2002 will be utilized for this program year as well:

#### A. The Evaluation Methodology

**Quantitative Measures** – Quantity is defined as a sufficient or considerable amount or number. A Quantitative Measure identifies the level of participation in the CEDS process, workshops, and project development. The CEDS team will measure the success of the Regional Strategic Plan by counting the level of participation at events, workshops and other CEDS related activities. The CEDS team will look at the following:

- Number of Requests for Information
- Number of participants at CEDS events
- Number of newspaper articles, presentations specifically designed to market the CEDS

The analysis of these Quantitative Measures can help the CEDS staff identify areas of improvement. Are the CEDS workshops attracting good attendance? Does the CEDS staff team publicize and promote activities and events in sufficient amount to keep attendance high? Is the CEDS staff continuously marketing the CEDS in order to promote increased participation from the community?

While the CEDS staff does not have control over many factors involved in planning the regions goals, the CEDS staff does have a measure of control over marketing, public relations and promotion of events and workshops.

**Qualitative Measures** - Quality is measured by the degree of excellence of a product, service, or process. A Qualitative Measure seeks to identify the degree of excellence in which the CEDS Team performs the work on Goal Attainment.

The CEDS team will seek to measure the quality of programs and services offered under the CEDS. One measurement routinely used by the CEDS team is workshop evaluations. The CEDS workshops accomplish many purposes. The workshop topics generally include discussion on one or more of the ten identified goals in the region.

The workshops also promote the CEDS in general, as each workshop, no matter the subject, is always used as a marketing & recruitment tool for new participants to the CEDS process.

All workshop participants complete a workshop evaluation so that staff can continue to plan for better and better quality of workshops and events. The evaluation answers questions such as, was the material current and relevant to the state of the regional economy? Did the workshop provoke thoughtful and/or lively discussions? Did the workshop energize people to action? By using this information, the CEDS team can continuously improve the quality and subject matter of workshops and CEDS related events.

## **B. State of the Regional Economy Relative to Goal Attainment under CEDS**

During this past year, the released Census 2000 figures and other economic data indicate how bad the economy is. While the unemployment rate hit 6.1% at the national level in May 2003, the unemployment rate in Rockingham County has increased from 5.1% in July 2002 to 5.3% in April 2003. Higher unemployment figures were registered in Derry (5.8% to 6.2%), Hampstead (6.1% to 6.6%), Plaistow (6.6% to 7.0%), Salem (6.0% to 6.4%), and Seabrook (7.7% to 8.9%) for the same period of time. Unemployment rates in Rockingham County are more than twice what they were in 2000.

The unemployment trends during the past two years have been fueled by layoffs in Rockingham County. Based upon information developed by the New Hampshire Department of Resources and Economic Development (DRED), there have been 324 companies experiencing rounds of layoffs statewide between January 1, 2001 and February 12, 2003. These layoffs have resulted in 118 company closures and the termination of 19,135 workers. In the case of Rockingham County during this same period, there have been 72 layoffs and approximately 5,500 terminated workers. This represents an overall impact of 22% of the layoffs and 28% of the terminated workers statewide. The most severely impacted communities were Portsmouth, Salem, Newington, Derry and Exeter. Other communities impacted included Deerfield, Londonderry, Newfields, Northwood, Plaistow, Seabrook and Stratham. In addition, neighboring communities in Maine and Massachusetts were impacted by large layoffs, thus affecting residents of Rockingham County who work at these firms.

Other issues of concern include the cost of housing in the County and the lack of workforce or affordable housing. These issues are likely to have an impact upon the future economic growth of Rockingham County and the travel time faced by workers in Rockingham County companies.

## **C. Evaluation of CEDS Implementation Process**

The evaluation of the CEDS Implementation Process reviews three different benchmarks that are key to the "continuous planning process"

### **GOAL ONE - Levels of Participation**

The CEDS Team reviews the level of participation at CEDS related events. The cornerstone of the CEDS continuous planning process is grassroots participation. A constant recruitment effort must take place in order to encourage new participants to the CEDS, as current CEDS participants and municipal leaders change from time to time, sometimes annually.

