

Chapter Four

Economic Development

Introduction

As the Southern New Hampshire Planning Commission (SNHPC) Region continues to grow in population, economic development is increasingly important for two reasons. First, the provision of goods, services and jobs is essential to sustain a greater number of residents. Second, the region needs to attract and maintain commercial and industrial businesses that provide the tax base to fund schools, roads, and other municipal services. Given the SNHPC region's prime location in Southern New Hampshire and only an hour's drive from Boston, the region is an attractive area for businesses to locate. Additionally New Hampshire has a variety of business-friendly tax regulations and high quality of life standards that can attract economic growth.

Regional Economic History and Background

Economic development of the SNHPC region revolves around the City of Manchester as its economic center, due to its large population and diversity of commerce and industry. While many of the towns surrounding the city have developed as bedroom communities, the towns of Hooksett, Bedford, Londonderry and Derry have grown into centers of commerce in their own right.



Weare Center Store

Prior to 1810, Manchester was primarily an agricultural community. The arrival of the Amoskeag Cotton and Woolen Manufacturing Company transformed the character of the city, employing up to 16,000 people at its peak after World War I. By the 1960s, the Amoskeag Millyard was in serious disrepair. A joint Urban Renewal effort between federal and local governments preserved and revitalized the industrial area into large manufacturing facilities with appropriate amenities and transportation improvements necessary to modernize 19th century mills.¹ The region experienced a rise in business in the 1980s, earning recognition in U.S. News and World Report and Inc. Magazine. Due to a recession in the late 1980s and early 1990s, manufacturing jobs continued to decline, resulting in a loss of 19,600 jobs in New Hampshire's manufacturing sector from 1990 to 2005.² Today the economy has shifted from primarily manufacturing to increasing reliance on financial, retail, technology, and business services.

Since the turn of the century, towns surrounding Manchester have experienced significant increases in residential development over the past two decades. This new residential growth has in turn increased the demand for commercial and industrial development within the region for

¹For more information, see Manchester Master Plan 1993 and the Manchester Housing Authority Redevelopment Office 1982.

² FDIC New Hampshire State Profile, 2005: <http://www.fdic.gov>

several reasons. Many towns are eager to create a more balanced and diversified tax base from a mixture of residential and non-residential development. Over the course of the past decade the number of people employed in the region has risen by a meager 1.8 percent. After peaking in 2005, total employment within the SNHPC region actually dropped by -2 percent by 2009.³ This statistic is largely attributable to the Recession of the late 2000's. While job gains between 2005 and 2009 have been slow, most towns in the region experienced some increase in employment between 2000 and 2009. These towns include Auburn (71.3 percent), Chester (46 percent), New Boston (34 percent), Weare (26.9 percent) and Candia (25.6 percent), Derry, Raymond and Manchester all experienced declines over the 10-year period.⁴ Note: these figures represent the number of jobs housed in each community, not the number of its residents with jobs.

During the late 1980s and the 1990s the region witnessed increased commercial development, often in the form of retail strip development on previously rural roads. Large retailers have reached out beyond Manchester and the process of expansion continues today as major supermarkets, department stores, and discounters are now located in almost every town in the region. This trend explains why some of the greatest job growth in the region is located in rural communities.

Local experts often look to soft industry to replace the manufacturing that once dominated the region. Software development, corporate headquarters, and legal and financial business support services have all shown signs of growth throughout the past few decades. The occupations projected to grow the most in the next decade are health care professionals and assistants. Other recent developments in Manchester, as well as surrounding areas, include new opportunities in the arts, culture, and sports as well as related support industries and businesses. The diverse ethnic populations immigrating to the area through the United States Refugee Resettlement Program will also color the region's economy. Many ethnic populations are opening new shops and restaurants. Also, growth in the transportation sector, particularly the airport development and the I-93 widening, will enhance the region's potential to host larger national or international businesses.

While Manchester is a viable economic center for the SNHPC region and the state economy, surrounding towns within the region need diversified economic development to provide for financial well-being and establish a more diversified tax base. In general, most residential development increases the cost and demand for public services, while business development promotes better tax revenues to service cost ratios. The development of a diverse, vibrant economic base in smaller towns, if properly planned, can enhance quality of life, alleviate transportation problems, and provide greater tax revenues. Many innovative economic development strategies, such as compact village development and smart growth, can also lead to new business growth that can help to preserve the rural character of many SNHPC towns.

One of the greatest challenges facing many of the region's bedroom communities is maintaining the rural character and identity of the town while at the same time promoting economic growth. Most towns within the region have restricted strip development, commerce, or industry to areas away from their most valued open spaces or resisted development altogether. Future

³ SNHPC Region Economic Development Plan, 2010

⁴ 2010 SNHPC Regional Economic Development Plan, NHetwork

development embracing New Hampshire's Smart Growth Principals might include, for example, mixed-use zones with an array of services within walking distance that would utilize less valuable open space. Another solution is Eco-Industrial Parks in which industries collaborate for maximum efficiency and minimum pollution. The region should look towards creative, innovative ideas to help maintain a balance between rural character and economic development in order to achieve financial prosperity.

Economic development is also closely linked with other goals, including infrastructure development, affordable housing, and recreational facilities. All of these features can help attract businesses. For the region to promote and maintain successful economic development, local officials need to work together to develop infrastructure (water and sewer) and other quality-of-life amenities. A large part of this challenge is finding the funding to accomplish this. This chapter identifies potential grants and funding resources to help guide towns in financing economic development. It also identifies potential economic development tools and strategies.

Public Survey Results

The Economic Survey was developed to seek public input regarding community needs and objectives associated with the promotion of regional economic development. Every SNHPC region community participated in the survey, with the exceptions of Auburn and Goffstown. Londonderry, Derry and Bedford supported the highest levels of participation.

- Most respondents see the City of Manchester as the economic engine of the region.
- The majority identified more mixed use development and the promotion of village centers as development hubs as land-use strategies that would best serve the region's economic interests.
- Regarding persistent economic development pressures facing the region, overwhelming majorities of respondents cited concerns related to "providing an adequate education" (Ninety-one percent of respondents indicated that they were concerned or very concerned) and "seeking a balance in quality of life and growth management" (Eighty-six percent expressed significant concern).
- Other concerns that attracted interest included the challenges of improving infrastructure enough to attract quality non-residential development; the trials associated with the region's aging population and declining young adult populace; and the need to expand local tax bases through the attraction of non-residential development.
- Respondents were asked how the Manchester-Boston Regional Airport might better support community economic development efforts. Thirty-four percent indicated that the airport should serve as the region's intermodal transportation hub. Twenty-four percent cited the need for greater ground transportation offerings from the airport to their communities, while only seven percent argued for an eastern highway link from Interstate 93 to the airport and forty-four percent of those surveyed selected "All of the above," indicating their desire to see all of the aforementioned plans implemented.

- About two-thirds of respondents indicated they believe Manchester continues to serve as the economic engine. Among the thirty percent who felt Manchester's role was diminishing, several cited the city's aging infrastructure as well as a relative lack of city revitalization projects in the works.
- In identifying industries that might be desirable for improving local tax bases nearly seventy percent of respondents selected firms in education and information technology/ computers. Other popular choices included Arts and Entertainment/Hospitality and Leisure (sixty percent), light industrial operations (sixty percent) and Health Sciences and Services (fifty-eight percent).
- Over seventy percent of those surveyed indicated that their communities have considered the use of Capital Improvement Programs to lure economic development.
- Forty-eight percent of respondents cited Tax-Incremented Financing Districts (TIFs), while thirty-five percent indicated that their communities had considered specific warrant articles related to development. Relatively few communities had considered Economic Revitalization Tax Credit zones (twenty-three percent) or Foreign Trade Zones (sixteen percent).
- To help address long commuting times in the region, sixty percent of respondents indicated that their communities have worked both to develop more 'Park and Ride' facilities and to establish more public transportation options.
- Forty-three percent of respondents indicated that their community had established a committee to identify economic development goals and strategies. However, one-third of those surveyed indicated that such a body had not been formed. About seventeen percent of respondents indicated that they were in the process of creating or implementing a Strategic Economic Development Plan.
- Fifty-eight percent of respondents indicated that they have utilized their community master plans to identify economic development efforts to pursue.
- Forty-five percent indicated that they had established a database of available properties for development, while forty-two percent said they had posted such a database on the Internet. However, nearly twenty percent of those surveyed expressed that they had not yet taken any of those basic steps.
- Sixty-five percent of those surveyed expressed that their town or city possessed a vision for the future and an understanding of its strengths and selling points as communities. Among those citing a vision, many mentioned that maintaining "rural character" was a top priority.

