Economic Opportunity, Environmental Quality

LAKES REGION PLANNING COMMISSION
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Economic Development

I. Summary of Economic Development Conditions

A. National Trends

During the 2007–2009 period, the United States experienced its worst economic condition since the Great Depression of the 1930s. Economists refer to this recent period as the Great Recession as the U.S. economy contracted in 2007–2009 with a steep decline in retail sales, value of residential properties and the U.S. stock market along with a steep rise in unemployment, which topped out at 10.5 percent. Due to overleveraging in the residential market, unsecured loans and a freezing up of credit markets, the U.S. government took unprecedented actions to forestall an economic and financial collapse through the establishment of the Troubled Asset Relief Program (TARP), the bailout of the automobile industry and a $800 Billion economic recovery program (the Stimulus program) in early 2009. Since 2010, the U. S. Federal Reserve Bank has initiated a policy of buying $85 billion a month of government bonds and other long-term assets in order to maintain the economic recovery.

In late 2013 and into 2014, the U. S. economy showed signs of a slow recovery with a national unemployment rate of 7.4 percent in 2013 and the creation of approximately 160,000 new jobs every month for the last several months of 2013. By June of 2014, the national unemployment rate was seasonally adjusted at 6.1%. U.S. stock market has fully recovered from its low in 2009 and is experiencing a significant increase. Nationally, the U.S. housing market is improving. However, the types of new jobs created tend to be of a lower level and thus pay less. The gap in income equality has also increased. In the U.S., some regions are recovering faster than others. Overall, with the exception of Rhode Island, the six state New England region is doing better than other regions.

B. New Hampshire Trends

According to the Economic and Labor Market Information Bureau, NH Employment Security, New Hampshire's 2013 unemployment rate for 2013 was 5.3 percent, a decrease of 0.2 percentage point from 2012. The June 2014 seasonally adjusted rate was 4.4 percent. Nationally, the rate was 6.1 percent in June 2014.

The NH Center for Public Policy, a New Hampshire statewide think tank, reports that past economic engines such as consistent and strong population growth, increased productivity leading to a resilient economy and technological innovations that have fueled the state's economy may have run their course. Now, trends, such as out migration of the state's youth, aging of the population, decreased labor productivity, put a damper on the state's economy. *Measuring New Hampshire's Economic Health a Workforce Perspective*, prepared by the Economic and Labor Market Information Bureau, NH Employment Security provides the following valuable insights:

- While New Hampshire was impacted by the Great Recession, the state did fare better than the nation;
- Duration of the employment decline was shorter in New Hampshire than the nation as a whole;
- The state's annual 2012 unemployment rate of 5.5 percent ranked eight lowest among all the states and the District of Columbia;
- Labor force participation in New Hampshire remains high;
- Population growth is substantially slower than in the nation as a whole;
- The state's population is older than in nearly all other states;
- The largest share of the state's population is still of working age (25 to 64 years); and
- New Hampshire's population has a high level of educational attainment.

Through the middle of 2013, the economic recovery in New Hampshire is progressing, but for the state and nation, it has been a long, slow process. On a bright note, the manufacturing sector is expected to add employment and manufacturing is the third-largest employment sector in New Hampshire after retail trade and healthcare/social assistance.

C. Lakes Region Trends

The 2013 unemployment rate for the Lakes Region was 5.1 percent. In June 2014, the rate was 4.0 percent not seasonally adjusted. To a large degree, the economic trends in the Lakes Region parallel those of the state, with some deviations. During the 2000 to 2010 period, the population growth was less than the state's and the percent of persons over 65 years was higher. 17.5 percent of the Lakes Region population is over 65 years and 13.0 percent of New Hampshire's is over 65 years. Generally, the unemployment rate in the Lakes Region follows New Hampshire, about 5.0 percent. The following are trends found in the Cluster Analysis, which is contained in this report.

- There was a significant loss of private sector jobs during 2006 to 2011;
- A 9.2 percent loss of manufacturing jobs for the Lakes Region during the period; the large job loss numbers resulted from the retirement of low-skilled jobs in manufacturing; now a high level of skills is required and all manufacturers are presently constrained in their growth by the lack of a high skill manufacturing workforce; a 5.7 percent loss of manufacturing jobs in the U.S.;
- Management forecasts — will be difficult to replace retiring workers;
- Lakes Region Community College provides high skill manufacturing training and training on "soft skills";
- A perception that the Lakes Region is dependent on tourism and 2nd homes; however, the region still has a strong manufacturing base;
- The professional technical sector, including accounting, consulting, computer service, et cetera is growing.

From anecdotal information, it appears the 2014 summer tourism season is very positive with a healthy level of visitors. Also, from discussions with a few manufacturers, manufacturing orders are increasing, which could lead to an increase in employment.

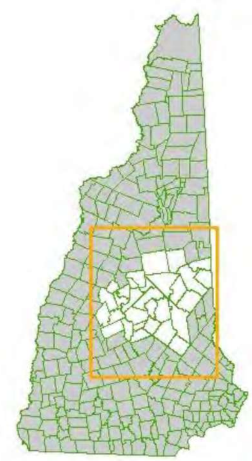
II. Regional Factors Influencing Economic Development

A. Natural and Environmental Capital

The Lakes Region is highly prized as a place of great natural beauty. The abundant mountains, lakes, and pastoral settings provide residents and visitors with incomparable views and recreational opportunities. As the name implies, the region is composed of a system of inter-connected waterways. Of the total 818,000 acres composing the Lakes Region, 15 percent of the region is covered by surface waters and wetlands (LRPC, 2012). Map 1 illustrates the land use for the Lakes Region. These waterways, natural resources, and corresponding quality of life have been noted as the most important benefit to regional businesses. The following environmental profile gives an overview of the region's highlights.

Geography

Situated between the White Mountains to the north and the more densely populated Merrimack Valley to the south, the Lakes Region serves as an easily accessible destination with an ideal mix of pristine natural resources and modern amenities. While the region's lakes and rivers remain the most sought after resource, the mountains, forests and wetlands of the area serve as not only a aesthetic and recreational resource, they also provide important ecosystem services such as habitat for native species and filtration of rainfall and runoff.



Lake Winnipesaukee, New Hampshire's largest lake, has a total surface area of 44,600 acres. Maximum and mean depths are 180 and 43 feet, respectively. The lake is natural, but is raised by damming to an elevation of 504 feet. Eighty-three relatively small tributaries draining a watershed of 215,133 acres provide the main water source for the lake.

There are 240 miles of shoreline (this includes the shoreline length of islands over five acres in area) and about 250 islands (the total number of islands is frequently debated, depending on definition of "island"). The shores and many of the islands are well developed with numerous dwellings, from cottages to mansions, but some areas between the developments remain forested

The table below list key features of other important water bodies in the region:

Table 2.1 Major Lakes of the Lakes Region

Lake	Area (acres)	Maximum Depth (feet)	Communities
Lake Winnipesaukee	44,600	180	Alton, Center Harbor, Gilford, Laconia, Meredith, Moultonborough, Tuftonboro, Wolfeboro
Squam Lake	6,700	99	Holderness, Sandwich, Center Harbor
Lake Winnisquam	4,300	150	Belmont, Laconia, Meredith, Sanbornton, Tilton
Newfound Lake	4,100	182	Alexandria, Bridgewater, Bristol, Hebron
Ossipee Lake	3,100	50	Freedom, Ossipee
Lake Wentworth	3,000	82	Wolfeboro
Lake Waukewan	900	70	Meredith, New Hampton

While not nearly as mountainous as other parts of the State, the Lakes Region has many peaks and sightseers enjoy breathtaking views at all times of year, but particularly in the fall, during foliage season. Table 1.2 lists the ten highest peaks in the Lakes Region:

Table 2.2 Highest Peaks in the Lakes Region

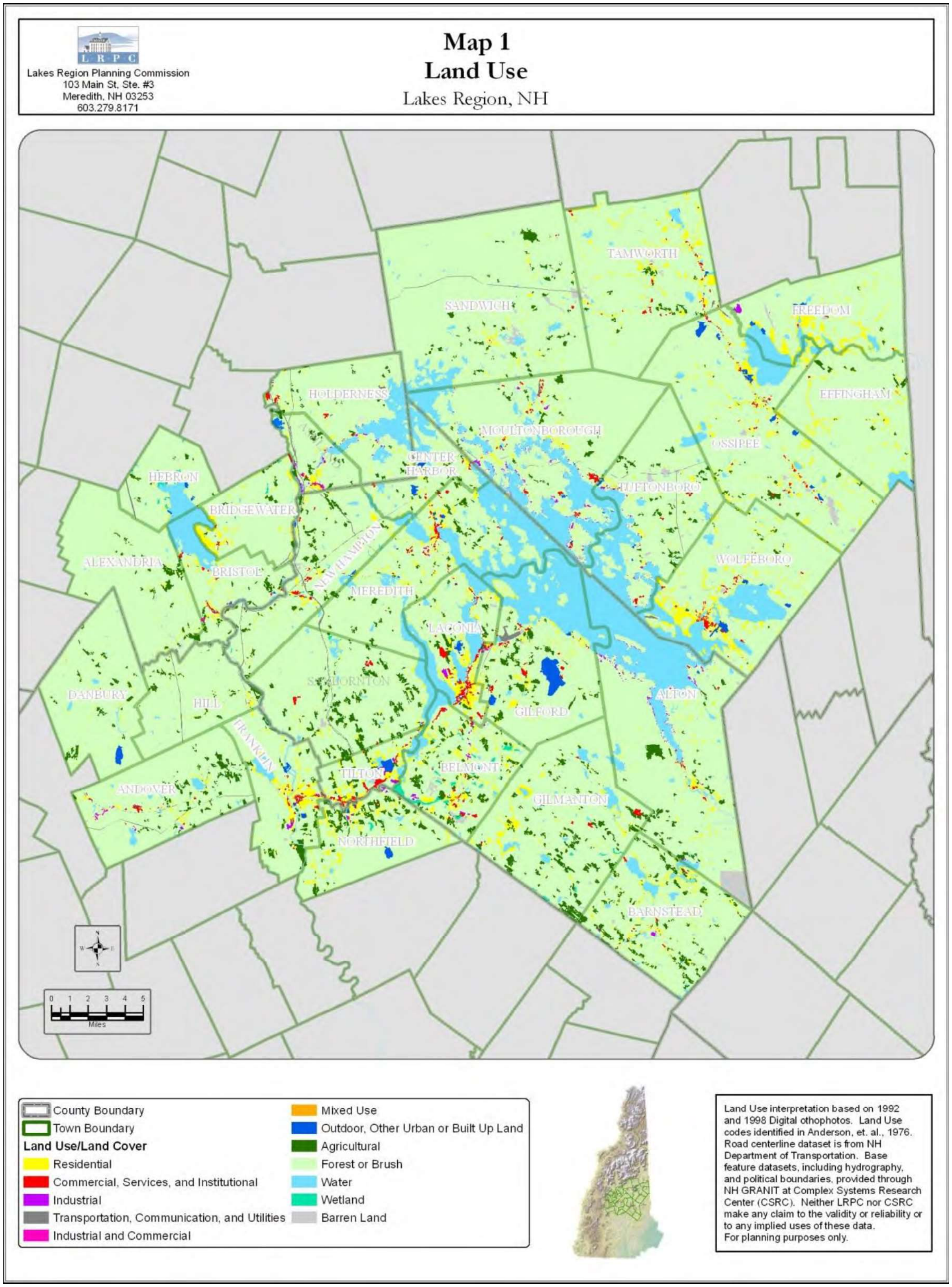
Mountain	Community	Elevation
Mt. Shaw	Tuftonboro	2,990'
Black Snoot	Tuftonboro	2,803'
Faraway Mountain	Moultonborough	2,782'
Black Mountain	Sandwich	2,732'
Mt. Israel	Sandwich	2,630'
Mt. Roberts	Moultonborough	2,582'
Mt. Flagg	Tuftonboro	2,390'
Belknap Mountain	Gilford	2,382'
Gunstock Mountain	Gilford	2,245'
Mt. Squam	Sandwich	2,223'

Agricultural Land

Historically, agriculture and forestry were widespread throughout the Lakes Region. As development pressures increased, many farms were subdivided. These pressures are still being felt throughout the region. Today, approximately 3.73 percent of the region is used as agricultural land (LRPC, 2012). There are efforts to conserve these fields, meadows and woods with various land trust tools like conservation easements or lease of development rights, thereby protecting the agricultural way of life and beautiful landscapes unique to the Lakes Region.

Although soils are not consistently fertile (only two percent of New Hampshire soils are classified as prime agricultural soils), certain areas are very productive for agriculture or forestry (see Map 2). The region has a wide range of agricultural businesses — both commercial and wholesale. Businesses include everything from large-scale farm product operations, farmers markets, pick-your-own fruits, dairies, Christmas trees, maple syrup, livestock operations, and horticultural growers to niche markets, agricultural tourism, and retail. There are also community gardens where people grow their own and surplus is given to food pantries.