**Quantitative Measures** – What was the attendance level at workshops and forums; what types of people were represented at workshops and forums?

**Qualitative Measures** – Maintain the high level of attendance at CEDS events; strive for a mixed group of attendees; review and integrate workshop evaluations for the quality of the presentation, timeliness of issues, are there common threads or criticisms? What percentages of evaluations were completed?

**Evaluation Criteria** - 20-30 average attendees ( excellent)  
15-19 average attendees ( good)  
10-14 average attendees (needs improvement)

80-100% evaluations complete (excellent)  
40-79% evaluations complete (good)  
0-39% evaluations complete (needs improvement)

The CEDS team performed fairly well in this category. The Quarterly Forums were continued this year and addressed areas of critical concern in the County, as identified in the CEDS. Attendance was between good and excellent for all workshops. Areas for improvement would be more use of written evaluations, rather than verbal.

The First Quarterly Forum was held in Salem, was entitled “Threats to the Regional Economy”, and addressed the issue of **Workforce Housing**.

There were 19 people that signed the attendance sheet. The Evaluation Forms were distributed and collected yielding 10 submissions and all were favorable with one suggestion to broaden the audience base.

As a result of the workshop, several months later, REDC received two calls from developers interested in finding out more about State of NH enhancements for building workforce housing units. Referrals were made for follow-up. Additionally, a commercial lender in the workshop audience was very proactive about financing said projects.

The second in the series of forums was held in Derry, entitled “**A Forum for Business Development**”. Derry has been adversely affected with job losses and company closings, in particular the closing of Sanmina Corporation and resulting job losses in excess of 200. The program designed to attract new business to Derry to replace jobs lost, also included an overview of State of New Hampshire Economic Development Services and comparative tax analysis of doing business in NH vs. Massachusetts. There were 50 people attending this event. They included lenders, brokers, developers and businesses. The REDC provided CEDS information at the forum. Verbal evaluation of the session indicated that a wealth of information and contacts were made and the information provided was quite useful in attracting new jobs to Western Rockingham County. As a result of this workshop, several new people signed up for the CEDS Strategy Team.

The third Quarterly Forum was a formal gathering of the REDC Board of Directors, the CEDS Steering Committee and other economic development stakeholders that focused upon **Marketing the CEDS**.

This forum included a PowerPoint presentation on the CEDS program in Rockingham County. Forty people attended this event. Forum participants were asked to critique the CEDS PowerPoint Presentation. Several gave feedback, asked questions, and suggested where the presentation should be given in the future.

The fourth Quarterly Forum in the series was part of the annual Municipal Board Training Series, which included two sessions entitled “**Mock Planning Board**” and “**A Guide to Traffic Impact Studies Resources**”. The first session had 26 people in attendance and the second session had 19 people in attendance. The majority were municipal leaders, conservationists and planners. No evaluation was given for this series.

Lastly, the REDC hosted an information workshop on Industry Clusters. The primary participants were the CEDS working groups, including the REDC Board of Directors, CEDS Steering Committee and CEDS staff. The preliminary findings of Professor Tontar were discussed not only for content value, but to brainstorm ideas on how to use and/or present this information in the future. The key connection being, how do Industry Clusters affect economic development and how do we use that knowledge.

## **GOAL TWO – Data Development & Dissemination**

Another benchmark for success is the development of current demographic data and the ability to disseminate that information in a timely fashion. The CEDS produces volumes of high quality demographic and labor market data that is very useful to municipalities and the private sector regarding development opportunities, securing other grant sources, and decision-making about the regions capabilities. By promoting the readily available data, the CEDS is also promoted as the source of that data.