Existing Conditions

New Hampshire consistently ranks high in terms of national quality of life standards. In 2009 New Hampshire ranked nationally as the fifth healthiest state, the third most livable state and boasted the nation's lowest crime rate.⁵ In addition, the state had the lowest poverty rate in the nation in 2008 and ranked seventh in the U.S. in terms of income, 2010.⁶

Commuting Patterns

One of the major economic development concerns facing the region is the large number of residents who commute to jobs outside of the region. The average daily commute time (one-way) for SNHPC residents was 29.4 minutes in 2000, as illustrated in Table 4.1. Figure 4.1 shows the percentage of residents in each town who commute out of state. This illustrates the drain on the potential workforce in the region and state. One-third of Derry's residents work out of state, with significant populations in Londonderry, Chester, and Raymond also working outside of New Hampshire.



The intersection at Merrimack and Elm Street remains busy with downtown workers.

Another critical concern is that single-trip vehicle use has increased while carpooling and other alternative commuting methods have generally decreased in the past decade. This commuting population creates significant strain on the roadways and draws commercial dollars out of the region. Over the past few years, local governments are realizing the necessity of bringing more businesses into their towns in order to create livable, workable communities. Please refer to Table 14.3 in the Transportation Chapter for a detailed breakdown of commuting by mode in the region.

⁵ CQ Press 2009 National Rankings

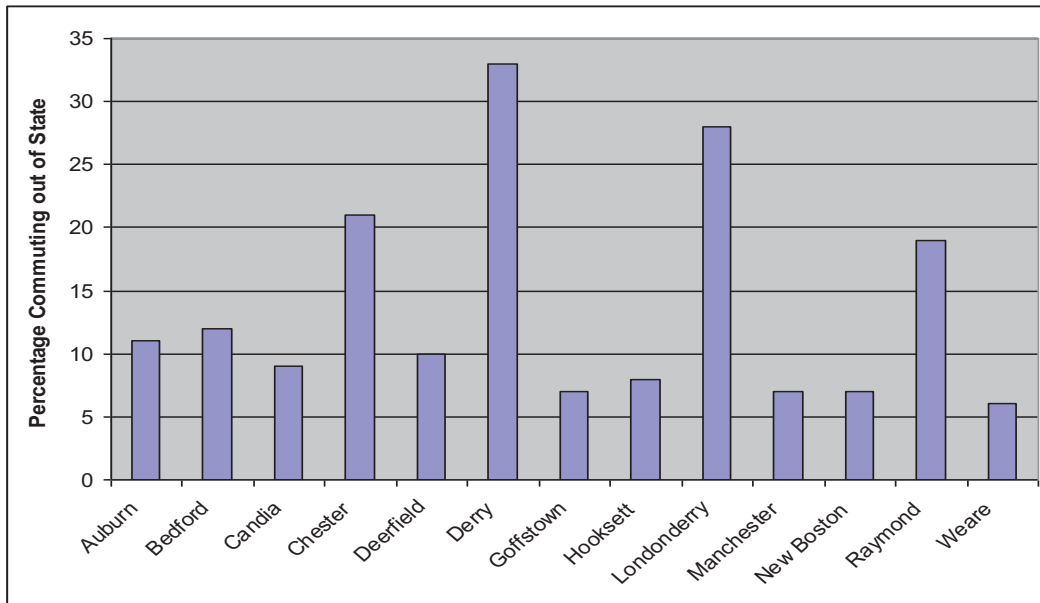
⁶ 2010 SNHPC Regional Economic Development Plan

Table 4.1 Commuting Times and Locations, 2000

| Municipality | Mean Travel Time to Work (Minutes) | Percentage of Residents: | | |
|----------------|------------------------------------|-----------------------------------|-----------------------------------|------------------------|
| | | Working in Community of Residence | Commuting to Another NH Community | Commuting Out-of-State |
| Auburn | 26.7 | 13% | 77% | 11% |
| Bedford | 27.2 | 26% | 62% | 12% |
| Candia | 28.3 | 11% | 80% | 9% |
| Chester | 32.2 | 16% | 63% | 21% |
| Deerfield | 33.9 | 16% | 74% | 10% |
| Derry | 31.1 | 20% | 47% | 33% |
| Goffstown | 26.1 | 22% | 71% | 7% |
| Hooksett | 25.7 | 21% | 71% | 8% |
| Londonderry | 29.7 | 22% | 50% | 28% |
| Manchester | 21.3 | 52% | 41% | 7% |
| New Boston | 32.7 | 16% | 78% | 7% |
| Raymond | 31.6 | 18% | 64% | 19% |
| Weare | 35.1 | 15% | 80% | 6% |
| Average | 29.4 | 20.6% | 66% | 13.7% |

Source: 2000 U.S. Census

Figure 4.1
Percentage of Residents Commuting Out of State for Work by Community



Source: 2003 New Hampshire Employment and Labor Market Information Community Profiles

Wages and Income

In 2009, New Hampshire's per capita personal income of \$42,831 ranked 8th highest among all 50 states. However, this was a decrease of \$592 from 2008, the first time that New Hampshire experienced a decline in per capita personal income since the data was first collected in 1969.⁷

The 2009 Median Household Income for the three counties that comprise the SNHPC Region (Hillsborough, Merrimack and Rockingham) is \$68,527. This is higher than both the state of New Hampshire (\$63,033) and the United States (\$51,425). Bedford has the highest median household annual income in the region (\$119,636), followed by Chester (\$94,953) and Candia (\$93,929). Manchester has the lowest annual household median income (\$52,902), followed by Raymond (\$54,108) and Derry (\$70,303). All of these figures, however, are above the national average.

Table 4.2
2009 Average Median and Mean Household Incomes by SNHPC Community

| Town | Median Income | Mean Income |
|-------------|---------------|-------------|
| Auburn | \$84,750 | \$93,812 |
| Bedford | \$119,636 | \$144,042 |
| Candia | \$93,929 | \$98,666 |
| Chester | \$94,953 | \$113,832 |
| Deerfield | \$79,866 | \$88,051 |
| Derry | \$70,303 | \$80,341 |
| Goffstown | \$75,868 | \$82,890 |
| Hooksett | \$80,919 | \$92,435 |
| Londonderry | \$86,962 | \$102,721 |
| Manchester | \$52,902 | \$63,135 |
| New Boston | \$83,107 | \$97,743 |
| Raymond | \$54,108 | \$63,198 |
| Weare | \$76,530 | \$87,007 |
| | | |
| N.H. | \$63,033 | \$78,208 |

Source: 2009 ACS

Along with a high relative income, the State of New Hampshire currently has the lowest poverty rate in the nation, with only 7.7 percent of the population living below the poverty line, compared with 13.5 percent in the United States.⁸ Most of the towns in the SNHPC region have only a small percentage of families living at or below the poverty level with all but Manchester and above the state average of 7.7 percent. Manchester has the highest poverty rate in the region, with 14 percent of residents living at or below the poverty line, which is even higher than the national average and among the highest in the state.⁹

⁷ NHES, ELMB, Road to Recovery, New Hampshire's Economy 2010, June 2010.

⁸ 2009 ACS, U.S. Census

⁹ Ibid.

