

HOOKSETT ECONOMIC DEVELOPMENT CHAPTER

I. Introduction

During the past 20 years, the Town of Hooksett has experienced unprecedented rapid residential growth. According to U.S. Census information, between 1980 and 2000 the Town grew by 4,418 residents, or 60.5%, to a population of 11,721.

Much of this growth is due to the Town's proximity to transportation routes, advantageous location from Boston and Manchester, the availability of developable land, the state's favorable tax structure, and the area's quality of life. It seems that Hooksett's residential population will continue to grow, perhaps at an increasingly fast rate.

This population growth in Hooksett provides the Town with a wealth of new talent for many of its local industries. Many of the recent migrants to the state are well educated and contribute immediately to the economy. Data from the 1990 census reveal that recent migrants into the state are 2.5 times more likely than native New Hampshire residents to have at least a college degree (36 percent compared to 15 percent).

In order to further review these and other economic impacts within the Town of Hooksett, the Southern New Hampshire Planning Commission, with funding assistance from the Community Development Finance Authority, has volunteered to develop this Economic Development chapter of the Town's Master Plan. This Chapter identifies and analyzes recent employment trends including job growth, existing labor force, unemployment rates, and the percentage of commercial/industrial property valuation and full tax rate for Hooksett and comparable communities.

From an analysis of this information, together with input from the Hooksett Planning Board and the Town's Economic Development Committee, this chapter will be incorporated in the Town's Master Plan.

II. Regional Economic Context

The Town of Hooksett is located in the south-central portion of the State of New Hampshire, and is a part of the Southern New Hampshire Planning Commission region. The Merrimack River, which runs from north to south through Town, is among some of the most beautiful natural resources in the community. The River's valley has become a "central artery" for tourist travel to the vacation centers in the White Mountains.

Bear Brook State Park is the largest developed state park in New Hampshire, a portion of which is within northeastern Hooksett. The park has over forty miles of trails and a variety of recreational opportunities including hiking, biking, swimming, fishing and camping, along with a museum complex for those interested in natural and human history. The park is a great spot for family reunions, class picnics and office outings, and having it as a tourist attraction adds dividends to the local economy.

Over the past two decades there has been significant economic growth in all of New Hampshire. The state has outperformed the New England region and the nation during both the long-term period and the post-recession period (1992 to 1996) on most standard economic performance measures¹.

¹ Most economic data included in this document is from the New Hampshire Department of Employment Security

New Hampshire's economy has changed considerably since the mid-1970s. Per capita income has improved from being near the U.S. median to ranking 8th highest. For two years the state has had the *lowest* poverty rate in the nation. New Hampshire's 1997 unemployment rate was the 5th lowest in the nation at 2.9 percent, compared to 4.2 percent in the New England region and 5 percent nationally. During August 2001, New Hampshire's unemployment rate was 3.8 percent, still well below the national average.

New Hampshire's economy is increasingly concentrated in the production of high value-added manufactured products and services, such as manufactured electronic components and computer software. In 1997 the state ranked *first* among the 50 states in the percentage of the workforce in high technology employment.²

The state's economy relies on well educated, highly skilled and hard working business owners and employees. Over the past two decades, the state's high quality of life, including low poverty and crime rates, access to cultural and recreational amenities, and physical beauty/clean environment, the "New Hampshire tax advantage,"³ proximity to the Boston area, and relatively low real estate and living costs compared to Boston and its immediate suburbs, have served as strong "magnets" to attract entrepreneurs, businesses, and skilled workers and their families to the state.

III. State and Local Employment Trends

New Hampshire's main employment sectors are services, trade, and manufacturing. The percentage employed in government is lower than the national average (13.9 percent compared to 16 percent), ranking 6th lowest among the 50 states in the percentage of the workforce in government. These figures illustrate New Hampshire's continued reliance on the private sector for employment and economic vitality.

New Hampshire's employment in the service industry is near the national average, at 29 percent as compared to the national average of 29.3 percent. In New Hampshire, as in the New England region as a whole and the rest of the nation, the service industry is the largest employer, followed by trade and manufacturing.

New Hampshire leads the Northeast in the percent of the workforce in manufacturing, ranking 11th among the 50 states in the percentage of total employment in manufacturing with 18.6 percent. During the post-recession period, the state has experienced growth in the manufacturing sector at nearly two percent per annum, compared to an annual 0.9 percent decline in New England and just 0.4 percent growth per annum nation-wide. The state has also outperformed the region and the nation in employment growth in services and trade, but not as significantly as in the manufacturing sector. Strength of manufacturing in New Hampshire is significant because unlike retail trade, manufacturing jobs in the state pay above average wages.