**Quantitative Measures** – How many requests for CEDS information and demographics received – from whom? What type of information is being requested? How many referrals were made to other agencies?

**Qualitative Measures** – Increase the number of requests for information. Keep CEDS and demographic information current and ready to distribute.

### **Evaluation Criteria -**

21- 30 requests & referrals annually (excellent)

10 - 20 requests & referrals annually (good)

1 - 9 requests & referrals annually (needs improvement)

While the full CEDS is distributed annually to more than 250 economic development stakeholders in the County, additional requests for data are received by the REDC and RPC Offices. It is the intent this year to place the CEDS on the REDC web site so that more people may access the document. We believe that it is particularly important for those that want to conduct business in or relocated to Rockingham County. Many of our requests come from people who have been in touch with those people who are already familiar with the CEDS and promote its use. During this past year, we have distributed another 2 full CEDS text materials to new participants to the process. We have distributed specific data from the CEDS to another 6 persons requesting information. By having the CEDS on the web site, we can count the number of hits to determine the level of interest in REDC and the Rockingham County CEDS process.

## **GOAL THREE - Marketing & Outreach of CEDS**

The last benchmark of success addresses marketing of the actual CEDS product. Advertising the CEDS, promoting the work via presentations to different groups, all serve to advertise the CEDS work and continuously add to the number of grassroots participants involved in the process.

**Quantitative Measures** – How many regional events have taken place to promote the CEDS? How many newspaper articles showcased CEDS activities? How many presentations were made to municipalities or organizations? Was there participation in other events where CEDS outreach occurred? What about CEDS Newsletters or website promotion?

**Qualitative Measures** – Increase the number of marketing actions and activities that promote the CEDS.

### **Evaluation Criteria -**

- 7- 10 presentations, articles, or events (excellent)
- 3 - 6 presentations, articles, or events (good)
- 1 - 2 presentations, articles, or events (needs improvement)

CEDS presentations were made to approximately ten municipalities and other organizations in a group setting, during the past year to promote CEDS and Priority Project submissions. Last year REDC began a CEDS Newsletter designed to promote workshops, but also to seek new participants to the CEDS. This newsletter is distributed to over 250 economic development stakeholders currently in our database. New names are added constantly to this database.

As outlined in last year's evaluation, REDC has created a CEDS PowerPoint Presentation to market the program. This presentation has been made already at the CDFA and the third Quarterly Forum which was attended by municipal leaders.

This year, REDC's Executive Director was asked to write a guest column for a New England based newsletter sponsored by utility providers in the Northeast. The article featured the CEDS as a document and a process and identified the tangible vs. intangible values of performing CEDS (see Appendix 8). This activity provided an opportunity to reach a broader and more diverse audience.

## **D. Evaluation of Goals and Objectives**

### **GOAL ONE – Workforce Development: Increase the supply of skilled and semi-skilled workers.**

**Quantitative Measures** – Have there been any job training/assistance programs designed to respond to an economic adjustment situation, i.e. company closing? How many firms were assisted in new job creation in the region? Any new training programs established to address labor market shortages?

**Qualitative Measures** – Increase the provision of targeted workforce training opportunities. Coordinate with local CAP agency to implement training programs, recruitment strategies to employ or train new workers. Promote awareness of state and regional labor/training services to companies seeking new employees.

**Evaluation Criteria** - # of Training program starts, graduates;  
# of firms assisted;  
# of on-going training efforts  
4-6 (excellent)  
1-3 (good)

REDC has a solid background in tying together economic development and workforce development programs. Simply based upon the Compaq experience, REDC has demonstrated that it can secure funding from EDA and DOL. Given the new emphasis on cooperation between the two Assistant Secretaries for EDA and DOL, it would make a great deal of sense for REDC to strengthen its partnership with the Workforce Opportunity Council and to identify joint projects to work on. The Compaq model should be used in addressing the problems of other layoffs in the County.