Farming opportunities in the Lakes Region are diverse and expanding due to the farmers' resourcefulness and adaptability to new opportunities. Farms in niche markets, such as organic foods, are gaining in popularity. There are currently farmers markets and farm stands in nearly every town in the region, whereas in the 1990s there were about twelve in the entire state. In fact, some communities have now begun holding indoor markets in the winter as a way of providing year-round opportunities for local farmers to market to their neighbors. Several larger farms in the region are now pre-selling their produce to customers who pick them up each week. The New Hampshire Department of Agriculture believes this may be due, in part, to consumers looking for more local food sources amid fuel increases, national food recalls, and a focus on more sustainable living.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Map 1
Land Use
Lakes Region, NH
TAMWORTH
SANDWICH
FREEDOM
HOLDERNESS
EFFINGHAM
MOULTONBOROUGH
OSSIPEE
CENTER HARBOR
HEBRON
TUFTONBORO
BRIDGEWATER
NEW HAMPTON
ALEXANDRIA
BRISTOL
WOLFEBORO
MEREDITH
LACONIA
SANBORNTON
DANBURY
HILL
ALTON
GILFORD
FRANKLIN
TILTON
BELMONT
ANDOVER
GILMANTON
NORTHFIELD
BARNSTEAD
0 1 2 3 4 5
Miles
County Boundary
Town Boundary
Land Use/Land Cover
Residential
Commercial, Services, and Institutional
Industrial
Transportation, Communication, and Utilities
Industrial and Commercial
Mixed Use
Outdoor, Other Urban or Built Up Land
Agricultural
Forest or Brush
Water
Wetland
Barren Land
Land Use interpretation based on 1992 and 1998 Digital othophotos. Land Use codes identified in Anderson, et. al., 1976. Road centerline dataset is from NH Department of Transportation. Base feature datasets, including hydrography, and political boundaries, provided through NH GRANIT at Complex Systems Research Center (CSRC). Neither LRPC nor CSRC make any claim to the validity or reliability or to any implied uses of these data.
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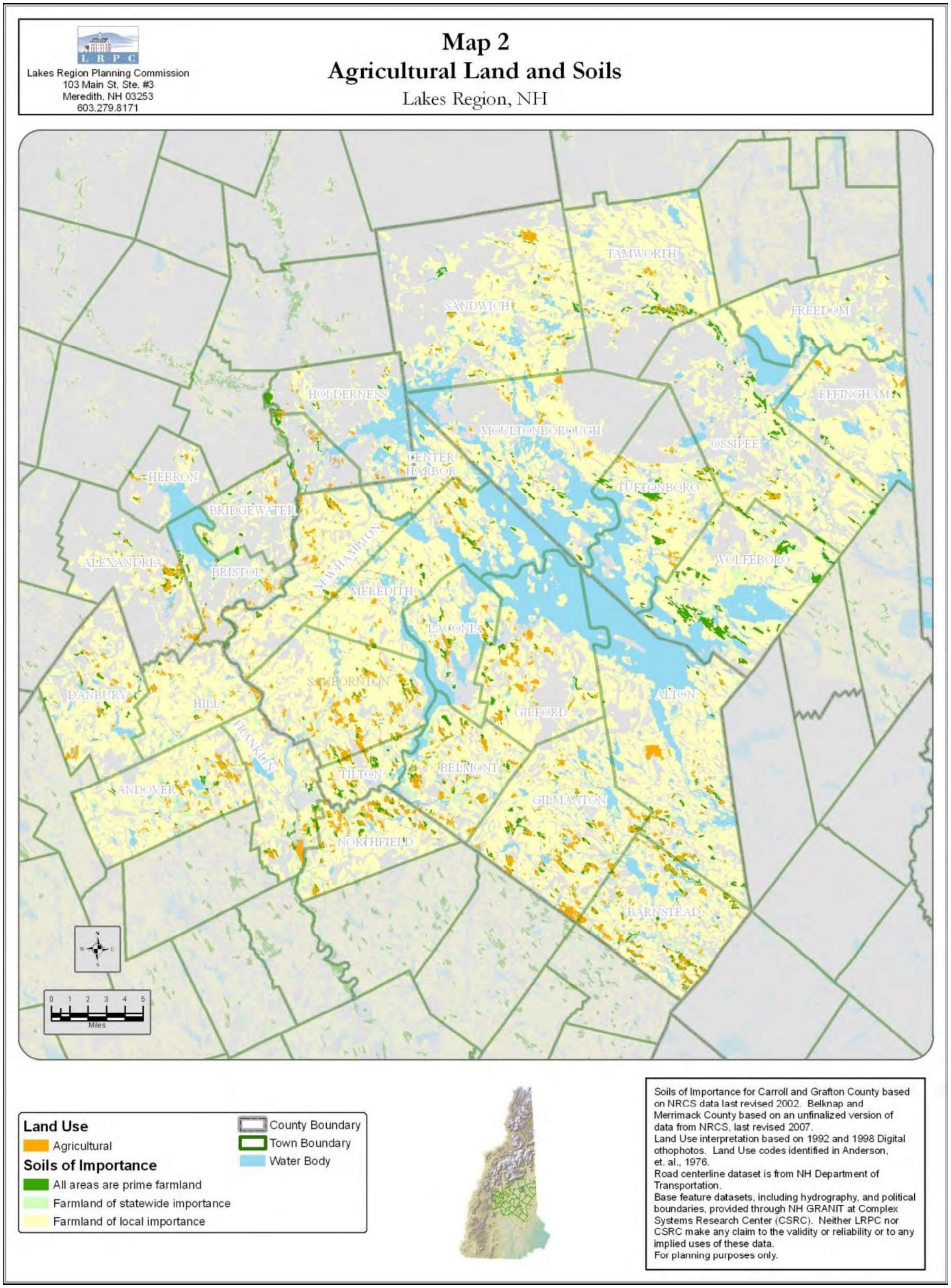

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Map 2
Agricultural Land and Soils
Lakes Region, NH
TAMWORTH
SANDWICH
FREEDOM
HOLDERNESS
EFFINGHAM
MOULTONBOROUGH
OSSIPEE
CENTER HARBOR
HEBRON
TUFTONBORO
BRIDGEWATER
NEW HAMPTON
ALEXANDRIA
BRISTOL
WOLFEBORO
MEREDITH
LACONIA
SANBORNTON
DANBURY
HILL
ALTON
GILFORD
FRANKLIN
TILTON
BELMONT
ANDOVER
GILMANTON
NORTHFIELD
BARNSTEAD
0 1 2 3 4 5
Miles
Land Use
Agricultural
Soils of Importance
All areas are prime farmland
Farmland of statewide importance
Farmland of local importance
County Boundary
Town Boundary
Water Body
Soils of Importance for Carroll and Grafton County based on NRCS data last revised 2002. Belknap and Merrimack County based on an unfinalized version of data from NRCS, last revised 2007.
Land Use interpretation based on 1992 and 1998 Digital othophotos. Land Use codes identified in Anderson, et. al., 1976.
Road centerline dataset is from NH Department of Transportation.
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Whereas agricultural land composes less than four percent of the region's land use, nearly 85 percent of the region is classified as forestland (LRPC, 2012). Map 1 shows the prevalence of forestlands. These forests function as habitat, rainwater infiltration sites, buffers for surface waters and wetlands, and provide the backdrop for tourism and recreation throughout the region. Many of these forests are also managed for timber harvesting, maintaining the livelihood of residents while contributing to the local economy and tax base. A symbiotic relationship between foresters, farmers, recreation, and tourism can maintain forestland and protect the base of the region's recreation and scenic values.

Recreation and Public Access

The vast majority of land ownership in the Lakes Region is private. Respecting private property rights while providing public access to the lakes and waterways, trails and trailheads is a challenge to communities in the region.

Lake access has been of particular concern to many communities. Swimming, fishing, and boating all require public access areas for parking or launching. Tourism and economic development are linked closely to water recreation in the region, and towns want to have the ability to further develop the avenues available to them. As development pressures on land use increase, public access points decrease. Many of the regions lakes and ponds currently have very limited access to non-shorefront owners.

Some communities did not establish public access points in years past and are finding it too late to do so as waterfront properties have skyrocketed in value. However, even those that did establish public access points are finding that they are becoming inadequate to handle the large number of boaters or hikers. As such, many outdoor recreational resources in the region rely on landowners to allow access to private lands. Incentives to keep this land open and accessible, such as the "current use" property tax relief program, will assist in protecting these recreational opportunities.

In 2003, approximately 97,330 acres (11.8 %) in the region were conservation or public lands. As of today, there are 128,428 acres of conservation or public lands, comprising 15.7 percent of the total land area in the region (see Map 3). Land trusts throughout the region have assisted landowners, towns, and organizations accomplish this increase. One such example is the Lakes Region Conservation Trust. Since 1979 it has worked with landowners in nearly every town in the region to protect over 21,700 acres of land with ecological, scenic, recreational, or historical value, including 32 miles of shoreline on Lake Winnipesaukee, Squam Lake, and other lakes, ponds, rivers, and streams throughout the Lakes Region, 19 summits, and 85 miles of hiking trails. Table 2.3 shows the total amount of conservation and public lands in each town in the region.

Table 2.3: Acres of Conservation and Public Lands in the Lakes Region by Town

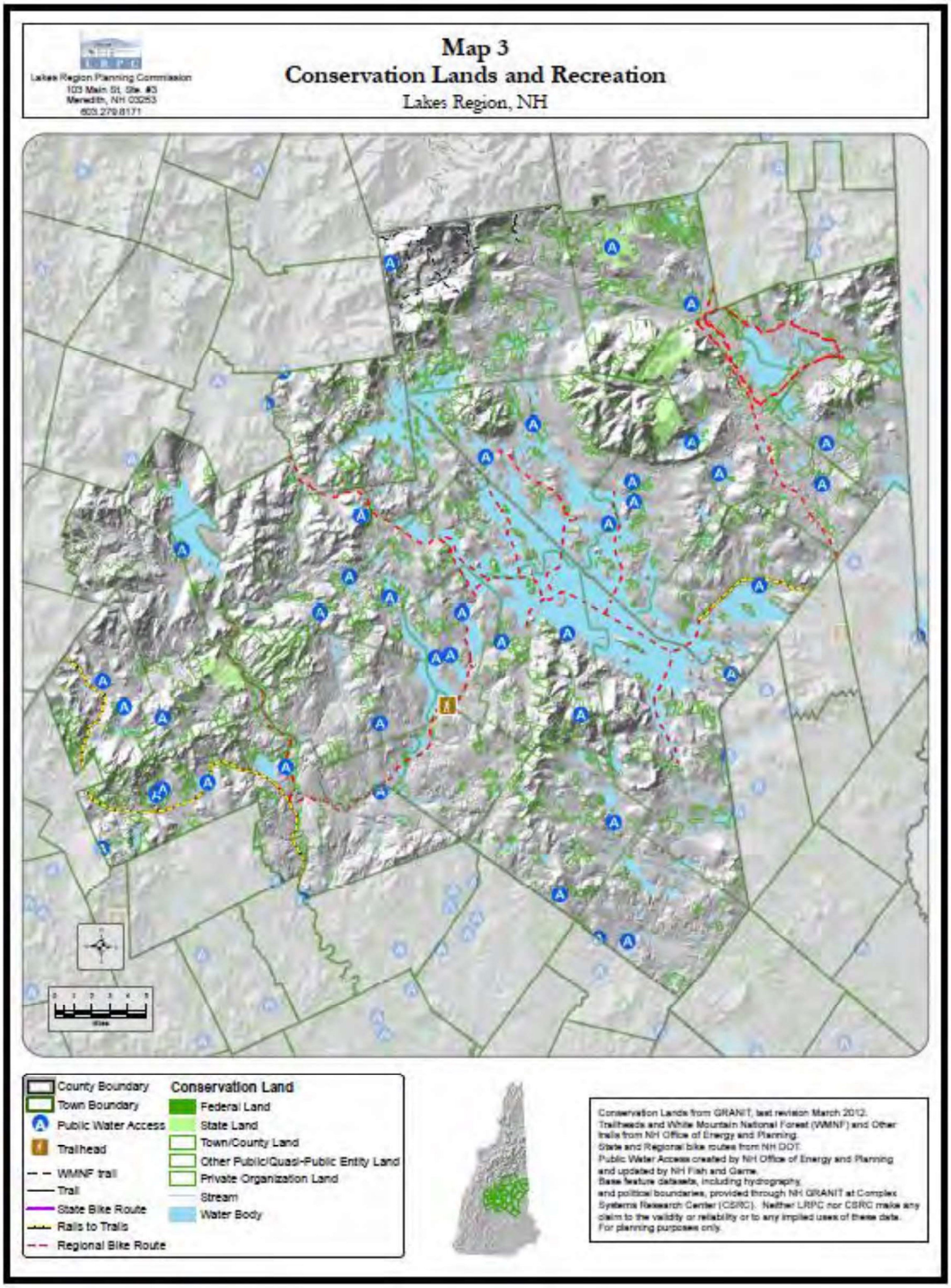
Municipality	Acres of Conservation and Public Lands*	Percent of Total Municipal Area (land and water)	Percent of Total Lakes Region Conservation and Public Lands
Alexandria	3,446	12.3%	2.7%
Alton	3,795	7.1%	3.0%
Andover	6,020	22.9%	4.7%
Ashland	968	13.1%	0.8%
Barnstead	1,221	4.3%	1.0%
Belmont	403	2.0%	0.3%
Bridgewater	161	1.2%	0.1%
Bristol	908	6.5%	0.7%
Center Harbor	574	5.5%	0.4%
Danbury	2,317	9.5%	1.8%
Effingham	6,252	24.5%	4.9%
Franklin	2,947	15.8%	2.3%
Freedom	4,609	19.0%	3.6%
Gilford	6,357	18.6%	4.9%
Gilmanton	6,058	15.9%	4.7%
Hebron	707	5.9%	0.6%
Hill	4,144	24.2%	3.2%
Holderness	1,661	7.2%	1.3%
Laconia	952	5.7%	0.7%
Meredith	2,455	7.0%	1.9%
Moultonborough	13,328	27.7%	10.4%
New Hampton	2,834	11.5%	2.2%
Northfield	197	1.1%	0.2%
Ossipee	8,739	18.1%	6.8%
Sanbornton	4,143	13.0%	3.2%
Sandwich	23,070	38.3%	18.0%
Tamworth	13,569	35.0%	10.6%
Tilton	99	1.3%	0.1%
Tuftonboro	4,165	13.1%	3.2%
Wolfeboro	2,329	6.2%	1.8%
Total	**128,428**	**15.7%**	**100%**

Society for the Protection of NH Forests 2012

If permanent protection is not possible, an agreement can be made between the town and landowner to allow the public access to the resource. Since they are non-binding, these agreements can be given or revoked at any time. One caveat to establishing public access on private lands is the treatment of those lands. If private property owners see an increase in vandalism, littering, or a disregard for their property, the accessibility will come to an end.