The state's residents are well educated. New Hampshire ranks 13th nationally in the percent of population with a high school degree. Over 86 percent of the state's residents aged twenty-five and over have a high school degree compared to 82 percent nationally. Even more noteworthy, the state ranks 6th among the 50 states in the percentage of population with a college degree.

² American Electronics Association, 1997

³ New Hampshire is the only state without a broad-based sales or personal income tax

IV. Hooksett Economy and Population

The Town of Hooksett currently enjoys a healthy economic climate as well. With a relatively low tax rate of \$19.30, and with almost 30 percent of its property valuation in the commercial/industrial sector, this favorable balance can generate a positive cash flow to lessen the tax burden on residential properties to fund schools, parks, roads, and libraries. This helps the Town to keep pace with the demand for increased community services that are required by residential growth.

According to “New Hampshire’s Changing Landscape,” prepared by Dan Sundquist, Society for the Protection of New Hampshire Forests, and Michael Stevens, New Hampshire Chapter of the Nature Conservancy, residential growth generally costs communities an average of \$1.09 for every \$1.00 of tax revenue generated, primarily due to educational expenses. One local company is considering adding a substantial number of residential units to the area: Manchester’s Sand and Gravel, one of the larger employers in the area, is considering the development of residential units with a build-out potential of up to 800 units. Southern New Hampshire University plans on adding 400 housing units, consisting of garden style, townhouse and single family structures to their property. Additionally, the development at the 175 acre site of additional phases of Granite Hill, consisting of 375 units in the north phase and 400 units in the east phase, will require Hooksett to evaluate service provisions to these developments, while assisting new residents to become an integral part of the local labor force.

V. Hooksett Employment Trends

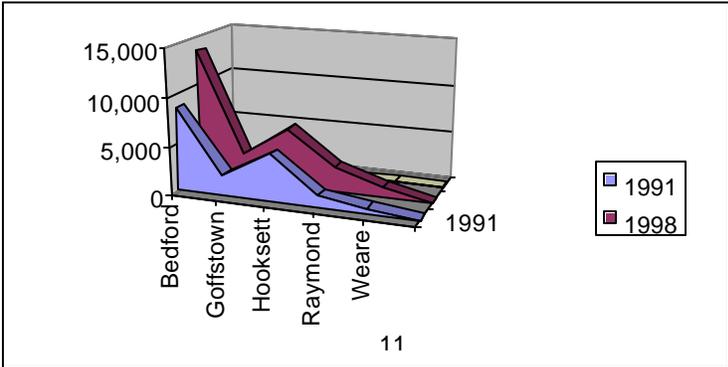
This section will provide information about the economic health of the Town of Hooksett. Reviewing and analyzing growth, major employers in Hooksett, average weekly wages, unemployment rates, and looking at taxes in Hooksett and comparable communities will help determine the direction in which the local economy is heading.

1. Job Growth

Job growth in Hooksett has occurred at a relatively healthy rate in recent years. Since 1991 jobs have increased from 4,889 to 6,135 in 1998, representing a 25.5 percent increase (see Chart A).

While this is higher than the state average of 17 percent during those years, it was somewhat less than neighboring communities. However, disregarding percentages, the Town of Hooksett numerically added more jobs during this time period (1,246) and has a significantly higher number of jobs (6,135) than its neighbors do, except for the Town of Bedford.

Chart A: Job Growth 1991-1998



Source: New Hampshire Department of Employment Security

According to the New Hampshire Department of Employment Security, job projections for Rockingham, Merrimack, and Hillsborough Counties anticipate an approximate 15 percent jobs base increase in those counties between the years 1996 and 2006.

There have also been some variations in the job base of the community with a slight decline in government jobs and manufacturing. During 1991, government employees made up 11.7 percent of all jobs in Hooksett. By 1998 that figure had declined to 7.6 percent. During those same years, manufacturing jobs dropped from 23.5 percent to around 22 percent despite an overall improvement in the economy.

