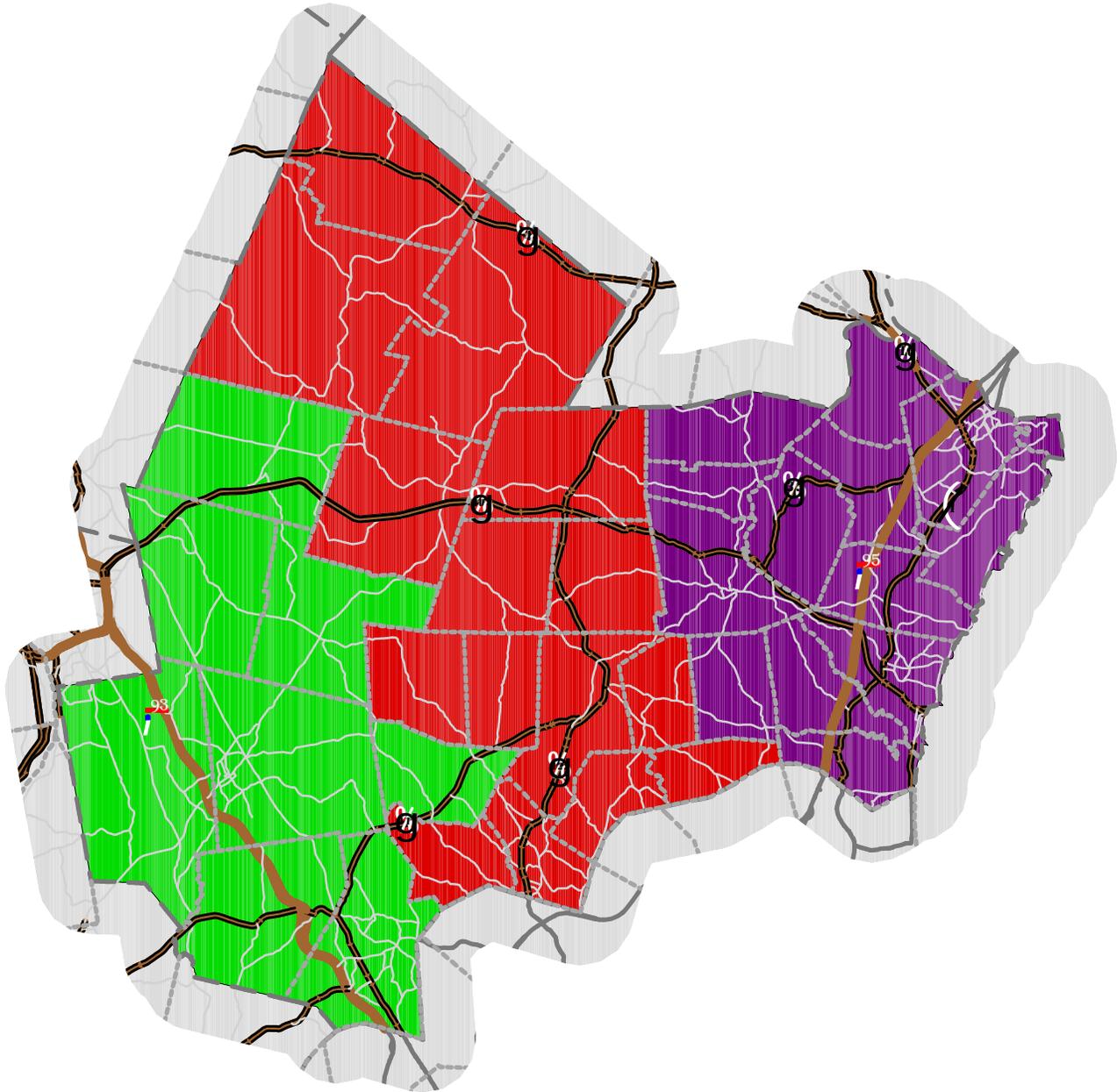


COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) ROCKINGHAM COUNTY, NH UPDATE 2004



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ANNUAL CEDS UPDATE 2004

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I. **Executive Summary**

This submission of the 2004 Annual Comprehensive Economic Development Strategy (CEDs) represents the final year of the five-year CEDs cycle for Rockingham County begun in 2000. The Rockingham Economic Development Corporation, Inc. (REDC), the Rockingham Planning Commission (RPC) and the other economic development stakeholders in Rockingham County have accomplished a great deal over the past five years. Building upon the framework established by the “grass-roots” CEDs process in 2000, the CEDs document has evolved into a vibrant, easy-to-implement “blueprint” for economic development initiatives in Rockingham County. The designation of REDC and Rockingham County as an Economic Development District (EDD) in June 2003 reflects the hard work accomplished by the REDC Board of Directors, the CEDs Steering Committee, the REDC and RPC staffs and the other economic development partners in the region. The EDD designation also demonstrates the respect held by the Economic Development Administration (EDA) for REDC and the economic development stakeholders in Rockingham County. The ability to secure more than \$ 1.5 million in economic adjustment, planning and public works funds from EDA reflects the increased staff capacity for economic development in Rockingham County and REDC’s adherence to the EDA Investment Guidelines. Leveraged funds from other federal, state, regional and local agencies, non-profit agencies and private businesses have also created jobs while maintaining the quality of life in Rockingham County.

The 2004 Annual CEDs Update is designed to provide information on last year’s activities, assess the current economic situation in the region, outline a specific work program for next year that includes priority projects, and evaluate this past year’s CEDs activities on a quantitative and qualitative basis. In general, the economy of Rockingham County has improved slightly from last year, although the hiring and re-hiring associated with an expanding economy have not been felt yet. Although the unemployment rate for Rockingham County was only 5.4% in April 2004, matching the national unemployment rate, there remain pockets of distress throughout the county that have averaged more than one percentage higher than the national unemployment rate for the past twenty-four months. Also, recent layoffs at major companies in Rockingham County have prolonged the recession for a number of residents. This document has been divided into six parts – Executive Summary, CEDs Steering Committee, Past Year’s Activities, The Regional Economy, Development Strategies and Evaluation Component. The 2004 Annual CEDs Update will clearly demonstrate how REDC has fulfilled its responsibilities as an EDD by maintaining a continuous, comprehensive economic development planning process. The Executive Summary, or Part I, provides an overview of the entire document.

Part II summarizes the “grass-roots” components of this past year’s activities by outlining the results of the CEDs Steering Committee meetings and the community forums. The CEDs Steering Committee membership list and minutes are included in Appendix I. REDC held four (4) CEDs Steering Committee meetings and four (4) community forums during this past year. The Evaluation Committee also provided feedback on the quantitative and qualitative results of the year’s activities. Besides these meetings, REDC utilized its web page, mailing list and other information tools to keep the residents and businesses of Rockingham County updated on the annual CEDs process. While the CEDs Steering Committee meetings provided overall guidance and input to the REDC staff, the community forums provided an opportunity to assemble the economic development stakeholders to address issues of concern as identified in the original Five-Year CEDs. During the course of this past year, community forums held throughout the region addressed business incubators, industry clusters, and planning and conservation board interactions.

The REDC Board met on June 24, 2004 and formally adopted the 2004 Annual CEDS Update. This approval by the REDC Board is attached in Appendix 4.

Part III of the 2004 Annual CEDS Update summarizes the project development, goal attainment and capacity building activities of REDC and its economic development partners during the past year. The designation of REDC and Rockingham County as an EDD in June 2003 was the most significant development outlined under the project development section. The receipt of a \$ 52,000 planning grant effective May 1, 2004 will enable REDC to maintain a continuous, comprehensive planning process and to prepare for next year's five-year "grass-roots" CEDS process. Local businesses, such as Public Service of New Hampshire, Unitil and Citizens Bank, have recognized the importance of the CEDS process and document to the economic development future of the region and have continued to provide matching funds for this effort. Other EDA projects summarized under the project development section include: the North Apron Access Road and Utility Infrastructure at Pease International Tradeport, Epping Crossing, Granite Meadows Commercial Park, Route 125 Infrastructure South – Drakes Site, Newmarket Main Street Reconstruction Program, Black Bear Business Park, Rockingham Park Racetrack and the Hampton Beach Master Plan. Under non-EDA activities, the projects summarized included the Plaistow Recreational Walkway, the REDC Capitalization of the Regional Revolving Fund, and the Ash Street Corporate Park in Derry. As an added component to this year's project development section, a summary of the major REDC projects is included as well. The status update of the 2003 Priority Project List is included in Appendix 2. Under the goal attainment section, the actions and activities of REDC and its economic development partners in Rockingham County during the past year were summarized according to the ten goals initially developed through the Five-Year CEDS Process. These summaries are designed to supplement the information provided in the Evaluation Component and address the Short-Term Actions identified in the 2003 Annual CEDS Update. The final section on capacity building summarizes the activities undertaken during the year to improve the capacity of REDC and its economic development partners to provide economic development planning on a continuous and comprehensive basis to communities and businesses in Rockingham County.

Part IV on the Regional Economy consists of three sections: CEDS Data Update, State of the Economy and Industry Cluster Update. Overall the regional economy is improving, however, the job hiring and re-hiring have not occurred yet. The unemployment rate for Rockingham County in April 2004 was 5.4%, equal to the national unemployment rate, however, pockets of distress, such as the Salem-Derry PMSA (6.9%), the Seabrook – South Hampton PMSA (7.1%), Derry (6.8%), Hampstead (6.7%), Kingston (6.7%), Plaistow (7.8%), Salem (7.8%), Seabrook (7.7%) and Windham (6.5%), experienced unemployment rates more than one percent higher than the national unemployment rate for the same period. Additionally, recent layoffs at major employers, such as Venture and Flextronics, provide evidence that the recession for many workers in Rockingham County has not ended. The CEDS Data Update section was completed by Rockingham Planning Commission staff and provides updated data on population estimates, unemployment and employment, layoffs, journey-to-work patterns and housing. Additional charts and tables related to this updated data are included in Appendix 3. The section on the State of the Economy provides supplemental information on the economy, particularly related to the pockets of distress in Rockingham County and other EDA eligibility factors. The Industry Cluster Update section summarizes the presentation made by Professor Ross Gittell on April 21, 2004 at the community forum session in Stratham entitled "New Hampshire and Rockingham County Leading Industries: Present & Future". This initiative was funded through a \$ 100,000 economic adjustment grant from EDA that was provided to the University of New Hampshire. Professor Gittell's industry cluster information supplements the information developed last year through Professor Charles Tontar's study on cluster industries in Rockingham County.

A copy of the PowerPoint presentation by Professor Gittel is attached in Appendix 6. It is anticipated that different variables and weights will be utilized to develop as accurate a picture of the industry clusters in Rockingham County as possible.

Part V entitled Development Strategies focuses on the specific development projects in Rockingham County designed to create jobs and to maintain the quality of life. The first section summarizes the CEDS Project Request for Proposal (RFP) process and a copy of the RFP package is attached under Appendix 5. The second section provides the FY 2004 EDA Investment Policy Guidelines and describes the Regional Economic Development Forum held in Hanover, New Hampshire on January 14, 2004. Section C provides the CEDS Project List that includes the top priority EDA-funded projects – Route 125 Infrastructure South – Drakes Site in Epping, the Newmarket Main Street Reconstruction Program, the Rockingham Park Racetrack in Salem, the New Hampshire Biotechnology Incubator at the Pease Tradeport in Portsmouth, and the New Hampshire Virtual Business Incubator at the Pease Tradeport in Portsmouth. Also included are the top priority non-EDA funded projects, specifically the Plaistow Recreation Walkway, the REDC Capitalization of the Regional Revolving Loan Fund, the Regional Sewer Project for eastern Rockingham County, and the Greater Portsmouth Transportation Management Association Traffic and Congestion Reduction Project. REDC has also listed one EDA-funded intermediate priority project, one EDA-funded long-term priority project and three non-EDA funded long-term priority projects. The Project Oriented and other Economic Development Initiatives are described in Section D through short summaries on Epping Crossing, Route 93, the “Downeaster” and other rail initiatives, Pease International Tradeport, Little Bay Bridge, Portsmouth Naval Shipyard, Science and Technology Initiatives and Workforce Housing. Section E outlines the Short-Term Actions for next year’s CEDS process and program. This next year will be quite significant as it begins a new five-year “grass-roots” CEDS process, which will likely result in different goals and objectives based upon the current needs, the newly established Vision and the Action Plan to achieve this revised Vision.

The Evaluation Component, or Part VI, provides the quantitative and qualitative evaluation of the CEDS program activities in Rockingham County. This document attempts to provide a self-evaluation of the CEDS program activities during the past year and to develop new policies and activities based upon the results of the self-evaluation. REDC has been working with EDA to develop an evaluation format that provides useful information to REDC for programmatic changes, while providing EDA with a quantitative and qualitative assessment that can be reported to the Washington EDA Office.

The REDC staff wishes to thank the REDC Board of Directors, the CEDS Steering Committee, the RPC staff and the other economic development stakeholders in Rockingham County who actively participate in the annual CEDS activities and contribute to the successful implementation of economic development projects. Without the active assistance from Rita Potter, the Economic Development Representative for New Hampshire, and Cassandra Lighty of the EDA Philadelphia Office, the REDC staff would not have been able to accomplish as much as it has. REDC staff appreciated the opportunity to meet with EDA staff from the Philadelphia and Washington offices at the Innovation Imperative conference in Washington, D.C. in June 2004 and to better appreciate where the EDA program was headed in the future.

II. Comprehensive Economic Development Strategy (CEDS) Steering Committee

With its designation as an Economic Development District (EDD) in June 2003, the Rockingham Economic Development Corporation (REDC) has achieved one of the milestones established under the Five-Year CEDS process in 2000. This designation validates the “continuous, comprehensive planning process” established by REDC in 2000 and updated every year since. REDC has helped maintain the “grass-roots” component of the CEDS process through extensive outreach activities, quarterly CEDS Steering Committee meetings and community forum meetings. This section summarizes the activities during the previous year in reaching out to the public, working with the other economic development stakeholders, and receiving the input and oversight of the CEDS Steering Committee and the REDC Board of Directors.

REDC has continued to publish its newsletter, as well as to improve its web site. These information tools have been helpful in getting the message out about the CEDS and informing the public about upcoming meetings and community forums. The Annual CEDS Update for 2003 has been posted on the web site, which provides easier access for the public at large. The mailing list has been continually updated and is utilized for community forum events. These information tools are being continually updated in preparation for next year’s Five-Year CEDS process.

The CEDS Steering Committee met on October 29, 2003 for its first meeting of the year. The principal purpose of the meeting was to provide updates on the approval of the Annual CEDS Update for 2003, the designation by EDA of REDC and Rockingham County as an Economic Development District (EDD) and the re-authorization legislation for the Public Works and Economic Development Act. Also discussed at the meeting were the comments from EDA regarding the Evaluation Section of the Annual CEDS Update, the eligibility criteria for EDA projects and how the State could conduct its own survey regarding per capita income in 2005 and upcoming activities for the year. The CEDS Steering Committee felt that we needed to seek guidance from EDA on the rewriting of the Evaluation Section and resubmit the document to EDA as soon as possible. A copy of the minutes for this meeting can be found in Appendix I.

The next meeting of the CEDS Steering Committee was held on January 21, 2004. The principal purpose of this meeting was to outline the work plan until the end of June. The meeting schedule for the period was described, as was the criteria for project selection to be sent out to economic development stakeholders in the region as part of the RFP package. REDC’s consultant provided a summary of EDA’s Regional Economic Development Forum held in Hanover, New Hampshire on January 14, 2004 and discussed EDA’s “Criteria for Local Investments”. Also discussed at this meeting was the Evaluation Section. Copies of the minutes for this meeting are attached in Appendix I.

The CEDS Steering Committee meeting on April 21, 2004 was held in Stratham just prior to the community forum on the **Rockingham County Industry Cluster Study**. The purpose of this meeting was to review and approve new project submissions as part of the Annual CEDS Update for 2004. The CEDS Steering Committee approved the new project submissions. Copies of the minutes for this meeting are attached in Appendix I.

On June 16, 2004 the CEDS Steering Committee met to discuss the draft Annual CEDS Update for 2004. Also, as part of this meeting, a summary of the EDA Conference in Washington, D.C. held from June 8th to June 10th was provided. After a presentation of the draft Annual CEDS Update for 2004, the CEDS Steering Committee voted to recommend approval of this document to the REDC Board of Directors for its final vote on June 23, 2004. Copies of the minutes for this meeting are attached in Appendix I.

The REDC Board of Directors met on June 24, 2004 to review the Annual CEDS Update for 2004 and to receive the recommendations of the CEDS Steering Committee. The REDC Board of Directors voted to approve the Annual CEDS Update for 2004. A copy of the minutes that includes the official vote is included in Appendix I.

The community forums have continued to play a critical role in maintaining the “grass-roots” nature of the CEDS process, focusing upon critical concerns affecting the economic future of Rockingham County and identifying new issues that will need to be addressed in the upcoming Five-Year CEDS process next year. During this past year, REDC held four community forums and, as always, co-sponsored these forums with other economic development stakeholders in Rockingham County. The issues focused upon this past year were business incubators, the industry clusters for Rockingham County, training for planning board members and the working relationships of Planning Boards and Conservation Commissions. Summarized below are the activities of the four community forums:

- ⇒ REDC co-sponsored the **Economic Development Summit 2003** with the NHCTC Emerging Technologies Center on October 21, 2003. This event was held at the NHCTC Emerging Technologies Center located at the Pease Tradeport in Portsmouth. Among those participating in the program were representatives from Sovereign Bank, business leaders involved in virtual and physical incubator models, and state officials providing support for these business incubators. The forum offered an opportunity for attendees to learn about the status of virtual and physical incubator models in New Hampshire and to share perspectives on the future viability of these initiatives as it relates to Rockingham County. Representatives from Sovereign Bank provided an update on the regional and state economy and have continued to provide these economic updates by e-mail on a weekly basis. Information on this community forum has been included in Appendix 6.

- ⇒ On April 21, 2004 REDC and the University of New Hampshire co-sponsored a community forum entitled “**Rockingham County Industry Cluster Study**”. This community forum came about as a result of earlier discussions that encouraged the University of New Hampshire to apply for \$ 100,000 in economic adjustment funds from EDA to develop industry cluster information for at least three areas of New Hampshire- Rockingham County, Sullivan County and the North Country. Based upon an earlier initiative by the State of New York, it was expected that the information developed on industry clusters would be shared with the regional entities responsible for developing the Annual CEDS for EDA. In this way, there would be a specific project upon which the University of New Hampshire, the EDA-designated University Center, and EDA’s regional economic development partners, including REDC, could benefit. The community forum provided an opportunity for Janice Kitchen and Professor Ross Gittell to present their findings on Rockingham County and to respond to questions from the attendees, including Ms. Rita Potter, the Economic Development Representative for New Hampshire.

The community forum offered a great opportunity to focus upon the industry clusters in Rockingham County in comparison to the State and the nation as a whole. This information has been included as part of Appendix 6 and is compared to REDC's industry cluster effort last year in Part C of Section V. It is expected that this relationship between REDC and the University of New Hampshire will continue and that new analyses will be conducted utilizing different weights for the factors used to determine the industry clusters in Rockingham County.

⇒ Building upon its long-standing relationship with the Rockingham Planning Commission (RPC), REDC co-sponsored two community forums entitled "**Granite State Planning Board Challenge**" and "**Municipal Board Cross-Training: Maximize Planning Board and Conservation Commission Working Relationships**" that were held in Brentwood. Also co-sponsoring these community forums were the Rockingham County Conservation District and the University of New Hampshire Cooperative Extension. These community forums were part of RPC's 16th annual Municipal Board Training Series and were designed to improve the capability of municipal board members and to assist in the exchange of ideas between communities. The roles played by the Planning Boards and Conservation Commissions are critical to the implementation of the Rockingham County CEDS and to ensuring that there is a balance between economic growth and the quality of life.