Table 4.3
Poverty Rates by SNHPC Community

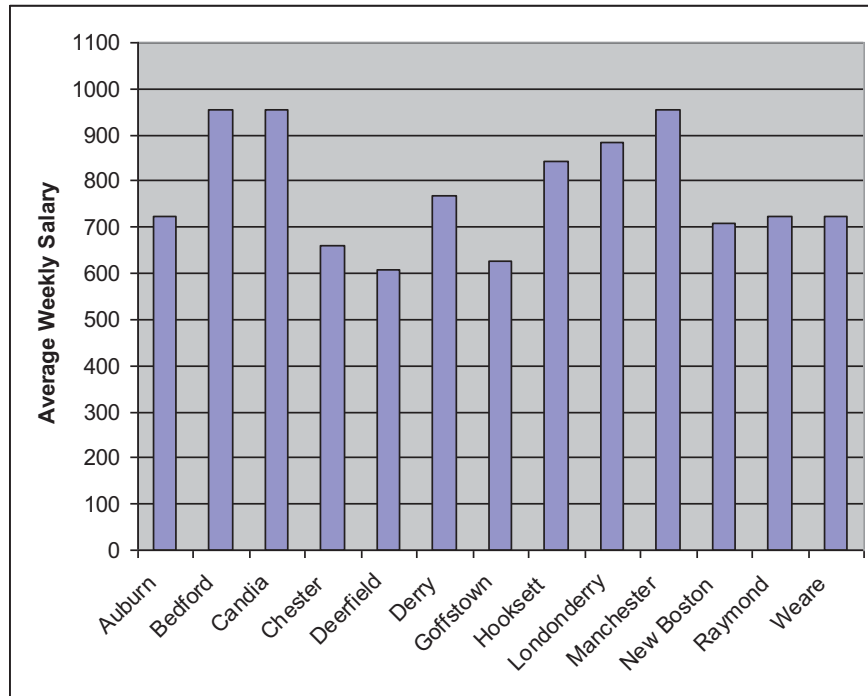
| Town | Percent of Individuals Below Poverty Level | Percent of Families Below Poverty Level |
|-------------|---|---|
| Auburn | 3.4 | 2.6 |
| Bedford | 2.0 | 1.5 |
| Candia | 4.2 | 1.7 |
| Chester | 2.7 | 1.0 |
| Deerfield | 3.8 | 2.6 |
| Derry | 6.5 | 5.0 |
| Goffstown | 3.9 | 3.5 |
| Hooksett | 2.8 | 1.4 |
| Londonderry | 2.4 | 2.2 |
| Manchester | 14.0 | 10.8 |
| New Boston | 2.1 | 2.4 |
| Raymond | 6.6 | 3.6 |
| Weare | 2.7 | 1.5 |
| | | |
| N.H. | 7.7 | 5.0 |
| U.S. | 13.5 | 9.9 |

Source: 2009 ACS

The towns with the highest average weekly wages paid within the SNHPC region in 2009 are Bedford and Candia at \$954, while the City of Manchester’s average is \$953. The Town of Deerfield has the lowest average weekly wage at \$608, followed by the towns of Goffstown at \$626 and Candia at \$660. The regional average is \$900 (see Figure 5.2).¹⁰ Note that these figures represent the weekly wages paid by out employers to their employees, not what residents of the town make. For example, Manchester employers pay out the second highest weekly wages but Manchester residents earn the lowest median annual household income within the region.

¹⁰ Economic and Labor Market Information Bureau of New Hampshire Employment Security, NHetwork.

Figure 4.2
Average Weekly Wage by Town for the SNHPC Region (2009)



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

Education

Table 4.4 illustrates the educational attainment levels for each town in the SNHPC region. As of 2009, New Hampshire ranks 10th nationally in the percent of population over 25 years old with a college degree. A total of 89.6 percent of the SNHPC Region’s residents have earned a high school diploma while 29.3 percent have a bachelor’s degree or higher, both of which are above the national average.¹¹ The educational attainment of the workforce gives the region great potential for higher-paying, specialized industries to relocate to the area.

¹¹ 2000 U.S. Census.

Table 4.4
Educational Attainment for the SNHPC Region, 2000

| | Percent H.S. Degrees | Percent Bachelor's Degrees |
|-------------|----------------------------|----------------------------------|
| Auburn | 93.6% | 32.5% |
| Bedford | 95.8% | 55.5% |
| Candia | 95.5% | 33.4% |
| Chester | 93.6% | 42.5% |
| Deerfield | 89.6% | 30.9% |
| Derry | 90.9% | 26.6% |
| Goffstown | 89.1% | 26.4% |
| Hooksett | 91.9% | 33.5% |
| Londonderry | 94.4% | 39.4% |
| Manchester | 85.8% | 25.1% |
| New Boston | 95.1% | 41.0% |
| Raymond | 87.4% | 18.0% |
| Weare | 92.3% | 26.4% |

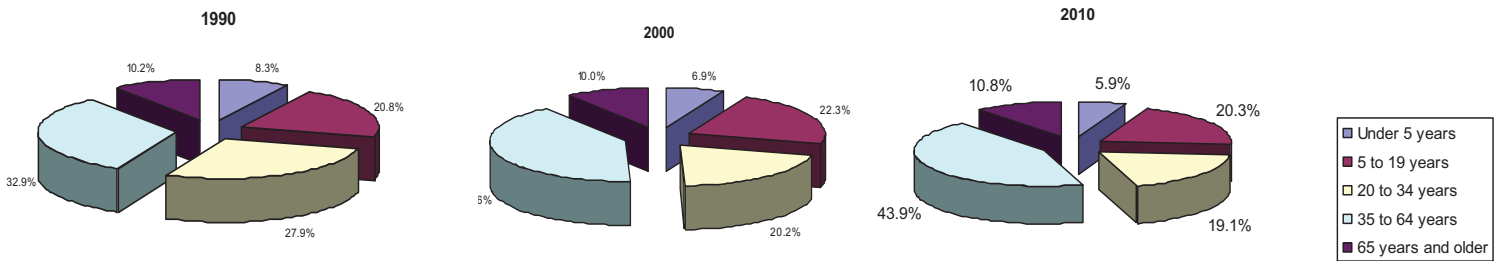
Source: 2009 ACS

The region is home to many colleges, universities, and technical or vocational schools. These include University of New Hampshire Manchester (Manchester); Southern New Hampshire University (Manchester); New Hampshire Community Technical College (Manchester); Hesser College (Manchester); Saint Anselm College (Manchester); New Hampshire Institute of Art (Manchester); Massachusetts College of Pharmacy and Health (Manchester); and Chester College (Chester). Most of these schools have programs connecting students to local employers through recruitment and internships, which encourages many students to find local employment upon graduation.

At the SNHPC's 2010 annual meeting, the President and CEO of New Hampshire College and the University Council reported that New Hampshire currently has one of the highest percentages of student populations leaving the state (48 percent) to pursue higher education. The New England average is 39 percent. Additionally, many recent graduates of New Hampshire colleges and universities are leaving the state after they finish school. Steps need to be taken to retain recent graduates and maintain the state's status as an attractive spot for businesses requiring highly skilled professionals to locate.

Another problem regarding the loss of the younger, highly educated workforce is the fact that the state and region's population is aging and population growth is declining. In addition to having one of the oldest populations in the nation, there was negative growth in the 25-34 and 35-44 age ranges in Rockingham and Hillsborough Counties between 2000 and 2008. (Figure 5.3)

**Figure 4.3
Population Change by Age, 1990-2010**



| | SNHPC Region | | | State | | |
|-------------------------------|--------------|---------|---------|-----------|-----------|-----------|
| | 1990 | 2000 | 2010 | 1990 | 2000 | 2010 |
| Total Population | 216,479 | 248,844 | 261,262 | 1,109,252 | 1,235,786 | 1,316,470 |
| Average Annual Rate of Growth | | 1.5% | 0.5% | | 1.1% | 0.65% |
| Under 5 years | 8.3% | 6.9% | 5.9% | 7.6% | 6.1% | 5.3% |
| 5 to 19 years | 20.8% | 22.3% | 20.3% | 20.6% | 21.7% | 19.4% |
| 20 to 34 years | 27.9% | 20.2% | 19.1% | 25.9% | 18.6% | 17.4% |
| 35 to 64 years | 32.9% | 40.6% | 43.9% | 34.5% | 41.7% | 44.3% |
| 65 years and older | 10.2% | 10.0% | 10.8% | 11.3% | 12.0% | 13.5% |

Source: U.S. Census, 2010

One step that has been taken to address these concerns is the 55% Initiative, a collaborative effort launched in 2007 to encourage more New Hampshire college students to live and work in the state after they graduate. However, as recently reported by the New Hampshire Employment Security, Economic and Labor Market Information Bureau (ELMB), the current state of the economy – both nationally as well as for New Hampshire - has changed considerably since the 55% Initiative was launched in 2007.¹²

¹² For more information on the 55% Initiative see University System of New Hampshire at: http://www.usnh.edu/media/press/20090316_charter_partners.html

In the past, out-migration of younger adults did not significantly impact the state's economy, as experienced workers with high educational attainment tended to migrate into the state from more densely populated areas to the south (such as Massachusetts). Now that population growth and in-migration has slowed, New Hampshire has to rely more heavily on those graduating from educational institutions in the state to become the educated workforce of the future. This makes the 55% Initiative that much more of an economic development imperative.

Employment

The available workforce in the SNHPC regions is diverse and ranges from unskilled, minimum wage workers to highly trained workers in specialized fields. This is an attractive mix that appeals to a variety of commercial and industrial businesses entering the region. However, job growth is critical to sustaining and improving the appeal of the region.