2. Major Employers

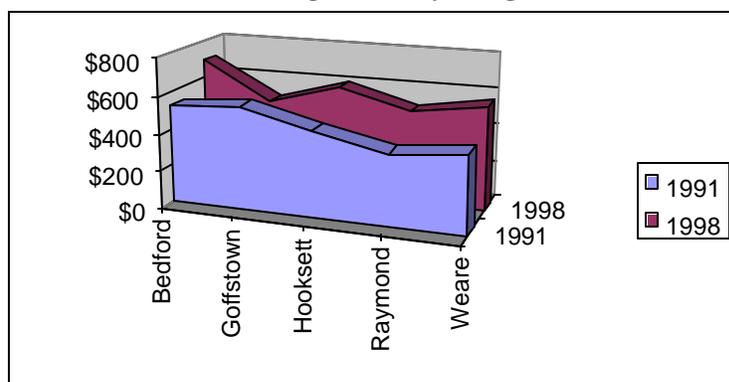
In the year 2000, the largest employers contributing to the job base in Hooksett included General Electric Company, with 800 employees, New Hampshire College, with 700 employees, and Oxford Health Plans Inc., with 400 employees. According to New Hampshire Department of Employment Security, Hooksett had 383 establishments in 1998, and the ten largest employers constitute almost 50 percent of the job base. Clearly, these businesses play an important role in the local economy, and the Town should maintain appropriate business retention strategies to hold onto them.

However, the Town should also encourage diversification to some extent so that, in the event any of these major employers should leave the community, the negative impact would not be severe. See Appendix A for a complete list and location map of Hooksett’s Major Employers (businesses operating with 25 or more employees).

3. Average Weekly Wages

Wages paid by employers are an indication of the strength of a local economy. Wages in Hooksett are higher than most SNHPC communities of similar size (see Chart B). Average weekly wages in Hooksett from 1991 to 1998 have kept pace with the rest of the region.

Chart B: Average Weekly Wages 1991-1998



Source: New Hampshire Department of Employment Security

4. Unemployment Rate

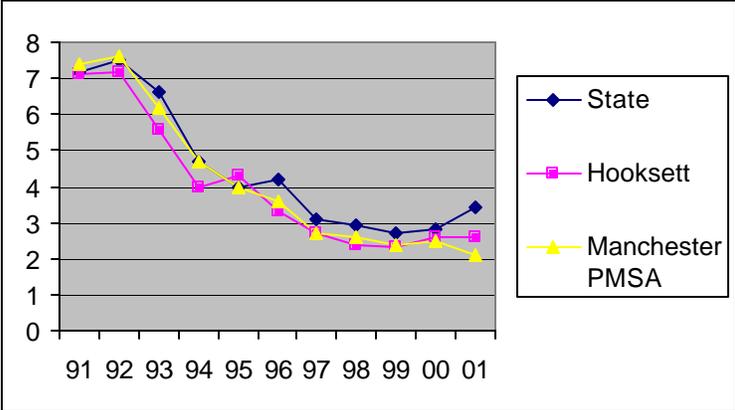
According to the New Hampshire Department of Employment Security, Hooksett usually has a slightly lower unemployment rate than the Manchester PMSA (Primary Metropolitan Statistical Area) and the state. In 1991, Hooksett had an unemployment rate of 7.1 percent, while the state rate was 7.2 percent, and the Manchester PMSA rate was 7.4 percent.

However, for the year 2000, while the state rate was higher at 2.8 percent, the Manchester rate was lower at 2.5 percent than Hooksett at 2.6 percent.

As indicated below in Chart C, local, regional and statewide unemployment rates fluctuate almost evenly, in direct relation to the economic cycle of the U.S. With a strong economy in Hooksett, the Manchester PMSA and the state have had their lowest unemployment rates of the decade.

During July 2001, unemployment rates remained low for Hooksett and Manchester, while the state has risen to 3.4 percent. The future remains somewhat uncertain, as some economic sectors will feel the brunt of this year’s terrorist attacks, such as the airline and hotel/motel industries.

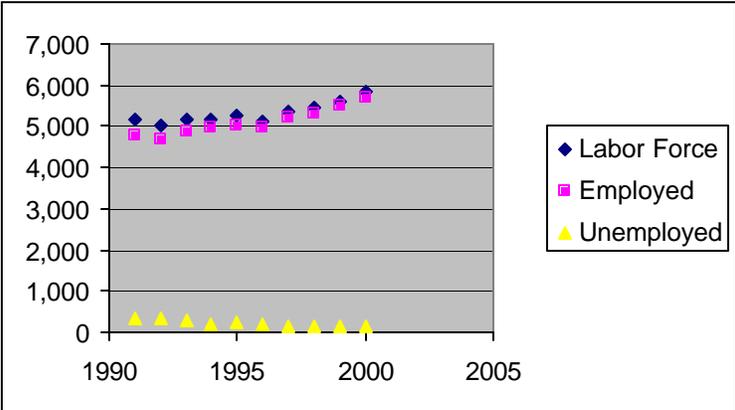
Chart C: Average Annual Unemployment Rate 1991-2001⁴



Source: New Hampshire Department of Employment Security

Hooksett’s labor force has been growing steadily, but not as quickly as the population growth since 1991. By 2000, Hooksett had approximately 5,840 participants in the labor force, compared to 5,150 during 1991, or an increase of 13 percent (see Chart D). However, the population increased in Hooksett from 9,002 to 11,721 persons from 1990 to 2000, representing a growth rate of 30 percent.