Educating the public at trailheads and sponsoring Adopt-a-Trail programs can help prevent these destructive activities from occurring.

There are numerous town forests in the region, as shown on Map 3. Four popular state parks are located in the Lakes Region. They are Wellington State Park in Bristol, Wentworth State Park in Wolfeboro, Ellacoya State Park in Gilford and White Lake State Park in Tamworth. The White Mountain National Forest borders the region to the north and extends south into the town of Sandwich, comprising the largest segment of conservation land in the region (shown on Map 3).



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Map 3
Conservation Lands and Recreation
Lakes Region, NH
County Boundary
Town Boundary
Public Water Access
Trailhead
WMNF trail
Trail
State Bike Route
Rails to Trails
Regional Bike Route
Conservation Land
Federal Land
State Land
Town/County Land
Other Public/Quasi-Public Entity Land
Private Organization Land
Stream
Water Body
Conservation Lands from GRANIT, last revision March 2012.
Trailheads and White Mountain National Forest (WMNF) and Other trails from NH Office of Energy and Planning.
State and Regional bike routes from NH DOT.
Public Water Access created by NH Office of Energy and Planning and updated by NH Fish and Game.
Base feature datasets, including hydrography, and political boundaries, provided through NH GRANIT at Complex Systems Research Center (CSRC). Neither LRPC nor CSRC make any claim to the validity or reliability or to any implied uses of these data.
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Tourism

According to the Institute for New Hampshire Studies at Plymouth State University, the State of New Hampshire hosted over 34 million visitor trips in Fiscal Year 2011 and total spending by tourists was estimated at $4.2 billion. This represents an incremental annual decline from 2008, when tourism receipts were estimated at $4.5 billion. Tourists primarily come to New Hampshire to visit relatives, engage in outdoor recreation, sightsee or participate in other leisure activities. Business trips constitute less than 13 percent of New Hampshire's tourism traffic. Scenic drives, shopping, sightseeing, beaches during the summer months and skiing during the winter months are among the most popular activities. Table 2.4 lists tourism activities by season in New Hampshire (Institute for New Hampshire Studies, Plymouth State University).

Table 2.4: Activities in New Hampshire

Activity	Spring	Summer 2010 & 2011	Fall	Winter '09-10 & '10-11
Visit Friends/Relatives	36%	44%	44%	37%
Sightseeing	24%	24%	24%	10%
Shopping	16%	17%	17%	24%
Ski/Snowboarding	4%	--	--	15%
Beach	5%	19%	19%	--
Fine Dining	11%	8%	8%	15%
Hiking/Backpacking	7%	10%	10%	6%
Historic Sites/Museums	8%	8%	8%	3%
State/National Parks	5%	9%	9%	2%

*Institute for New Hampshire Studies, Plymouth State University

B. Social and Human Capital

According to the 2010 U.S. Census, the population of the United States is 310 million and projected to grow to approximately 400 million by 2040. The Lakes Region's proximity to the Boston Metro area and Portland Maine area along with its popularity as a long-established recreation area and destination for retirees enhances its attractiveness. This section reviews past, present and projected future demographic trends in the Lakes Region through an examination of available data as well as a review of key issues that will likely influence population, housing, and employment trends in the future.

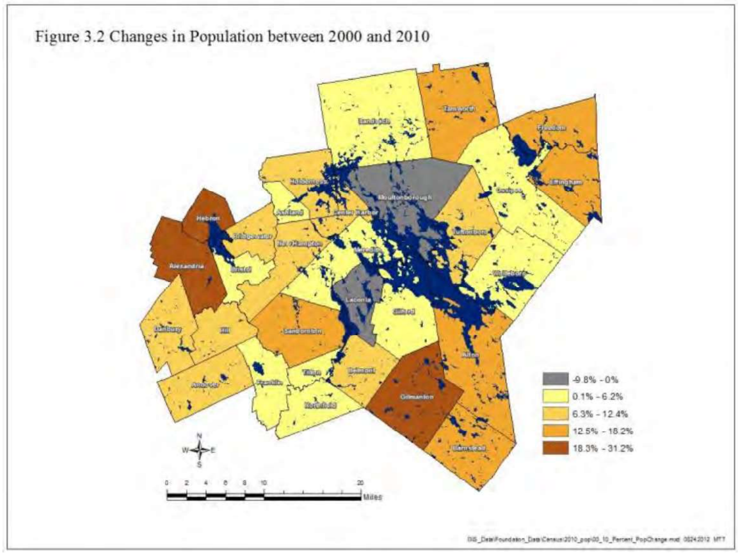
Figure 2.1, New England Megalopolis in 2050

Much of the Lakes Region is less that a two-hour drive from downtown Boston. The U.S. Census Bureau has identified a number of Mega regions or "megapolitan areas" throughout the U.S., with the Lakes Region being the northern edge of the New England Megalopolis in 2050. Seasonal housing, a wide variety of seasonal activities, accessibility to quality health care, and proximity to smaller, vibrant urbanized areas make the Lakes Region a strong draw.

Population Trends

The rapid rise in Lakes Region population began in the 1970s. During that 40-year period, the region's population increased by 52,274 people; from 60,461 in 1970 to 112,735, or an 86.5 percent increase. This followed generally slow, steady growth over the initial 70 years of the 20th century. The construction of Interstate 93, the maturing of the baby boom generation, immigration and the overall social, physical and fiscal attractiveness of New Hampshire contributed to the growth. The Lakes Region grew by 36 percent between 1900 and 1970 and then at more than twice that rate (87%) between 1970 and 2010.

Figure 2.2: Changes in Population between 2000 and 2010



However, from 2000-2010, the year-round resident population of the Lakes Region grew much more slowly (5.9 percent) with the addition of 6,307 people. The greatest net population growth occurred mostly in the southeast part of the region, in the towns of Alton (748), Gilmanton (717), Barnstead (707), and Belmont (640). These towns had some of the highest rates of growth as well. The addition of 2,812 people in these four communities accounted for 44.6 percent of the total net population change in the region between 2000 and 2010.

Hebron (31.2%), Gilmanton (23.4%), Alexandria (21.4%), and Barnstead (18.2%) had the fastest growth rates in the region since 2000, with Hebron, the least populous community in the region, growing at the fastest rate. On the other hand, Moultonborough (-9.8%), Laconia (-2.8%), Bristol (0.9%), and Franklin (0.7%) had the lowest rates of growth between 2000 and 2010, with Moultonborough and Laconia experiencing a loss of population, the only two such communities in the Lakes Region. For Moultonborough, this represents a substantial reversal after a period of accelerated growth during the 1990s,

Table 2.5: Lakes Region Population Trends

Year	Population	% Chg.
1773	2,809	-
1783	5,606	99.6%
1790	12,887	129.9%
1800	22,832	77.2%
1810	30,501	33.6%
1820	38,841	27.3%
1830	43,132	11.0%
1840	44,401	2.9%
1850	44,440	1.0%
1860	44,435	0.0%
1870	40,747	-8.3%
1880	45,873	12.6%
1890	44,416	-3.2%
1900	44,369	-0.1%
1910	45,561	2.7%
1920	44,565	-2.2%
1930	45,503	2.1%
1940	48,739	7.1%
1950	50,570	3.8%
1960	53,044	4.9%
1970	60,461	14.0%
1980	78,126	29.2%
1990	91,900	17.6%
2000	106,428	15.8%
2010	112,735	5.9%

when it grew by 51.7 percent, the highest rate of growth for the region during that decade.

One third of the communities in the Lakes Region grew at a rate slower than the region as a whole (5.9%), and 18 communities grew by 8.0 percent or more. While only eight of thirty communities grew at slow to moderate rates of 0.7- 5.0 percent, the flat growth in Franklin and declines in Laconia and Moultonborough somewhat offset the rapid growth in the majority of the region.

Since 1990, the population of the region has increased by 22.7 percent with Alton, Freedom, Effingham, Hebron, Barnstead, and Gilmanton all having grown by greater than 44 percent. During the same period, however, the two largest communities in the Lakes Region, Laconia and Franklin, where 26 percent of the region's population resided in 1990, have grown by only 1.3 and 2.1 percent, respectively.

Table 2.6 lists the population of Lakes Region towns, and the percent change relative to previous Census years from 1990 to 2010. The NH Center for Public Policy and NH Office of Energy and Planning believe the future population growth in the state will be significantly less than the last 40 years.

Table 2.6: Population Change in the Lakes Region of New Hampshire 1990-2010

	Population			Percent Change		
	1990	2000	2010	1990-2000	2000-2010	1990-2010
Alexandria	1,190	1,329	1,613	11.7%	21.4%	35.5%
Alton	3,286	4,502	5,250	37.0%	16.6%	59.8%
Andover	1,883	2,109	2,371	12.0%	12.4%	25.9%
Ashland	1,915	1,955	2,076	2.1%	6.2%	8.4%
Barnstead	3,100	3,886	4,593	25.4%	18.2%	48.2%
Belmont	5,796	6,716	7,356	15.9%	9.5%	26.9%
Bridgewater	796	974	1,083	22.4%	11.2%	36.1%
Bristol	2,537	3,033	3,054	19.6%	0.7%	20.4%
Center Harbor	996	996	1,096	0.0%	10.0%	10.0%
Danbury	881	1,071	1,164	21.6%	8.7%	32.1%
Effingham	941	1,273	1,465	35.3%	15.1%	55.7%
Franklin	8,304	8,405	8,477	1.2%	0.9%	2.1%
Freedom	935	1,303	1,489	39.4%	14.3%	59.3%
Gilford	5,867	6,803	7,126	16.0%	4.7%	21.5%
Gilmanton	2,609	3,060	3,777	17.3%	23.4%	44.8%
Hebron	386	459	602	18.9%	31.2%	56.0%
Hill	814	992	1,089	21.9%	9.8%	33.8%
Holderness	1,694	1,930	2,108	13.9%	9.2%	24.4%
Laconia	15,743	16,411	15,951	4.2%	-2.8%	1.3%
Meredith	4,837	5,943	6,241	22.9%	5.0%	29.0%
Moultonborough	2,956	4,484	4,044	51.7%	-9.8%	36.8%
New Hampton	1,606	1,950	2,165	21.4%	11.0%	34.8%
Northfield	4,263	4,548	4,829	6.7%	6.2%	13.3%
Ossipee	3,309	4,211	4,345	27.3%	3.2%	31.3%
Sanbornton	2,136	2,581	2,966	20.8%	14.9%	38.9%
Sandwich	1,066	1,286	1,326	20.6%	3.1%	24.4%
Tamworth	2,165	2,510	2,856	15.9%	13.8%	31.9%
Tilton	3,240	3,477	3,567	7.3%	2.6%	10.1%
Tuftonboro	1,842	2,148	2,387	16.6%	11.1%	29.6%
Wolfeboro	4,807	6,083	6,269	26.5%	3.1%	30.4%
Lakes Region	**91,900**	**106,428**	**112,735**	**15.8%**	**5.9%**	**22.7%**
New Hampshire	**1,109,252**	**1,235,783**	**1,316,470**	**11.4%**	**6.5%**	**18.7%**

Source: U.S. Census

Population Projections

In cooperation with the nine regional planning commissions, the NH Office of Energy and Planning (OEP) prepared population projections for New Hampshire counties and municipalities in November 2013. This was a challenging multi-year effort due to the changing demographics in the state and the slowdown in economic and population growth. In 2010, the US Census reported a total of 112,735 residents in the Lakes Region and the projections estimated an increase of 277 persons by 2015 for a total of 113,012. This projection is in sharp contrast to the history of last 40 years when the population increased by 86% from 60,461 in 1970 to 112,735 in 2010. The "baby boom" generation, the in migration from southern New England states, the tax climate in the state and the overall attractive lifestyle in the Lakes Region contributed to this high level of growth.

For the next 25 years (2015 to 2040), the population in the Lakes Region will be slow in contrast to the past. The projections call for an increase to 123,940 persons in 2040 for a total increase of 10,968 or 9.7 percent over the 25-year period. That represents an annual average increase of about 0.4% per year. These population projections have implications for many aspects of life in the Lakes Region such as housing, the local tax base, available labor force, school enrollments and others. It is a significant trend that needs further consideration and monitoring. Please see the table below for individual municipal population projections.