In 2000, the SNHPC region was home to a total of 117,156 jobs. Between 2000 and the 2005, the total number of jobs in the region grew to 121,608 (a 3.8 percent increase). Between 2005 and 2009, the total number of jobs in the region decreased to 119,234 (a 2 percent decrease). Communities with the greatest percent job increase from 2000 to 2009 were the towns of Auburn (71.3 percent), Chester (46.0 percent), Weare (26.9 percent), and Candia (25.6 percent). (See Table 4.5)

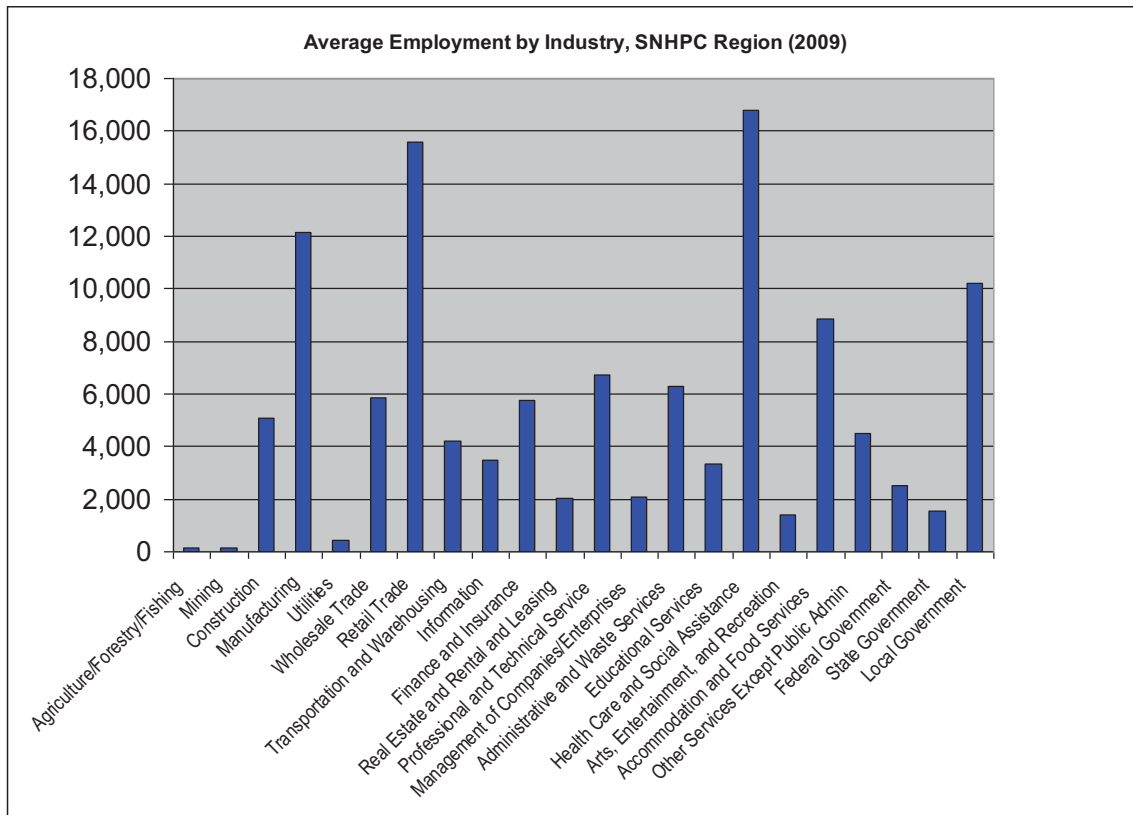
**Table 4.5
Annual Average Covered Employment SNHPC Region, by Municipality, 2000-2009**

| Municipality | 2000 | | | 2005 | | | 2009 | | | 2000-2005 change Total | 2005-2009 change Total | 2000-2009 change Total |
|---------------------|-------------------|------------------|----------------|-------------------|------------------|----------------|-------------------|------------------|----------------|------------------------------|------------------------------|------------------------------|
| | Private Sector | Public Sector | Total | Private Sector | Public Sector | Total | Private Sector | Public Sector | Total | | | |
| | Auburn | 870 | 116 | 986 | 1,178 | 142 | 1,320 | 1,527 | 162 | | | |
| Bedford | 12,667 | 611 | 13,278 | 12,990 | 778 | 13,768 | 12,774 | 1,060 | 13,834 | 3.7% | 0.5% | 4.2% |
| Candia | 494 | 108 | 602 | 615 | 113 | 728 | 649 | 107 | 756 | 20.9% | 3.8% | 25.6% |
| Chester | 249 | 86 | 335 | 311 | 162 | 473 | 290 | 199 | 489 | 41.2% | 3.4% | 46.0% |
| Deerfield | 318 | 131 | 449 | 352 | 150 | 502 | 306 | 159 | 465 | 11.8% | -7.4% | 3.6% |
| Derry | 7,869 | 944 | 8,813 | 7,081 | 1,084 | 8,165 | 6,688 | 1,062 | 7,750 | -7.4% | -5.1% | -12.1% |
| Goffstown | 2,523 | 538 | 3,061 | 2,500 | 1,182 | 3,682 | 2,376 | 1,159 | 3,535 | 20.3% | -4.0% | 15.5% |
| Hooksett | 6,264 | 491 | 6,755 | 7,420 | 579 | 7,999 | 7,164 | 629 | 7,793 | 10.1% | -2.6% | 15.4% |
| Londonderry | 10,221 | 987 | 11,208 | 12,344 | 1,162 | 13,506 | 11,989 | 1,251 | 13,240 | 20.5% | -2.0% | 18.1% |
| Manchester | 59,386 | 7,418 | 66,804 | 58,911 | 7,476 | 66,387 | 57,297 | 7,394 | 64,691 | -0.6% | -2.6% | -3.2% |
| New Boston | 369 | 105 | 474 | 426 | 169 | 595 | 448 | 187 | 635 | 25.5% | 6.7% | 34.0% |
| Raymond | 2,771 | 387 | 3,158 | 2,628 | 401 | 3,029 | 2,358 | 434 | 2,792 | -4.1% | -7.8% | -11.6% |
| Weare | 928 | 305 | 1,233 | 1,040 | 414 | 1,454 | 1,118 | 447 | 1,565 | 17.9% | 7.6% | 26.9% |
| SNHPC Region | 104,929 | 12,227 | 117,156 | 107,796 | 13,812 | 121,608 | 104,984 | 14,250 | 119,234 | 3.8% | -2.0% | 1.8% |

Sources: 2000 figures- NH Employment Security, Local, State and County data for 2000
2005, 2009 figures- NHNetwork

Seven of the SNHPC Region’s 13 communities also appeared in the most recent listing of the state’s top 50 employment centers. Manchester ranked first in the state along with Bedford, Londonderry, Derry, Hooksett, Goffstown and Raymond at 6, 9, 12, 20, 32, and 48, respectively.¹³ Figure 5.4 breaks down employment in the SNHPC by industry.

Figure 4.4
SNHPC Region Employment by Industry (2009)



Source: SNHPC

Future employment projections released by the New Hampshire Department of Employment Security projections indicate that total employment within the region is expected to grow from 149,288 in the year 2015 to a total of 209,330 by the year 2040, a percentage increase of 40.2. The largest percentage change in employment at 11.31 percent is expected to occur between 2015 and 2020.¹⁴

Nearly all new jobs in the state are expected to be concentrated in the service-providing industries, while job gains in goods-producing industries and Manufacturing jobs are projected to shrink, except for primary metals manufacturing, chemical manufacturing, and fabricated metals product manufacturing which are projected to experience job gains. Retail trade, the state’s largest single employment sector, and the Educational services sector are also projected to see

¹³ Economic and Labor Market Information Bureau, NH Employment Security

¹⁴ New Hampshire Department of Employment Security (NHDES), 2005 baseline data and SNHPC projections

job gains. Jobs in health care and social assistance is projected to surpass all industry sectors by 2018.¹⁵

The SNHPC Region's current unemployment rate of 5.2 percent is much less than the New Hampshire's unemployment rate of 5.5 percent as of September 2010, and the United States rate of 9.5 percent as of September 2010.

Housing Market

Building construction within the SNHPC Region, like most places in New Hampshire and across the nation, has slowed considerably due to the current recession. There has been a steep across the board drop off in the issuance of total residential building permits in the region from historic peaks around 1,600 permits in 1998, 2002 and 2004 to just over 400 permits in 2008. For the four year period between 2004 and 2008 there was a drastic decline of 25 percent, or on average a decline of 6.25 percent per year.