The forum entitled "**Granite State Planning Board Challenge**" was held on June 2, 2004 and was modeled after the Granite State Challenge game show for New Hampshire high schools and Jeopardy. Planning Boards created teams that responded to regular Planning Board methodology questions and competed with teams from other communities. This community forum provided an opportunity to share information on development review and approval practices in an enjoyable and educational format. Additional information on this community forum is included in Appendix 6.

On June 23, 2004 the community forum entitled "**Municipal Board Cross-Training: Maximize Planning Board and Conservation Commission Working Relationships**" was held in Brentwood. Marjory Swope of the New Hampshire Association of Conservation Commissions provided examples of how Planning Boards and Conservation Commissions could work together to ensure that municipalities benefited from well-designed and environmentally conscious development proposals. Additional information on this community forum is included in Appendix 6.

The combination of the CEDS Steering Committee meetings, the community forums and the information outreach tools have prepared REDC to move into the Five-Year CEDS process next year. For the most part, this effort has enabled REDC to keep in touch with the economic development stakeholders in Rockingham County and to reflect their concerns and aspirations in creating jobs, while maintaining the excellent quality of life in Rockingham County.

III. Past Year's Activities

This section provides an overview of the past year's activities, as related to the Short-Term Goals outlined in the 2003 Annual CEDS Update. The most significant development that occurred toward the end of June 2003 was the designation of REDC and Rockingham County as an Economic Development District (EDD). Due to the end of the year notice regarding EDD designation, this information was not included in the 2003 Annual CEDS Update. However, as a result of this designation, REDC received its first planning grant as an EDD effective May 1, 2004.

This grant for \$ 52,000 will enable REDC to complete its activities under the 2004 Annual CEDS Update and to begin the Five-Year CEDS process for next year.

This section consists of three components: Project Development, Goal Attainment and Capacity Building. As with the previous Annual CEDS Updates, the Project Development component summarizes the actions over the past year related to the Priority Projects identified in the 2003 Annual CEDS Update. The Goal Attainment component summarizes how REDC and the other economic development stakeholders were able to address the Short-Term Actions by specific goal as outlined in the 2003 Annual CEDS Update. The component on Capacity Building summarizes how the economic development capacity in Rockingham County has improved through this past year's activities to the point that EDD status has been achieved. The quantitative and qualitative aspects of this past year's activities are included in Part VI on Evaluation.

A. Project Development

The major achievement in terms of project development was the designation of REDC and Rockingham County as an EDD and the subsequent planning grant for \$ 52,000 that became available effective May 1, 2004. This recognition of REDC's capacity and the availability of an ongoing planning grant justify the extensive effort made by the REDC Board of Directors, CEDS Steering Committee and REDC staff since 2000 to establish this continuous, comprehensive planning process designed to create high-skilled, well-paying jobs and maintain the quality of life in the region. This effort has also been recognized by local businesses to the point whereby Unitil (\$ 1,000) and Citizen's Bank (\$ 3,000) contribute funds to ensure that the CEDS planning process continued.

The following summary of Priority Projects includes only the Short-Term Projects identified in the 2003 Annual CEDS Update, with the exception of the individual projects administered by REDC. A more complete status report on the Short-Term, Intermediate and Long-Term Projects identified last year is included in Part V under Development Strategies, as well as in Appendix 2 – Status Update. The project summaries are as follows:

Rockingham Economic Development District Application

EDA awarded EDD status to REDC and Rockingham County in June 2003. REDC's first EDD planning grant for \$ 52,000 was awarded effective May 1, 2004.

Rockingham County Annual CEDS Update for 2003

REDC completed its third Annual CEDS Update in 2003 and received conditional approval from EDA. REDC was still awaiting further clarification from EDA on the requested components of the Evaluation Section. Funding for this effort was generated principally through REDC and other private contributors (Unitil, Public Service of NH and Citizens Bank).

North Apron Access Road and Utility Infrastructure at Pease International Tradeport

The Pease Development Authority received \$ 500,000 in Public Works funds from EDA in 2002 and the project was cited by Assistant Secretary David A. Sampson at the Regional Economic Development Forum at Dartmouth College on January 14, 2004. This project should be completed shortly.

Epping Crossing

This project received funding from EDA two years ago in the amount of \$500,000. and has been successfully completed. The closeout report is the final item being addressed at this point.

Granite Meadows Commercial Park

This project was awarded \$ 358,000 in EDA Public Works funds two years ago. However, due to complications related to limited matching funds and the implementation of the project, the Community Development Finance Authority (CDFA) returned the grant to EDA.

Route 125 Infrastructure South – Drakes Site- Epping

This project is still in the final stages of the Planning Board approval process. EDA funding is still a possibility for this project.

Main Street Reconstruction Program – Newmarket

Phase I (Exeter Road Corridor) has received funding under a Transportation Enhancement grant and is currently under construction. Phase II (Main Street Downtown) is currently going through final design reviews and it is likely the project will go out to bid within the next year.

Black Bear Business Park – Newmarket

Although the Black Bear Tax Incentive Financing (TIF) district has been approved by the town for funding, the project will still require two to four years for completion. Therefore, it is being recommended in this year's Annual CEDS Update that the project be shifted from the Short-Term Priority List to the Intermediate Priority List.

Rockingham Park Racetrack – Salem

The closure of the Rockingham Park Racetrack in Salem has been delayed for a year providing proponents with an opportunity to complete their feasibility and re-use plan.

Hampton Beach Master Plan – Hampton

The Town meeting warrant article supporting a Tax Incentive Finance (TIF) District for Hampton Beach was turned down by voters in March 2004. It is anticipated that this initiative may be tried again next year.

Non-EDA funded projects that were identified as Short-Term Priority Projects in the 2003 Annual CEDS Update included the following:

Recreational Walkway – Phase II – Plaistow

While Phase I has been completed, funding for Phase II has yet to be identified.

Capitalization of the Regional Revolving Fund – Countywide

REDC has submitted an application for \$ 500,000 to the United States Department of Agriculture (USDA) Rural Development "Intermediary Re-Lending" Program to capitalize Rockingham County's loan fund.

Ash Street – Corporate Park – Derry

The Tax Increment Financing (TIF) District in Derry has been approved and Phase II of the project (access road with water and sewer extensions) will begin this summer. The total project cost of Phase II is \$ 800,000 and it is expected that 200-250 jobs will be created.

In addition to the projects on the Short-Term Priority List, REDC has been involved with a number of non-EDA funded projects that create jobs, increase private investment and improve the quality of life in the region. Although these projects don't generate the high number of jobs and private investment usually expected for EDA, these projects meet a fundamental need for small business growth in Rockingham County. These projects include the following:

- **North American Equipment Upfitters in Auburn**
As a result of a \$ 205,000 loan provided by REDC's regional loan fund, the firm was able to save twenty jobs and create an additional ten jobs.
- **Ioka Theatre in Exeter**
REDC provided a \$ 50,000 loan in order to keep the historic theatre in Downtown Exeter open and to save ten jobs.
- **Novia Associates in Salem**
REDC helped finance the re-location of this vibration control manufacturing firm through a \$ 133,800 loan, which will create additional 20-35 jobs.
- **Knowledge Road in Newmarket**
REDC has been working with this new company that provides computer consulting services to the Department of Defense.
- **Suflex in Newmarket**
REDC provided a \$ 150,000 loan to two employees of the company desiring to purchase the company when out of state corporate owners were going to close the facility and, as a result, 39 out of 50 jobs at the plant were saved.
- **Foss in Hampton**
REDC and partners provided a \$ 1 million CDBG loan to this company which will result in the creation of 50 new manufacturing jobs.

B. Goal Attainment

This section on goal attainment reviews the performance of REDC and its economic development partners in Rockingham County in addressing the Short-Term actions outlined in the 2003 Annual CEDS Update. To a large extent, the Short-Term Actions outlined in last year's Annual CEDS Update represented a fairly good estimate of what could be accomplished during the year in order to move closer to attaining the specific goals developed through the Five-Year CEDS Process in 2000. As the economy begins to improve, the impediments on specific activities will be removed. Layoffs continue to impact the region so REDC and its economic development partners need to address the needs of laid off workers by identifying new employment opportunities. The eligibility of Rockingham County communities for EDA funding will continue to be an issue as well, even though the unemployment rates in the Seabrook and Salem areas have been at a higher level than the national unemployment rates for an extended period of time.

REDC has successfully implemented the CEDS process in Rockingham County. By maintaining a continuous, comprehensive planning process, REDC has been able to keep Rockingham County eligible for EDA funding and has earned EDD designation for this region. REDC encourages the active involvement of all participants in the CEDS process and actively supports worthy projects that meet the goals and objectives of the Rockingham County CEDS and conform to the FY 2004 EDA Investment Policy Guidelines. REDC has accomplished much of this through the scheduling of four CEDS Steering Committee meetings, four community forums, extensive outreach efforts to businesses and municipalities, and the formalization of an Evaluation component within the CEDS.

REDC held four CEDS Steering Committee meetings (10/29, 1/21, 4/21, and 6/16) and an REDC Board of Directors meeting (6/24) to approve the CEDS. The four community forums have addressed business incubators, industry clusters, and Planning Board and Conservation Commission issues. Member communities have been notified about eligibility requirements for EDA projects through the issuance of the Annual Request for Proposal and the recently revised EDA Investment Policy Guidelines for 2004 have been generally circulated. REDC has been quite active in securing EDA public works and planning grants for its member communities and the region. As an active lender in the region, REDC understands what makes for a successful development project and has the unique perspective of the businessmen and municipal leaders on its Board.

In terms of meeting the overall short-term actions, REDC submitted its planning grant application during the year so that it could receive \$ 52,000 in funds for its EDD planning activities. REDC also held four CEDS Steering Committee meetings and interacted with the Evaluation Subcommittee members. Although REDC had identified the EDA Revolving Loan Fund as a targeted source of funding, no EDA Revolving Loan funds were made available during the year. Four community forum sessions were scheduled as part of the CEDS outreach and networking effort. REDC coordinated the Annual CEDS Update process and submitted the 2004 Annual CEDS Update. During the course of the year, REDC provided support to local communities in accessing economic development funds and in promoting economic development projects. In preparation for the Five-Year CEDS process beginning next year, REDC began a recruitment effort for new participants in the process. The development of new criteria for assistance to businesses is still under development as REDC focuses upon its industry cluster options.

In terms of meeting the specific goals established in the Five-Year CEDS developed in 2000 and maintained in the 2003 Annual CEDS Update, REDC and the other economic development stakeholders in Rockingham County were able to accomplish the following:

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

Although no new initiatives were identified to tie together EDA and DOL funds, REDC staff attended a DOL Conference in Portsmouth on June 18, 2004. In terms of H-1B funds, it appears that there is not any funding from DOL available at this time. Some biotech and information technology companies in Rockingham County may benefit from funding under the President's High Growth Job Training Initiative. Layoffs at Flextronics and Venture Corporation will have a major impact upon the regional economy. REDC has worked with companies, such as Foss Manufacturing, to generate new employment opportunities.

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

Based upon the four communities identified for Tax Increment Finance (TIF) Districts, the Town of Derry and the Town of Newmarket have taken advantage of this initiative. REDC has worked closely with the New Hampshire Department of Resources and Economic Development (DRED) to market Rockingham County as an ideal location for businesses to expand and to relocate.

REDC sponsored some mailings for its Garrison Glen project. REDC and DRED have met on ten to fifteen occasions with out-of-state companies in an attempt to encourage them to locate in Rockingham County. REDC has provided follow-up services after these meetings and enlisted the support of real estate agents, bankers and brokers to identify ideal sites in the county. REDC provides an ongoing resource and referral system for businesses.

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

REDC has assisted a number of businesses in securing loans that they otherwise would not have been able to secure. The loans made by REDC this year, as summarized in the Project Development section, are not the types of loans handled solely through the private sector. REDC is still analyzing the industry clusters for the region and has not identified those specific businesses that would best serve the target communities. REDC provides technical assistance in the development of pre-applications and applications on an as needed basis.

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

As of yet, the identification of employment clusters by geographic location in relation to the COAST route system has not been completed. Nor has the Environmental Justice information been utilized yet. RPC has, however, been quite active in helping to identify funding sources to support the proposed Derry/Londonderry Transit system. RPC worked with the two other regional planning agencies serving the area to complete the Greater Derry-Salem Regional Transit Study. This area remains the only urbanized area in New Hampshire that lacks regular bus service. Currently, there is up to \$ 500,000 in Federal Transit Authority funds available for this region that can't be accessed because of the lack of a regional entity that can serve as the recipient of the funds. There is also a public transit initiative to establish a railroad stop in Plaistow for the Down Easter.

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

RPC worked with Northampton, Rye, Epping and Fremont in utilizing the “tool box” developed by RPC under the Sustainable Development grant from the Environmental Protection Agency (EPA). “Smart growth” audits and conservation zoning were used by these communities. RPC continued its work with Seabrook, Fremont and Exeter under the hazard mitigation efforts. The draft regional protection plan for water resources has been completed. RPC has also developed a model ordinance for village plan development.

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

REDC has worked with the Newmarket Community Development Corporation to establish business incubators at the Essex Mill site. In fact, REDC was working with a sneaker distributor to rent space in the building. As of this point, the Brownfields and Downtown Revitalization community forum has not been scheduled and no inventory on Brownfield sites and Main Street Programs in Rockingham County has been completed. REDC continues to work with business owners and prospective tenants to re-use commercial and industrial land in the region.

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

The issue of workforce housing remains a significant economic development issue in Rockingham County. REDC has worked closely with the Workforce Housing Coalition of the Greater Seacoast to address this issue and the program coordinator, Lisa Henderson, serves as a member of the CEDS Steering Committee. Warren Henderson, the Chairman of the REDC Board and the CEDS Steering Committee, and Lisa Fisher-Henderson (no relation) appeared on New Hampshire Public Television to address the workforce housing issue on the New Hampshire Outlook program entitled “Housing Crunch” on May 25, 2004. Events such as this provide a public face on an important economic development issue. While the Housing Needs Assessment for Rockingham County has been completed, the Economic Impact Study has been delayed at the New Hampshire Housing Finance Authority.

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

REDC has participated once again as a co-sponsor to RPC’s Municipal Board Training Series in 2004. The two community forums entitled “**Granite State Planning Board Challenge**” and “**Municipal Board Cross-Training: Maximize Planning Board and Conservation Commission Working Relationships**” were held on June 2, 2004 and June 23, 2004 respectively. The feasibility study for a regional outfall sewer system for Raymond was approved for a total cost of \$ 50,000- \$ 12,000 from the Town of Raymond and \$ 38,000 from the private sector. This project has the prospect of being a truly regional project. To date, no mediation/negotiation/ coordination skill-training sessions have been scheduled.

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

REDC has applied for \$ 500,000 in Intermediary Re-Lending Program funds from the USDA Rural Development Council and will provide a local match of \$ 125,000. These funds will be utilized to capitalize the regional revolving fund administered by REDC. Projects supported by REDC's Revolving Loan Fund were identified in the Project Development portion of this section. REDC also applied for and received \$ 52,000 in EDA planning funds as a result of its designation as an EDD. REDC staff attended the DOL Conference on June 18, 2004 and has researched other funding sources that could support job creation projects. Homeland security funds are an additional possibility for the region.

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

REDC has updated its web page and posted the 2003 Annual CEDS Update on it. REDC has also begun to reach out for new participants for the Five-Year CEDS process to begin next year. REDC has updated its mailing lists and wants to encourage the active participation of minority, low-income and female residents, as well as the traditional economic development stakeholders in the "grass-roots" CEDS process.

C. Capacity Building

REDC, working in conjunction with the Rockingham Planning Commission (RPC), has continued to provide the leadership in addressing the economic future of Rockingham County and in developing the partnerships needed to move the County closer to the Vision outlined as part of the Five-Year CEDS document. With the designation of REDC and Rockingham County as an EDD, the capacity building process over the past four years has received a hearty endorsement. In 2000 when REDC and its fellow economic development stakeholders embarked on the "grass-roots" CEDS process, it was inconceivable how organized this economic development planning process could be. Now there is a network of economic development stakeholders in place and there is an ongoing "grass-roots" process reflected by the CEDS Steering Committee meetings, the community forums, and the evaluation component that keeps the CEDS documents relevant. Rockingham County has received several EDA public works, planning and economic adjustment grants since 2000, which reflects well on the small staff and limited resources available to REDC. The awarding of these grants also speaks well of the quality of projects and the active involvement of the economic development stakeholders in this CEDS process. The capacity building activities of the past year have been as follows:

- The designation of REDC and Rockingham County as an EDD completes the initial goal established for the organization. The availability of \$ 52,000 in planning grant funds enables REDC to plan its economic development activities on a more consistent basis. REDC has enjoyed the financial support it has received from the private sector in the past, but the addition of the EDD planning funds provides more security for the CEDS program in Rockingham County.

These funds will ensure that there will be extensive promotion of economic development projects throughout the County and technical assistance to local communities in their economic development planning efforts.

- REDC has demonstrated its ability to manage federal grants and work with federal grantees. The management of the \$ 70,000 economic adjustment grant and the \$ 50,000 planning grant has demonstrated REDC fiscal capabilities. The awarding of three major public works grants by EDA - Epping Crossing (\$ 500,000), the Pease North Apron Access Road (\$ 500,000), and Granite Meadows Commercial Park (\$ 350,000) - represents a major achievement for an area the size of Rockingham County.
- REDC has assisted local communities in addressing their economic development needs. The public participation process through the CEDS Steering Committee and the community forums provides access to this decision-making process. Through newspaper articles, presentations on radio and television, the CEDS PowerPoint presentation and the REDC web site, the message regarding the importance of economic development in Rockingham County is being sent out.
- It is estimated that the REDC Executive Director made eight presentations to the Boards of Selectmen, local Boards and private agencies related to the economic development planning process in Rockingham County. REDC has also established a regular newsletter entitled "REDC Developments", which is designed to keep the economic development community informed of upcoming events and to elicit their active participation in the CEDS planning process. REDC has also upgraded its web page so that greater access to the CEDS documents may be provided and an additional outreach mechanism may be established. REDC is well prepared for next year's Five-Year CEDS process.

IV. The Regional Economy

A. CEDS Data Summary

Since the publication of the 2003 CEDS document, updates to some of the data compiled in the report have become available. Where available, new data has been incorporated into the appropriate data summary tables, which are included as part of this CEDS Update in Appendix 3. Specifically, updated or supplementary information had been added in the areas of population counts, employment, unemployment and wage data, as well as property valuations and tax rates. In addition, three new sections summarizing 2000 Census Journey-to-Work information, initial results of the regional housing needs assessment and current housing sales price information have been added. This information is summarized in narrative form below.

1. Population

2002 Population Estimates

In August of 2003, the NH Office of Energy and Planning (formerly the NH Office of State Planning) published its annual population estimate for New Hampshire Cities and Towns. NH OEP bases its annual estimates on responses received from cities and towns on an annual survey taken each year regarding numerical changes in constructed housing units (both additions and demolitions). Results are converted to population estimates based on current person-per-household data applicable to the county. The results of the estimate for 2002 indicate a population increase of 3,997 over 2001, representing a 1.4% increase. This is significantly less than the 2.4% growth rate indicated in the previous year, and somewhat less than the 10 year annual average growth rate of 1.7%. This is most likely due to the combination of lower housing production and a “resetting” adjustment of the NHOEP estimates to coincide with 2000 population estimates. Figure 1 shows a year-to-year summary of population change for the County.