	2010	2015	2020	2025	2030	2035	2040
Alexandria	1,613	1,705	1,827	1,859	1,882	1,895	1,900
Alton	5,250	5,527	5,943	6,112	6,244	6,333	6,378
Andover	2,371	2,449	2,546	2,608	2,662	2,693	2,701
Ashland	2,076	2,061	2,077	2,114	2,139	2,154	2,160
Barnstead	4,593	4,863	5,258	5,407	5,524	5,603	5,643
Belmont	7,356	7,524	7,873	8,096	8,271	8,390	8,449
Bridgewater	1,083	1,100	1,135	1,155	1,169	1,177	1,180
Bristol	3,054	2,946	2,880	2,930	2,966	2,987	2,995
Center Harbor	1,096	1,124	1,178	1,212	1,238	1,256	1,264
Danbury	1,164	1,183	1,210	1,240	1,265	1,281	1,284
Effingham	1,465	1,523	1,616	1,675	1,724	1,758	1,773
Franklin	8,477	8,287	8,146	8,346	8,516	8,618	8,643
Freedom	1,489	1,543	1,631	1,691	1,741	1,775	1,790
Gilford	7,126	7,129	7,296	7,503	7,665	7,775	7,830
Gilmanton	3,777	4,072	4,474	4,602	4,701	4,768	4,802
Hebron	602	657	723	736	745	750	752
Hill	1,089	1,112	1,144	1,172	1,195	1,210	1,213
Holderness	2,108	2,123	2,171	2,209	2,236	2,252	2,258
Laconia	15,951	15,320	15,015	15,442	15,775	16,002	16,115
Meredith	6,241	6,252	6,407	6,589	6,731	6,828	6,876
Moultonborough	4,044	3,665	3,345	3,467	3,570	3,639	3,671
New Hampton	2,165	2,229	2,347	2,413	2,466	2,501	2,519
Northfield	4,829	4,851	4,906	5,026	5,129	5,190	5,205
Ossipee	4,345	4,275	4,291	4,448	4,579	4,668	4,709
Sanbornton	2,966	3,102	3,316	3,410	3,483	3,533	3,558
Sandwich	1,326	1,304	1,308	1,356	1,396	1,424	1,436
Tamworth	2,856	2,953	3,117	3,231	3,326	3,391	3,421
Tilton	3,567	3,530	3,572	3,674	3,753	3,807	3,834
Tuftonboro	2,387	2,440	2,547	2,640	2,719	2,771	2,796
Wolfeboro	6,269	6,163	6,183	6,408	6,598	6,726	6,785
Lakes Region	112,735	113,012	115,482	118,771	121,408	123,155	123,940

Source: NH Office of Energy and Planning, November 2013

Trends by Age

As the residents of the Lakes Region continue to age, there is a significant increase in the median age of residents of all 30 communities. As shown in Table 2.7, Hebron has the oldest median age in the Lakes Region at 55.1, and Northfield is the youngest at 39.1 years.

Table 2.8 shows the median age for each municipality for the two ten-year periods: 1990 to 2000 and 2000 to 2010. When comparing the Lakes Region (LR) median age to the state as a whole, one notes that 18 of the 30 LR communities exceeded the state's 2010 median age increase of 10.8 percent. Statewide, the median age increased by more than four years from 37.1 in 2000 to 41.1 in 2010. The median age of all four Lakes Region counties are above the state's 2010 median age of 41.1 years.

Several knowledgeable commentators refer to this trend as the "silver tsunami" whereby the aging of the state's population and the increase in those over 65 years will have significant impacts on local governments in the areas of health care, transportation, social services and housing. Leaders throughout the state and region are beginning to consider the impact of the "silver tsunami" on individual communities and the region's future economic prospects.

Table 2.7: Median Age by Rank in 2010

Rank	Highest	2010
1	Hebron	55.1
2	Sandwich	53.2
3	Freedom	53.1
4	Wolfeboro	52.1
5	Tuftonboro	50.8
6	Moultonborough	50.5
7	Center Harbor	49.9
8	Bridgewater	492
9	Meredith	49.7
10	Gilford	47.9
Rank	**Lowest**	**2010**
1	Northfield	39.2
2	Barnstead	39.9
3	Franklin	40.2
4	Andover	41.4
5	Belmont	42.1
6	Laconia	43.0
7	Gilmanton	43.1
8	Ashland	43.1
9	Bristol	43.5
10	Hill	43.6

Source: U.S. Census, 2010

Planning for the aging population boom will be a theme that the LRPC needs to consider along with its constituent communities.

Table 2.8 includes median age information for each municipality for the years 1990, 2000 and 2010. During the 2000 to 2010 decade, 19 of the 30 LR communities experienced a double-digit percentage increase in the median age of their residents. County 2010 median age is as follows:

- Belknap County 44.7 years
- Carroll County 48.3 years
- Grafton County 41.2 years
- Merrimack County 41.4 years

Table 2.8: Median Age

	Municipality	1990	2000	2010	% Change 90-00	% Change 00-10
Belknap	Alton	37.8	41.4	46.2	9.5%	11.6%
County	Barnstead	32.6	38.8	39.9	15.9%	2.8%
	Belmont	32.3	38.4	42.1	15.9%	9.6%
	Center Harbor	37.5	44.6	49.9	20.3%	11.9%
	Gilford	38.4	42.9	47.9	11.7%	11.6%
	Gilmanton	33.4	40.1	43.1	20.0%	7.5%
	Laconia	34.4	38.8	43.0	12.8%	10.8%
	Meredith	36.2	42.5	48.7	17.4%	14.6%
	New Hampton	34.0	38.3	42.4	12.6%	10.7%
	Sanbornton	34.9	40.1	46.5	14.9%	15.9%
	Tilton	36.8	39.6	45.2	7.6%	14.1%
Carroll	Effingham	35.2	38.5	45.6	9.4%	19.7%
County	Freedom	39.0	48.6	53.1	24.6%	9.2%
	Moultonborough	37.8	46.6	50.5	23.2%	8.4%
	Ossipee	36.8	41.5	47.4	12.7%	14.2%
	Sandwich	41.4	47.2	53.2	14.0%	12.7%
	Tamworth	36.3	40.6	47.6	11.8%	17.2%
	Tuftonboro	38.8	47.7	50.8	22.9%	6.5%
	Wolfeboro	41.0	45.3	52.1	10.5%	15.0%
Grafton	Alexandria	31.6	40.3	44.6	27.5%	10.7%
County	Ashland	32.6	36.8	43.1	12.9%	17.1%
	Bridgewater	37.4	45.4	49.2	21.4%	8.3%
	Bristol	33.1	38.5	43.5	16.3%	13.0%
	Hebron	42.3	50.1	55.1	18.4%	10.0%
	Holderness	35.2	42.1	46.9	19.6%	11.4%
Merrimack	Andover	35.7	40.1	41.4	12.3%	3.2%
County	Danbury	34.2	41.1	44.0	20.1%	7.0%
	Franklin	33.3	37.3	40.2	12.0%	7.7%
	Hill	34.6	38.7	43.6	11.8%	12.6%
	Northfield	31.2	36.0	39.2	15.3%	8.9%
New Hampshire		32.8	37.1	41.1	13.1%	10.8%
United States		32.8	35.3	37.2	7.6%	5.4%

Source: U.S. Census, 1990, 2000, and 2010

A comparison of the number and percentage of senior citizens (those over age 65) in 2000 and 2010 in each Lakes Region community as well as the state of New Hampshire demonstrates how dramatically the region and state is aging. In 2000, New Hampshire had 147,970 seniors or 12 percent of its population; by 2010, the number grew by 22,361 to 170,331 or 13 percent of the state's population. In the Lakes Region, the number of seniors was 16,836 or 15.8 percent in 2000 and increased by 2,914 to 19,740 or 17.5 percent of the region's population. With the exception of Laconia, Moultonborough, Sandwich and

Franklin, all Lakes Region communities experienced a double-digit increase. As a retirement area, an older population is expected, yet this trend is not offset by younger families. Due to the size of the "Baby Boom" generation (those born from 1946-1964) the AARP has estimated that, over the next 18 years, Americans will be turning age 65 at the rate of 8,000 per day. Absent an increase in births or in-migration, these trends will be exemplified in the Lakes Region. These aging demographic changes will influence the region's future development patterns and likely cause seniors to choose housing located in more urban areas that are closer to services, shopping and other amenities.

Table 2.9 Number and Percentage of Senior Citizens: 2000 and 2010

		2000		2010		Change: 2000-2010	
	Municipality	**#**	**%**	**#**	**%**	**#**	**%**
Belknap	Alton	695	15.4%	887	16.9%	192	27.6%
County	Barnstead	423	10.9%	488	10.6%	65	15.3%
	Belmont	764	11.4%	990	13.5%	226	29.5%
	Center Harbor	173	17.4%	228	20.8%	55	31.8%
	Gilford	1,145	16.8%	1,358	19.1%	213	18.6%
	Gilmanton	359	11.7%	468	12.4%	109	30.3%
	Laconia	2,828	17.2%	2,881	18.1%	53	1.9%
	Meredith	999	16.8%	1,299	20.8%	300	30.0%
	New Hampton	241	12.4%	335	15.5%	94	39.0%
	Sanbornton	282	10.9%	408	13.8%	126	44.7%
	Tilton	587	16.9%	715	20.0%	128	21.8%
Carroll	Effingham	160	12.6%	223	15.2%	63	39.3%
County	Freedom	313	24.0%	400	26.9%	87	27.8%
	Moultonborough	891	19.9%	905	22.4%	14	1.5%
	Ossipee	748	17.8%	843	19.4%	95	12.7%
	Sandwich	308	24.0%	307	23.2%	(1)	0.6%
	Tamworth	394	15.7%	521	18.2%	127	32.2%
	Tuftonboro	475	22.1%	565	23.7%	90	18.9%
	Wolfeboro	1,495	24.6%	1,768	28.0%	273	18.2%
Grafton	Alexandria	150	11.3%	222	13.8%	72	48.0%
County	Ashland	266	13.6%	349	16.8%	83	31.2%
	Bridgewater	188	19.3%	241	22.3%	53	28.1%
	Bristol	430	14.2%	474	15.5%	44	10.2%
	Hebron	129	28.1%	168	27.9%	39	30.2%
	Holderness	248	12.8%	388	18.4%	140	56.4%
Merrimack	Andover	267	12.7%	324	13.7%	57	21.3%
County	Danbury	137	12.8%	156	13.4%	19	13.7%
	Franklin	1,233	14.7%	1,278	15.1%	45	3.6%
	Hill	101	10.2%	112	10.3%	11	10.9%
	Northfield	397	8.7%	439	9.1%	42	10.5%
Lakes Region		16,826	15.8%	19,740	17.5%	2,914	17.3%
New Hampshire		147,970	12.0%	170,331	13.0%	22,361	15.1%

Source: U.S. Census, 2000, 2010

Seasonal Housing Trends

An important trend in the housing market is the number of seasonal units in each community and the percentage of seasonal housing in relation to the overall housing stock. Seasonal housing accounts for a large percentage of the housing base in many communities, but this percentage has been decreasing since 1990. Table 2.10 below highlights this trend and identifies the changes between 2000 and 2010.

Table 2.10 Housing Units in 2000 and 2010

						All Units	**Seasonal**	**%**
		All Housing Units		**Seasonal Units**		**% Chg.**	**Units %**	**Seasonal**
	Municipality	**2000**	**2010**	**2000**	**2010**	**00-10**	**Chg. 00-10**	**2010**
Belknap	Alton	3,522	4,281	1,610	1,928	21.5%	19.7%	45.0%
County	Barnstead	1,994	2,319	528	516	16.3%	-2.3%	22.3%
	Belmont	3,113	3,615	351	495	16.1%	41.0%	13.7%
	Center Harbor	653	795	208	290	21.7%	39.4%	36.5%
	Gilford	4,312	5,111	1,427	1,863	18.5%	30.5%	36.5%
	Gilmanton	1,848	2,118	648	588	14.6%	-9.3%	27.8%
	Laconia	8,554	9,879	1,477	2,293	15.5%	55.2%	23.2%
	Meredith	4,191	4,728	1,611	1,710	12.8%	6.1%	36.2%
	New Hampton	944	1,083	180	185	14.7%	2.8%	17.1%
	Sanbornton	1,359	1,612	343	387	18.6%	12.8%	24.0%
	Tilton	1,631	1,845	186	212	13.1%	14.0%	11.5%
Carroll	Effingham	791	963	260	280	16.0%	-9.4%	29.1%
County	Freedom	1,406	1,580	771	827	3.5%	-13.4%	52.3%
	Moultonborough	4,523	4,940	2,519	2,991	17.5%	-0.3%	60.5%
	Ossipee	2,742	3,057	920	1,045	4.8%	-13.9%	34.2%
	Sandwich	965	1,057	360	373	11.7%	2.3%	35.3%
	Tamworth	1,662	1,969	526	493	9.1%	0.4%	25.0%
	Tuftonboro	2,019	2,435	1,043	1,293	-0.4%	-15.6%	53.0%
	Wolfeboro	3,903	4,943	1,194	1,322	7.5%	-11.2%	29.8%
Grafton	Alexandria	783	967	260	299	8.6%	6.1%	30.9%
County	Ashland	1,149	1,355	249	267	-1.1%	-14.7%	19.7%
	Bridgewater	850	995	420	502	1.3%	-11.0%	50.5%
	Bristol	2,073	2,488	772	1,089	-7.9%	-28.9%	43.8%
	Hebron	517	600	294	310	14.4%	10.1%	51.7%
	Holderness	1,208	1,510	404	568	6.3%	-3.1%	37.6%
Merrimack	Andover	1,038	1,121	176	163	21.4%	43.1%	14.5%
County	Danbury	596	684	121	149	10.2%	-27.1%	21.8%
	Franklin	3,676	3,938	215	193	-1.8%	12.6%	4.9%
	Hill	436	512	47	66	21.1%	-2.1%	12.9%
	Northfield	1,782	1,969	41	32	6.6%	-36.9%	1.6%
New Hampshire		547,024	614,754	56,413	63,910	8.6%	-1.3%	10.4%

Source: U.S. Census

Housing Costs

An important indicator of the strength of the housing market is the median purchase price. As shown on Table 2.11, the median purchase of a home in the Lakes Region significantly increased from 2001 to around the 2005-2006 periods, where it peaked at $215,000 for all homes and $210,000 for existing homes and $276,000 for new homes. Since that period, the median purchase price for all homes declined to $153,000 for the first four months of 2012. Unitil the economic conditions of the United States and New Hampshire improve and the number of foreclosures stabilizes, it is likely that home prices will fluctuate within this range.