This past year the REDC financed a for-profit daycare center, Kiddie Academy of Windham. This project employed 25 persons and provided an additional 120-child care slots in Western Rockingham County. The REDC was able to secure grant funds under CDBG to provide up to 14 employees with 12 college credits leading towards a Child Care Degree. This grant allowed employees to develop their work and educational skills needed to advance in this career track.

## **GOAL TWO – Expand infrastructure to encourage mixed use growth in the region.**

**Quantitative Measures** - # of new infrastructure projects started in the region; # of construction and/or permanent jobs created from the project;

**Qualitative Measures** – increase support for infrastructure projects that target new growth and job creation. Evaluate the size and impact of the project. Are there just a few jobs created, housing? Does the project create a significant number of jobs and significantly increase the size of housing stock?

**Evaluation Criteria** - 2 or more (excellent)  
0 -1 (good)

Active marketing of the Corporate Park in Exeter and Garrison Glen qualifies REDC as a fully knowledgeable business entity. The activities under the Revolving Loan fund and the promotion of EDA-eligible projects qualify as business promotion activities.

The funding of two public works projects in the Central Subregion where jobs need to be created helps address a serious pocket of distress in the County. Cooperative ventures between Epping and Raymond to address sewage issues provide the basic infrastructure private industry needs to locate in the region.

**GOAL THREE – Target Assistance to areas of county not sharing economic growth benefits, i.e. pockets of distress.**

**Quantitative Measures** – How many business expansions and/or relocations have occurred in identified pockets of distress in the County?

**Qualitative Measures** – Increase the number of economic development projects in geographic areas that are identified as being a pocket of distress

**Evaluation Criteria** - 4 - 6 (excellent)  
2 - 3 (good)  
0 - 1 (needs improvement)

REDC continues to promote development within pockets of distress communities. Under the current economic conditions, retention of jobs is as important as expansion or new location in the area. REDC has worked with those communities that are eligible for EDA funding and has made a strong case for their projects. REDC has served as an advocate for new development in these pockets of distress. The REDC operates a Regional Loan Fund for Rockingham County. Through its lending activities, the REDC can target loans to those areas most in need. The REDC provided loans to 5 company's this past year in Salem, Raymond, Londonderry, Newmarket and Auburn. REDC needs to establish a marketing agreement with some of these communities and developments to ensure their development.

**GOAL FOUR – Expand Public Transit to serve the regional workforce as well as other segments of the population.**

**Quantitative Measures** – How many transportation strategies/initiatives started or implemented in the region. How many are multi-year and on-going?

**Qualitative Measures** – Increase the number of initiatives, studies in the region designed to improve traffic and transportation issues; Measure the impact of newly implemented transportation projects.

**Evaluation Criteria** - 4 - 5 (excellent)  
2 - 3 (good)  
0 - 1 (needs improvement)

The “Downeaster” has transformed the way people view railroad travel in Rockingham County. This example provides encouragement that other railroad lines from Massachusetts could be extended into New Hampshire. The promotion of the COAST transportation system and the Derry/Londonderry service is in the best interests of the region as well.

These systems provide connections between residences and jobs, particularly jobs at large concentrations of industries, such as Pease. RPC's on-going involvement and leadership role with the Transportation Improvement Program (TIP) is a critical aspect in addressing the quantitative and qualitative measures under this goal. Both economic growth and quality of life are facilitated with the right funding decisions on road and transit projects.

## **GOAL FIVE – Preserve and Protect the Quality of Life in the Region**

**Quantitative Measures** – How many programs and/or grants have been secured to protect open space, mitigate environmental concerns, or address land use planning issues? How many of these projects serve to enhance the environment, i.e. create bike paths, nature trails, and historic preservation?

**Qualitative Measures** – Increase the number of grant and or other funding opportunities designed to protect the environment, solve/mitigate environmental concerns, plan for future land use or open space protection. Assist municipalities identify funding sources that protect the environment.