Except for a two-year period of flat or declining population growth between 1990 and 1992, the county population has been growing steadily over the past decade. Yearly population increases have ranged from 2800 in 1997 to over 7000 in 2000. Since 1992, the county has added an average of 4400 person per year, for an average annual growth rate of 1.68%. In the same period, the state growth rate averaged 1.39% per year.

The largest population increase was seen in the CEDS Western sub-region that grew by 1,680 persons; the slowest was in the Eastern region, which added just under 1000 persons (Figure 2). Proportionately, the fastest growing region is in the Central Region, which grew by 1.8% in 2002 (Figure 3). This is also significantly slower than in the previous year and slower than the 5-year average of 2.2% per year. See Table A-1: Population History and Projections – Incl. 2002 Population Estimates in Appendix 3 for town-by-town detail of these numbers. The communities with the greatest growth in population in 2002 were Windham (404), Salem (327), Brentwood (301), Londonderry (299), Chester (263) and Newmarket (also 263).

FIGURE 1

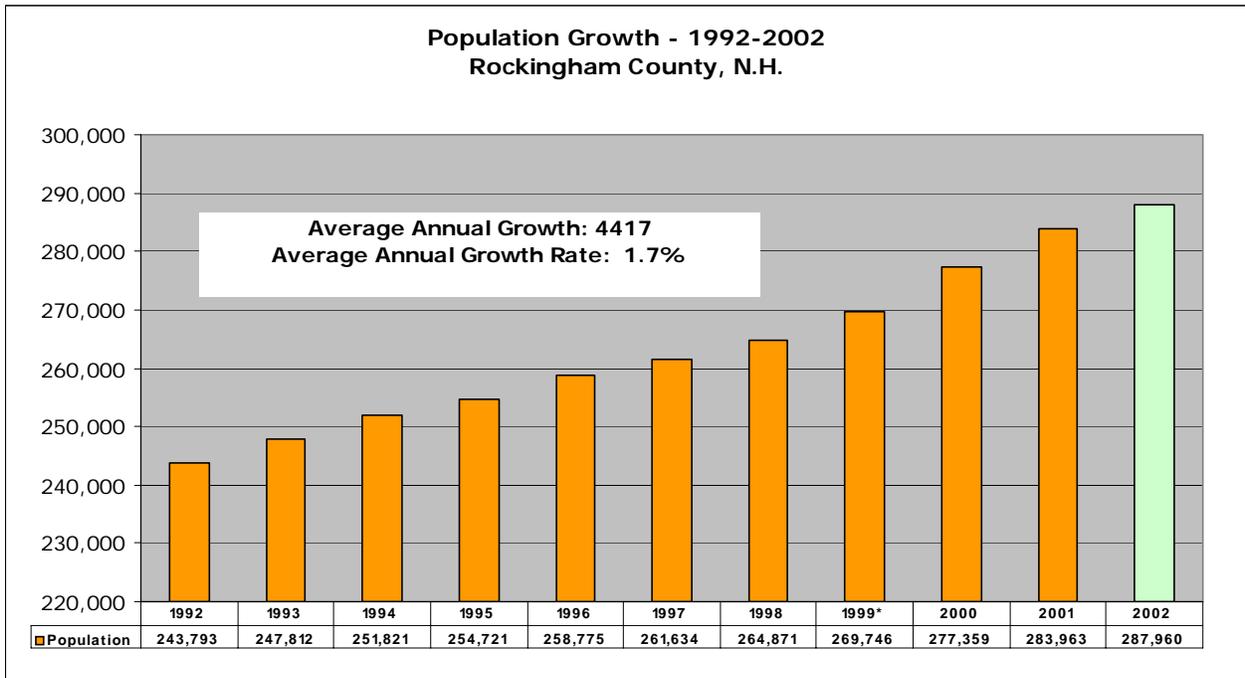


FIGURE 2

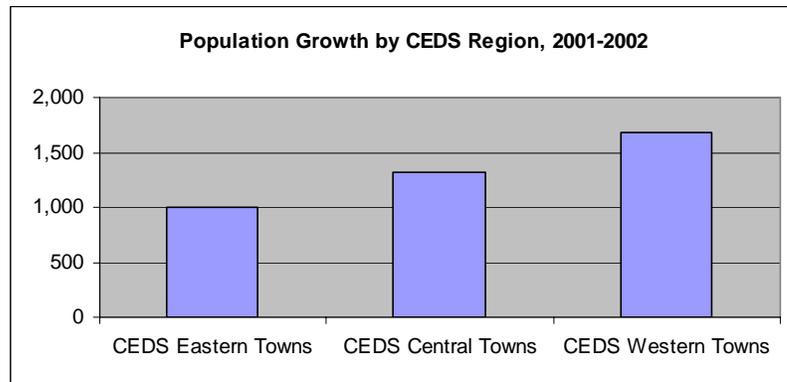
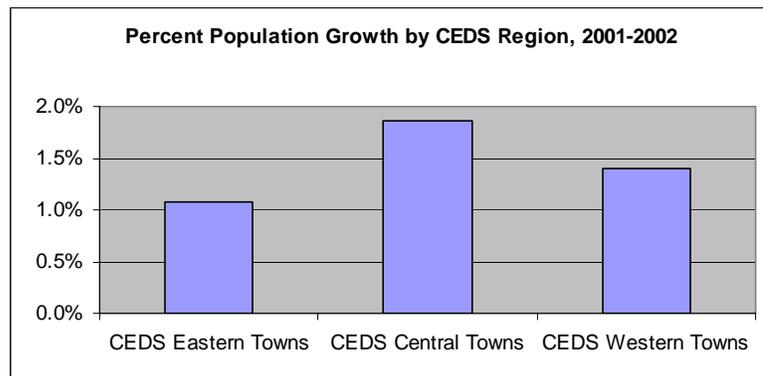


FIGURE 3



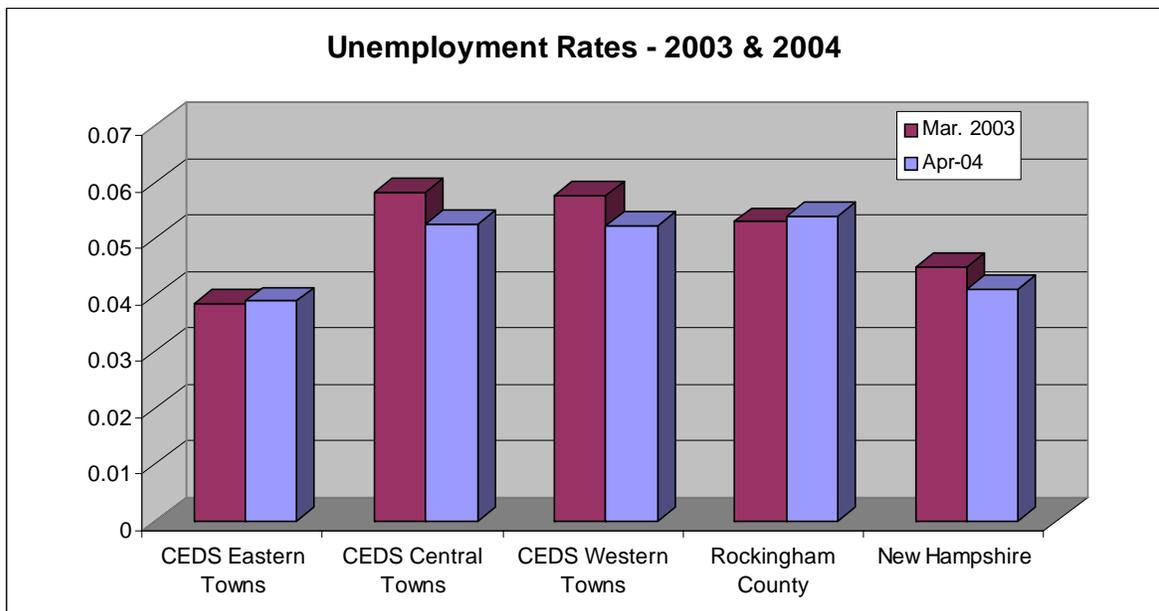
It is interesting to note that the average growth rate that has occurred over the past 10 years is significantly higher than future growth projected for Rockingham County in the most recent OEP population projections. To illustrate, the OEP projections forecast a county population in 2025 of 356,000 based on an average forecasted growth rate of 1.5% per year. However, if the growth rate that occurred between 1990 and 2000 were to continue to 2025, the county population will turn out to be 389,000 – or about 33,000 more than forecast.

2. Employment Data

Current Unemployment Rates

Table E-1 – Other Economic Indicators from the CEDS report has been updated to include the most recent unemployment data (April 2004)¹ available from NH Department of Employment Security. Overall, the 2004 numbers show a very small rise change in unemployment for the County as a whole, from 5.3% in March 2003 to 5.4% in April 2004, while the state benefited from a sizeable decline, from 4.4% to 4.1% over the same period. As with previous updates, Rockingham County’s unemployment rate is significantly higher than the state’s. Looking at the average of Towns within each CEDS region, a modest decline in unemployment rate is seen in the Central and Western sub-regions, while the Eastern region has seen a slight increase in unemployment. (See Figure 4).

FIGURE 4



On the whole, however, the Eastern region continues to have a significantly lower rate, averaging 3.9%, while the Central and Western regions average 5.3% and 5.2% respectively. While still higher, these two sub regions improved from 2003.

¹ Comparisons between 2003 and 2004 use unemployment statistic from different months (March and April) which may introduce seasonal variation in the numbers and make them less comparable. Future CEDS reports will standardize on March employment data.

These improvements tend to mask a large number of towns with significantly higher unemployment, including Newton (8.1%), Plaistow (7.8%), Salem (7.8%), Seabrook (7.7%), and Atkinson (7.1%). All of these communities except Seabrook have experienced increases in their unemployment rates compared with a year before. The broad economic context is that while the underlying unemployment rate has begun to subside, regionally or locally significant plant or business closings have affected individual town-by town numbers.

RECENT CLOSINGS

Both the NH Department of Resources and Economic Development and the REDC monitor significant plant and business closings during the year. The following table summarizes known closings and or reductions in workforce that occurred in 2003 and to date in 2004.

TABLE 1
Reported Workforce Reductions from Layoffs and Plant Closings
2003 and 2004, Year to Date

Company	Town	Date	Industry	Workforce Reductions
JJA, Inc.	Hampstead	Feb-2003	Electronic mfg.	82
Chart Storage Sys.	Plaistow	Apr-2003 & Jan-2004	Manufacturing	99
Agilent Tech.	Portsmouth	Apr-2003	Software	35
Prexar	Portsmouth	Apr-2003	Services	26
Lonza Biologics	Portsmouth	May-2003	Biotech mfg.	58
Cogentric	Portsmouth	May-2003	Software	23
Venture (Bailey)	Seabrook	Jun-2003 & May-2004	Manufacturing	350
Seabrook Station	Seabrook	Dec-2003	Utility	76
Flextronics	Portsmouth	Apr-2004	Electronic mfg.	300 (+/-)
Apogent Technologies	Portsmouth	May-2004	Medical mfg.	50 (+/-)
TOTAL				1099 (+/-)

Of the 1100 or so employees included in these major layoffs, 939 or some 85% were in the manufacturing sector, and about half of those in the electronics manufacturing sector. The continued loss of manufacturing jobs in the County is a major concern for several reasons. It represents the loss of well-paying jobs with good benefits, but also a further erosion of the area's manufacturing base, particularly its electronics manufacturing capacity. This may further affect the viability of other electronics firms in the area who may need local manufacturing capacity, and lessen the attractiveness of the region to new business in this industry cluster.

Unemployment Trends

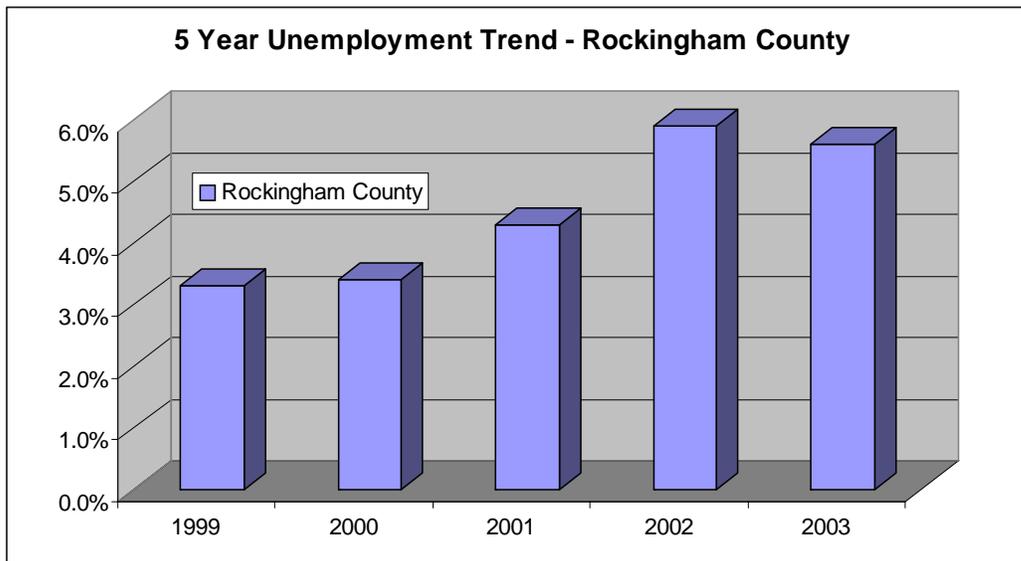
As was reported in the 2003 update, the past several years have seen a significant upward trend from historically low rates of unemployment. As illustrated in Table 2 and Figure 5, unemployment reached a low of about 3.3% in 1999 and nearly doubled by 2002. The annual average unemployment rate for 2003 shows that rate beginning to decline for New Hampshire, though still rising slightly for New England and the Nation as a whole. Though unemployment in Rockingham County it is unlikely to return to the historically low levels of 1999-2000, further improvement is expected during the year provided that the losses occurring from layoffs and closings also subside.

TABLE 2

AVERAGE ANNUAL UNEMPLOYMENT RATE					
	1999	2000	2001	2002	2003
Rockingham County	3.3%	3.4%	4.3%	5.9%	5.6%
Portsmouth-Rochester PMSA	2.4%	2.4%	3.0%	4.4%	3.9%
Salem-Derry PMSA	4.1%	4.3%	5.2%	7.1%	7.0%
Seabrook-So. Hampton PMSA	5.3%	5.4%	6.9%	8.5%	7.2%
New Hampshire	2.7%	2.8%	3.5%	4.7%	4.3%
New England	3.3%	2.8%	n/a	4.5%	5.1%
USA	4.2%	4.0%	4.8%	5.8%	6.0%

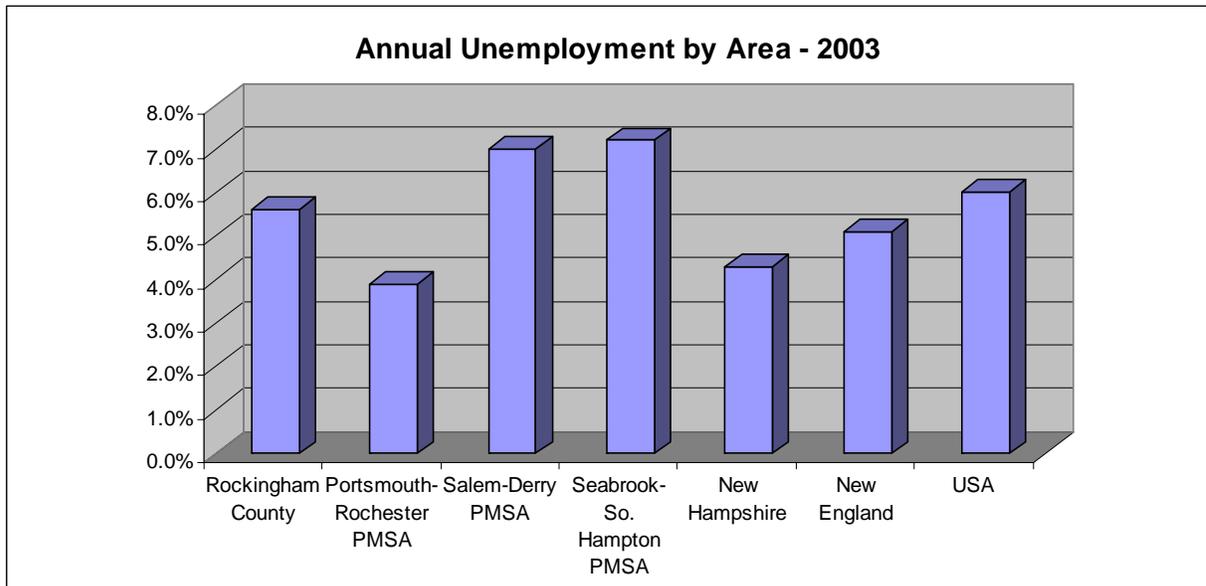
Source: NH Employment Security

FIGURE 5



As reported in the 2003 Update, New Hampshire as a whole fared better during the recent economic downturn than most of New England. Rockingham County, however, has been somewhat more affected, as illustrated in Table 2 and Figure 6. In part this is due to the higher percentage of workers dependent on jobs in neighboring Massachusetts. Many of these jobs have been in high tech and software service sector, which have been disproportionately affected by recent job losses.

FIGURE 6



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

Current Employment

Table C-5 has been updated to include the latest information from the NH Department of Employment Security's *County Profiles* Report and shows changes in numbers of employers, employees and average wages between 2001 and 2002. Table C-5 attempts to present this data town-by-town, summarized by CEDS subregion but unfortunately, some data is suppressed in smaller communities or where a single employer makes up more than 80% of the collected data. This means that only the County and State totals are accurate. The subregion subtotals do not account for suppressed data.

As shown in Table 3, total employment declined slightly in Rockingham County though wages held up reasonably well in the 2002 totals, despite a weakened economy nationwide in this time period and the delay in jobs recovery associated with the economic recovery. The total number of reported employment rose by 224 or 0.2% yet the population meanwhile continued to grow at a faster rate – about 1.5% for the year. Average wages rose by \$16 per week or 2.3%, and this helped keep wages ahead of inflation, which rose by 1.35%. A very small decline was registered in the total number of establishments employing people.

The statewide results were roughly comparable except for annual employment, which fell by about 6600 jobs or -1.1%.

TABLE 3

Changes in Employment and Wages, 2001-2002			
	Units (Establishments)	Average Annual Employment	Average Weekly Wage
Rockingham County			
2000	9,028	129,560	\$688.80
2001	9,206	129,788	\$704.60
2002	9,149	130,012	\$720.57
Change 2001-2002	-57	224	\$15.80
% Change	-0.6%	0.2%	2.3%
New Hampshire			
2000	37,554	575,946	\$667.90
2001	40,084	609,692	\$682.38
2002	39,995	603,102	\$703.84
Change 2001-2002	-89	-6,590	\$14.48
% Change	-0.2%	-1.1%	2.2%

Source: NH Dept. of Employment Securities - Annual Empl. & Wages Survey

In reviewing town-by-town and sub region results (See Table C-5 in Appendix) the greatest job growth between 2000 and 2002 has occurred in the Western sub region, where about 712 jobs were added. The Central Sub region lost nearly 8% of its employment and the Eastern towns stayed approximately level.