Table 2.11: Housing Prices, Lakes Region

Year	All Homes		Existing Homes		New Homes		Single Family Det		Condominiums	
	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size	Median Purchase Price	Sample Size
2013	$171,500	1,113	$170,000	1,065	NA	48	$175,000	1,014	$160,000	99
2012	$165,000	944	$162,000	922	#N/A	6	$165,000	862	$137,000	82
2011	$165,000	786	$162,000	750	#N/A	36	$166,000	724	$137,000	62
2010	$170,000	873	$167,600	814	$201,000	59	$173,000	789	$160,000	84
2009	$167,000	873	$162,000	811	$229,900	62	$169,900	790	$141,000	83
2008	$209,000	693	$204,000	616	$240,000	77	$210,000	636	$180,000	57
2007	$215,000	959	$210,000	812	$246,025	147	$220,000	847	$175,000	112
2006	$215,000	1214	$210,000	1040	$269,500	174	$222,000	1093	$165,000	121
2005	$215,000	1441	$205,000	1201	$276,000	240	$218,000	1308	$185,000	133
2004	$190,000	1660	$184,900	1354	$237,000	306	$195,000	1465	$161,000	195
2003	$169,900	1552	$165,000	1317	$199,900	235	$170,000	1417	$150,000	135
2002	$143,000	1489	$139,900	1281	$165,000	208	$145,000	1370	$121,153	119
2001	$126,000	1560	$124,000	1369	$149,500	191	$128,000	1421	$112,000	139

Source: NH Housing Finance Authority, 2014

Figure 2.3 shows the median purchase price trend of primary homes from 1990 to the first quarter of 2013.

Figure 2.3: Median Purchase of homes, 1990 to 2013

Lakes Region Planning Commission

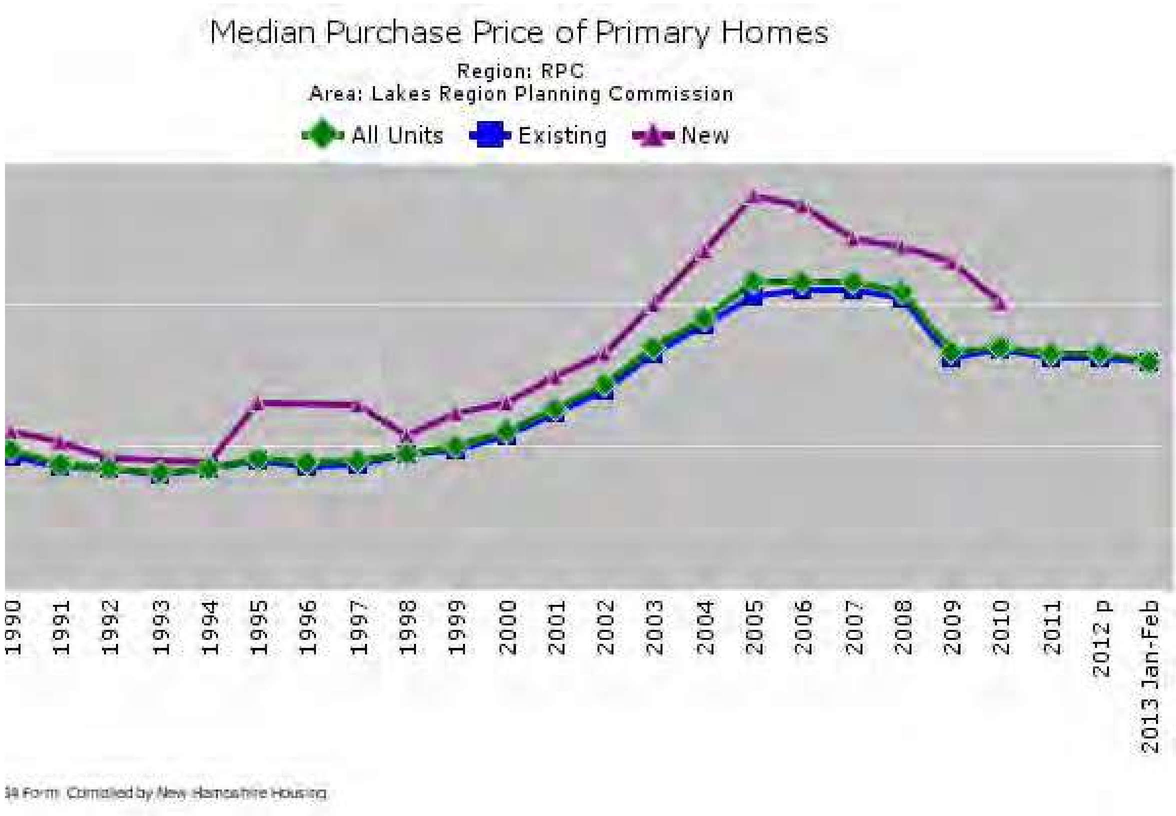


Table 2.12 includes information on gross housing rents in the Lakes Region from 2001 to the first quarter of 2012. Gross rent includes the contract rent plus the cost of utilities and fuel. For all housing units, in the last 11 years, the median gross rent of $915 increased $317 or 53 percent. For a 3-bedroom unit at $1,175 per month, during that period, the increase was $401 or 51.8 percent. In response to current economic conditions, it appears that more people are seeking rental opportunities. An affordable rental opportunity is an important factor in maintaining an adequate regional workforce. As a general rule, for an affordable housing unit, a renter should pay not more that 30 percent of his or her pre-tax income for rent. If three bedroom units rent for $1,175 per month or $14,100 per year, the individual or family would need an income of approximately $47,000 per year for the unit to be considered affordable.

Table 2.12: Gross Housing Rents, Lakes Region

	All Units		0-Bedroom Units		1-Bedroom Units		2-Bedroom Units		3-Bedroom Units		4+-Bedroom Units	
Year	Median Gross Rental Cost	Sample Size	Median Gross Rental Cost	Sample Size	Median Gross Rental Cost	Sample Size	Median Gross Rental Cost	Sample Size	Median Gross Rental Cost	Sample Size	Median Gross Rental Cost	Sample Size
2013	$920	956	$645	39	$753	285	$953	440	$1,212	155	$1,340	37
2012	$915	1,023	$585	64	$728	297	$945	461	$1,175	163	$1,407	38
2011	$915	929	$585	32	$746	281	$940	418	$1,170	162	$1,417	36
2010	$873	963	$585	58	$701	326	$925	390	$1,145	163	$1,336	26
2009	$867	936	$585	56	$722	316	$911	393	$1,105	147	$1,293	24
2008	$888	849	$590	49	$700	263	$914	371	$1,131	142	$1,395	24
2007	$823	811	$585	50	$674	260	$867	354	$1,027	123	$1,278	24
2006	$793	987	$575	62	$650	306	$857	437	$1,050	157	$1,276	25
2005	$731	856	$542	53	$604	296	$799	369	$957	122	#N/A	16
2004	$702	867	$480	39	$600	327	$786	357	$906	130	#N/A	14
2003	$668	940	$472	52	$561	367	$733	387	$866	118	#N/A	16
2002	$636	859	$440	49	$536	318	$694	369	$774	105	#N/A	18
2001	$598	894	$434	48	$509	325	$648	386	$766	115	$897	20

Source: NH Housing Finance Authority, 2014

Foreclosures affect the regional housing market and generally have the net effect of driving house prices down. Foreclosures appeared to have hit a plateau in 2011 and declined in state in the last year. For additional information see:

http://www.nhhf0a.org/rl_docs/housingdata/ForeclosureUpdate_08-02-12.html.

C. Employment

Employment in the Lakes Region

The existing and projected employment situation in the Lakes Region is an important component in the region's overall economic wellbeing. Table 2.13 includes the top 25 private sector employers by range of employer size. In the public sector, the SAU offices, local governments and various state agencies are large employers.

Please note the data available from the NH Economic and Labor Market Information Bureau provide the employer size in a range.

Table 2.13: Top 25 Private Employers

Employer	Partial Address	City	Employer Size
J Jill Group Distribution Ctr	Birch Pond Dr	Tilton	1,000 - 4,999
LRGHealthcare (aka LR Hospital)	Highland St	Laconia	1,000 – 4,999
Freudenberg-NOK	Pleasant St	Bristol	1,000 - 4,999
Huggins Hospital	S Main St	Wolfeboro	500 - 999
Webster Valve Inc	S Main St	Franklin	250 - 499
New Hampshire Ball Bearings	Lexington Dr	Laconia	250 - 499
Franklin Regional Hospital	Aiken Ave	Franklin	250 - 499
Lakeview Neurorehabilitation	High Watch Rd	Effingham	250 - 499
Whelen Engineering Co	Cedarwood Rd	Charlestown	250 - 499
Smiths Tubular Systems	Lexington Dr	Laconia	250 - 499
EFI Inc	Vutek Pl	Meredith	250 - 499
Rochester Shoe Tree Co Inc	Cedar Ln	Ashland	250 - 499
Wal-Mart	E Main St	Tilton	250 - 499
PCC Structurals Aluminum Oper	Granite St	Northfield	250 - 499
Vutek	Vutek Pl	Meredith	250 - 499
Freudenberg-NOK	Growth Rd	Laconia	250 - 499
Wal-Mart	Lake Shore Rd # 15	Gilford	100 - 249
Camp Winaukee	Winaukee Rd	Moultonborough	100 - 249
Shaw's Supermarket	Laconia Rd # 700	Tilton	100 - 249
Mountain View Nursing Home	County Farm Rd	Ossipee	100 - 249
Spaulding Youth Ctr	Shedd Road	Tilton	100 - 249
Proctor Academy	Main St	Andover	100 - 249
Brewster Academy	S Main St	Wolfeboro	100 - 249
Freudenberg-NOK	Axle Dr	Northfield	100 - 249
GI Plastek	Wickers Dr	Wolfeboro	100 - 249
Hannaford Supermarket & Pharmacy	Lake Shore Rd # 16	Gilford	100 - 249

Source: NHNetwork, NH Economic and Labor Market Information Bureau website, August 2013

Table 2.14 includes data on the civilian labor force, employment and unemployment for the Lakes Region Planning Commission area for the years 2002 to 2011. Generally, local municipal employment and unemployment data correspond closely to the Lakes Region data.

For the 12-year period from 2002 to 2013, the unemployment rate in the Lakes Region area generally paralleled the unemployment rate for the state of New Hampshire with some minor differences. The region's unemployment rate was lower than the state's from 2002 to 2006 and in 2007 both were the same at 3.5 percent. From 2008 to 2010, the Lakes Region unemployment rate was higher than the state's; in 2011, both the Lakes Region and state had an identical unemployment rate of 5.4 percent. In 2012 and 2013, the region's unemployment was lower. During the 2006 to 2008 period, the Lakes Region labor force peaked at about 61,000 persons and then declined to 59,122 in 2011. The labor force grew in 2012 and declined in 2013. When considering these two data points, it is likely that the Lakes Region experienced some out-migration due to unfavorable economic conditions and opportunities in the region and state and some people stopped seeking employment and did not appear in the labor force. Overall, considering national economic conditions, the Lakes Region and New Hampshire, with the 4th lowest unemployment rate in the United States, have managed the economic situation fairly well.

Table 2.14 includes the civilian labor force with employment and unemployment data for the years 2002 to 2011.