The median purchase price for residential homes has also been dropping over the past few years. As of June 2010, the median purchase price for a home in the SNHPC Region was \$199,900, which is the same as the statewide average. This is the lowest the median purchase price for a home has been since 2001. The national median as of June 2010 was \$219,500. As recently as 2007 the average home price in the SNHPC region was \$257,000 compared to \$252,500 for the state and \$227,700 nationally.¹⁶ The construction industry has been hit particularly hard by the current recession. Between December 2009 and December 2010 the industry lost approximately 4,300 jobs.

Local Economic Development Initiatives

Table 4.6 shows which communities in the SNHPC region have economic development strategies in their master plans, a specific economic development board, council or committee, and have a dedicated economic development section on their website. All communities in the region with the exception of Candia and Raymond have an economic development strategy specified in their master plans. All of the 13 communities in the region address economic development in at least one of the three categories.

It is also possible for communities to take steps beyond these measures. For instance, Moving Derry Forward (MDF) is a local public/private committee charged with advancing economic development and revitalization measures in Derry. Made up of about 50 local business owners, town and school officials and community activists, the group serves as a forum for community members to discuss ways to improve Derry's downtown and attract and retain businesses to the area. MDF is but one example of how a community can take steps to promote and facilitate economic development measures.

¹⁵ New Hampshire Department of Employment Security (NHDES) Economic and Labor Market Bureau

¹⁶ New Hampshire Housing Finance Authority and National Association of Homebuilders

**Table 4.6
Economic Development Measures by Municipality, SNHPC Region**

| Municipality | Has an Economic Development Strategy in Master Plan | Has a Specific Economic Board, Council or Committee | Addresses Economic Development on Website |
|---------------------|--|--|--|
| Auburn | Yes | Yes | Yes |
| Bedford | Yes | Yes | Yes |
| Candia | No | No | Yes |
| Chester | Yes | No | No |
| Deerfield | Yes | No | No |
| Derry | Yes | Yes | Yes |
| Goffstown | Yes | Yes | Yes |
| Hooksett | Yes | Yes | Yes |
| Londonderry | Yes | Yes | Yes |
| Manchester | Yes | No | Yes |
| New Boston | Yes | No | No |
| Raymond | No | No | Yes |
| Weare | Yes | Yes | Yes |

Source: SNHPC

Current Economic Development Strategies

In early 2011 the Southern New Hampshire Planning Commission released the first ever Regional Economic Development Plan (RED). The purpose of the RED is to offer a vision and to provide a framework for putting into place an economic development planning process for the region that can be carried out now and in the future. The Vision Statement – the core goals, key actions and priorities, including recommendations and new strategic initiatives, projects and programs – is the most important element of the plan. The elements that make up the Vision Statement can be used to improve the region’s economy and advance the health of the region and its municipalities. These are the key elements of the plan, meant to guide economic development and growth into the future. Elements of the RED and its recommendations are included in the following sections.

Metro Center-NH

Metro Center-NH is a regional economic development partnership between the SNHPC, the Greater Manchester Chamber of Commerce and the New Hampshire Business Resource Center. Metro Center-NH seeks to facilitate economic development at a regional level by encouraging communities to look beyond their borders in order to collectively market the entire region’s assets as a desirable place to live, work and play. Metro Center-NH:

- Serves as a voice and advocate for regional economic development and the infrastructure needs that are important to the communities of the Metro Center-NH region.
- Facilitates regional economic development and planning by providing technical assistance to volunteer boards in their pursuit of better strategies, and local economic development.

- Markets the Metro Center region’s assets generally, as well as promoting specific sites to expanding companies, investors, and site selectors.
- Conducts educational workshops, seminars, forums, and networking opportunities for community and economic development officials from across the region through a series of annual events.

Additionally, Metro Center-NH worked collaboratively with SNHPC to develop the Regional Economic Development Plan.

Funding Strategies

The initial investment required to bring new business into a town can be a financial burden to the local government. The New Hampshire Department of Resources and Economic Development (DRED) recommends contacting their representatives to better navigate and successfully obtain grants and technical assistance. The following are some of the resources and strategies available to ease the costs of development.

- Community Development Block Grant (CDBG) Program funds projects that benefit low-to moderate-income populations (80 percent or less of an area’s median household income). The grants are allocated to states and large cities by the U.S. Department of Housing and Urban Development. Grants of up to \$500,000 are offered in the categories of housing, public facilities, and economic development.
- Tax Increment Financing (TIF) Districts can be established by towns to use revenue gained through taxation of new development to pay for public improvements within the district (RSA 162-K: 9-10). The incremental taxes that result from new development, expansion, or renovation in the district can be earmarked specifically for infrastructure, parking, or other public needs. All previously existing taxes are distributed as standard (to schools, the county, and the town). TIF districts come with several restrictions, such as specifications on renovations, developments, and use of funds collected.
- Impact fees are a one-time fee charged to new development for the construction or improvement of public facilities necessitated by that development. The fees must go towards costs directly attributable to growth as opposed to maintenance or quality improvement of existing facilities. Municipalities most commonly use impact fees from residential development to pay for schools, but they can also be used for parks, libraries, water, sewer, and road improvements (RSA 674:21). Communities should be cautious not to impose large impact fees that may discourage companies from relocating to their town.
- USDA Rural Development provides financial and technical resources in rural areas in order to support community and economic development opportunities, as well as improve



Impact fees from developments like Applebee’s support infrastructure in Hooksett.

quality of life issues. Programs and services include small business loan guarantees; grants for energy efficiency improvements and energy equipment purchases; and grants and loan funds for nonprofit economic development organizations and municipalities serving small business development.¹⁷

- Economic Revitalization Zone Program (formerly Community Reinvestment and Opportunity Program [CROP] Zones) is an incentive for new and existing businesses to relocate, expand or create new jobs in New Hampshire in an effort to encourage revitalization and create jobs. The ERZ Business Tax Credit Program allows tax credits to be used against Business Profit and Business Enterprise Taxes. Qualifying ERZ zone projects must create new jobs and expand the economic base for the state. Projects can range from the creation of new facilities to the rehabilitation of existing structures. Both communities and employers may take advantage of New Hampshire's Economic Revitalization Zone Program.¹⁸
- The New Hampshire Community Development Finance Authority (CDFA) works specifically to aid in housing, community and economic development for low- to moderate-income New Hampshire residents. Projects have ranged from affordable housing to economic revitalization and downtown village development. Assistance available includes tax credits, grants, and technical support and is available only to nonprofit community or economic development organizations, housing authorities, and certain municipal entities.¹⁹

Business Outreach

Towns can and should work to attract specific types of businesses that will provide the necessary wages for residents to afford the local cost of living. Depending on the needs of the town, these can include light industrial, tech, and/or business services, which can provide jobs with a range of skills and pay levels. The strategy to attract businesses can work on many scales, from filling a single small business park to revitalizing a downtown village.

1. *Identify prime businesses.* Using town demographic characteristics, an existing economic profile, and/or surveys of community businesses and residents, the town can determine what types of businesses it wishes to attract. Some characteristics to consider include number of employees, salary, education level of employees, and type of industry.
2. *Build a business database.* With the existing statistical compilation of the ideal business profile, the town can begin to compile contact information for businesses meeting specifications within the state, sub-region, region, etc. The database could be adjusted in size according to the town's commitment to preparing mailings.
3. *Promotional outreach.* Prepare promotional materials advertising the quality of life and area attractions in the town to send to businesses in a series of monthly mailings. Each

¹⁷ For more information on the numerous USDA Rural Development programs available, visit NH Business Resource page at: http://www.buzgate.org/8.0/nh/fh_listing.html?id=10002&lid=5522&cb=nhecon

¹⁸ NH Business Resource Center, <http://www.nheconomy.com/>

¹⁹ Contact 603-226-2170 or visit www.nhcdfa.org for more information.

mailing would include a personalized letter and offers of economic development information. Those businesses that request further information would be invited to town for a guided visit.

Regional Strengths and Weaknesses

In order to reach out to potential new businesses, it is vital to know exactly which industry types your specific community should be looking to attract. The SNHPC Regional Economic Development Plan, released in early 2011, included a Target Industry Analysis performed by Moran, Stahl and Boyer (MS&B) Site Selection and Economic Development Consultants. The Target Industry Analysis involved both a macro level review of the three counties making up the SNHPC Region along with a focus on the types of economic opportunities that are available for each community within the region.