3. Journey-to-Work

The 2000 Census Journey to Work data was released by the Census Bureau in July 2003 and released as part of the Census Transportation Planning Package (CTPP). As part of this CEDS update, a summary table for all Towns within Rockingham County has been prepared and is included as Tables E-2A, 2B and 2C in Appendix 3. A general summary of results, including major changes in commuting patterns observed since 1990, is included below.

The three tables in Appendix 3 depicting Census 2000 origin-to-destination commuter flow data are described as follows:

- A. Place of Work by Town of Residence (2000). This table includes the number of commuters from each community in the County and their work locations.
- B. Percent Distribution – Place of Work by Town of Residence (2000). This table identifies the percentage of commute trips originating in the County and going to various municipalities and counties in NH and MA.
- C. Percent Change - Place of Work by Town of Residence (1990-2000). This table shows the change in the number of commuter trips originating in the region between 1990 and 2000.

Summary of Results

The following are some key findings related to commuting patterns in the County as revealed in the 2000 Census, to some trends and changes in those patterns between 1990 and 2000:

- A total of 148,703 (53.5%) residents of the County commute to work in New Hampshire, Massachusetts and Maine in 2000. Of these, 104,009 or 70.0% are traveling to jobs in NH, 41,669 or 28.0% are to jobs in Massachusetts, 1713 or 1.15% are to jobs in Maine, and 1292 or <1% are to other states.
- This represents a 13.1% growth in overall commuter trips between 1990 and 2000. This compares to a 12.8% growth in population during the same period. The slightly higher growth in commute trips can likely be attributed to an increase in the number of workers per household, and an increase in childless households in Rockingham County during the 1990s.
- The bulk of the increase in commute trips has been to jobs in NH (19.1%), with only a slight net increase in commuting to jobs in Massachusetts (3.8%). This may reflect a further development and maturing of Rockingham County as a job center and less a 'bedroom' county to Massachusetts employment.
- Commute trips to NH grew faster than trips to MA during the decade. As a share of all commuter trips originating in the region, trips to NH increased 5.4 % during the decade, while the share of trips to Massachusetts declined 8.2%. Put another way, the split between trips to NH and trips to MA was 66% NH / 31% MA in 1990, and is 70% NH / 28% MA in 2000. Commute trips to Maine fell by 43% over the decade – largely attributable to a smaller workforce at the Portsmouth Naval Shipyard.
- Of the Rockingham County commuters staying in NH, 75% have work destinations within Rockingham County.
- The largest job center destinations within Rockingham County for Rockingham County residents are: Exeter/Hampton/Seabrook (10.2%), Portsmouth-Newington (9.8%), Derry/Londonderry (8.0%) and Salem/Windham (7.8%).
- Northern Massachusetts continues to be a major employment area for the county, especially residents along the southern tier, with the five communities of Andover, Haverhill, Lawrence, Methuen, and North Andover jointly account for more than 9,000 commuters.
- Commute trips to Essex County declined during the decade. The number of residents of the county commuting to several Essex County towns declined during the 1990s. Trips to Haverhill and North Andover declining 7%, trips to Lawrence declining 11%, and trips to Methuen declining 13%.
- The Salem/Windham area attracts the largest number of commuter trips (7,626) within NH. This represents an increase of 9% during the decade.

The following charts illustrate the distribution of major trip destinations, both within New Hampshire (Figure 7) and outside New Hampshire (Figure 8)

FIGURE 7

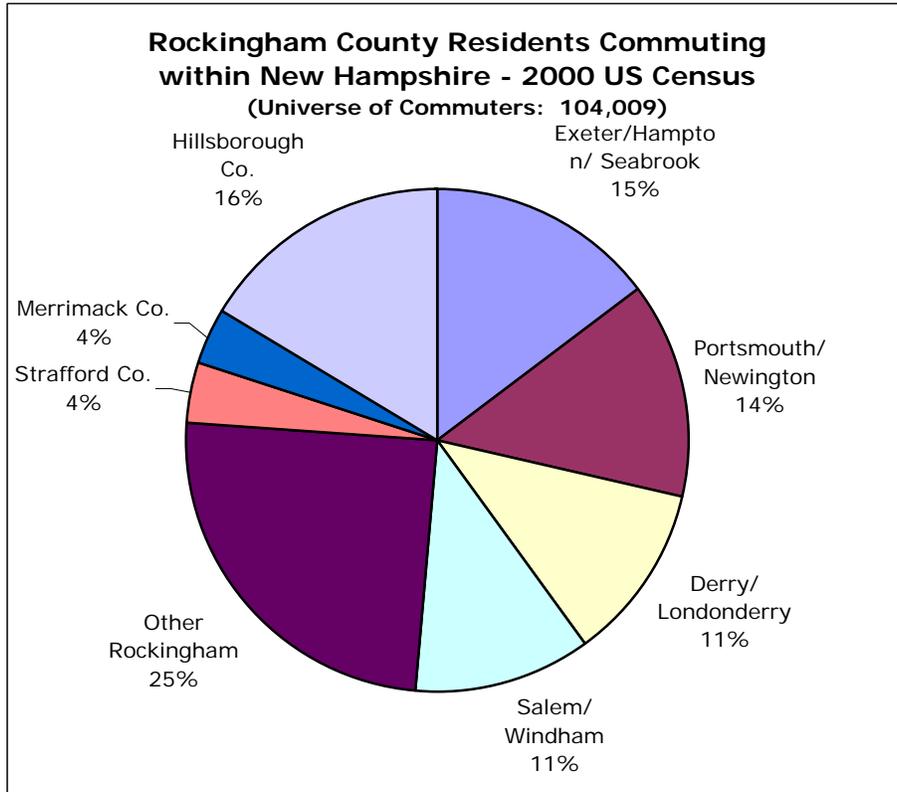
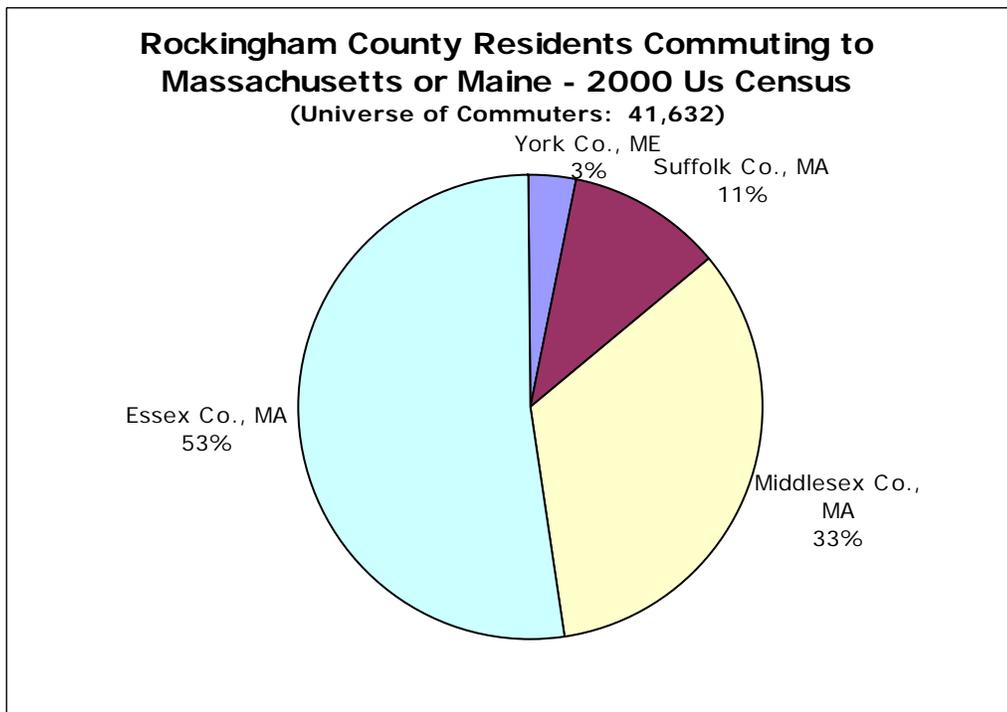


FIGURE 8



4. Housing

A. Regional Housing Need

A key area of concern for Rockingham County identified in the 2000 CEDS was the lack of adequate affordable housing to support a growing workforce. Among other problems this creates is the inability of employers to find and employ an adequate workforce, thus making the region less attractive to new employers. Left unresolved this will have the effect of limiting future economic development in much of the County. It also has the effect of stimulating sprawl and highway congestion as commute trips become longer and longer and workers move further away from the county's job centers in search of housing they can afford. The 2003 CEDS Update included a summary and analysis of the problem as it exists today. The 2004 Update includes a summary of future housing needs overall. This will be further expanded upon in the next full CEDS Plan update that will occur in 2005.

Method

Previous regional housing needs analyses estimated overall housing need based on the 'indigenous' housing need determined through Census estimates of the number of low and moderate income households paying more than 30% of their income for housing. The analysis used this indigenous housing need estimate and distributed it to all communities in the region based on five factors: income, assessed value, employment, availability of developable land and total housing units. This redistribution was known as the regional fair share housing analysis. The most recent such analysis was completed in 1994 and indicated the total need of new affordable housing units in the RPC region (a portion of the County) of about 5100 units. (Affordable in this case was defined as affordable for someone with 80% or less of median family income in the county such that they would pay less than 30% of that income on housing costs) It should be noted that this housing need examined only the need for housing for low and moderate income households, not all households.

Although the number provided was based on actual conditions, and therefore empirical, it tended to show concentrations of housing need in the very communities that were doing the most to provide a diverse and affordable housing supply – namely the large cities and towns. This created a counter-cyclical effect: the more affordable housing and subsidized housing that existed in a community, the larger the low and moderate income population and the higher in measured 'indigenous' housing need. Understandably, communities did not respond well to this and viewed efforts to provide more affordable housing as not in their interest from "fair share" perspective.

In 2002 the NH Housing Finance Authority funded the development of a wholly new approach to estimating regional housing need. The method, which was developed with considerable input from regional planning commissions and the NH Office of Energy and Planning, focused on the linkage between employment and housing need, and looked at total housing need, not just low and moderate income need.

The NHHFA model presents three projections of housing supply needs for a defined region. Two of the projections are employment-driven and the third is based on the New Hampshire Office of Energy and Planning’s population projections.

The first employment-based projection assumes that the RPC region maintains its share of the states reported employment from 2000 through 2010. The second employment-based projection allocates employment growth to the region based on the growth in employment that occurred during the prior decade (1990-2000). The employment-driven projections essentially represent two scenarios that indicate the number of housing units needed (owner and renter) based on the rate of projected employment growth. They determine overall housing need based on a desired or optional ratio of housing-to-jobs. The third projection in the model is based on the population projections for 2010 released by OSP in March 2003. In this model, future housing need is based on the desired or optional ratio housing-to-population.

The RPC region chose to use the “employment-based model” because of the causal links between housing demand, economic growth, and job creation. The method involves the following steps:

Housing Needs Analysis Model	
Employment-based (Constant Share and Growth Share approaches)	
Steps:	Explanation:
1. Apply annual growth rate of 1.6% to statewide employment to generate year 2010 employment forecast.	Growth rate of 1.6% from 2000-2010 was selected based on NH Div. of Employment Security projections.
2. Distribute employment to the each regional planning agency, county or labor market area based on either a “constant share” of total state employment or an increasing share based on historical and expected relative growth.	This step reflects the only difference between the two employment-based approaches.
3. Multiply 2010 employment by the year 2000 ratio of working residents to area employment to generate an estimate of working residents in 2010.	Assume stable ratio between working residents and area employment.
4. Multiply the projected # of working residents in 2010 by the year 2000 ratio of households to working residents to estimate the number of households in 2010.	Assume stable ratio between households and working residents.
5. Multiply projected # of households by 2.58 persons per household in 2010, yielding total persons living in housing units.	An average person per household in 2010 was estimated at 98% of the 2000 average for the area, based on U.S. Census national projections.
6. Apply year 2000 owner/renter percentage split to the projected # of 2010 households.	Assume continued 2000 percentage split households into owner and renters.
7. Apply 1.5% vacancy rate for ownership units and 5% for rental units to generate total needed ownership and rental housing supply.	Pre-setting the vacancy rates at 1.5% and 5% implicitly corrects for current year housing shortage by assuming achievement of reasonably adequate housing choice.
8. Apply a factor of 0.17 to account for replacement of housing units lost to demolition/disaster.	Assume 1.7% of the base year housing supply will be replaced over the ten-year projection period.
9. Sum households, vacancy reserve and replacement to arrive at the total 2010 housing supply need.	Demand estimates do not include other housing unit production that may be generated by seasonal, occasional or second home use.
10. Subtract existing housing stock from 2010 housing supply need to calculate the housing growth estimate by tenure (ownership vs. rental)	

RESULTS

Tables 4 and 5 summarize the results of applying the regional housing needs model to all of Rockingham County. The model does not project need below the county, regional planning commission or labor market area level. The RPC is presently working on refinement of the method to further distribute the net housing production need on a town-by-town level.

Table 4 summarizes net housing need for the County in 2010. The starting assumption is that employment will grow at an annual rate of 1.6% per year. This is based on current NH Department of Employment Security employment projections for the County as described in the 2003 CEDS update. The model makes a number of other important assumptions, including (1) that the County's share of statewide employment remains constant, and (2) that a balanced housing market (with respect to supply and demand) is achieved when average vacancy rates for owned and rented homes reaches 1.5%, and 5.0% respectively.

Based on the steps described above, the model yields an estimated need for "available housing" in 2010 of 127,296 units, compared with 105,916 in 2000. This means that between 2000 and 2010 a net increase of 21,380 housing units is needed to meet the additional need for housing due to the expected growth in employment and to rectify the present imbalanced housing market with respect to overall supply and demand. To achieve this, an average housing production rate of 2138 units per year is needed over the course of the decade. This compares to an actual production rate from 1990 to 2000 of only 1174. However, this number includes the housing unit declines associated with the closure of Pease AFB. When we look at production excluding those years, for the period 1993 to 2003, the production rate is 1481. Nevertheless, this translates to an annual underproduction of nearly one-third.

Figure 9

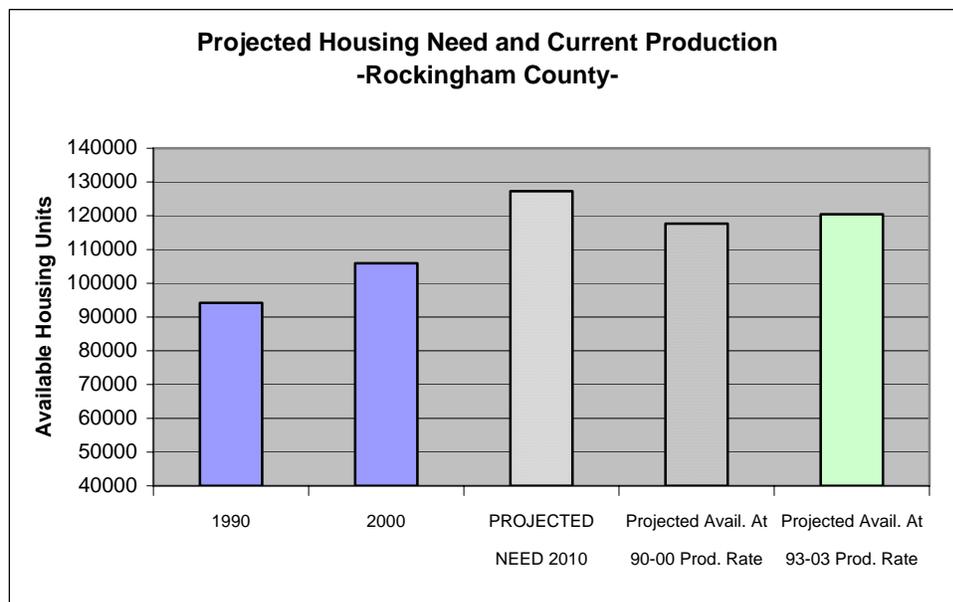


Table 4

**Housing Production Model Assumptions and Projections
Rockingham County**

(Housing Need Projection Model: Constant Share of Employment Growth)

	<u>2000</u> (Actual)	<u>2010</u> (Projected)
Employment	129560	151848
Ratio of working residents to total employment	1.148	1.148
Working age residents (+16)	148703	174284
Ratio of population to working residents	1.87	1.83
Ratio available housing units to employment**	.70	0.70
Number of working residents per household	1.42	1.42
Population	277359	318570
Avail. Housing Supply	105916	127296
Owner occupied Units	79508	95342
Renter occupied units	26408	31954
Vacancy Rate - Owners	0.6%	1.5%
Vacancy Rate - Renters	3.3%	5.0%
Ratio housing units to population	.382	0.394
Net Production Need - 2000 to 2010 -Rockingham County-		
Avg. new housing units needed per year, 2000-2010		2,138
Avg. new housing production per year 1992-2002		1,451
Annual housing unit production deficit at current production rate		687

Table 5 further breaks down the total housing need by “tenure” (owner vs. renter) and income distribution. The key assumptions involved here are - that the ratio of owned vs. rental units and the income distributions remain constant from 2000 to 2010. At current production trends, the total need will not be achieved and in particular, the deficit for housing that serves the rental market and the need for affordable and workforce housing will be far greater.

Table 5

Estimated Year 2010 Households by Tenure, Income Range

Assumes 1999 (2000 Census) Household Income Distribution

(MAI = Median Area Income)

Homeowners	2000 Census		2010 Projection	
	#	%	#	%
Under 30% MAI	5,854	7.4%	6,860	7.4%
Under 50% MAI	12,893	16.3%	15,110	16.3%
Under 60% MAI	16,893	21.4%	19,797	21.4%
Under 80% MAI	25,936	32.8%	30,395	32.8%
Under 100% MAI	35,658	45.1%	41,788	45.1%
Under 120% MAI	45,463	57.5%	53,279	57.5%
All Homeowners	78,999	100.0%	92,581	100.0%
Renters	2000 Census		2010 Projection	
	#	%	#	%
Under 30% MAI	5,552	21.7%	6,509	21.7%
Under 50% MAI	10,207	40.0%	11,966	40.0%
Under 60% MAI	12,460	48.8%	14,607	48.8%
Under 80% MAI	16,560	64.9%	19,414	64.9%
Under 100% MAI	19,401	76.0%	22,745	76.0%
Under 120% MAI	21,955	86.0%	25,739	86.0%
All Renters	25,530	100.0%	29,930	100.0%
Total Households	2000 Census		2010 Projection	
	#	%	#	%
Under 30% MAI	11,406	10.9%	13,369	10.9%
Under 50% MAI	23,100	22.1%	27,076	22.1%
Under 60% MAI	29,353	28.1%	34,405	28.1%
Under 80% MAI	42,496	40.7%	49,809	40.7%
Under 100% MAI	55,059	52.7%	64,533	52.7%
Under 120% MAI	67,418	64.5%	79,018	64.5%
All Households	104,529	100.0%	122,511	100.0%

As additional town-level needs analysis results are compiled, they will be incorporated into future updates of the CEDS.