Chart D: Labor Force Statistics, Town of Hooksett



Source: New Hampshire Department of Employment Security

⁴ 2001 figures are for July and are not an annual average

Compared to these population growth figures, the participation rate of Hooksett residents in the workforce has decreased from 61.5 percent during 1990 to 49.8 percent during the year 2000. This could be due to a combination of factors:

1. According to the U.S. Census, the age of the population is increasing, meaning that more individuals are approaching retirement age; during 1990 the median age was 33.6 years compared to 35.3 years in 2000.
2. Rising wages might have decreased the demand for a two-income household, or
3. Families moving into the Town have a higher child per family count.

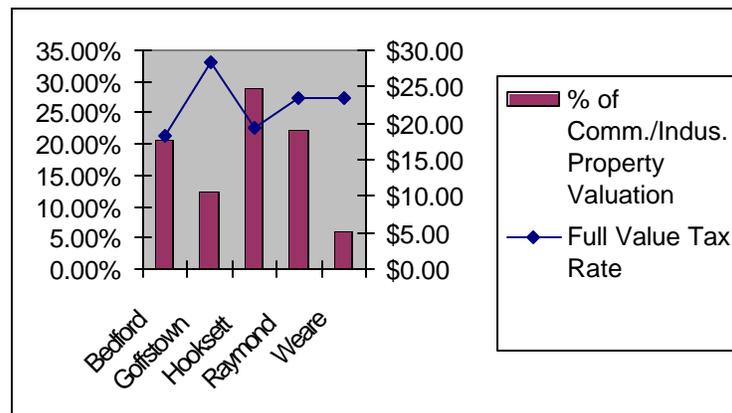
In contrast, the total number of unemployed residents decreased from 360 in 1991 to 130 in 1999. However, the number of unemployed residents has moderately increased over the last year to 150 in the year 2000, suggesting a slight economic downturn.

VI. Taxes in Hooksett and Comparable Communities

Business development and growth in Hooksett provides an important source of tax revenue, which helps to decrease the percentage of local revenues required from residential properties. Individual business facilities generally have higher values than residential properties and thus contribute more to the tax base. In addition, property taxes paid by businesses help finance the town's education costs while not directly contributing to school enrollment.

Property that has been developed for commercial and industrial uses represents approximately 29 percent of the Town's property tax base as shown on Chart E below.

Chart E: Year 2000 Percentage of Commercial/Industrial Property Valuation and Full Value Tax Rate for Hooksett and Selected Communities



Source: Hooksett Town Assessor's Office

Compared to other New Hampshire Communities, Hooksett has a *high* percentage of assessed property value in commercial and industrial uses and a *low* full value property tax rate. In fact, the Town of Hooksett has the *second lowest* full value property tax rate out of the thirteen SNHPC communities. If the Town were able to expand its current commercial and industrial base, the Town's revenue stream would be increased.

VII. Summary of Hooksett's Existing Economic Conditions

The economy within the Town of Hooksett is relatively healthy, especially when compared with other areas in New Hampshire and the U.S. Job growth in the community increased more than 25 percent from 1991 to 1998, faster than the state rate of 17 percent.

Wages have increased measurably and kept pace with other communities. While the Town's labor force continues to expand, relative to the population growth over the last decade, the percentage of individuals participating in the labor force has decreased. This could be an indication that higher wages are reducing the need for two income households.

The current unemployment rate remains low at 3.1 percent during September 2001, which is positive for the community. However, a labor shortage in an unusually tight local labor market could threaten the growth of the local economic base.

The Town could encourage the development of affordable housing to attract workers. The Town's high (29 percent) of Commercial/Industrial Property Valuation and low (\$19.30) Full Value Tax Rate is positive for the community.

The recent events perpetrated by terrorists that have destabilized the national economy will have an effect not only on Hooksett's economy but more so on the broader regional economy. Many personnel have been laid off nationwide, particularly in the airline and tourist industries. While it is difficult to state what effect this will have on the regional economy, it may depend on how long we are at war with the terrorist agents at home and abroad.