Table 2.14: Labor Force and Unemployment, Lakes Region 2002 to 2013

Year	Labor Force	Employed	Unemployed	Unemployment Rate	NH Rate
2013	58,792	55,748	3,044	5.10%	5.30%
2012	59,149	56,026	3,123	5.20%	5.50%
2011	59,122	55,889	3,233	5.40%	5.40%
2010	59,506	55,695	3,811	6.40%	6.10%
2009	60,948	57,062	3,886	6.30%	6.20%
2008	61,490	59,000	2,484	4.00%	3.90%
2007	61,073	58,886	2,187	3.50%	3.50%
2006	61,053	58,986	2,067	3.30%	3.50%
2005	59,403	57,373	2,030	3.40%	3.60%
2004	59,063	57,063	2,060	3.40%	3.90%
2003	58,997	56,653	2,344	3.90%	4.50%
2002	59,609	57,297	2,312	3.80%	4.50%

Source: NHNetwork, NH Economic and Labor Market Information Bureau website, July 2014

Table 2.15 includes data on changes in employment and wages from 2005 to 2010. In the five-year period, total private employment declined by 3,196 persons while government employment increased by 286 persons for a net decline of 2,910 in total employment. Manufacturing experienced the largest decrease: a loss of 2,005 jobs followed by declines in construction of 733, and in retail trade of 546. The loss of 2,005 manufacturing jobs represented 32 percent of the total manufacturing jobs in the Lakes Region in 2005. On a brighter note, the number of those employed in health care/social assistance increased by

475 or 9 percent. This information is consistent with labor force and unemployment in Table 2.14. In conclusion, total employment in the Lakes Region declined by 6.7 percent in the 2005 to 2010 period.

During the same five-year period, average weekly wages in goods producing industries increased by over 16 percent, service-producing wages increased by 12 percent, and government wages by 10 percent. Top paying jobs include those in utilities, wholesale trade, professional/technical services and mining, although there was a small decline in mining from 2005. Of the 7,221 persons employed in government in 2010, 81.6 percent worked in local government, 13.7 percent in state government, and 4.7 percent in federal government.

Table 2:15: Lakes Region, Annual Employment and Weekly Wage, 2005 – 2010

Industry		2005			2010	
	Units	Employ	Wk Wage	Units	Employ	Wk Wage
Goods Producing	724	9,220	$795	598	6,458	$922
Agriculture, Forestry, Fishing, Hunting	24	147	$381	25	133	$477
Mining	9	97	$1,178	8	88	$1,163
Construction	488	2,777	$870	400	2,044	$942
Manufacturing	203	6,199	$765	164	4,194	$922
Service Providing	2,534	27,132	$565	2,542	26698	$631
Utilities	18	228	$1,238	20	236	$1,470
Wholesale Trade	139	798	$1,051	144	754	$1,214
Retail Trade	558	7364	$487	529	6,818	$485
Transportation, Warehousing	65	623	$579	48	539	$90
Information	46	412	$665	42	394	$796
Finance and Insurance	124	1,025	$861	122	872	$887
Real Estate, Rental and Leasing	123	509	$559	106	387	$647
Professional and Technical Services	247	1,064	$1,010	267	$1,189	$1,200
Management	20	433	$1,041	20	417	$1,190
Administrative, Waste Services	172	1,330	$591	190	1,245	$691
Educational Services	32	984	$591	35	969	$687
Health Care, Social Assistance	245	5,117	$674	276	5,592	$797
Arts, Entertainment and Recreation	106	1,020	$377	94	1,093	$386
Accommodations and Food Services	352	4,990	$402	365	4,936	$326
Other Services except Public Administrator	285	1,224	$473	284	1,249	$540
Unclassified Establishments	5	12	`$719	No data		
Total Government	210	6,935	$619	221	7,221	$713
Total Private	3,258	36,353	$623	3,139	33,157	$688
Total Private plus Government	3,468	43,288	$623	3,361	40,378	$692

Source: Economic and Labor Market Bureau, NH Employment Security, 2012

Table 2.16 provides information on per capita income, household income and percentage of families below the poverty level for all 30 Lakes Region municipalities. The Economic and Labor Market Bureau, NH Employment Security, compiled this information using data from the American Community Survey. The information is based on the three-year average, (2008 to 2010 adjusted for inflation. Municipalities with the highest household incomes include: Moultonborough, Barnstead, Gilmanton and Hill. Municipalities on the low side include: Ashland, Bristol, Ossipee and Danbury. According to the U. S. Bureau of Census, the national poverty levels in 2010 are as follows: one person with an income of $11,484 or less; two people with an income of $14,657 or less; and a family of four with an income of

$23,021 or less. Ossipee (18.4%), Ashland (18.2%), Franklin (10.7%) and Northfield (9.7%) exhibited high levels of family poverty.

Table 2.16: Lakes Region Annual Income, 2010

Municipality	Per Capita Income	Household Income	Family < Poverty Level
Alexandria	23,008	56,367	4.90%
Alton	30,496	57,560	3.50%
Andover	30,147	62,782	2.20%
Ashland	20,428	35,857	18.20%
Barnstead	26,019	65,727	3.20%
Belmont	24,048	56,582	3.30%
Bridgewater	32,329	59,167	5.60%
Bristol	23,228	42,821	7.80%
Center Harbor	33,197	56,836	5.80%
Danbury	23,625	46,667	6.20%
Effingham	20,405	46,900	0.0%
Franklin	20,420	48,396	10.70%
Freedom	32,104	45,030	4.80%
Gilford	37,034	60,763	5.40%
Gilmanton	27,676	64,219	6.20%
Hebron	33,064	59,688	0.0%
Hill	23,934	62,800	4.40%
Holderness	31,377	61,786	2.0%
Laconia	26,640	46,027	8.10
Meredith	34,782	54,576	4.80%
Moultonborough	44,922	74,207	2.90%
New Hampton	23,039	58,059	8.50%
Northfield	21,733	56,917	9.70%
Ossipee	19,995	44,967	18.40%
Sanbornton	28,956	61,702	0.70%
Sandwich	30,956	57,105	6.40%
Tamworth	30,206	49,545	7.20%
Tilton	21,450	54,643	2.90%
Tuftonboro	29,544	52,679	6.60%
Wolfeboro	31,518	55,667	3.70%

Source: American Community Survey, 2010; compiled by Economic and Labor Market Information Bureau, NH Employment Security, 2012

D. Economic Clusters

LRPC retained the Belknap County Economic Development Council (BCEDC) to prepare an industry cluster analysis in the context of the 2013 update to the 2009 *Lakes Region Plan for Sustainable Development*, the region's Comprehensive Economic Development Strategy (CEDS). An industry cluster develops when businesses in inter-related industries choose to locate in close proximity to take advantage of a region's inherent advantages. One of the most well known examples of an industry cluster is Silicon Valley in California, known for its concentration of technology firms. While the Lakes Region does not possess industry clusters in this sense, this study provides critical insights into the make-up of the local economy which will help to focus regional economic development strategies so that they support critical industries and help foster future growth.

This study examines Quarterly Census of Employment and Wages (QCEW) data for the 30 municipalities in LRPC's service area for the 2006 to 2010 time period. The following are economic cluster trends in the Lakes Region:

- The Lakes Region lost 9.25 percent of private sector jobs from 2006 to 2010, compared to 5.79 percent lost at the national level (private sector job losses from 2000 to 2010 in the Lakes Region are about the same percentage). This is interesting because most analysts that discuss how New Hampshire and the Lakes Region economies are doing compared to the nation focus on our lower unemployment rates today and many other factors that make this state and region a great place to live and work, suggesting that New Hampshire has fared better than other parts of the country as the national economy improves slowly. It will be interesting to see if the Lakes Region recovery of jobs at business establishments was stronger than at the national level when data for subsequent years (2011 and beyond) are released. If not, one could surmise that our lower unemployment rate is attributable to other factors, such as out-migration and the shrinking of our workforce in general due to demographics, or higher numbers of self-employed workers and independent contractors. Many economists predict that the proportion of people working for themselves will continue to grow at a significant rate and will change the way businesses and jobs are defined in the future. Unfortunately, there are no good data available or even collected on this growing segment of the economy. It would be worthwhile to urge NH Economic and Labor Market Information Bureau to identify ways to measure this hidden economic activity, which will likely become more important to the Lakes Region in the future.

- Advanced manufacturing, in particular of primary metals and metal products, is still a critical industry in the Lakes Region despite major changes in the last decade. Manufacturing provided over 10 percent of jobs in the Lakes Region in 2010. Employment in Primary Metal Manufacturing in the Lakes Region is five times as concentrated as at the national level based on the Location Quotient analysis contained in this report and for Fabricated Metal Product Manufacturing it is nearly four times as concentrated here than at the national level. In addition, an analysis done to identify local industries with a comparative advantage in the region suggests that the Lakes Region's strong manufacturing heritage and workforce have maintained our competitive edge in some manufacturing sub-sectors over the last 40 years.

- While total jobs in manufacturing declined by nearly 50 percent from 2000 to 2010, anecdotally we know that many local manufacturers have added jobs since the 2010 data were released. We also know that manufacturing jobs are some of the best paying jobs in the region. Many local firms in this industry specialize in components for defense and aerospace, so future changes in national defense policy could have a significant impact on demand for their products. In addition, these firms report experiencing increasing difficulty in finding qualified skilled workers, which could jeopardize the future of advanced manufacturing in the Lakes Region as it increasingly, relies on high technology for efficient production.

- Tourism and the second homeowner market continue to be major drivers of local economic activity and jobs. This is a double-edged sword because, while this activity attracts significant spending to the region, some of the jobs that this spending creates tend to be low-wage jobs that increasingly do not provide benefits or a living wage for local families, thereby creating greater demands on government and non-profit institutions. For example, poverty is higher (9.5% in Belknap County vs. 8.6% statewide in 2010 according to Census data) and significantly fewer adults in the Lakes Region have health insurance (77% here vs. 89% statewide according to LRGHealthcare). This means more people here than statewide cannot pay for the health care services they must consume. This is a serious problem because the health care industry is one of our top employers and provides quality jobs with benefits to Lakes Region residents.

- Looking toward the future, one potential bright spot is the growth in the Professional and Technical Services sector. Although total job numbers are relatively small, this sector grew during the recession, exhibits a growing concentration of employment, and possibly enjoys a comparative advantage in the region compared to the nation. Wages are high for this sector ($1,266 weekly in Belknap County in 2010) and many people who work in these jobs may fall into the unreported self-employed or freelancer category in the future, which could be a positive thing for our local economy in the future.

E. Infrastructure

Webster's Dictionary defines infrastructure as "the basic installations and facilities on which the continuance and growth of a community, state etc. depend such as roads, schools, power plants, transportation and communication systems etc." Over time infrastructure appeared in a broader context, which includes social/human infrastructure (health care, education, counseling, social services, etc.) and "green" infrastructure (open space, conservation, trails, etc.). The Economic Development Chapter mentions these two other types of infrastructure in recognition of their contribution to the overall economic wellbeing of the community and region as a whole. This section adheres to the traditional concept of infrastructure involving industrial parks, sewer and water systems, transportation and telecommunications. This concept of infrastructure consists of the facilities and services, such as roads, water and sewer systems, broadband, and other items, necessary to support continued economic activities and continued private investment. Maintaining these services and facilities while planning for future needs enables communities to direct future growth and development to areas with infrastructure. These community facilities and services provide for a safe and healthy environment and allow communities to grow and expand. However, available services and facilities vary by town as many are rural and have not developed infrastructure.

Industrial Parks

Several municipalities in the region have established a designated industrial park, listed in Table 2.17. The parks are currently, or have future plans to be serviced by public sewer and water. Manufacturing and light industry are generally located in these parks, along with some commercial facilities. Map 5 shows the location of each of these parks.