MS&B performed an in-depth analysis of numerous factors pertaining to economic growth and development in the region in order to prepare their final Target Industry Analysis. As part of the final product, the analysis identified the following resources, opportunities, strengths, and weaknesses within the SNHPC Region which are important factors in attracting these and other industries to the region.

Strengths:

- There is strong local interest within the region to expand existing employers and attract additional back office/financial/insurance operations.
- There is currently a favorable supply of college graduates with business and IT skills within the region.
- Companies may select the region for low operating cost, low personal income tax or for life style preferences.
- The region offers opportunities for both “home-based” businesses in relatively remote areas to more urban/suburban settings with larger office buildings and industrial parks.
- Manufacturing and machine building has been a core industry of the SNHPC Region since the mid-19th century. There are many companies with a highly trained labor force skilled in machine building and manufacturing of parts, components, and specialized tools and equipment.
- The SNHPC Region is innovative and there is frequently ongoing product enhancement and new product development. Examples include the Segway Personal Transporter, High Speed Technologies (metalworking machinery), Infinity Constructors (construction machinery), and Insight Technologies (night vision weapons and detection systems), etc.

- The SNHPC Region has a broad spectrum of high value services/specialties that can be delivered remotely as long as there is access to broad band for internet access and access to Manchester/Boston Regional Airport.
- The SNHPC Region has many smaller “knowledge-based” micro businesses and professional, technical and scientific services that have either spun off from an existing company or relocated to the region for life style and no personal income taxes
- As the region grows, there is potential to expand regional big box/mall retail in Hooksett, downtown Manchester, and in the Bedford/Londonderry area.
- There is potential to expand regional distribution in Raymond and Londonderry (near the airport).
- Current growth and expansion of the region’s major hospital facilities as well as installation of local clinics and walk-up services in more remote areas is a strong economic driver. This industry sector is projected to continue to grow in the future as the “baby boom” population ages.
- There are also many opportunities in the region to develop outdoor focused destination tourism operations and packages.
- The SNHPC Region is also well suited to grow and expand local agricultural economies including establishing farmers markets, community agricultural services to sell products locally, and small farms as destination attractions.
- Other major strengths of the SNHPC Region include:
 - Excellent regional airport and air access,
 - Adequate utilities in developed areas,
 - Strong existing business support services,
 - Favorable quality of life,
 - Favorable work force both skilled and non-skilled,
 - Favorable access to and close proximity to Interstate, Everett Turnpike, and state highways,
 - A significant number of ideal development sites, locations and major land parcels available throughout the SNHPC Region that are at different levels of readiness and cost.

Weaknesses:

- While there is strong local interest within the region to expand existing employers and attract additional back office/financial/insurance operations, the service industry as a whole is still recovering from the recent financial meltdown.

- As the economy expands in the future, the supply of business/IT talent will get tight. In addition, the region's skilled labor is aging and engineering staff recruiting can be very competitive with few sources and schools in the state for replacements.
- The SNHPC Region should embrace potential new headquarters operations, but few communities have placed it on their list of high strategic targets.
- As the region grows, developable land will become scarce. Communities will need to be cautious as to what land and where additional regional retail and big box operations are placed. This will be true particularly in developing large tracts near limited access highway exits.
- Distribution for the region has traditionally come from states to the south. The region must work to attract warehousing operations. Expanding existing centers and attracting these industries to the Manchester Boston Regional Airport could be a favorable strategy.
- As the health care industry grows and expands, there will be a continuing need to sustain a pool of skilled talent to support this growth and to provide health care services at affordable costs.
- The SNHPC Region lacks an inventory of "shovel ready" building sites and available buildings within the region and in close proximity of interstates and other limited access highways.
- While utilities are adequate in developed areas, many of the region's smaller towns and rural areas do not have these services. Also electrical power costs in general are high in the state and in the region.
- Additionally, there are very few monetary incentives available in New Hampshire and the region to promote and attract economic development. Establishing local Economic Revitalization Tax Credit Zones through N.H. DRED can provide significant business tax credits.

Table 4.7, which is a result of the Target Industry Analysis, makes recommendations as to which industries each town in the SNHPC region should focus on for future growth.

**Table 4.7
Target Industry Analysis Recommendations**

| Industry/Economic Segment | Auburn | Bedford | Candia | Chester | Deerfield | Derry | Goffstown | Hooksett | Londonderry | Manchester | New Boston | Raymond | Weare |
|--|---------------|----------------|---------------|----------------|------------------|--------------|------------------|-----------------|--------------------|-------------------|-------------------|----------------|--------------|
| Back Office, Shared Service and Customer Interface | ■ | ■ | | | | ■ | ■ | ■ | ■ | ■ | | | |
| Headquarters Operations | | ■ | | | | | | | ■ | ■ | | | |
| Manufacturing of Parts, Components and Assemblies | ■ | | ■ | (1) | (1) | ■ | ■ | ■ | ■ | ■ | (1) | ■ | (1) |
| Manufacturing of Machinery and Equipment | ■ | | ■ | (1) | (1) | ■ | ■ | ■ | ■ | ■ | (1) | ■ | (1) |
| Professional, Technical and Scientific Services | ■ | ■ | ■ | (1) | (1) | ■ | ■ | ■ | ■ | ■ | (1) | (1) | (1) |
| Regional Retail | | ■ | | | | | ■ | ■ | ■ | ■ | | | |
| Regional Health Care | | | | | | | | | | ■ | | | |
| Regional Distribution | | | | | | | | | ■ | | | ■ | |
| Tourism-Related | ■ | | ■ | ■ | ■ | ■ | ■ | ■ | | | ■ | ■ | ■ |
| Agriculture-Related | ■ | | ■ | ■ | ■ | ■ | ■ | ■ | | | ■ | ■ | ■ |

Source: MS&B

Core Goals and Key Actions

The Core Goals and Key Actions help to define the region’s economic agenda and identify and prioritize projects that can best promote economic development in the region. They were developed and endorsed by the Steering Committee based on the strengths and weaknesses identified above and the Vision/Economic Development Strategy for the region. It is important as the issues and needs of the region change that the Core Goals and Key Actions in the Regional Economic Development Plan be updated.

The Core Goals, listed below, are broken down into ten categories and in some cases further subcategories. Please refer to the Regional Economic Development Plan for more information about the Core Goals and their associated Key Actions that will lead to their implementation. The Core Goals are:

Transportation

- **Airport:** Strengthen and expand the aviation capacity of Manchester-Boston Regional Airport as well as the role of the Airport as a multi-modal transportation facility and an economic driver for local and regional business growth.
- **Highway/Alternative Modes:** Place a high priority and focus on highway improvements and other alternative modes of transportation that will enhance and strengthen the region’s accessibility, mobility and economic growth.

- Public Transport/Multi Modal: Develop a comprehensive multi-modal transportation strategy and explore the feasibility of establishing a public transit authority for the region to expand service routes and connections to communities and key destinations within the region.
- Passenger/Freight Rail: Bring about the delivery of safe, reliable and efficient passenger and freight rail service along the New Hampshire Capitol Corridor between Manchester and Boston.

Infrastructure

- Water/Wastewater: Place a high priority on upgrading, expanding and funding public water and sewer systems including a regional approach to the provision of such services within the region.
- Communications/Broadband: Staying “well connected” through telecommunication and broadband services is critical to the region’s economic development, expanding business opportunities, retaining college graduates, and maintaining public safety.

Land Use

- Smart Growth/Affordable Housing: Seek balanced growth and development that broadens the local tax base and respects and strengthens quality of life, community character, and the environment.

Labor/Workforce Development

- Strengthen the region’s workforce and vocation training programs and improve the integration of apprenticeship training and education and the workplace.

Education

- Colleges/Universities: Strengthen the region’s colleges, universities and professional schools and place a high priority on the importance of increasing the number of college graduates that stay, work and live within the region.

Energy

- New England has some of the highest energy costs in the US. It is absolutely critical that renewable, environmentally friendly and lower cost forms of energy, alternative energy sources, and green technologies are developed within the region.

Economic Development

- Planning/Job Creation and Financial Resources: Support critical and key economic development planning actions at a scale that will have regional benefits. Promote economic development opportunities among all the Core Goals of this Plan.

Entrepreneurship

- Business Support and Development: Implement programs to support start-up of small companies, incubator resources, innovative businesses, and the creative arts and sustainable/agricultural economy.

Real Estate Development

- **Site Readiness:** Work with Metro Center-NH, local Chamber of Commerce and professional real estate and brokerage community to promote available sites and buildings for economic development and redevelopment purposes and create working groups of planners and economic development professionals to assure the resources are available to expand and attract target industries to the region.