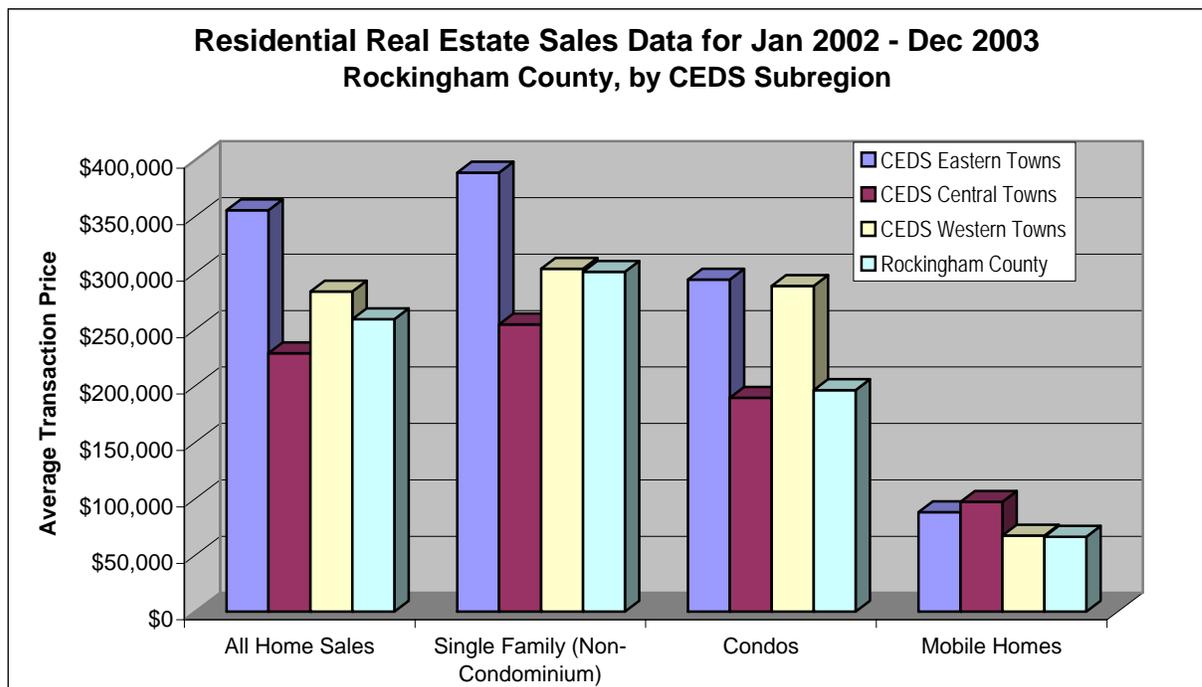
B. HOUSING PURCHASE PRICE DATA

Since 2001 the Rockingham Planning Commission has acquired residential real estate transaction data from Real Data Corp. covering Rockingham County. This activity has been funded under an annual SEED grant from the CDFA for the purpose of enhancing the RPC's ability to track and analyze trends in purchased housing costs for use in the regional housing needs analysis discussed above. The data includes transactions in three categories: condominiums, mobile homes, and non-condominiums (which for simplicity we have labeled "single family homes, though it may also include some sales of duplexes and other multi-unit buildings).

Summarized results for the County covering the 24 month period from January 2002 through December 2003 are presented in Table D-6 in Appendix 3.

Some 11,300 sales were reported for this 24 month period, with average transaction prices ranging widely from \$168,000 in Northwood to just under \$800,000 in New Castle. As expected, Towns in the Eastern subregion show consistently the highest prices averaging \$355,000, while the Central subregion shows the lowest with \$229,000. (see Figure 10)

Figure 10



Towns with older and more diverse housing stock, such as Portsmouth, Hampton, Exeter, Salem and Derry have average sales prices that are significantly lower than their subregion's average. County wide, the average single family home sales value was just over \$300,000. Condominiums averaged 65% of the single family home value and mobile homes averaged 22%.

B. State of the Economy

According to the June 16th Beige Book issued by the Boston District of the Federal Reserve Bank, "business activity continues to gain strength in the First District". There has been reported growth in sales and orders for retailers and manufacturers, while demand for software, information technology and temporary workers is rising. Concern is raised, however, about rising gas prices, homeland security issues and the uncertainty in the Middle East.

Many of the problems facing Rockingham County in 2004 are similar to those highlighted in the 2003 Annual CEDS Update. Extensive growth rates still impact local communities and affect state and local budgets attempting to support the infrastructure, social service and education needs of residents. This high growth rate continues to impact the availability of housing at affordable prices for the County's workforce, the increase in traffic congestion, the increased burdens upon municipal budgets in keeping up with the demands for services, the increasing cost of energy and health care and the diminution of the small-town character that has always reflected the values of New Hampshire residents. The efforts of REDC and its economic development partners in Rockingham County are focused upon addressing many of these issues as part of the annual CEDS process. Therefore, it is important to have as many of the economic development stakeholders in the region participate in this process as possible.

The unemployment situation in Rockingham County has not improved significantly, even though the County's unemployment rate of 5.4% in April 2004 matched that at the national level. This unemployment rate was still 1.5 percentage points higher than that experienced in January 2001 (3.9%), although the April rate represented a decline from the unemployment rate of 5.9% in January 2004. As reflected in the following chart comparing unemployment rates for the County, nation, state, PMSA's and local communities from January 2001 through April 2004, the relatively high unemployment rates were due to pockets of distress throughout Rockingham County. Principally located within the Salem-Derry, NH Portion Lawrence MA-NH and Seabrook – South Hampton, NH Portion Boston, MA-NH Primary Metropolitan Statistical Areas (PMSA's), these pockets of distress have experienced unemployment rates more than one percent above the national unemployment rate for the past twenty-four months. (Note: The national unemployment rate for the past twenty-four months as of March 2004 was 5.9%.) The unemployment rate for the Salem-Derry PMSA in April 2004 was still 2.5 percentage points higher than in January 2001 (4.4%) and was 1.5 percentage points higher than the national unemployment rate in April 2004. The unemployment rate for the Seabrook-South Hampton PMSA in April 2004 was 7.1%, which actually represented a decline from 8% in January 2001 (the highest unemployment rate during this three and a half year period was 10.1% in January 2003). However, the April 2004 unemployment rate was still 1.7 percentage points higher than the national unemployment rate.

The following chart summarizes the changes in unemployment rates that have taken place since January, 2001:

<u>Community/Area</u>	2001	2002	2003		2004	
	<u>Jan'01</u>	<u>Jan'02</u>	<u>Jan'03</u>	<u>Apr'03</u>	<u>Jan'04</u>	<u>Apr'04</u>
United States	4.7	6.3	6.5	5.8	6.3	5.4
New Hampshire	3.4	4.5	5.1	4.3	4.5	4.1
Rockingham County	3.9	5.3	6.4	5.3	5.9	5.4
Salem-Derry PMSA	4.4	6.4	7.5	6.3	7.1	6.9
Seabrook-South Hampton PMSA	8.0	8.7	10.1	8.4	8.5	7.1
Derry	3.9	6.0	7.7	6.2	6.6	6.8
Exeter	2.9	4.0	4.4	3.3	4.5	3.1
Hampstead	3.6	6.7	6.9	6.6	6.0	6.7
Hampton	4.3	5.4	6.2	4.9	6.2	5.0
Kingston	4.9	6.1	7.1	4.6	6.7	6.7
Londonderry	3.5	5.1	5.5	4.6	4.6	4.5
Newmarket	2.9	3.3	5.0	4.7	3.9	3.4
Plaistow	4.6	7.5	7.2	7.0	8.6	7.8
Portsmouth	2.1	3.4	4.6	3.8	4.8	4.3
Raymond	4.2	5.4	8.2	6.0	7.2	6.0
Salem	5.1	6.9	7.6	6.4	8.0	7.8
Seabrook	8.8	9.3	10.8	8.9	8.9	7.7
Windham	4.4	6.0	6.3	6.0	6.4	6.5

In analyzing the unemployment rates for communities in Rockingham County, it is important to make comparisons with the unemployment figures at the national, state and county levels and to identify the actual trends in the monthly unemployment rates. Unemployment rates within some specific communities, as outlined above in the chart, are higher than the national, state and county unemployment rates. In April 2004 Plaistow and Salem were tied at 7.8%, which was 2.4 percentage points higher than the county and national figures. Similarly, Seabrook maintained a high unemployment rate at 7.7%, although it represented a decline from 8.8% in January 2001 and from 8.9% in January 2004.

Other communities experiencing unemployment rates more than one percent above the national rate included Derry (6.8%), Hampstead (6.7%), Kingston (6.7%), and Windham (6.5%). The trends for the unemployment rates by community between January 2004 and April 2004 are mixed and it will take more time to determine whether the so-called "jobless recovery" will evolve into increased employment opportunities for Rockingham County residents. Notwithstanding the positive press about the economy in the national media, pockets of distress within Rockingham County are still lagging behind the rest of the country and need additional assistance.

The high unemployment figures can be attributed to the continuing layoffs at major companies and the delay in the re-hiring and hiring of workers. As outlined in Table 1 under Employment Data in Section A, the total number of layoffs in Rockingham County reported to DRED during the past eighteen months exceeded 1,100 workers. Recent layoffs by Venture in Seabrook and Flextronics in Portsmouth accounted for nearly 700 of these layoffs. Additionally, layoffs at companies in Essex and Middlesex Counties in northeastern Massachusetts continue to have an impact upon Rockingham County residents. The challenge for REDC and its economic partners is to work with EDA, DRED, the affected businesses and the laid off employees to develop a rapid response to these layoffs similar to what was done in the Compaq case nearly five years ago. Depending upon the decision of the BRAC Committee in 2005, the Portsmouth Naval Base and its related subcontractors may be negatively impacted, which would create another issue for the Rockingham County economic development partners to address. Additional information on this situation is outlined under the Major Development Projects section.

Eligibility for EDA funds in Rockingham County will be primarily met under the unemployment and layoff situations. Two other areas that may impact eligibility include the steep population decline between 1990 and 2000 in Portsmouth and the possibility of a state-initiated per capita income report for 2005. REDC will continue to work with New Hampshire's Economic Development Representative to ensure that eligible communities receive their fair share of funding so long as their projects meet the EDA Project Guidelines. There are other issues related to worker migration that will be more fully analyzed as part of the Five-Year CEDS next year.

C. Industry Cluster Update

As part of the 2003 Annual CEDS Update, REDC began to focus upon the industry clusters in Rockingham County. Professor Charles Tontar of Merrimack College worked with REDC to develop the first effort to define the set of unique industry clusters that drive economic development in Rockingham County. Professor Tontar focused on a number of determining factors to identify the industry clusters for Rockingham County: Location Quotients, Share of Rockingham County Jobs, the Change in Rockingham County Jobs between 1990 and 2000, the Change in the Share of Rockingham County Jobs, the Change in the Location Quotient, Local Advantage (or 'shift-share' analysis), Payroll Change, Local Pay as a Percentage of National Pay, Earnings Change, Number of Establishments in the Sector and Employment Projections by Industry. Between 1990 and 2000 the Retail and Service Divisions experienced significant growth in Rockingham County, while the Manufacturing Sector grew slightly.

It was also determined that the economic health of Rockingham County depended to a large extent on those of its neighboring counties in New Hampshire, Massachusetts and Maine. Professor Tontar was able to identify seven industry clusters that represented 54% of all jobs and 53% of total payroll in Rockingham County: Electronic Manufacturing, Retail, Diversified Industrial Support, Tourism, Financial Services, Business Services and Health Services. Professor Tontar recommended that REDC and its economic development partners begin to focus on these seven industry clusters, with particular attention to Diversified Industrial Support and Business Services. Additional information on Professor Tontar's findings may be found in the 2003 Annual CEDS Update.

Based upon earlier discussions with EDA officials, the University of New Hampshire was awarded \$ 100,000 in economic adjustment funds to develop industry cluster information for at least three areas of New Hampshire – Rockingham County, Sullivan County and the North Country. Modeled after an earlier initiative developed by the State of New York, it was expected that the information developed on industry clusters would be shared with the regional entities responsible for developing the Annual CEDS in their respective regions. This activity was designed to provide greater collaboration between the EDA-designated University Center and EDA's regional economic development partners, including REDC. REDC scheduled a community forum at Stratham Town Hall on April 21, 2004 in order for Janice Kitchen and Professor Ross Gittell of the University of New Hampshire to present their findings on industry clusters in Rockingham County. The development of this information built upon the earlier industry cluster information provided by Professor Tontar and offered some different perspectives on what an industry cluster is. Professor Gittell's presentation entitled "New Hampshire and Rockingham County Leading Industries: Present & Future" is summarized below and the PowerPoint presentation is attached as Appendix 6 in this document.

Professor Gittell's analysis begins by taking a look at how New Hampshire and Rockingham County are doing. According to Professor Gittell, Rockingham County "is benefiting from (1) mutually supporting leading industries (2) bolstered by the quality of life which attracts a skilled labor pool and (3) favorable socio-demographic trends". These factors support the four main industry clusters identified by Professor Gittell – High technology and related services, Crafted and component part manufacturing, Construction Trades and Food and Accommodations.

Based upon Professor Gittell's analysis, New Hampshire ranked 11th of the fifty states and first in the Northeast in employment growth during the last decade. However, the decline in manufacturing jobs in New Hampshire between 1993 and 2003 of -18.7% placed it in 23rd place, greater than the U.S. rate of -17.8%, but less than the New England rate of -31.2%. Between 2001 and 2003, New Hampshire dropped to 50th place with a decline in manufacturing employment of -17.8%, as compared to the U.S. rate of -11.5% and the New England rate of -14.9%. This decline in manufacturing employment dropped New Hampshire to the bottom third of all states in total employment growth. For the period between 2001 and 2002, fifty percent of all layoffs in New Hampshire were in the high tech manufacturing sector (Industrial Machinery and Electric/Electronic Equipment Manufacturing). The decline in manufacturing employment was in direct contrast to the 15.6% increase in manufacturing jobs (ranking it 14th) in New Hampshire between 1993 and 1998 as New England lost 4% of its manufacturing jobs during the same period. Manufacturing remains an important part of the New Hampshire economy accounting for more than 40% of the overall economy, as compared to the high tech industry (including manufacturing) share of 30%.

According to Professor Gittell, manufacturing's importance is a result of its direct employment and income effects and multiplier effects from supplier relations, high wages and export activities.

Rockingham County is more dependent upon manufacturing than the United States, but less dependent than New Hampshire. According to manufacturing payroll figures cited by Professor Gittell, Rockingham County has 15.7% of its annual payroll devoted to manufacturing jobs, as compared to 20.7% for New Hampshire.

In terms of the 2002 employment numbers, Rockingham County has 13.8% of its jobs in manufacturing, as compared to 12.8% for the U.S. as a whole. During the period from 1992 to 2002, the total percentage of employment growth in Rockingham County was twice that of the U.S. with major gains in construction, health services, and high technology. Rockingham County increased its manufacturing jobs, while the U.S. experienced a decrease; and on the other hand, insurance and real estate jobs declined in Rockingham County but increased in the U.S. Professor Gittell also focused upon the Seacoast economy, or the Seacoast Sub region as defined in the REDC CEDS terminology, and determined that the Portsmouth Metropolitan Statistical Area ranked 60th out of 286 MSAs in terms of employment growth (26%) between 1992 and 2003 and 99th in employment growth (0%) between 2001 and 2003. In terms of specific sectors, the Information Industries sector ranked 9th out of 260 MSAs as a result of a 127% increase in employment between 1990 and 2003, but ranked only 135th as a result of a 7% decline in employment between 2001 and 2003. The Manufacturing sector in the Portsmouth MSA ranked 168th out of 279 MSAs due to a 20% decline in employment between 1990 and 2003 and 202nd as a result of the decline since 1998. In the area of professional and business services, the Seacoast economy ranked 150th out of 260 MSAs as a result of 32% employment growth between 1990 and 2003, but only 240th due to a decline of 11% in employment between 2001 and 2003.

In analyzing the leading industries and industry clusters in Rockingham County, Professor Gittell focused upon three main themes: leading industries, occupational growth areas and the role of demographics and the “creative class”. Under the first part of the leading industries theme, Professor Gittell analyzes employment levels, relative concentration, growth and average wages. Based upon a comparison of 1998 and 2001 North America Industrial Classification System (NAICS) data, a rank ordered list of industries in Rockingham County by employment level is developed. Then, based upon 2001 NAICS data, a comparison of employment in the super sectors for Rockingham County, New Hampshire and New England is illustrated with Retail Trade, Arts and Manufacturing in Rockingham County above the U.S. average. The growth ratios for percentage changes in employment in the super sectors between 1998 and 2001 are compared for Rockingham County, New Hampshire, New England and the United States in another analysis performed by Professor Gittell. Also, based upon 2002 information, the average wages by industry are compared for Rockingham County, New Hampshire, New England and the United States.

The second part of the leading industries theme focuses upon the composite weighting and ranking of the specific variables and then generates the industry clusters as a result of these weighted variables. In the initial analysis performed by Professor Gittell the following variables and weights were utilized:

<u>Variable</u>	<u>Weight</u>
<i>Core Growth</i>	45%
County/State Employment Growth 98-01	15%
County/State Average Wage Growth 98-01	15%
US Employment Change 03-04	15%
<i>Related Growth Measures</i>	10%
Establishment Growth 98-01	5%
LQ Growth 98-01	5%

Establishment Level 01	5%
Average Wage Level 01	15%
Employment Level 01	15%
LQ Level 01	10%

Based upon these specific variables and their assigned weights, the leading industries for Rockingham County were identified. If the specific variables or their weights had been changed, different industries would undoubtedly emerge as the leading industries. However, based upon this specific example, Professor Gitell determined that the leading industries could be summarized as High technology and related services, crafted and component part manufacturing, construction trades and food and accommodations. These four clusters, which include fourteen sub sectors, represent 30.8% of the total employment, 43.1% of the total wages and 25.2% of the total establishments in Rockingham County. The average annual wages for the cluster industries are 1.4 times that of those for all employment in Rockingham County. These clusters provide good long-term growth prospects for the county. The chart entitled “Four Clusters at core of County economy” shows all relevant data and is included in Appendix 6. A brief summary of the four clusters by industry and their sub sectors (including NAICS code) are included below:

<u>NAICS</u>	<u>INDUSTRY</u>
	<i>High Technology and related services</i>
5613	Employment Services
5511	Management of companies & enterprises
5415	Computer systems design & related services
5112	Software publishers
5619	Other support services
	<i>Crafted and component part manufacturing</i>
332	Fabricated metal product manufacturing
335	Electrical equip., appliance & component mfg.
333	Machinery manufacturing
339	Miscellaneous manufacturing
	<i>Construction trades</i>
235	Special trade contractors
233	Building, developing and general contracting
	<i>Food and accommodations</i>
7221	Full-service restaurants
7222	Limited-service eating places
7211	Traveler accommodation

Professor Gittell identifies leading industries in New Hampshire and the United States based upon these specific weighted variables as well. Growing industries in the United States which also have growth potential in Rockingham County were identified by industry and NAICS code as follows: internet publishing and broadcasting (516), home health care services (6216), management and technical consulting services (5416), outpatient care centers (6214), education services (61), health and personal care stores (446), electronic markets and agents and brokers (425) and depository credit intermediation (5221).

In addressing the two additional themes of occupational growth areas and the role of demographics and the “creative class”, Professor Gittell provides an example of the future occupational needs from the high technology services cluster. Under this example, occupations such as computer software engineers for applications and systems software, computer support specialists, network and computer systems administrators, and network systems data communications analysts show great growth potential. The availability of a highly skilled and educated workforce, high-income, two-earner baby boomers in their prime spending years and “creative class” types makes Rockingham County attractive to knowledge-based, growth industries. Professor Gittell notes the strong correlation between education and income and suggests that Rockingham County is more similar to counties in northeastern Massachusetts, in terms of income, than to other counties in New Hampshire. In relation to Richard Florida’s “creative class” theory, Rockingham County enjoys a higher percentage of “creative class” employees at 41.9% than New Hampshire (38.8%) or the United States (36%).