Table 2.17: Industrial Parks in the Lakes Region

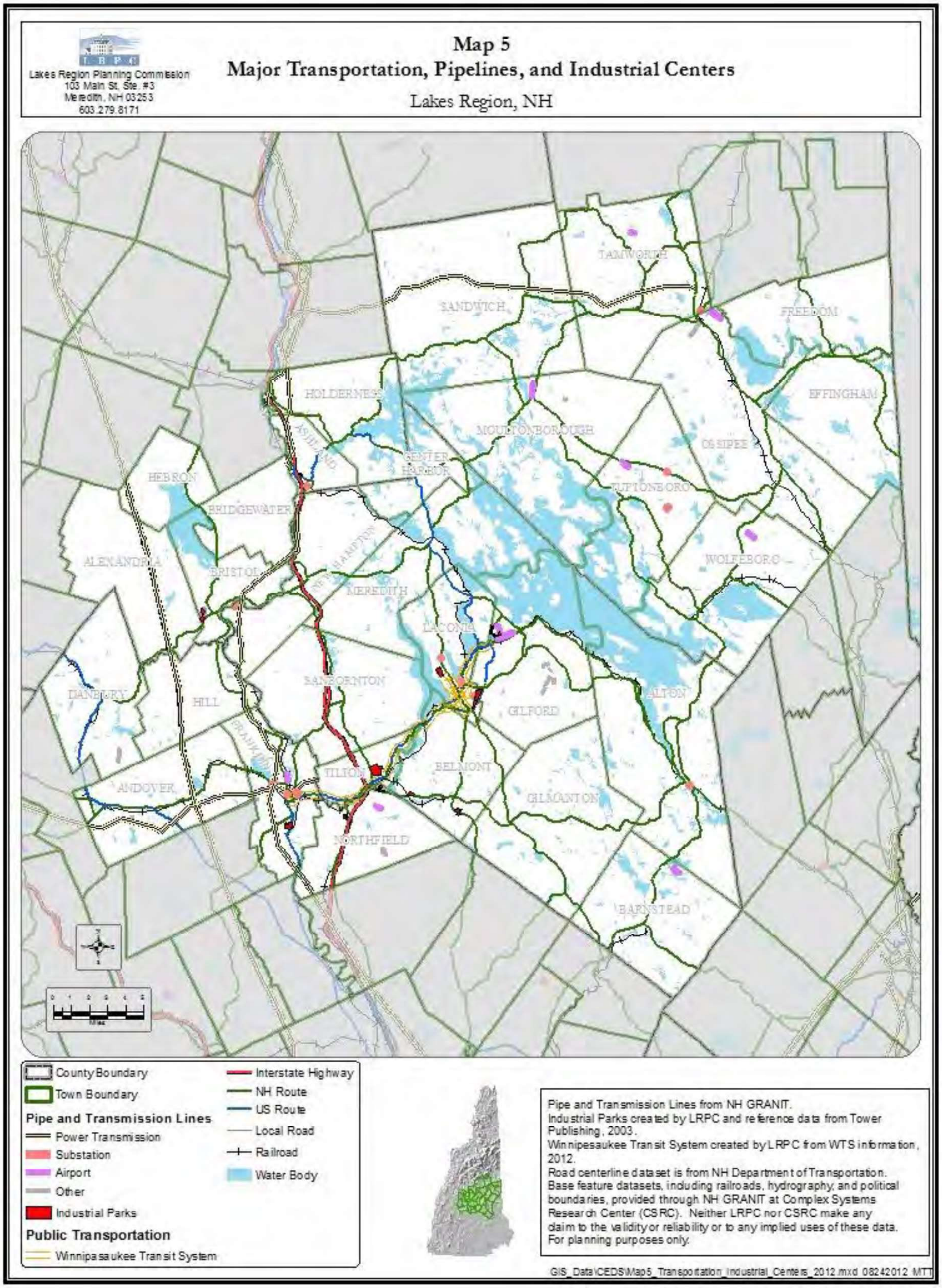
		Infrastructure				Status		
Name	**Town**	**Water**	**Gas**	**WW**	**Rail**	**Acres**	**Lots**	**Available**
Ashland Business Center	Ashland	Y	N	Y	Y	8.312	6	6 buildings
Belmont Industrial Park	Belmont	N	N	Y	N	38.31	8	5
Belknap Business & Ind. Park	Belmont	Y	N	Y	N	39.04	7	4
Cormier Industrial Park	Northfield	Y	Y	N	N	96.0	6	4
Franklin Business Park	Franklin	Y	Y	Y	N	120.00	14	5
Freudenberg-NOK & airstrip	Bristol	Y	N	Y	N			
Laconia Airport Business & Industrial Park	Gilford	Y	Y	Y	N	50	6	3
Lake Business Park (Phase 1)	Laconia	Y	Y	Y	N			
Lake Business Park (Phase 2)	Laconia	Y	Y	Y	N	54.00	19	14
Nickerson Business Park	Tilton	N	Y	Y	N	71.00	15	10
Northfield Industrial Park	Northfield	N	Y	N	N		14	8
O'Shea Industrial Park	Laconia	Y	Y	Y	N	110	18	None
Whitten Industrial Park	Gilford	N	Y	Y	N	34.74		

Source: LRPC

*Infrastructure Available:

- Y = available
- N = not available
- U = not known

Source: Local governments, property owners, real estate brokers



L R P C
Lakes Region Planning Commission
103 Main St, Ste. #3
Meredith, NH 03253
603.279.8171
Map 5
Major Transportation, Pipelines, and Industrial Centers
Lakes Region, NH
TAMWORTH
SANDWICH
FREEDOM
HOLDERNESS
EFFINGHAM
MOULTONBOROUGH
OSSIPEE
CENTER HARBOR
ASHLAND
HEBRON
TUFTONBORO
BRIDGEWATER
NEW HAMPTON
WOLFEBORO
ALEXANDRIA
BRISTOL
MEREDITH
LACONIA
SANBORNTON
DANBURY
HILL
ALTON
GILFORD
FRANKLIN
TILTON
BELMONT
ANDOVER
GILMANTON
NORTHFIELD
BARNSTEAD
Miles
County Boundary
Town Boundary
Pipe and Transmission Lines
Power Transmission
Substation
Airport
Other
Industrial Parks
Public Transportation
Winnipesaukee Transit System
Interstate Highway
NH Route
US Route
Local Road
Railroad
Water Body
Pipe and Transmission Lines from NH GRANIT.
Industrial Parks created by LRPC and reference data from Tower Publishing, 2003.
Winnipesaukee Transit System created by LRPC from WTS information, 2012.
Road centerline dataset is from NH Department of Transportation.
Base feature datasets, including railroads, hydrography, and political boundaries, provided through NH GRANIT at Complex Systems Research Center (CSRC). Neither LRPC nor CSRC make any claim to the validity or reliability or to any implied uses of these data.
For planning purposes only.
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Wastewater Treatment Systems

Modern and up-to-date wastewater treatment facilities and septic systems ensure that the water quality in the region will be maintained. Within the region, there are eight relatively small wastewater treatment facilities, with a large regional facility known as the Winnipesaukee River Basin Project (WRBP), operated by the NH DES and located in Franklin, NH. Table 2.18 lists the facility, its capacity, average daily flow, and treatment process. The Water & Sewer Services Map below shows the areas serviced by public sewer and public water. While some facilities have expansion plans, due to the region's current slow growth environment, no expansion projects are anticipated in the next three years. While wastewater treatment has become safer and more efficient, issues remain such as becoming more energy efficient, addressing climate change issues, and meeting or exceeding environmental regulations. It is now understood that fertilizing compounds like phosphorous and nitrates need to be removed from wastewater in order to prevent pollution of downstream waters.

Table 2.18: Waste Water Treatment Facilities in the Lakes Region

Facility	**Area Services**	**Design Flow* (MGD**)**	**Daily Flow /Percent of capacity Used**	**Process**
Ashland Wastewater	Ashland	1.6	0.97 / 60.6% Used	AL/CwDC
Bristol Wastewater	Bristol	0.5	0.205 / 41%	OD/CwDC
Center Harbor Wastewater	Center Harbor, Moultonborough	0.2		PS/FL
Franklin Wastewater - Winnipesaukee River Basin Project	Franklin, Laconia, Gilford, Belmont, Northfield, Tilton, Meredith, Sanbornton	11.51	5.90 / 51.3%	AS/UV/w C backup
New Hampton Village Precinct	New Hampton	0.08	Unknown	AL
Ossipee Wastewater	Ossipee	0.11	0.0605/ 55%	ST/SD
Plymouth Village Water & Sewer District	Holderness	0.7	0.430 / 61.4%	RBC/CW DC
Sandwich Wastewater	Sandwich	0.02	Unknown	ST/SF/SD
Wolfeboro Wastewater	Wolfeboro	0.6	0.380 / 63.3%	EA/SI

Source: NH DES Wastewater Engineering Bureau

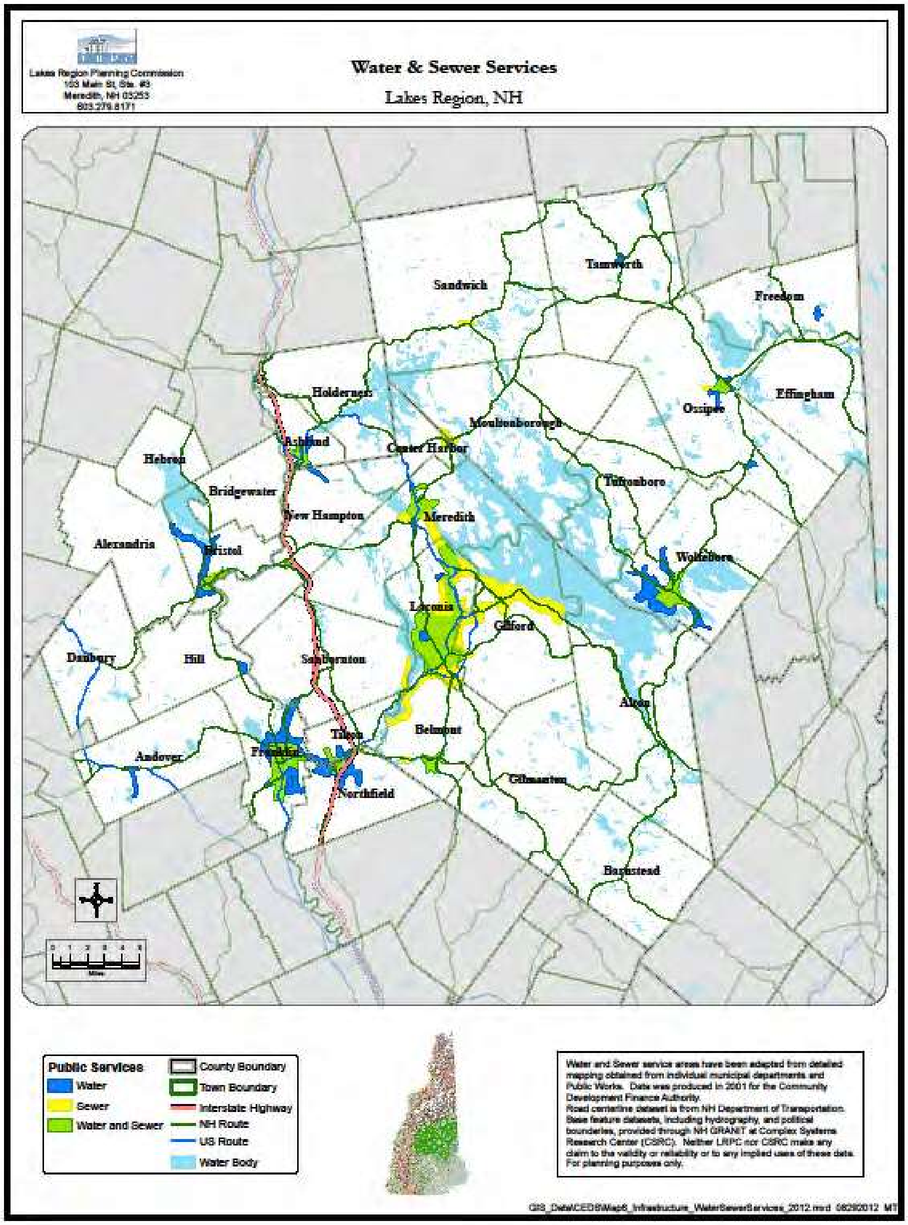
**The flow amount is what the WWTF is designed to treat - not what is being used.*

***MGD - Millions of Gallons per Day*

Wastewater Treatment Process and Disinfection Method Key		**Solids Disposal Key**
AL - Aerated Lagoon	RBC - Rotating Biological Contractor	LA - Land Application
AS - Activated Sludge	SD - Subsurface Disposal	LF – Landfill
CU/DC - Chlorination with dechlorination	SF - Sand Filter	CO – Composting
EA - Extended Air	SI - Spray Irrigation	TR - Transferred to another facility
	ST - Septic Tank	
OD - Oxidation Ditch	UV - Ultraviolet Disinfection	
OF - Overland Flor		
PS - Pump Station		

Source: NH Department of Environmental Services, 2014

As part of developing a complete asset management program, the operators and managers of wastewater treatment facilities should consider factors addressing risk. Areas of concern include potential for flooding, the impacts of climate change, criticality for each piece of equipment, and the capacity of individuals systems to handle economic growth. Asset management programs and energy efficiency programs are both critical for managing water and wastewater infrastructure in a sustainable way.



Regional highlights:

The NH Department of Environmental Services (DES) on behalf of several Lakes Region municipalities administers and manages the Winnipesaukee River Basin Project (WRBP) based in Franklin, NH, at the Franklin Wastewater Treatment facility. The WRBP facility treats wastewater from 10 surrounding communities with a capacity of 11.51 million of gallons per day (MGD) and a daily average usage of about 6.0 MGD. The system serves portions of the cities of Laconia and Franklin, towns of Belmont, Center Harbor, Gilford, Meredith, Moultonborough, Northfield, Tilton and Franklin. The system also receives the partially treated discharge from the Bay District, which serves portions of Center Harbor and

Moultonborough. Since many of these communities provide seasonal recreational opportunities, there is a significant increase in population served by the WRBP in the summer months. The WRBP serves approximately 38,000 sewer users year round and an estimated 68,000 during the summer. Potential users can connect to the system by following current DES, WRBP and each community's procedures. The WRBP is a significant regional asset that allows for continued economic development while preserving the Lakes Region's water quality. The WRBP has completed a facility-wide retrofit including an innovative aeration blower technology that reduces energy consumption by 20 percent, a new "green roof" that minimizes storm water runoff and reduces building heating and cooling costs, and a new Ultraviolent (UV) disinfection system designed to treat both normal and peak flows while reducing energy consumption by as much as 65 percent. The WRBP does not have any significant interceptor projects planned and is not expanding its collection system. All current WRBP capital improvements are included in the WWTP Capital Improvement Plan and do not result in an increase in the design capacity. The WRBP webpage includes its 10-year Capital Improvements Plan.
http://des.nh.gov/organization/divisions/water/wrbb/index.htm

- Ashland — the town operates a WWTF with series of aerated lagoons with a chlorination with dechlorination process and has a surface water discharge permit into the Squam River. Over the last 19 years, the facility experienced flooding three times. No expansion plans at present.

- Bristol — the town operates a WWTF with an active sludge - external aeration - oxidation ditch series with a chlorination with dechlorination process and has a surface water discharge permit into the Pemigewasset River. No expansion plans at present.