Funding Resources

- **Economic Development:** Pursue funding opportunities to support Metro Center-NH, SNHPC, municipalities and stakeholders in promoting the core goals of the Regional Economic Development Plan and the region's economic development strategy and agenda.

Strategic Initiatives

Twelve strategic initiatives are listed as part of the Regional Economic Development Plan. These strategic initiatives are intended to demonstrate a commitment to and implementation of the aforementioned core goals and key actions and to bring about enhanced economic growth and development for the region. Many of the recommended initiatives are important Catalytic Projects that will have significant benefits not only for the SNHPC Region, but statewide. These strategic initiatives in order of ranked priority by the RED Steering Committee (consisting of representatives from the thirteen SNHPC communities and Metro Center-NH) include:

- **A Regional Certified Site Program** – A Certified Site Program facilitates economic growth by certifying that specific land parcels and buildings that have been approved by a municipality (i.e. sites that are zoned for industrial, office use or mixed-use) have met established specifications and guidelines which define whether a site is “ready” or more precisely “shovel ready” for development purposes.
- **Expand CTAP Funding and Services to Municipalities** – The Community Technical Assistance Program (CTAP) is an existing NH DOT program created to offer planning services, tools and techniques to 26 municipalities identified to be directly impacted by future growth related to the widening of I-93.
- **Best Planning Practices/Innovative Regional Model Ordinances** – These model ordinances would enable municipal planning boards to establish expedited review procedures and provide for enhanced development assurances for approved certified sites.
- **Regional Incubator Development** – A business incubator study was conducted to introduce the various types of business incubators and their benefits as well as to identify and establish a new creative business accelerator (CBA) program for the region. This new CBA would be established through collaboration with the region's municipalities and existing colleges and universities, including the existing Amoskeag Business Incubator in the City of Manchester.

- **Comprehensive Economic Development Strategy (CEDS)** – A CEDS is a federally approved comprehensive economic development planning process designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies. A Planning Organization is typically charged and funded by the US Department of Commerce, Economic Development Administration (EDA) to develop a CEDS. The Public Works and Economic Development Act of 1965, as amended, requires a CEDS in order that municipalities can apply for public works related funding through the EDA.
- **Expand Local and Regional Brownfields Programs** – SNHPC, through EPA funded Brownfields Grants, has established a successful Brownfields Program for the region. This initiative would continue to expand this existing program through additional EPA grants and to work with the region’s municipalities and existing regional economic development organizations by moving sites from assessment studies to clean up and ultimately to redevelopment.
- **Conduct a College/University Economic Impact Study** – The Metro Center-NH Steering Committee has been approached and has endorsed the need for a comprehensive economic impact study that measures the impact that the region’s colleges/universities provide to the region. Recently, an economic impact study was conducted for UNH Manchester and it determined that this program contributes more than \$65 million every year to the Greater Manchester area and the state. This initiative would conduct a similar study, but for all colleges, universities and professional schools within the region.
- **Develop a Comprehensive Region-wide Sustainability Plan/Energy Plan** – There is currently no comprehensive or long range plan for the region which addresses sustainable growth patterns and renewable and alternative forms of energy and energy conservation.
- **Conduct a Feasibility Study in Establishing a Regional Public Transit System/Authority** – In order to bring about systematic public transit services to outlying communities and other rural areas within the region, a regional transit authority will be needed. This study would explore these options and evaluate the region’s overall transit needs as NH DOT-TIP funded project.
- **Expand I-93 Commuter Bus Service Throughout the Region** – This initiative would involve implementing and expanding intercity and commuter bus service within the region and the Manchester Boston Regional Airport through the NH DOT I-93 Commuter Bus Service Project.
- **NH Capitol Corridor Passenger Rail** – Restoring passenger rail service through the NH Capitol Corridor passenger rail project linking Concord, Manchester, the Airport and Nashua with Boston is recognized as an important economic development initiative for the SNHPC Region.

- **Develop a Water/Wastewater Plan for the Region** – There has never been a comprehensive and long range water and sewer plan for the SNHPC Region that identifies growth and capacity needs as well as system improvements and funding needs. Such a study could be undertaken with federal, state and municipal support and participation.

Future Growth Factors

As noted earlier, a key piece of the economic development puzzle is access and infrastructure, as businesses are recruited to and retained in areas that can be easily reached. Therefore some of the major transportation projects in the SNHPC region, built in response to population growth and congestion, will have secondary impacts on the economic development of Southern New Hampshire. The expansion of I-93 and the Airport Access Road will serve to increase the accessibility and marketability of the region's economy, but they also threaten to ease the commute to Boston, thereby having the potential to drain the region of its workforce. Strategic planning in concurrence with these projects can focus economic development to take advantage of these new infrastructure improvements.

A 2008 Economic Impact Study indicated that the Manchester Airport contributed an estimated \$1.24 billion of total economic impact to the local New Hampshire community. The airport provided 3,820 total jobs in 2008. This figure includes 1,900 on-site employees with an annual payroll of \$75.8 million and 1,920 off-site employees (businesses related to airport activity) with an annual payroll of \$77.1 million. Out of state passengers using Manchester-Boston Regional Airport spent \$752.8 million on lodging, food/beverage, retail purchases, transportation and entertainment, spending an average of \$458.84 during their visit.²⁰ The industries with the greatest airport-related impact in terms of payroll and expenditures were government agencies, airlines (passenger and cargo), rental car companies, and terminal concessionaires. The airport's high noise levels make industrial endeavors the best suited developments for this area.

In addition to the airport itself, the new Airport Access Road is expected to encourage and support existing land use and development patterns, in terms of demand for residential, retail, and industrial development. The new road will connect the Everett Turnpike in Bedford over the Merrimack River to the airport in Londonderry. This measure will alleviate congestion on Brown Avenue in Manchester. This new and increased access to vacant and developing areas near the Airport will facilitate new development. Access to commercial/retail areas in Bedford will also increase, but traffic along Brown Avenue will be diverted through the new access road.

The Access Road, scheduled for completion in 2013, will provide many economic development opportunities for Bedford, Londonderry and south Manchester. Londonderry, for instance, plans to open its largest parcel of industrial land at over 1000 acres and create over 4.6 million square feet of new construction. The vacant land in the vicinity of Pettengill Road is considered among the best industrial property in Southern New Hampshire.²¹ Additional industrial projects are expected in Manchester and expanded retail is forecasted in Bedford for the areas around the new road.

²⁰ Manchester-Boston Regional Airport, <http://www.flymanchester.com/about/news.php?id=57>

²¹ Londonderry News, <http://www.londonderrynh.net/?tag=airport-access-road>

Manchester, Bedford and Londonderry rank first, sixth and ninth, respectively, on the list of New Hampshire's top 50 employment centers.

As the economic engine of the region and its largest city by far, Manchester is largely built out. Developed earlier than surrounding towns there is little land available for future development. However, because of this the city is home to many of the region's most established businesses and high-skill, professional jobs.

Bedford is home to a large number of regional and state corporate headquarters in the commercial district along Route 3, such as IBM and State Farm Insurance. The high levels of office employment also attract workers from outside the town. In addition, there is a high concentration of retail activity. However, Bedford has little remaining undeveloped land, offering less potential for future development. Instead, Bedford might see a shift in its current occupants of office parks as access to the airport and traffic through the town increases.

Londonderry has had the fastest growth rates of any community in New Hampshire since the 1980s, both in terms of jobs and population. Londonderry is one of the more attractive locations in the region for industrial employers due to its large tracts of undeveloped land around and its proximity to the Airport and I-93, as well as its low wages (relative to Massachusetts). The town houses several major cargo businesses, including UPS, Federal Express, and Airborne, along the Airport perimeter as well as several regional distribution centers, including Coca-Cola. Stonyfield Farms, an international dairy and yogurt supplier, is headquartered in the town as well.

Additionally, Woodmont Commons, a planned residential and commercial development at Exit 4 off of I-93 is poised to bring new economic development opportunities to the town and region. The project is slated to add 650,000 square feet of retail, 700,000 square feet of commercial space and three new hotels as well as 1,200 new homes on 600 acres.

Future Employment Growth

Continued growth combined with the I-93 expansion will have significant changes in the economic conditions of the region by 2015. Hillsborough, Rockingham, and Merrimack Counties are expected to experience employment growth rates of approximately 15 to 20 percent by 2012.²² Growth is spread throughout nearly all industries, with the greatest gains in Information, Professional and Technical Services, Arts, Entertainment, and Recreation.