The key issues in the future from Professor Gittell’s perspective are “linking entrepreneurship with innovation/ Research & Development base at the University of New Hampshire and the greater Boston area, managing through inherent cycles of manufacturing growth and decline, keeping quality of life as an economic asset/advantage and quality education with links to the economy (pre-K to 16+)”. REDC and its economic development partners in Rockingham County will need to review this report in comparison with the report from Professor Tontar and develop an agenda for identifying the one or two cluster industries to work with over the next few years. It would also be useful to have additional runs done by Professor Gittell utilizing different weighted variables that may more accurately reflect the key cluster industries in Rockingham County. Additional information on this presentation is included in Appendix 6.

V. Development Strategies

A. CEDS Project RFP Process

The Request for Proposal (RFP) process for project solicitation is an on-going process. As communities of Rockingham County solicit REDC's assistance and advice on local economic development projects, REDC staff are using those opportunities to educate and inform communities on the relationship between the strategic planning process and project and/or goal attainment. By looking at the elements of a specific local project, and testing those projects against the original goals outlined during the initial CEDS in 2000, we can establish whether or not the project meets the goals of the region. If those projects do meet the CEDS goals and also meet the Investment Priorities set forth by the EDA, then the REDC begins to work with the local community in developing the project and encouraging the community to document the project for the CEDS.

On March 2, 2004, a formal RFP package was sent to all 37 towns in the county, the Pease Development Authority, and other local economic development officials soliciting new projects. Included in this solicitation was a copy of current project criteria, Project Submission Form for new projects, and the current EDA Investment Policy Guidelines.

For project updates a separate letter was sent to those persons requesting updates on existing projects. The REDC provided follow-up and met with existing project proponents for updates. The details of those status updates can be found under Appendix 2.

B. FY 2004 EDA Investment Policy Guidelines

EDA held twenty "Regional Economic Development Forums" across the country during the first part of 2004 in order "to engage local officials and community leaders in a public discussion focusing on the respective region's economic growth and job creation efforts". Two of these forums were held in New England, specifically Millinocket, Maine and Hanover, New Hampshire. REDC was represented by its consultant at the Hanover forum on January 14, 2004. As part of this forum, the document entitled "The Economic Development Administration: Criteria for Local Investments" was distributed as part of the training program for the forum participants and summarized the PowerPoint Presentation. This document has been made available to the economic development stakeholders in Rockingham County as a means to inform them of EDA's expectations for EDA-funded projects.

As part of this document, EDA's Investment Policy Guidelines were summarized for 2004 and are as follows:

Investment Policy Guidelines FY 2004

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

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

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

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

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

Demonstrate a high degree of commitment by exhibiting:

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

REDC utilizes these EDA Investment Policy Guidelines whenever it is applying for funding from EDA and when it is working with prospective applicants that view EDA funding as an additional funding tool. These guidelines are consistent with what REDC utilizes in its own review activities for CDBG loan funding and reflects the spirit of entrepreneurship of Rockingham County. EDA's Investment Policy Guidelines are provided to the economic development stakeholders when REDC issues its annual Request for Proposals. These guidelines will be built into next year's "grass-roots" Five Year CEDS process to ensure that the goals developed are consistent with the guidelines.

C. CEDS Project List

Top Priority Projects (up to 18 months)

EDA FUNDING CANDIDATES

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

Total cost: TBD

Completion of water and sewer lines to Drakes Site south of Rte. 101 on Rte. 125. Second leg of the infrastructure development of the proposed regional shopping center at Epping Crossing.

2. **Main Street Reconstruction Program – Newmarket**

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

Phase 2 – Main Street Downtown. TIF District Improvements. Final design and construction of infrastructure and highway improvements.

3. **Rockingham Park Racetrack - Salem**

Total cost: \$ 100,000.

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

4. **NH Biotechnology Incubator – Pease Tradeport**

Total cost: \$ 450,000.

Phase 1 – Construction of a Process Development Lab for early stage clinical trials expanding the current Biotechnology Incubator.

Total Cost: \$6,000,000

Phase 2 – The renovation of 40,000 sq. ft. of space at the NHCTC's Emerging Technology Center for a mixed use incubator to include biotechnology, nanotechnology, computer internet and electronic technologies.

5. **NH Virtual Business Incubator – Pease Tradeport**

Total cost: \$ 376,400.

A Business Incubator “without walls”. The project seeks funding for staff capacity building, and development of the incubator components and operations site.

NON-EDA FUNDING CANDIDATES

1. **Recreation Walkway – Plaistow – Phase 2**

Total cost: \$ 300,000.

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

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

Total cost: \$1,000,000.

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

3. **Regional Sewer Project – Feasibility Study**

Total cost: \$1,000,000.

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

4. **Greater Portsmouth Transportation Management Association**

Total cost: \$ 50,000.

(GPTMA) Traffic and Congestion Reduction Project. The project proponents seek to develop and implement an alternative workforce transportation system to reduce traffic and improve air quality.

Intermediate Priority Projects (2-4 years)

EDA FUNDING CANDIDATES

1. **Black Bear Business Park - Newmarket**

Total Cost: \$3,600,000.

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

Long-Term Priority Projects (5+ years)

EDA FUNDING CANDIDATES

1. **Essex Mills Re-Development – Newmarket**

Total Cost: \$900,000.

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

NON-EDA FUNDING CANDIDATES

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

Total cost: \$ 12,000,000.

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

2. **Route 93 Widening – Western Sub region**

Total cost: \$300 – 400 Million

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

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

Total Cost: \$1,900,000

The Town of Plaistow desires to construct a railroad station at a certain location in town in order to facilitate regional access for resident commuting with the Boston/Portland corridor. Funding not identified at this time.

D. Project Oriented and Other Economic Development Initiatives

1. Epping Crossing Update

The Epping Crossing Project has completed work under its' original EDA Public Works grant in the amount of \$500,000. Those grant funds were targeted to the expansion of Route 125 in preparation of a major development, "Epping Crossing".

Epping Crossing's anchor tenant is Wal-Mart Super Center. The grand opening for the store occurred in January 2004. Wal-Mart currently employs over 100 people from across Rockingham County. The Wal-Mart project was slated to be the first of many industrial developments on the industrial/retail site.

At this time, the second anchor, Lowe's Home Improvement store has broken ground on its 165,750 square foot facility. The store expects to be open in the spring of 2005, creating hundreds of additional jobs in the region. Three other retail buildings are also slated for construction and should be completed in the fall of 2004, for an approximate total of 76,000 square feet of space.

Further down the line will be the development of 200 acres of industrial space as part of Epping Crossing.

Local Epping officials are now looking at growth management issues as well as traffic plans to mitigate the increased traffic in the area as a result of all the new development.

2. Route 93 (including Exit 4A)

This project entails the widening of I-93 from 2 to 4 lanes from the State line to I-293 in Londonderry/Manchester. Along with the widening will come the large expansion of commuter bus service to Boston (2 trips per hour during commute times, 1 per hour for the rest of the day). There will also be a significant effort made to help communities in a wide corridor to plan for the added growth pressures that will come with the improved highway, called the Community Technical Assistance Project. Also, more than \$5M is being spent on land conservation and related protection to mitigate for wetland and water resources impacts.

Construction begins in 2005 with park and ride construction (to support the bus service); roadway construction begins in 2006, generally beginning at the Massachusetts line and working north, but with some skipping around. Construction activity peaks in 2009-2010, but the entire project won't be completed until 2014.

The Draft Environmental Impact Statement (EIS) for the project was released last October; the Final EIS was issued last month. Final FHWA OK (called the "Record of Decision") on the project is expected in July or August of 2004.

Total cost for the project is expected to be between \$350 and \$400 million. The legislature is considering bonding a portion of the construction costs to allow the construction period to be shortened.

3. Portsmouth Naval Shipyard

As described in the 2002 Annual CEDS Update, the Senate Armed Services Committee approved a single round of base closures for 2005 under the Base Realignment and Closure Act (BRAC) just four days before the terrorist attacks on September 11, 2001. The Portsmouth Naval Shipyard (PNS) had survived two previous base closings in 1993 and 1995 and remained as one of only four naval shipyards left in the country. Currently, PNS employs 4,700 workers who commute from Rockingham and Stafford Counties in New Hampshire, York and Cumberland Counties in Maine and northeastern Massachusetts. As of this time, the BRAC process is still moving forward with announcements of additional base closings being made in 2005.

If this threat to PNS wasn't enough, the U.S. Navy recently completed an internal study that recommends a one-third reduction (55 to 37) in the nation's attack submarine fleet according to local newspapers in New Hampshire and Boston. This reduction in force would be accomplished through a cutback in the new Virginia Class submarines and the retirement of older Los Angeles Class attack submarines. It is the retirement of the Los Angeles Class submarines that would have the largest impact upon PNS, whose niche has been the overhaul and repair of these submarines. In fact, PNS has completed seventy-four major submarine overhauls during the past fifty years. The nearly one-third reduction in the Los Angeles Class attack submarines would create a proportionate reduction in the employment level at PNS, which would further reduce its competitiveness under the BRAC review.

REDC will continue to monitor this situation in order to determine what negative economic impacts could result and to identify other options to replace the high-wage jobs at PNS. Given its regional economic impact in New Hampshire, Maine and Massachusetts, this issue will unite elected officials in all three states and encourage combined initiatives to address the potential problems. This issue will be re-addressed next year as part of Rockingham County's Five-Year CEDS process.

4. Science and Technology Initiatives

This year the CEDS Steering Committee voted to place two different science and technology initiatives on the Priority Projects list for 2004.

The New Hampshire Virtual Incubator project was crafted as a result of the REDC sponsored "Seacoast Incubator Forum" held last October at the NH Community & Technical College – Emerging Technology Center at Pease Tradeport.

The NH Virtual Business Incubator (NHVBI) is a business incubator without walls; a place where emerging entrepreneurs go to develop their ventures; a learning environment, a networking engine, and a meeting place for promising new and high growth ventures.

Virtual tenants tap into virtual tools, share virtual workspace, connect virtually with experts and networks, and even "hang out" at the virtual water cooler. Utilizing state-of-the-art web technologies, NHVBI connects promising ventures to targeted resources at the right time including business support services, technical support, banking support, professional mentoring, peer networks, shared administrative and purchasing services, secure collaborative work spaces and other virtual resources and support tools. As NH VBI ventures develop and mature, they will contribute to job creation and community economic development and business growth.

The Biotechnology Incubator Expansion Project also met the goals of the CEDS. Stage 1 includes the expansion of the Process Development Lab for production of early stage clinical trial biopharmaceuticals for the current incubatees and corporate partners.

Stage II includes the renovation of space at the Emerging Technology Center at Pease for a mixed incubator to include biotechnology, computer, internet, electronic technologies and nanotechnology efforts.

These efforts will likely support innovative and entrepreneurial projects and partnerships and may leverage private investment along with new job creation.

5. Workforce Housing Update

In March of 2001, The Housing Partnership (a non-profit affordable housing developer) and the Greater Portsmouth Chamber of Commerce co-sponsored a Housing Summit featuring a presentation by Carl Guardino of the Silicon Valley Manufacturers Group. Over 100 business, municipal and community leaders attended and ultimately formed the Workforce Housing Coalition (WHC).

The WHC is a business-led effort, which recognizes the link between the availability of diverse housing for workers and our regional economic vitality. Its mission, through a united coalition of businesses, government and community groups, is to be a catalyst for the development of a range of housing options for the diverse workforce in the Greater Seacoast region of New Hampshire and Maine. This includes affordable, market-rate and mixed-income housing of a variety of types - apartments, condos and starter homes. They hope to increase the approval and construction of a significant number of units that may not otherwise be built.

This complex issue commands a great many stakeholders, whom the housing shortage affects in different ways. Business members view housing as a key component of employee recruitment and retention. Workers seek quality housing close to their place of employment. Municipalities are working to provide a diverse stock of housing for people of different income levels. Environmental organizations wish to promote “smart growth” housing development and limit sprawl, traffic and environmental degradation. Government and nonprofit organizations see housing’s intersection with other critical community issues.

Understanding the connection between quality housing design and healthy, diverse communities, the WHC supports housing that incorporates these “Smart Growth” principles:

- Support a vibrant economy by enabling employers to attract and retain skilled employees
- Promote use of existing and new public transportation systems and thus reduce traffic congestion
- Conserve and enhance open space and natural habitats
- Reduce air pollution and solid waste, limit energy consumption, and minimize environmental impact
- Provide a diversity of housing types for residents of varying ages, income levels and abilities
- Offer innovative design solutions

- Maintain the integrity of existing historically significant buildings, core downtown areas, and community centers
- Promote adaptive re-use of existing structures

In nearly three years of existence, the WHC has progressed in maturity from first defining the need for workforce housing, to forming a structure to advocate solutions, to raising awareness of the issue, to forming strategic alliances to implement action strategies.

2003 accomplishments included:

- The creation of the NH Workforce Housing Council to provide support to up-and-coming local coalitions.
- The creation of a monthly email bulletin – *House Call* – with over 300 subscribers.
- Presentations to two dozen concerned community organizations, municipalities, and developers.
- Legislative action in support of NH Senate Bill 95 – a bill that informs municipalities of their legal obligation to provide “reasonable opportunities” for the creation of workforce housing with assistance from the regional planning commissions if local statutes need updating.
- The hosting of a seminar on *Promoting Long-Term Affordability Through Resale Restrictions* and drafting of a sample affordable housing covenant for use by municipalities and developers.
- Began a special outreach effort to expand partnerships with conservation organizations, in the hopes of a joint housing project within the next two years.
- The addition of key note speakers to monthly meetings to increase member’s knowledge of workforce housing, implementation and successful projects.
- A collaboration with Fannie Mae to assist the Town of Exeter’s Planning Board with revisions to its affordable housing ordinance.

The Workforce Housing Coalition will continue to be an important ally to REDC and resource for the achievement of CEDS goals.

E. Short-Term Actions

The next year of activity under the CEDS will be devoted principally to the Five-Year “grass-roots” CEDS process. As part of this effort, there will be public meetings to receive input on the development of the components of the CEDS document.

Consistent with what was done in 2000, the economic development stakeholders in Rockingham County will reconvene to develop their Needs Analysis, Vision and Action Plan components of the CEDS and, based upon these new components, develop specific requirements for the Priority Projects. These Priority Projects will conform to the FY 2004 EDA Investment Policy Guidelines and will address local criteria developed through the CEDS process as well. The 2005 CEDS will be developed as a result of this “grass-roots” process and submitted to EDA by June 30, 2005. Similarly, the Annual EDD Planning grant will be submitted by the established deadline date.

While the principal activity will revolve around the development of the Five-Year CEDS document, REDC and the other economic development stakeholders in Rockingham County will address the specific goals outlined in the 2004 Annual CEDS Update.

These activities will be consistent with what has transpired over the past four years and there will be an evaluation component to determine how well REDC and the economic development stakeholders have done relative to their initial plan of action. Based upon the previous summary, the overall Short-Term Actions (1 year) for Rockingham County during the next year will be as follows:

- Schedule five (5) public meetings to address pre-planning for the CEDS process, the Needs Analysis component, the Vision component, the Action Plan component and the final meeting to provide comments on the draft 2005 CEDS;
- Develop and send the annual CEDS RFP package, which is based upon the revised project criteria, to economic development stakeholders in Rockingham County;
- Hold a minimum of four CEDS Steering Committee Meetings and one Evaluation Subcommittee meeting as part of the Five-Year CEDS process;
- Submit the Annual EDD Planning Grant;
- Schedule two “Education and Training” sessions as part of the technical training and networking effort;
- Provide ongoing support to local communities in accessing economic development funds and in promoting economic development projects;
- Develop criteria for assistance to businesses based upon the cluster-based industrial analysis for Rockingham County; and
- Coordinate the Five-Year CEDS Process and submit the 2005 CEDS to EDA by June 30, 2005.

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

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

- Develop new initiatives that tie together the use of EDA and DOL funding sources in recognition of the new partnership between EDA and DOL.
- Develop a Memorandum of Agreement with the primary workforce development agency in order to identify ways in which REDC and the other agency can work together.
- Participate in another job fair and market the EDD status of REDC and the resources available to companies and employees.

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

- Encourage the establishment of TIF Districts in Hampton and Epping, as well as other communities.
- Identify one or two industry clusters to begin to work with. Develop a listing of Rockingham County businesses within each cluster to contact.
- Continue to work with the New Hampshire Department of Resources and Economic Development (DRED) to market Rockingham County and to address the layoff situation affecting most of these communities.

- 3. Target assistance to those areas in the County that are not fully sharing the economic benefits of the current economy and are likely to be left behind in the future economy.**
 - Identify communities eligible for EDA funding based upon current unemployment rates and layoffs. Encourage the State of New Hampshire to develop per capita income data for 2005.
 - Provide technical support in the development of pre-applications and applications to EDA for projects in these areas.
 - Select a company experiencing layoffs to work with and identify what specifically REDC, or its economic development partners, can do to assist the owners and/or employees.

- 4. Expand employment and access opportunities for all residents by implementing public transit networks that address the needs of workers, the elderly, youth, employers and local communities.**
 - Develop GIS maps showing the relation between the low-income and minority populations and the COAST route system.
 - Support the establishment of the Greater Derry-Salem Regional Transit system through the identification of funding sources.
 - Support the expansion of train service in New Hampshire.

- 5. Preserve and protect the quality of life in Rockingham County by enhancing the area's natural resources and encouraging concentrated development throughout the County.**
 - Work with additional communities, such as Epping, in utilizing the "tool box" developed by RPC under the Sustainable Development Grant from EPA.
 - Continue hazard mitigation planning efforts on a regional basis to implement the new Homeland Defense initiatives and complete plans for Hampstead and Windham.
 - Utilize model ordinance for village plan development in additional communities.

- 6. Encourage the re-use of commercial/industrial land to reduce the dependence upon new development and to target investment to those areas with established infrastructure.**
 - Follow up on Brownfield reconnaissance grant submitted to EPA.
 - Continue to work with mill owners to identify incubator businesses that can utilize the rehabbed industrial and commercial space.
 - Work with the private sector to revitalize Brownfield sites and develop effective partnerships with local communities and funding agencies.

- 7. Increase the supply of housing available to workers at an affordable price through active partnerships between employers, state agencies and local development entities.**
 - Support the implementation of the Economic Impact Study through the New Hampshire Housing Finance Authority or the University of New Hampshire.
 - Establish a model framework with an expanding company in order to determine how the cost of housing impacts the availability of workers.
 - Continue to partner with the Workforce Housing Task Force to address Workforce Housing issues in Rockingham County.

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

- Co-sponsor a CEDS Orientation session with RPC in the fall of 2004 as a precursor to the CEDS “grass-roots” planning process.
- Support the implementation of the shared sewer facilities and the feasibility of a waste treatment facility in Raymond.
- Co-sponsor the 2005 Municipal Board Training Series in June, 2005 as part of the Workshops and Forums provided by REDC.

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

- Complete and submit the 2005 Five-Year CEDS document to EDA and make copies of this document available on line.
- Apply for EDD Planning funds to implement the 2005 CEDS program and to begin the development of the 2006 Annual CEDS Update.
- Identify other funding sources through the Needs Analysis component to build capacity, promote economic development projects throughout the Region and implement job creation activities that meet EDA’s Priority Investment Guidelines.

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

- Develop a new group of active participants in the CEDS “grass-roots” planning process.
- Utilize the REDC web page as a means to increase access to CEDS information and to market Rockingham County to potential investors. Post the 2004 Annual CEDS Update on the REDC web page.
- Encourage the active participation of minority, low-income and female residents in the “grass-roots” CEDS planning process.