**Evaluation Criteria** - 8 or more (excellent)  
2 - 7 (good)  
0 (needs improvement)

The Rockingham Planning Commission has taken the lead in this area with its work on the draft Water Resources section of the Regional Master Plan, its involvement with the development of hazard mitigation plans in Exeter and Fremont and their involvement with Epping, Hampton Falls and East Kingston in utilizing the “tool box”. The identification of grant funds at the federal, state, private and non-profit levels seems to be an activity that RPC can undertake and that would benefit communities in Rockingham County immeasurably.

## **GOAL SIX – Encourage the Re-Use of Existing Commercial Land, available for development, i.e. brownfields sites etc.**

**Quantitative Measures** – How many development projects in the County address the re-use of existing sites. How many Main Street funded projects are currently operating? How many DES mitigation grants available for re-development of existing sites?

**Qualitative Measures** – Increase the re-development of targeted sites; Increase awareness about funding sources and projects designed to re-develop existing commercial and/or mixed use space.

**Evaluation Criteria** – 3 - 4 (excellent)  
1 - 2 (good)  
0 (needs improvement)

REDC has been a strong supporter of downtown revitalization and the re-utilization of Brownfield sites. REDC needs to be a facilitator in this process through the sponsoring of a Quarterly Forum that addresses these issues. By bringing in experts who have done this work before, local communities can gain a better understanding of what is involved. The New Hampshire Department of Resource and Economic Development should be a partner with REDC on this project. REDC continues to demonstrate its commitment to these issues by funding businesses that locate in a downtown or brownfields setting.

Recently, the REDC has been asked to coordinate the exploration of an Incubator project at a site that is targeted for re-use and redevelopments. The site was a former brownfields site.

## **GOAL SEVEN – Increase the supply of Workforce/Affordable Housing in the County**

**Quantitative Measures** - How many new workforce housing project starts; workforce housing seminars; How many impact studies have begun in the identified pockets of distress areas; How many multi-family building permits have been granted annually?

**Qualitative Measures** – Increase the # of affordable/workforce housing starts; Increase awareness with private sector residential developers to issues and financing opportunities; enhance public/private partnerships. Review the diversity of new housing stock projects that have begun or are on going.

**Evaluation Criteria** - # of efforts started or are on going that addressed the affordable/workforce housing issues in the region.

6 -10 (excellent)

3 - 5 (good)

0 (needs improvement)

The partnership between REDC and the Workforce Housing Coalition has the potential to generate new workforce housing opportunities. There is an increased awareness about this issue and how it affects the future economic growth of Rockingham County. A representative of the Workforce Housing Coalition has been appointed to the CEDS Steering Committee and the new data developed by RPC on the cost of housing in Rockingham County further emphasizes this issue.

The sponsoring of the Workforce Housing Quarterly Forum in Salem provided a good opportunity to share the concern about the lack of workforce housing. However, there needs to be a more concerted effort at the state level to encourage the development of workforce housing. REDC can continue to promote these goals through seminars and workshops that bring all the parties in the development process ---developers, local communities, realtors, bankers, insurance and real estate agents, private businessmen and workers---together to address the issue.

## **GOAL EIGHT – Increase Inter-Municipal cooperation that addresses regional issues.**

**Quantitative Measures** - # of meetings, workshops or forums attended by town officials from 2 or more different towns to discuss shared problems or issues.

**Qualitative Measures** – increase the number of opportunities, meetings and events leading to discussions of inter-municipal project development.

**Evaluation Criteria** - 6 - 10 (excellent)

3 - 4 (good)

1 - 2 (needs improvement)

The Quarterly Forums provide an excellent opportunity for representatives of different communities to come together and discuss common issues that affect each community. The activity related to TIF Zones that is currently occurring in three communities is a direct result of the TIF Quarterly Forum held last year. The Municipal Board Training Series conducted every year by RPC ensures that there are representatives of different communities there to discuss common concerns.