Future employment projections for the SNHPC Region based on New Hampshire Department of Employment Security data indicate that total employment within the region is expected to grow from 149,288 in the year 2015 to a total of 209,330 by the year 2040, a percentage increase of 40.2. The largest percentage change in employment at 11.31 percent is expected to occur between 2015 and 2020.

While growth is forecasted to slow to 6.08 percent between 2035 and 2040, the City of Manchester is expected to add the most jobs with 19,213 followed by Londonderry with 13,123

²² NH Employment Projections by Industry and Occupation, 2002-2012

and Bedford with 9,245. New Boston looks to add the fewest jobs with only 347, while the towns of Deerfield and Chester are projected to add only 369 and 492, respectively.

As previously mentioned, most new jobs in the state are expected to be concentrated in the service-providing industries. Goods-producing industries and manufacturing jobs are projected to shrink. Retail trade and the Educational services sector are also projected to see job gains. However, over the course of the next decade the health care and social assistance industry are expected to grow the most as the state's population ages.

Despite the overall decline in manufacturing and the generally stunted state of the current economy, the New Hampshire Employment Security Economic and Labor Market Bureau (NHES ELMB) reports that navigational, measuring, electromedical, and control instruments (generally defense related technologies) gained 300 jobs during 2009. This gain represents a positive outlook that some of the state's highly advanced manufacturing industries will come out of the current recession even stronger than before. Strength of manufacturing in New Hampshire is significant because unlike retail trade, manufacturing jobs in the state pay above average wages.

Other large industry sectors which have been hard hit during the current economic recession include Construction which lost close to 4,300 jobs -- a decline of close to 15 percent between December 2008 and December 2009. Generally, almost every industry section in the state experienced employment losses during this time period. During 2009 the NHES ELMB reported that Trade, Transportation and Utilities, and Other Services industries had job gains of 400 and 300 respectively (this was partly due to the federal stimulus funding provided to the state and local governments). In addition, despite the current downturn, Education and Health Services added 2,600 jobs over the year.

Among the 13 municipalities in the SNHPC Region, the following industries had the highest employment numbers: Health care and social assistance, retail trade, local government and manufacturing, respectively. For the Manchester labor market area health care and social assistance was the largest industry followed by retail trade, manufacturing and local government. Some of the largest current employers in the region include Elliot Hospital, Catholic Medical Center, FairPoint Communications, Public Service of New Hampshire (PSNH), Citizens Bank, TD Bank, and Insight Technologies, each providing over 1,000 jobs.

**Table 4.8
Future Employment Projections**

| Municipality | 2015 | | 2020 | | 2025 | | 2030 | | 2035 | | 2040 | | 2015-2040 | |
|--------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|-------------------------|-------------------|
| | Total Employed | Percentage Change | Total Employed | Percentage Change | Total Employed | Percentage Change | Total Employed | Percentage Change | Total Employed | Percentage Change | Total Employed | Percentage Change | Total Percentage Change | Percentage Change |
| Auburn | 1,929 | 19.29% | 2,239 | 16.07% | 2,550 | 13.89% | 2,860 | 12.16% | 3,171 | 10.87% | 3,482 | 9.81% | 80.51% | 9.81% |
| Bedford | 18,243 | 11.29% | 20,092 | 10.14% | 21,941 | 9.20% | 23,790 | 8.43% | 25,639 | 7.77% | 27,488 | 7.21% | 50.68% | 7.21% |
| Candia | 990 | 14.06% | 1,113 | 12.42% | 1,236 | 11.05% | 1,359 | 9.95% | 1,481 | 8.98% | 1,604 | 8.31% | 62.02% | 8.31% |
| Chester | 644 | 17.52% | 740 | 14.91% | 836 | 12.97% | 932 | 11.48% | 1,028 | 10.30% | 1,124 | 9.34% | 69.28% | 9.34% |
| Deerfield | 632 | 12.66% | 708 | 12.03% | 781 | 10.31% | 854 | 9.35% | 927 | 8.55% | 1,001 | 7.98% | 58.39% | 7.98% |
| Derry | 9,856 | 6.81% | 10,485 | 6.38% | 11,114 | 6.00% | 11,742 | 5.65% | 12,371 | 5.36% | 12,999 | 5.08% | 31.89% | 5.08% |
| Goffstown | 5,102 | 9.23% | 5,531 | 8.41% | 5,960 | 7.76% | 6,390 | 7.21% | 6,823 | 6.78% | 7,252 | 6.29% | 42.14% | 6.29% |
| Hooksett | 10,164 | 10.49% | 11,129 | 9.49% | 12,095 | 8.68% | 13,060 | 7.98% | 14,025 | 7.39% | 14,990 | 6.88% | 47.48% | 6.88% |
| Londonderry | 18,889 | 16.14% | 21,513 | 13.89% | 24,138 | 12.20% | 26,763 | 10.87% | 29,387 | 9.80% | 32,012 | 7.69% | 69.48% | 7.69% |
| Manchester | 75,357 | 5.37% | 79,200 | 5.10% | 83,042 | 4.85% | 86,885 | 4.63% | 90,727 | 4.42% | 94,570 | 4.24% | 25.50% | 4.24% |
| New Boston | 713 | 10.89% | 782 | 9.68% | 852 | 8.95% | 921 | 8.10% | 991 | 7.60% | 1,060 | 6.96% | 48.67% | 6.96% |
| Raymond | 4,644 | 17.04% | 5,321 | 14.58% | 5,998 | 12.72% | 6,675 | 11.29% | 7,351 | 10.13% | 8,028 | 9.21% | 72.87% | 9.21% |
| Ware | 2,123 | 17.68% | 2,443 | 15.07% | 2,762 | 13.06% | 3,081 | 11.55% | 3,401 | 10.39% | 3,720 | 9.38% | 75.22% | 9.38% |
| Total | 149,288 | 5.55% | 161,296 | 11.31% | 173,256 | 7.42% | 185,312 | 6.96% | 197,323 | 6.48% | 209,330 | 6.08% | 40.22% | 6.08% |

Source: New Hampshire Department of Employment Security (NHDES), 2005 baseline data and SNHPC projections

Conclusion

Despite the current sluggish economy, the Southern New Hampshire Planning Commission region and the state of New Hampshire are among the strongest economic performers in the country. The region's many desirable attributes and skilled workforce help to sustain this performance.

When planning an economic development strategy, communities should consider their strengths and weaknesses as well as their own local character. However, it is important to remember that economic development also occurs at a larger regional level. We should continue to market the numerous positives of southern New Hampshire in order to sustain the kind of growth that is best for the region. The Core Goals and Strategic Initiatives highlighted here and presented fully in the Regional Economic Development Plan are recommendations and strategies that can and should be used to maximize the region's economic development potential. Continued collaboration between the SNHPC, Metro Center-NH and the individual communities in the region on economic development measures can help achieve these ends. Working in conjunction with the state and federal governments, area non-profits, surrounding communities and planning commissions, and other economic development-minded organizations for sources of funding, collaborative projects and ideas regarding economic development is also of critical importance.

Toward this end, SNHPC will continue to partner with Metro Center-NH in planning economic growth and development in the region. In addition, SNHPC is currently planning a partnership with Central New Hampshire Planning Commission to establish a CEDS and Regional Economic Development District (REDD) for the Central and Southern New Hampshire regions. The establishment of a CEDS and REDD are required to obtain federal funding through the Department of Commerce to access Economic Development Administration grants for infrastructure and public works projects and continued economic development planning.

With the widening of I-93 and natural population growth, there is an expected influx of over 35,000 new residents between 2010 and 2030.²³ This will present numerous challenges to the region, but also opportunities for economic growth, workforce development and an improved standard of living. While it will improve regional mobility, the widening project will also make it easier for the region's residents to commute out of state for work. New business growth should be compatible with the resident workforce to curb the trend of long commutes and loss of potential tax revenue. As part of this, the continued attraction of high-skilled companies to the region is highly important. Additionally, as one of the oldest states in the nation, both the state and region need to make efforts to retain its young, well educated population in order to sustain its current economic success.

The key to regional economic development success is to be proactive and to work together. The Southern New Hampshire Planning Commission region has many characteristics that encourage economic development as well as positive indicators of economic growth for the future. The region also faces challenges as certain characteristics limit growth potential. By identifying and addressing the region's strengths and weaknesses and taking key steps toward future growth, the region will continue to maintain a vibrant and sustainable economy.

²³ Source: NH OEP and NH DOT 2005, updated 2010