VI. Evaluation Component

This program evaluation has been developed in conjunction with Part III – Past Year's Activities and attempts to compare the Short-Term Actions outlined in the 2003 Annual CEDS Update with the actual performance of the economic development stakeholders this past year. As a result of this evaluation, we can assess the strengths and weaknesses of the program and identify what needs to be improved.

A. The Evaluation Methodology

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

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

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

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

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

The CEDS team will seek to measure the quality of programs and services offered under the CEDS. One measurement routinely used by the CEDS team is workshop evaluations. The CEDS workshops accomplish many purposes. The workshop topics generally include discussion on one or more of the ten identified goals in the region. The workshops also promote the CEDS in general, as each workshop, no matter the subject, is always used as a marketing & recruitment tool for new participants to the CEDS process.

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

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

The continued pockets of distress and unemployment in Rockingham County during the past year have presented challenges in fostering new business growth and job creation. During the last six months alone large lay-offs have occurred in the region. Flextronics of Pease closed its doors and lost 300 + workers. Venture Corp. of Seabrook closed its doors as well with over 200 jobs lost. More recently Kitchen Etc., headquartered in Exeter, closed its doors with job losses over 100+. Combined with large vacancy rates of existing space, especially in the seacoast sub-region, along with lack of affordable workforce housing, focus has been primarily on recovering from those economic trigger events.

Through the continuation of the work with Industry Clusters analysis, we hope to be able to identify growth clusters that complement existing businesses, use that information as a tool to market the region, develop training programs, and foster job growth.

C. Evaluation of CEDS Implementation Process

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

GOAL ONE - Levels of Participation

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

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

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

Evaluation Criteria -	20-30 average attendees	(excellent)
	15-19 average attendees	(good)
	10-14 average attendees	(needs improvement)
	80-100% completed evals	(excellent)
	40-79% completed evals	(good)
	0-39% completed evals	(needs improvement)

Assessment: The REDC and its economic development partners delivered four workshops and information sessions during this CEDS year. In some cases, the workshop topics continued work performed in the previous year as in the furthering of the Industry Cluster Analysis. In other cases, the topics included a look at new and innovative models for the development of incubators in the region.

The continued sponsorship of the Municipal Board Training Series also gives us the opportunity to address a different population of municipal leaders and various Board representatives than would normally not attend other forums sponsored by the CEDS group and REDC, primarily due to conflicting and multiple scheduling of meetings.

1. **Economic Development Summit 2003 – Emerging Technologies and Business Incubators.** An event co-sponsored with the NH Emerging Technologies Center, Unital Corporation and Sovereign Bank. 55 people attended this event with 22 people completing the evaluation questionnaire.
2. **Rockingham County Industry Cluster Study.** A focus group designed to investigate the results of an EDA funded study on industry clusters in Rockingham County performed by the University of New Hampshire and Dr. Ross Gittell. 23 people attended this event as invited guests with 13 people completing the evaluation.
3. **Municipal Board Training Series – Session One “Granite State Planning Board Challenge”.** This session was intended to mimic the game show Jeopardy, with questions and answers on planning related topics. Unfortunately, due to lack of attendance the evening of the event, this event had to be cancelled. It was noted that perhaps another venue would be more appropriate for this type of event.
4. **Municipal Board Training Series – Session Two “Municipal Board Cross Training: Maximize Planning Board and Conservation Commission Working Relationships”.** This session was well attended at 24 participants, with 6 evaluations completed.

Quantitative Score: Number of Workshop Attendees

In reviewing the four forums/workshops presented as part of CEDS this year we have excellent attendance at 3 events, and poor attendance at 1 event. Discounting the event that was cancelled for lack of attendance, the average attendance for the three events was 34, a number that was higher than last year.

2004 Results

Excellent:	20 or more participants
Good	15-19 participants
Needs Improvement	14 or fewer participants

X

Actions:

- Continue to present workshops and forums that address the interest of the participants, while also addressing the economic development issues facing Rockingham County.
- The solicitation of new members to the CEDS group is an on-going process that is relevant each year as an action item. As with any group, persons and interest in economic development activities change with each year; municipal boards also change on a regular basis and requires annual updating.
- Improved reservation system for events to avoid the pitfall of hosting an event that is poorly attended.
- Increase press releases for events to enhance the marketing of the CEDS process and product for the upcoming year.

Qualitative Score: Sustain or Improve Workshop Attendance and Solicit feedback via evaluations and questionnaires.

This program year saw an increase in attendance at several sponsored events, as well as an increase in evaluation responses. Although we have not been able to hit 100% evaluations completed, this year generated an improved system as we moved to an electronic evaluation system for follow-up. Last years goal was to provide written evaluation and questionnaire forms to all program participants. This year we added a system whereby we contacted all participants the day after the event with an email evaluation form. With this system, more people responded electronically.

Forum 1 saw a 40% response; Forum 2 a 56% response; and Forum 4 a 25% response. Although we did not hit the mark this year, we continue to search for improved methods of collecting this data.

Calculating the above data finds an average of 40% response to the evaluation process.

		2004 Results
Excellent	80-100% evaluations complete	
Good	40-79% evaluations complete	X
Needs Improvement	0-39% evaluations complete	

Actions:

- Continuous improvement of the questionnaire format for ease of use.
- Continued refinement of electronic solicitation of feedback to improve response
- Team review of evaluation response to better plan and review what was of interest to participants and what was not.

GOAL TWO – Data Development & Dissemination

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

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

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

Evaluation Criteria -

- 21 – 30 requests & referrals annually (excellent)
- 10- 20 requests & referrals annually (good)
- 1 - 9 requests & referrals annually (needs improvement)

Assessment: Last year the CEDS was distributed to approximately 200 economic development partners. Additionally, the CEDS and all demographic data sheets were posted on REDC’s website for the first time. This action was designed to provide direct access to all CEDS information to the “world”. This reduced the need for paper copies, as data is always readily available for any request we receive.

The introduction of CEDS and related data sheets to the REDC website was very well received this past year and opened up the information to persons who may not have been aware of this work in the past. Although we have not begun the process of “tracking” hits to the REDC website, this is something we have under discussion as we continue to refine our process and product. The REDC received approximately one dozen phone calls for CEDS related information this past year; most respondents were able to retrieve information directly off the website. Additionally, REDC fielded four inquires for a complete CEDS package. What we are noticing is that economic development stakeholders in the region are becoming more familiar with the work we produce each year under CEDS, and having direct access provides a very useful and user friendly tool for information dissemination. While the number of requests was in the “good” scoring range, the improved system of data dissemination has received great praise from users.

It is also important to note that the Rockingham Planning Commission has spent several years working on GIS mapping systems and related data being made available online statewide through the network of planning commissions.

Quantitative and Qualitative Score: Number of requests for information

The REDC received 12 requests for information this past year, primarily in the data and demographic information that we provide through CEDS.

2004 Results

Excellent	21 or above requests	
Good	10-19 requests	X
Needs Improvement	1-9 requests	

Actions:

- Attempt to quantify the use of demographic data available on the REDC and RPC websites separately and collectively.
- Continue to provide CEDS demographic data, as this data continues to be of use in the public and private sector.

GOAL THREE - Marketing & Outreach of CEDS

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

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

Qualitative Measures – Increase the number of marketing actions and activities that promote the CEDS. Is REDC included in meetings of various CEDS related topics as “invited guest”.

Evaluation Criteria -

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

Assessment: In producing and marketing the CEDS during the past five years, we have seen increased interest from municipalities in the work and services of REDC. This is directly attributed to the production of the CEDS and the role that REDC performs in this capacity. By providing service, information, and at times opportunities for grant funding, the REDC has increased its validation among the regions municipalities. The REDC was invited to participate in a problem solving meeting on behalf of the Town of Northwood entitled, "Elder Housing in Jeopardy". Additionally, the REDC participated in a focus group organized by the NH Technical College on "Economic Development Thinking Out of the Box". The REDC was invited to participate in the formation and goal setting of a local economic development group in Danville. The REDC met with Directors of the Newmarket Community Development Corporation to review the Essex Mill redevelopment project. The Rockingham Planning Commission participated in the Sandown Community Profile. Participation in these kinds of events, especially when specifically invited, demonstrates to us that we are widening our circle of economic development stakeholders, participating in discussions that are relevant to the strategic planning for the region. We also use these opportunities to promote the CEDS and solicit new participants to the process.

In general, although the above referenced activities were not exclusively designed to discuss and present the CEDS, the REDC's involvement in those activities was a direct result of our work on the CEDS. Over the past year, the REDC has visited, presented, or provided outreach to 10 different persons or towns for advice, and/or funding.

Quantitative Score: Number of Presentations

		2004 Results
Excellent	7 or more presentations	X
Good	3-6 presentations	
Needs Improvement	1-2 presentations	

Actions:

- Outreach efforts to continue to under represented groups in the CEDS process.
- Improve press releases promoting activities
- Continue to notify towns and/or projects for potential grant funding
- Continue to work with the Rockingham Planning Commission in broadening our base, sharing meeting participation, and documenting those participations.

D. Evaluation of Goals and Objectives

GOAL ONE – Workforce Development: Increase the supply of skilled and semi-skilled workers through increased collaboration between employers, educational institutions and the workforce development system.

Objective 1: Identify occupational and skill needs of private, public and non-profit employers in Rockingham County

Accomplishments:

- This year the REDC continued the “industry cluster analysis” by presenting to the Steering Committee and other invited guests, the findings of Dr. Ross Gittell of University of NH, on Industry Clusters in Rockingham County. The information built upon the work done in the previous year. The presentation was based on using a variety of weights and measures in order to identify the clusters likely to be important to a regions growth. The session stimulated a great discussion and awareness of a variety of ways to view the data, with sometimes different results.
- Attendance at the regions Department of Labor conference to become familiar with new initiatives and goals of the DOL and how they interface with other agencies and programs.
- This year the REDC also participated in the financing of a large seacoast manufacturer, creating 50 new jobs in the region. That project, along with other businesses using the REDC resources created new jobs to replace jobs lost during the year in the region.

Criteria/Score:

		2004 Results
Excellent	4-6 contacts with industry	X
Good	1-3 contacts	
Needs Improvement	no contacts	

Actions:

- As the REDC will begin the new five year CEDS shortly, the industry cluster information will be reviewed in order to identify new goals. More attention will be paid to the weights and measures of each economic indicator in order to determine which weights and measures are more or less important to the constituents of Rockingham County.
- Present one or several forums to identify, in order of priority, the weights and measures deemed more important to this region.
- Continue to provide financing to area business in order to foster new job creation to replace lost jobs.

Objective 2: Develop inventory of employment and training tools provided by the educational and workforce development systems.

Objective 3: Provide matching assistance between the needs of employers and the tools provided by the educational and workforce development system to identify gaps and recommend new tools.

Note: Objectives reviewed together as similar in nature

Accomplishments:

- Attendance at the Dept. of Labor conference to review new programs and initiatives in order to make those programs available to area business.
- The process of identifying industry clusters, can also be used to prioritize training efforts that support those clusters. The REDC has gone the first step in identifying those clusters, from which we can build training models to be used by business.

- The REDC began working on the development of a seacoast business incubator for emerging industries, by presenting a forum to brainstorm ideas on incubators and which model would be of most use in the seacoast region.
- The REDC fields many inquiries from business and industry as a resource and referral service for access to state and federal job training efforts. The REDC provided direct service to at least 10 companies this past year, ranging from direct loans to other support services.

Criteria/Score:

		2004 Results
Excellent	4-6 contacts/referrals	X
Good	1-3 contacts/referrals	
Needs Improvement	0 contacts/referrals	

Actions:

- Become familiar with new program initiatives at the state and federal level in order to make those funds available to area business fostering new job creation and job training.
- Continue to participate in the Advisory Board for the NH Virtual Incubator project, as well as the expansion of the biotechnology incubator at the Pease Tradeport.
- Continue with the industry cluster identification of weights and measures, as it relates to new job training efforts.

Objective 4: Develop comprehensive workforce development strategy for Rockingham County that is consistent with CEDS.

Accomplishments:

- Through the identification of industry clusters in Rockingham County, information is prioritized by emerging and growth industries in the region. Job Training efforts can then be prioritized based on which industries are forecasted to grow over the next 5-10 years.
- The strategy for Rockingham County has been, for several years, to respond to companies experiencing lay-offs. Consistent with the State strategy, the response includes WARN notices, group meetings for laid-off personnel, sharing information, job matching, and/or support for new entrepreneurs.
- The REDC, through its lending activities, assists with new job creation, as a by-product of all new loans made by REDC.

Criteria/Score:

		2004 Results
Excellent:	4-6 contacts	X
Good:	1-3 contacts	
Needs Improvement:	0 contacts	

Actions:

- Continue to support the state efforts regarding company closings, lay-offs, and delivering services to both company and employee.
- Continue to develop an incubator network in Rockingham County by participation in the development of both the virtual incubator and the biotech incubator.
- Encourage more business leaders' participation in these efforts.

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

Objective 1: Market the assets and resources of Rockingham County to new and expanding businesses and work to retain quality firms.

Accomplishments:

- The REDC provides assistance to the region by working with expanding companies seeking to locate in Rockingham County. The REDC presents and showcases the assets and resources of the region in this process. This past year, the REDC performed four site searches to out of area companies desiring to relocate to the county. Of those companies, the REDC successfully encouraged the location of a large manufacturer in the semi-conductor industry to the Salem area. This will eventually result in new job creation in the western sub-region, an area that has sustained numerous job losses in this occupational area.

Criteria/Score:

		2004 Results
Excellent:	2 or more	X
Good:	1	
Needs Improvement:	0	

Actions:

- Continue to provide core services to the regions business community in the area of real estate site search, financing for construction and business expansion where job creation is a by-product.
- Continue to produce the CEDS as a primary marketing tool for the County, and for eligibility for federal infrastructure grants.
- Continue to identify opportunities for federal grant funding for infrastructure projects that support economic development and job creation.

Objective 2: Implement major transportation, water and sewer and telecommunications projects to enhance and maintain Rockingham County’s competitive economic position. And

Objective 3: To educate decision-makers and stakeholders on the benefits of the concentrated development concept and encourage the implementation of infrastructure projects regionally.

Accomplishments:

- The Rockingham Planning Commission (RPC) represents the region by its participation and facilitation in a number of important infrastructure efforts in the region, such as the Route 93 widening project. The RPC disseminates information to local communities regarding the impacts of this major development, its funding and its timetable. This is a multi-year project.
- The RPC continues to facilitate discussions and meetings regarding the regional sewer project designed to provide sewer services to a group of towns in order to maximize capacity, regulate outflow to towns experiencing issues in this area. This is a multi-year project.
- The RPC and CEDS sponsored “Municipal Board Training Series”, provides the venue for information sharing among towns in the county, especially on major infrastructure projects that will impact a number of towns.

Criteria/Score:

		2004 Results
Excellent:	2 or more	X
Good:	1	
Needs Improvement:	0	

Actions:

- Major infrastructure projects are oftentimes multi-year in nature. The RPC provides a valuable service to communities by their attendance and facilitation of those meetings on larger projects. Their continued documentation and sharing of information among the towns is a key contribution to those efforts.
- Gather updated data from key economic development stakeholders on the regions major infrastructure projects, and what their effect may be on those towns and the business community within that area.

GOAL THREE – Target Assistance to those areas in the County that are not fully sharing the economic benefits of the current economy and are likely to be left behind in the future economy.

Objective 1: Match federal, state and local funds with private investment to create jobs in distressed areas and provide access for residents of distressed areas to jobs in non-distressed areas.

Accomplishments:

- Jobs in the area are created by business relocation to the area, or expansion within the area. The REDC provides financing for business expansions and relocations where there is new job creation or the retention of existing jobs in the region. This past year the REDC made several large loans to area business that either created or saved jobs. Those projects were in Newmarket, Salem, Exeter, and the Hampton/Seabrook area. Both Salem and the Hampton/Seabrook area have experienced higher unemployment and are considered pockets of distress.

- The REDC has made application to the US Department of Agriculture/Rural Development for their “Intermediary Re-Lending Program”, which may provide increased capital for lending in rural areas.

Criteria/Score:

2004 Results

Excellent:	4-6 new projects	X
Good:	2-3 new projects	
Needs Improvement:	1 or less new project	

Actions:

- Continue to provide timely response to business requests for financing, prioritizing those areas of the county that experience higher unemployment due to lay-offs or company closings.
- Continue to develop resources for federal, state and local funding for the regions targeted projects.
- Review this goal for the next five years CEDS.

Objective 2: Address the Digital Divide issue so that no citizen in Rockingham County is left behind because of an inability to access the internet.

Accomplishments:

- Accomplishments in this area have not been achieved, as other more pressing goals and issues have been strongly felt in Rockingham County for the past five years.

Actions:

- Review this goal to determine it’s place in the range of goals outlined by the stakeholders of the region.

Objective 3: Work with local firms prior to layoffs to ensure the best employment opportunities for the affected workers and resources for new firms that need skilled labor.

Accomplishments:

- The REDC has an established practice of being notified by the State when a company is forecasting impending lay-offs. The REDC role is clear in providing support services to those individuals being affected by those lay-offs, by encouraging and financing new business start-ups, or employee buy-outs of the companies in question.
- The REDC provided loan funds to Suflex of Newmarket, in particular to two employees, in their purchase of the company, and the retention of 39 jobs in the region. The company was slated to close by its out-of state owners.
- The REDC makes companies who are creating jobs aware of companies who are losing jobs, when their skill sets are similar. This was the case whereby Flextronics of Portsmouth and Venture of Seabrook experienced lay-offs, and Foss of Hampton was hiring persons with similar skill sets.

Both the state and the REDC made contact to ensure that laid off workers had opportunity to apply for positions at the company that was hiring.

Criteria/Score:

		2004 Results
Excellent:	4-6 contacts	X
Good:	2-3 contacts	
Needs Improvement:	1 or less	

Actions:

- Continue to participate in the State’s warn notice system, providing information, referrals, financing and information to affected workers and companies, matching employment whenever possible.
- Increased participation in the State’s Workforce Opportunity Council (WOC) for the purpose promoting skill training and job matching for the business community.

GOAL FOUR –To expand employment and access opportunities for all residents by implementing public transit networks that address the needs of the workers, and other populations, and local communities.

Objective 1: Explore and implement public transit in other parts of the County similar to what Coast provides in the Portsmouth area.

Accomplishments:

- The RPC supports and works on transportation initiatives on an on-going basis. By their attendance at all meetings concerning transportation via bus routes, rail initiatives, data collection, and the identification of funding for such, the RPC provides a valuable service in imparting this information to the affected towns, and other interested parties, who, in turn, can then work with the business community exploring opportunities for partnership. These efforts are largely grouped under the Transportation Improvement Program (TIP).
- The RPC has helped identify funding sources to support the proposed Derry/Londonderry Transit system, working with the other planning commissions that cover those affected areas.
- Accepted this year as part of the CEDS Priority Projects, is an initiative by the Town of Plaistow to build a train station in Plaistow on municipal land that would serve to transport commuters to and from the Boston area.
- CMAQ grant given to NH Dept of Transportation for I-93 Expanded Commuter Bus Service (\$10,040,000);
- CMAQ grants to NHDOT for ITS Deployment on I-95 Seabrook-Portsmouth (\$4,050,000) and the NHDOT for I-93 Park & Rides and exits 2,3, and 5 (\$10,400,000) as back-up projects for any unexpended funds.