The next step, obviously, is to have a follow-up meeting to determine what can be done jointly to address these common concerns. In planning for future work in this category, there is a potential for a partnership between Raymond and Epping regarding municipal sewer systems that REDC has identified. These types of cooperative efforts can create jobs in both communities.

**GOAL NINE – Identify and secure local, state and federal and/or private funds to implement the CEDS initiatives.**

**Quantitative Measures** – How many grants, donations or other funds secured in the region to implement CEDS goals.

**Qualitative Measures** – Increase the number of grant sources and sponsors for CEDS implementation activities. Increase awareness of those financial resources for each municipality. Identify match sources for new project development.

**Evaluation Criteria** - 5 – 8 (excellent)  
3 – 4 (good)  
1 – 2 (needs improvement)

REDC has made great use of federal, state, non-profit and private funds available to support the CEDS process and other economic development activities. The tie-in between the EDA, USDA, HUD and SBA funds provides an unique opportunity to leverage funding sources. Additional grant sources at the state level, such as CDFA and OSP, have been critical to develop capacity at the regional and local level. The Banking and Utility sectors have been supportive in providing funds to address our local match requirements for EDA funding. The REDC staff will continue to identify grant sources to continue the CEDS work.

This past year the REDC has secured match funds for CEDS activities from four sources; 3 private and 1 public.

**GOAL TEN – Encourage citizen involvement in CEDS and volunteerism in municipal boards and events.**

**Quantitative Measures** – How many people volunteer to serve on Boards, CEDS or otherwise. Of those volunteers, what is their rate of attendance and participation? Have there been any new members to the CEDS Steering Committee, the Planning Commission?

**Qualitative Measures** – Increase the level of participation on CEDS initiatives and encourage volunteerism at the local level. Develop awareness of the importance of serving on various Boards in order to affect positive change.

**Evaluation Criteria** - 10 - 15 volunteers (excellent)  
5 – 9 volunteers (good)  
1 – 4 volunteers (needs improvement)

REDC has established an active outreach process to encourage residents to actively participate in the CEDS process, which includes our various events, forums, public presentations and planning sessions. We have also attempted to reach out to new areas for new people.

New Hampshire is a state that depends upon volunteers to get its work done. There is an active level of volunteerism in this State that you don't find in others. The problem becomes that we are all trying to attract the same volunteers to our respective initiatives. REDC looks forward to the Five Year CEDS Process to take place in two years as a means to re-energize volunteers to participate in this process.

## **E. Evaluation of CEDS Priority Projects List**

**Quantitative Measures** – How many projects moved from long range to intermediate, and intermediate to short-term and how many were actually completed. How many new projects were submitted to the CEDS Steering Committee, whether EDA funded or not, that address the regional goals?

**Qualitative Measures** - Increase the number of projects moving forward on the CEDS project timetable and increase the number of completed projects. Increase awareness and response time among municipal constituents regarding appropriate project submission to the CEDS Project List.

**Evaluation Criteria** - 3-4 ( excellent)  
1-2 (good)  
0 (needs improvement)

The change in the economic situation and the data to be compared created some initial confusion regarding the eligibility of our communities for EDA funding. Based upon the rising unemployment rates and the number of major layoffs, we don't believe that this will be much of a problem in the future. We are concerned, though, about the budget situation at the federal level and the availability of EDA resources for this region. We believe that there are additional issues to be addressed as part of the EDA Reauthorization process.

We have reviewed our RFP process with members of the CEDS Steering Committee and municipal officials to ensure that we take advantage of funding opportunities available to us, but don't oversell the program. The funding of three Public Works grants and a planning grant by EDA for Rockingham County reflect well upon the quality of the projects and their ability to meet EDA's standards. The REDC staff has been encouraged to work with our communities to develop appropriate projects that have a likelihood of success.