However, in order to maintain Hooksett's healthy economic climate, the Town should continue to promote balanced growth and review smart growth strategies as it faces additional residential growth pressures in the future. Examples of smart growth would include cluster or open space housing development, walkable communities, encouraging transit-oriented development, along with mixed-use and infill development.⁵

VIII. Economic Development Goals and Recommendations

The following lists the Town of Hooksett's Economic Development Goals and Strategies. The strategies identify those items that could be performed by local officials, boards, Town departments and the voters to help bring about the changes needed in order to see Hooksett continue to grow as a prosperous and desirable community. These actions are subject to change over time as the Town's needs and circumstances change, and as experience is gained with their implementation.

ECONOMIC DEVELOPMENT GOALS:

- Work in partnership with the private sector and other agencies to develop a robust, prosperous and sustainable economy within an attractive environment
- Develop strategies to promote sustainable or smart growth within existing commercial, industrial and residential development areas
- Promote business retention, expansion, and new business opportunities

⁵ See the Southern New Hampshire Planning Commission Handbook *Sprawl and Smart Growth Choices for Southern New Hampshire Communities*, to be completed by Summer 2002.

- Provide infrastructure to those areas that are ready for economic development, and begin to plan for areas that could develop with appropriate installation of infrastructure
- Encourage innovative partnerships between government, business and community groups, community planning and cultural, economic, social and environmental goals
- Provide for an expansion of the commercial and industrial tax base with additional employment opportunities for Hooksett residents
- Work with local schools to develop programs for training persons to receive the appropriate skills for employment within the local economy
- Continue programs that would help maintain the high quality of life within Hooksett to attract a diversified economic base

STRATEGIES FOR GOAL IMPLEMENTATION:

- ❖ Maintain an inventory of commercial and industrial buildings and identify additional suitable areas of Hooksett for development.
- ❖ Develop a plan for beautification of commercial and industrial areas, which includes appropriate landscape design, retention of existing trees and/or planting of new trees, and curb appeal.
- ❖ Join the New Hampshire Main Street Program, which helps communities with the revitalization of downtown areas.
- ❖ Work on developing and maintaining an effective working relationship with businesses in the community.
- ❖ Begin to implement the Capital Regional Development Corporations’ Regional Site Inventory, which contains potential sites for development as significant industrial and office uses.
- ❖ Promote the creative reuse of underutilized, existing industrial buildings with “brownfields” legislation, regulations and funding on the federal, state and local levels.
- ❖ Support the streamlining of municipal permitting processes for the business community.

- ❖ Continue to support the local Economic Development Committee, which can help to review and implement this plan.
- ❖ Address other long term economic development issues, such as providing assistance to those trying to establish a business, and creating a positive dialogue with existing businesses.
- ❖ Continue to support and utilize Tax Increment Financing (TIF). TIF is an innovative technique recently initiated to pay for infrastructure using future tax revenue to serve new businesses in a designated district.
- ❖ Promote community education regarding the importance of a healthy economy and the benefits of commercial/industrial expansion.
- ❖ Support dialogue between educational institutions and industry, to provide curriculum development and training programs for individuals, to expand on technical skills in order to enhance the workforce.
- ❖ Encourage life-long learning initiatives, including adult and basic education programs, and participation in vocational, practical arts and retraining programs.
- ❖ Work with state departments such as the Department of Resources and Economic Development and the Capital Region Development Corporation to help promote economic development within the community while maintaining Town character.
- ❖ Analyze Town zoning along Route 3 and make necessary adjustments to attract “quality businesses” that could contribute towards the Town’s tax base.
- ❖ Update the municipal master plan to present a clear vision for the future, and guide growth to priority development areas suitable for supporting development based on a number of factors including the proximity to existing infrastructure and development.
- ❖ Coordinate the master plan and this economic development plan to encourage the development of an adequate supply of affordable housing as a means to attract a suitable labor force.
- ❖ Investigate the possibility of creating a “Performance Zone” along Route 3A in particular. Performance zoning could allow a variety of uses that must meet environmental, aesthetic, and other performance standards. While this concept has not been widespread across the state, the Town of Bedford has such an ordinance.
- ❖ Maintain and preserve natural resources while contributing economically to the local community. The Town, along with the Conservation Commission, the Economic Development Committee, and interested citizens should form a group

to explore ways that the existing natural resources, such as the Merrimack River and Bear Brook State Park, can contribute to the local economy.

This Economic Development Plan should continue to be updated at least every five years. The small town quality of life in Hooksett will continue to be evident with the assistance of those people who are able and willing to donate their time and energy during the coming months and years.