Criteria/Score:

2004 Results

Excellent: 4-5 initiatives, studies
Good: 2-3 initiatives, studies
Needs Improvement: 1-2 initiatives, studies

X

Actions:

- Continue to work on establishing a regional entity that can serve as the recipient of Federal Transit Authority funds for public transit initiatives.
- RPC continued involvement in both the TE grants and the CMAQ grant process and applications.
- Review this goal for future goal setting in the next five year CEDS.

Objective 2: Tie together highway, transit, park and ride and enhancement projects to support each other in a multi-modal fashion.

Accomplishments:

- The Rockingham Planning Commission works closely with the NHDOT on all initiatives that affect transportation. As a primary activity of the Planning Commission, attending meetings, reporting on those meetings, identifying funding for those efforts around transportation, keeps the communities informed on the progress of those multi-year efforts. The RPC publishes a quarterly newsletter that routinely informs constituents of the latest developments in these areas. This work is on-going over long periods of time.
- Continued technical assistance to towns applying for CMAQ grants for the purpose of constructing sections of a bicycle path along the Route 93 corridor.
- Continued assistance to the State DOT in developing a scope of work for future transit studies relative to the Route 93 expansion.
- Grant funding under Transportation Enhancement (TE), providing for 80% project funding was received by the Town of Sandown for sidewalk improvements(\$120,000) and the Pease Development Authority portion of Great Bay Bicycle Loop (\$541,000)
- Grant funding under Congestion Mitigation Air Quality (CMAQ) went to City of Portsmouth for sidewalks (\$238,750); Greater Portsmouth TMA for marketing (\$100,000); Town of Salem for transit and pedestrian improvements (\$1,250,000)

Criteria/Score:

2004 Results

Excellent:
Good:
Needs Improvement:

X

Actions:

- Continue to provide representation for Rockingham County at the state and local level for all major transportation projects currently in the planning stages, and sharing that information with local officials, encouraging the solicitation of grant funds whenever appropriate.
- Review the transportation goals as they relate to the new five year CEDS.

Objective 3: Build upon transit systems that already exist, such as the Massachusetts Bay Transportation Authority (MBTA) to create employment opportunities for residents.

Accomplishments:

- The RPC represented the region on several initiatives including the work with NEPPRA to investigate options to expand the Downeaster, to include a rail stop in Plaistow.
- The REDC CEDS committee accepted as a Priority Project for the region, the rail stop in Plaistow. If successful, this effort will assist workers in securing jobs outside the region through better transportation options.
- The RPC has included this year for the first time, a statistical section in the CEDS on commuting patterns in Rockingham County. This information is key to presenting and identifying information necessary to secure grants and plan for future transportation needs.

Criteria/Score:

Excellent:
Good:
Needs Improvement:

2004 Results
X

Actions:

- Continue efforts in process for enhanced transportation and rail options for commuters in and around the region, as well as out of the region.
- Continue to develop statistical data on commuting patterns and assess how that information can be used as a planning tool for future work under CEDS.

GOAL FIVE – Preserve and Protect the Quality of Life in the Region by enhancing the area’s natural resources and by encouraging concentrated development throughout the County.

Objective 1: Build upon open space and conservation land already protected by investing public, private and non-profit resources in the purchase of additional land for protection.

Accomplishments:

- The State’s Land and Community Heritage Investment Program (LCHIP) program provides communities with matching grant funds in order to purchase land and/or easements to land for conservation purposes.

The program is in its fifth year of grant funding. The RPC routinely assists communities with technical assistance in preparing those grant applications. This past year the State awarded seven grants. Of those grants awarded, the towns of Hampton and Hampton Falls received a grant of \$100,000 for the preservation of the Hurd Farm, resulting in the further protection of drinking water supply for both Hampton and Hampton Falls.

- In the previous year, the LCHIP program awarded \$688,000 to conservation projects in Rockingham County in both the Historic Resource and the Natural Resource category. Those towns include Exeter, Newmarket (3), and Londonderry/Windham.

Criteria/Score:

2004 Results

Excellent:	8 or more efforts/awards	
Good:	2-7 efforts	X
Needs Improvement:	0-1 effort	

Actions:

- The RPC continue to provide technical assistance and advocacy to the municipalities for future LCHIP applications.
- Continued advocacy for state support of the LCHIP program.

Objective 2: Discourage “sprawl” and encourage the concept of concentrated development centers.

Accomplishments:

- The RPC has been instrumental in working with municipalities on the issue of sprawl patterns and how to minimize sprawl to maintain a small town character. The RPC received an innovative planning grant from the NH Office of Energy & Planning to complete model ordinances for use by towns that want to use the traditional neighborhood design to better plan for and achieve the kind of growth that best meets local concerns.
- The two model ordinances developed are the “Village Overlay District” and the Hamlet Overlay District”.
- The EDA Public Works grant received by the Town of Epping for the development of Epping Crossing encourages the development of a concentrated development center. That project is currently in the second phase of development.
- RPC worked with North Hampton, Rye, Epping & Fremont in utilizing the “tool box” developed by RPC to conduct “smart growth” audits.

Criteria/Score:

2004 Results

Excellent:		X
Good:		
Needs Improvement:		

Actions:

- Continue to work with NHDES in developing sprawl indicators
- Support and continue to provide “smart growth” audits

Objective 3: Promote tourism and recreational activities that focus upon the historic, cultural, and natural resources of the County.

Accomplishments:

- The RPC and the American Independence Byway Advisory Committee were awarded grant funds to produce a full color brochure on the American Independence Byway, a 29 mile scenic roadway loop through Exeter, Hampton, Hampton Falls, and Kensington. This byway is one of 15 designated by the State of NH.
- Grant funds were also used to host a successful trolley tour of the Byway, raising public awareness of the byway and highlighting the need to preserve and protect its unique characteristics.

Criteria/Score:

2004 Results

Excellent:

X

Good:

Needs Improvement:

Actions:

- Continue to apply for grants that support the preservation of the regions natural resources and cultural history.

GOAL SIX – Encourage the Re-Use of Commercial/Industrial Land to reduce the dependence upon new development and to target investment to existing sites available for development, i.e. brownfields sites, etc.

Objective 1: Utilize lessons learned from the State’s Brownfields Program and, in particular, the Rockingham County projects, to encourage other communities and developers to initiate similar efforts.

Accomplishments:

- Several towns in Rockingham County received financial assistance under the State’s Brownfields Program in 2001. Those communities that received targeted Brownfields assessment assistance are Derry, Londonderry, and Newmarket.

Criteria/Score:

2004 results

Excellent:

Good:

Needs Improvement:

X

Actions:

- Follow-up on the results of the Brownfields Assessment Assistance conducted several years ago in Derry, Londonderry, and Newmarket.
- Share those results with other communities as a method of encouraging other communities to identify their own Brownfield sites and examples of re-use.
- REDC to become more familiar with the Brownfields Cleanup Revolving Loan Fund, access to those funds, and disseminating information around the use of those funds.

Objective 2: Find additional sites in the County that would qualify under the federal and state Brownfields programs.

Accomplishments:

- No sites identified

Criteria/Score:

2004 Results

Excellent:

Good:

Needs Improvement:

X

Actions:

- Improve the identification of Rockingham County Brownfield sites through research at the local, state and federal level.
- Share the results of that information with regional entities.
- Follow-up with CEDS group to review this goal, its place in the Priority Goals for the region and its inclusion for the next five year CEDS.

GOAL SEVEN – Increase the supply of Workforce/Affordable Housing in the County through active partnerships between employers, state agencies and local development entities.

Objective 1: Develop affordable/workforce housing handbook outlining the definition of affordable housing, successful projects in New England and sample zoning incentives designed to encourage the development of affordable/workforce housing.

Accomplishments:

- The Workforce Housing Coalition has been the primary agency working on the problems of lack of workforce housing in the region.

Throughout the year, this Coalition has developed suggested working definitions for use by municipalities in reviewing zoning ordinances that encourage the construction of workforce housing.

- The Workforce Housing Coalition has sponsored visits to successful model projects in other areas, for potential duplication in this area.
- The REDC CEDS Steering Committee includes the Director of the Workforce Housing Coalition in order that these important efforts remain a key economic development activity in Rockingham County, as the county experiences a severe shortage of workforce housing in key geographic areas of the county.
- The Workforce Housing Coordinator and the REDC Board President recently appeared and participated in a discussion on workforce housing on NH Public Television in order to further broadcast the issues in Rockingham County.

Criteria/Score:

2004 Results

Excellent:

Good:

Needs Improvement:

X

Actions:

- Support and sponsor efforts that construct workforce housing in Rockingham County.
- Continue to publicize and promote initiatives to that end.

Objective 2: Work with employers, state housing agencies, private developers, and local development entities to design a system for the production of affordable/workforce that will work in Rockingham County.

Objective 3: Identify available federal, state or local land that can be made available for the development of an affordable/workforce housing model.

Accomplishments:

- Statistical research in the arena of affordable/workforce housing is essential to making a case for and securing funding for such projects. Awareness and public support begins with understanding the demographics around these issues. This year the RPC has included new data on housing statistics as well as information on a new model for Housing Needs Analysis. This information is included in Part IV of this report, and offers significant data that can be used in planning for future housing needs, as well as quantifying the need for funding.

Criteria/Score:

2004 Results

Excellent:

X

Good:

Needs Improvement:

Actions:

- RPC continue to update the housing statistics in Rockingham County in order to foster the discussion at all levels.
- Review housing goals as it relates to the CEDS goals for the next five years.

GOAL EIGHT – To resolve problems through increased inter-municipal cooperation and develop regional solutions that address local economic development issues.

Objective 1: Develop regional partnerships that generate regional solutions to local problems.

Accomplishments:

- The RPC sponsored, Municipal Board Training Series attempts to develop partnerships among communities in the county by promoting forums for discussion and collaboration. This is an annual event.
- Continued participation in the regional sewage disposal issues and a regional sewer plant serving multiple towns.
- The Town of Raymond approved local funding for a feasibility study of a wastewater treatment facility serving parts of Raymond.

Criteria/Score:

2004 Results

Excellent:

X

Good:

Needs improvement:

Actions:

- Continue to provide a venue for municipalities to meet and discuss shared solutions for common problems. Where effective, promote those activities to other communities as “best practices”.

Objective 2: Establish mediation/negotiation/coordination training sessions to enhance overall management skills.

This objective has not been met through the CEDS program. This goal will be reviewed for its relevance for the next five year plan. Currently, leadership training is offered through a statewide mechanism, sponsored through the Chambers of Commerce. A review of this goal might find that the state program is sufficient at this time.

Objective 3: Institute “best practices” system to recognize the accomplishments of specific communities and to educate other communities on how to resolve specific issues.

There has been no action on this goal during this past year due to other issues facing Rockingham County in the arena of pockets of high unemployment and continued lay-offs in the region.

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

Objective 1: Develop asset inventory of region-wide resources and make this information available electronically.

Objective 2: Build upon the Partners and Resources for Economic Development section by identifying funding sources, their eligibility requirements and the types of funds they can be matched with to produce successful projects.

Accomplishments:

- The REDC maintains an inventory of resources available for community and business. These resources include financing, real estate sites, grant applications and preparation. Resources are available in hard copy and referrals to other websites for information.
- The REDC posted CEDS Update 2003 and all demographic data on its website for the first time last year, hitting that goal of making information electronically available.
- The REDC has applied for \$500,000 in federal funds for the purpose of capitalizing the regional loan fund. Funds applied for through the USDA/Rural Development office, entitled “Intermediary Re-Lending Plan” funds.

Criteria/Score:

Excellent:
Good:
Needs Improvement:

2004 Results

X

Actions:

- REDC to continue to develop a list of websites that have the most commonly asked questions and the most common requests for information.
- The REDC to explore placing links onto its website to other sites that include information most asked by constituency.
- REDC to promote the work of RPC in the use of new information posted on their website.
- If successful in securing the IRP funds for capitalization of the regional loan fund, notice of such funds will be shared on the REDC website and the RPC newsletter, as well as through regular advertising means.

Objective 3: Identify private funds that can be utilized to initiate new approaches to problem solving.

No action on this goal during this year. Goal will be reviewed during the next five year CEDS. It is appropriate to note, however, that the REDC receives financial support for the CEDS from private sources including Public Service of NH, Unital, Sovereign and Citizens Bank.

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

Objective 1: Provide leadership training modeled after the Chambers Program that encourages the involvement of and educates local residents.

Accomplishments:

- Other than the Municipal Board Training Series, no other venues have surfaced as appropriate for leadership training that models the Chamber effort.

Criteria/Score:

Excellent:
Good:
Needs Improvement:

2004 Results

X

Actions:

- Review this goal as it relates to the new CEDS five year plan.

Objective 2: Schedule Empire-like brainstorming sessions to plan the future development of Rockingham County.

Not addressed during this CEDS year. Will review for use in the new five year CEDS plan.

Objective 3: Utilize REDC web page and Internet to promote Rockingham County, provide updated copies of the CEDS and solicit input on new approaches to resolving problems

Accomplishments:

- REDC, in placing the full text CEDS on its website, has been able to quickly direct any inquiry to that website. It has cut down on the use of paper and expedited information.

Criteria/Score:

Excellent:
Good:
Needs Improvement:

2004 Results

X

Actions:

- Continue to post the CEDS and related data on the REDC website.
- Explore which links can be placed on the REDC website that can further promote the county. In particular, a link to the RPC website would be critical to the CEDS demographic data and other statistics gathered through the process.

E. Evaluation of CEDS Priority Projects List

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

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

Assessment: In completing its' first five year CEDS, the REDC reviewed progress on moving projects from Long Term, to Intermediate and then to Top Priority as projects became ready for implementation. The REDC was successful in sponsoring EDA Public Works grants that lead to the successful funding of two projects – The North Apron Access Road at Pease Tradeport (\$500,000) and the Epping Crossing Project (\$500,000). The North Apron Access Road construction provided access to an area at the Tradeport that was not accessible. This will, in future, create new jobs at the Tradeport. The Pease Tradeport has seen a large share of jobs lost over the past four years and continued development of new access roads will help stimulate new company growth and the replacement of those lost jobs. The Epping Crossing Project leveraged millions of dollars of private investment, and encouraged the creation of several hundred jobs in its' first Phase, with more jobs and private investment during Phase Two and Phase Three of construction. This project also targeted central Rockingham County, which was a specific goal in the five year CEDS.

On a more difficult note and part of the REDC's learning curve, the first Public Works grant awarded to the Town of Salem (\$1,500,000) for a major sewer improvement project, was ultimately turned back to the EDA as the match funds were not available. Another project approved by the EDA for the Granite Meadows subdivision in Raymond (#350,000) was ultimately turned back to the EDA for the same reason of a lack of matching funds, as well as other mitigating circumstances that could not be foreseen.

The REDC has learned much through these experiences. The promotion of Public Works grant funding under the CEDS must be carefully reviewed to ensure that the primary components of the grant award are present: eligibility, match funds, internal controls to ensure that the grant can meet the scope of work presented.

Accomplishments:

- The REDC has spent considerable time updating all projects on the Priority Projects list as referenced in Appendix 2: Status Update.

- REDC has encouraged all towns to submit eligible projects for consideration to the Priority Projects list; five new projects were received as a result of the solicitation, all were accepted to the Priority Projects list, regardless of EDA eligibility status.
- The REDC met with various entities and communities to inform them of eligibility for Public Works funding under the CEDS. They include the Town of Newmarket, Pease Development Authority, and the NH Technical College regarding the emerging technology incubator.

Evaluation Criteria -

2004 Results

Significant: 3 – 4 projects moving forward
 Moderate: 1-2 projects moving forward
 Not Viable: 0 projects

X

Actions:

- Review all projects currently on the list for viability in the new five year CEDS.
- Review and update project criteria for the next five year Plan based on new set of goals identified in the upcoming year.
- Continue to determine eligibility for each town in relation to the Priority Project List.
- Review indicators for success, change and/or re-establish criteria for this section.

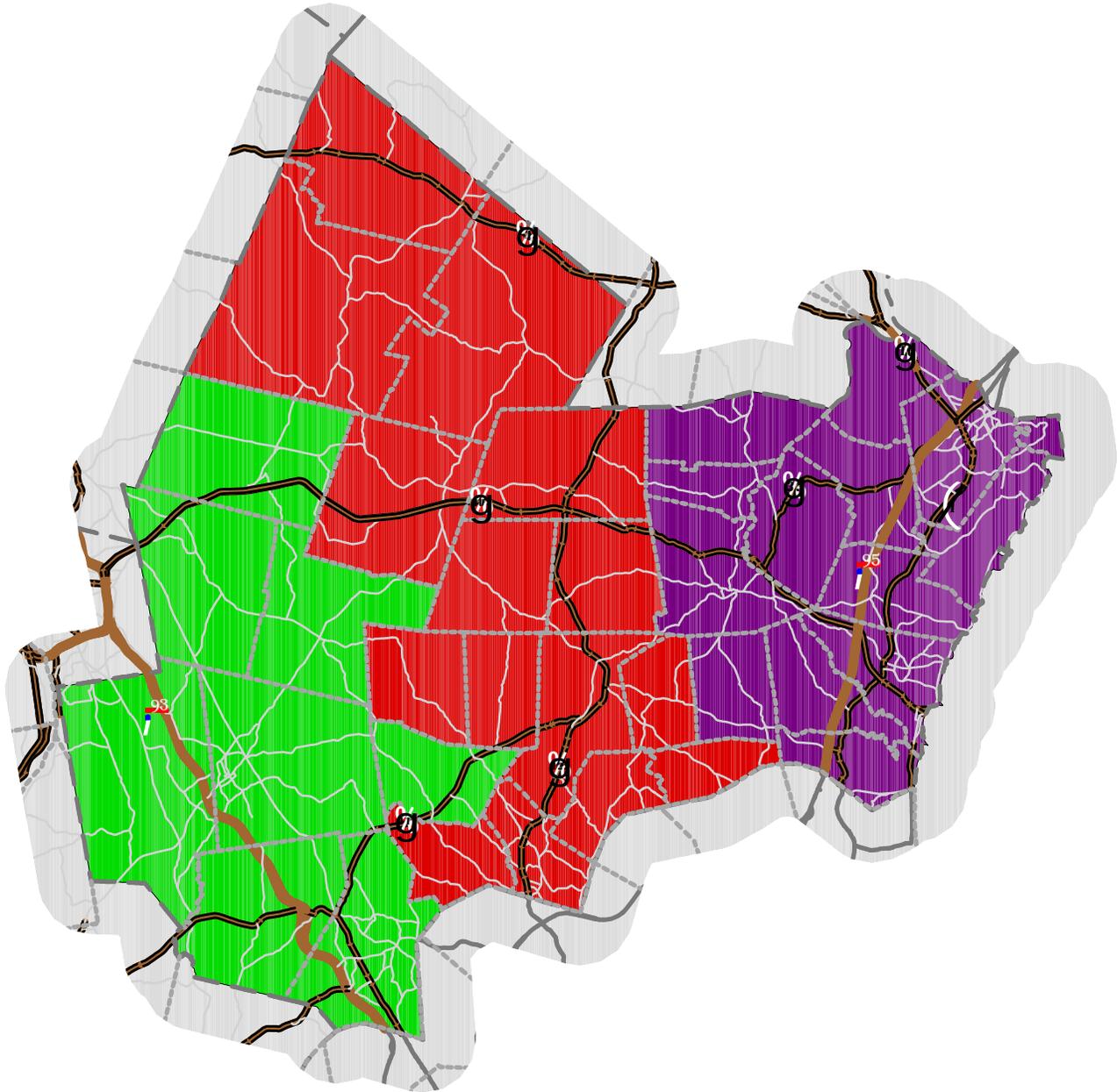
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COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) ROCKINGHAM COUNTY, NH UPDATE 2004



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