- Center Harbor-Moultonborough — The Bay District Sewer Commission operates facultative lagoons which pre-treat wastewater from portions of the towns of Center Harbor and Moultonborough and discharges the partially treated wastewater to the WRBP.

- New Hampton — the town operates two large facultative lagoons supporting the common and school areas. Lagoons use is alternated yearly. The facility has a groundwater discharge permit. There are no outstanding compliance issues and no expansion plans.

- Ossipee — operates a large subsurface disposal system (26 leach fields) and received primary treated wastewater pumped up from the village. It also has septage receiving capacity. The facility has permits for both activities. No proposed expansion plans.

- Sandwich — the municipal wastewater disposal site is a large septic system and existing flows do not make it eligible for a groundwater discharge permit. The system is operating as designed.

- Wolfeboro — operates a 600,000 gal/day WWTF, which includes a 90 million gallon treated effluent storage pond. The stored treated water is discharged to either the spray irrigation site (May thru October) or to a remote rapid infiltration basin (RIB) disposal site. The groundwater permit for the effluent storage pond/spray irrigation site was renewed and is in effect until April 2016. The RIB site has experienced "unexpected issues" since it began operating in 2009. The groundwater permit for the RIB site was renewed at a reduced flow rate and is effect until September 2017. The "unexpected issues" are very serious, and the Town is working with NHDES and its new consultant, Underwood Engineers, to evaluate long-term sustainable solutions to its effluent disposal problems, including a possible connection to the WRBP.

Septage

Table 2.19 below provides information on the amount of septage in gallons received by the WRBP in 2011 and 2013. Although there is some fluctuation in the amount of septage coming to the WRBP facility each year, the volumes received have been relatively stable since the WRBP increased their tipping fees by $5/1000 gallons in 2011. The WRBP does not control the amount charged by haulers to customers. Amounts of septage received have always fluctuated with the economy and weather conditions (harsh winters and poor tourist seasons reduce septage tank maintenance). Municipalities may also have signed other 485-A:5b agreements (see http://www.gencourt.state.nh.us/rsa/html/L/485-A/485-A-5-b.htm) with other facilities. This statute provides for inter municipal agreements for septage disposal. Comparing the difference from CY 2011 and CY 2013, WRBP experienced an overall increase of 1% or 26,200 gallons of total septage received from Lakes Region communities. The WRBP annually receives a total of 5,000,000 gallons of septage from communities throughout New Hampshire and Vermont. WRBP's rates are consistent with the "market" rate changed by other WWTPs.

Table 2.19 Septage Received by the WRBP in 2011 and in 2013

Municipality	CY 2011	CY 2013	Change
Alexandria	31,800	41,400	30%
Alton	37,100	32,200	-13%
Andover	92,600	78,400	-15%
Ashland	7,800	7,500	-4%
Barnstead	1,200	1,000	-17%
Belmont	243,400	285,550	17%
Bridgewater	53,100	47,550	-10%
Bristol	133,900	107,300	-20%
Center Harbor	83,500	66,300	-21%
Danbury	17,250	37,900	120%
Effingham	4,500	3,800	-16%
Franklin	221,600	231,600	5%
Freedom	8,050	8,800	9%
Gilford	385,600	398,700	3%
Gilmanton	74,200	131,600	77%
Hebron	22,450	46,600	108%
Hill	25,400	34,600	36%
Holderness	46,950	68,500	46%
Laconia	139,050	157,200	13%
Meredith	422,700	381,100	-10%
Moultonborough	810,300	750,750	-7%
New Hampton	44,500	81,900	84%
Northfield	262,750	167,500	-36%
Ossipee	39,050	23,150	-41%
Sanbornton	298,300	293,300	-2%
Sandwich	47,300	41,600	-12%
Tamworth	36,850	54,700	48%
Tilton	193,700	195,200	1%
Tuftonboro	12,900	38,200	196%
Wolfeboro	0	10,100	100%
LR Total	3,797,800	3,824,000	1%

Source: Winnipesaukee River Basin Project, 2014

The WRBP does not have any significant interceptor projects planned and is not expanding its collection system. All current WRBP capital improvements are at the WWTP Capital Improvement Plan and do not result in an increase in the design capacity. The WRBP webpage includes its 10-year Capital Improvements Plan. http://des.nh.gov/organization/divisions/water/wrbb/index.htm

Since a large portion of the Lakes Region is rural and not served by a wastewater treatment facility, most households and businesses use individual septic systems. These individual systems can pose a threat to the water quality due to the potential lack of proper maintenance and repair. Another issue of concern is that many septic systems are not upgraded when small summer camps on the shorelines are converted to larger, year-round homes. These older septic systems have often been poorly maintained, do not have the capacity to handle the additional load, and are frequently nearing their life expectancy. These issues can contribute to sewage entering the lakes and rivers, and bacteria entering the ground water. Many locations along the shoreline are currently impaired due to *fecal coliform* and *Escherichia coli* bacteria, or chlorophyll A and algal blooms, leading to beach closures and unsafe water quality conditions. A few organizations in the region routinely provide education and outreach to homeowners in order to raise awareness about the maintenance requirements of a septic system, or how to identify a failing system.

As the population has increased, so has the amount of waste treatment by-products of septic and sludge, from both septic systems and wastewater treatment facilities. Traditional disposal methods are increasingly difficult to use and pose their own unique set of problems and issues. As research is conducted and the population becomes more aware of the issues, more informed decisions can be made to better recycle or dispose of these products.

Water Supply System

The Lakes Region contains 42 percent of the total water area in the state of New Hampshire. In addition to the nearly 12 percent of surface water covering the region, approximately five percent sits over stratified drift aquifers. Compared to bedrock aquifers, stratified drift aquifers are the more productive. However, they are also the most vulnerable to contamination. This is of particular importance when determining allowable land use activities over high yield (transmissivity) areas. Due to the characteristics of these high-yield areas, gravel pits are often located on them. Other sources of potential contamination sources include leaking underground storage tanks, failing septic systems, improper disposal of hazardous chemicals, or vehicular accidents. Planning and zoning are tools communities can use to address these potential problems by adopting an aquifer overlay district, wellhead protection district, greater setbacks from surface waters, and limiting contact recreation in surface waters providing drinking water.

While there is currently an abundance of clean, potable water for the region, protection of these vital resources should be paramount to communities. The majority of the region gets its water from private ground water wells. A permit is required from the New Hampshire Department of Environmental Services for any private water system withdrawing greater than 57,600 gallons per day (GPD).

Public water supply systems in the region provide town and business centers with water from mainly ground water sources (Map 6). All systems operating in the region are listed in Table 2.20.

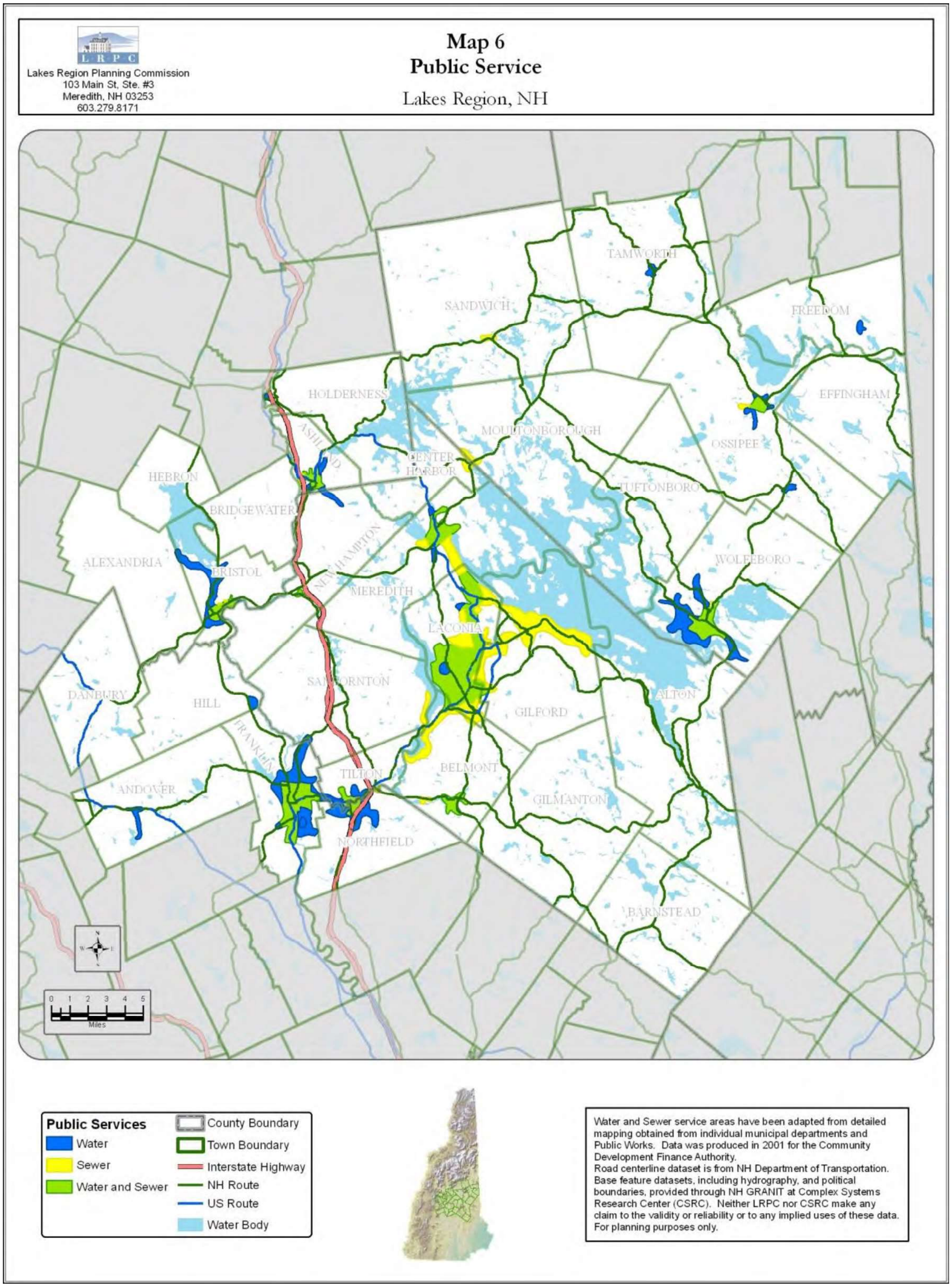

Map 6
Public Service
Lakes Region, NH
L R P C
Lakes Region Planning Commission
103 Main St, Ste. #3
Meredith, NH 03253
603.279.8171
TAMWORTH
SANDWICH
FREEDOM
HOLDERNESS
EFFINGHAM
ASHLAND
CENTER HARBOR
MOULTONBOROUGH
OSSIPEE
HEBRON
TUFTONBORO
BRIDGEWATER
NEW HAMPTON
WOLFEBORO
ALEXANDRIA
BRISTOL
MEREDITH
LACONIA
SANBORNTON
DANBURY
HILL
GILFORD
ALTON
FRANKLIN
TILTON
BELMONT
ANDOVER
GILMANTON
NORTHFIELD
BARNSTEAD
Miles
Public Services
Water
Sewer
Water and Sewer
County Boundary
Town Boundary
Interstate Highway
NH Route
US Route
Water Body
Water and Sewer service areas have been adapted from detailed mapping obtained from individual municipal departments and Public Works. Data was produced in 2001 for the Community Development Finance Authority.
Road centerline dataset is from NH Department of Transportation. Base feature datasets, including hydrography, and political boundaries, provided through NH GRANIT at Complex Systems Research Center (CSRC). Neither LRPC nor CSRC make any claim to the validity or reliability or to any implied uses of these data. For planning purposes only.

Table 2.20: Public Water Supply Systems in the Lakes Region

Community Water System (CWS)	Town	Category*	Population Served	Service Connections
Alton Water Works	Alton	Large CWS	1750	703
Andover Village District	Andover	Major CWS	650	120
Ashland Water Department	Ashland	Major CWS	1500	550
Pac Locke Lake Water System/SEC S	Barnstead	Small CWS	83	33
PEU Locke Lake Water System	Barnstead	Major CWS	2120	856
Belmont Water Department North	Belmont	Large CWS	150	50
Belmont Village Water District	Belmont	Large CWS	1612	645
Bristol Water Works	Bristol	Major CWS	3327	1331
Franklin Water Works	Franklin	Major CWS	7000	2600
Freedom Water Precinct	Freedom	Major CWS	163	67
Gilford Village Water District	Gilford	Small CWS	130	36
Gunstock Acres Village District	Gilford	Large CWS	1440	576
Hill Water Works	Hill	Large CWS	350	139
Laconia Water Works	Laconia	Major CWS	12000	5800
Meredith Water Department	Meredith	Major CWS	3500	1052
Paradise Shores	Moultonborough	Major CWS	1881	753
New Hampton Village Precinct	New Hampton	Major CWS	600	125
Tilton Northfield Water District	Northfield	Major CWS	2500	941
Carroll County Complex	Ossipee	Small CWS	210	37
Ossipee Water Department	Ossipee	Major CWS	850	325
Tamworth Water Works	Tamworth	Small CWS	265	60
Lochmere Village District	Tilton	Small CWS	345	138
Wolfeboro Water and Sewer	Wolfeboro	Major CWS	5550	2300

Source: NH DES website

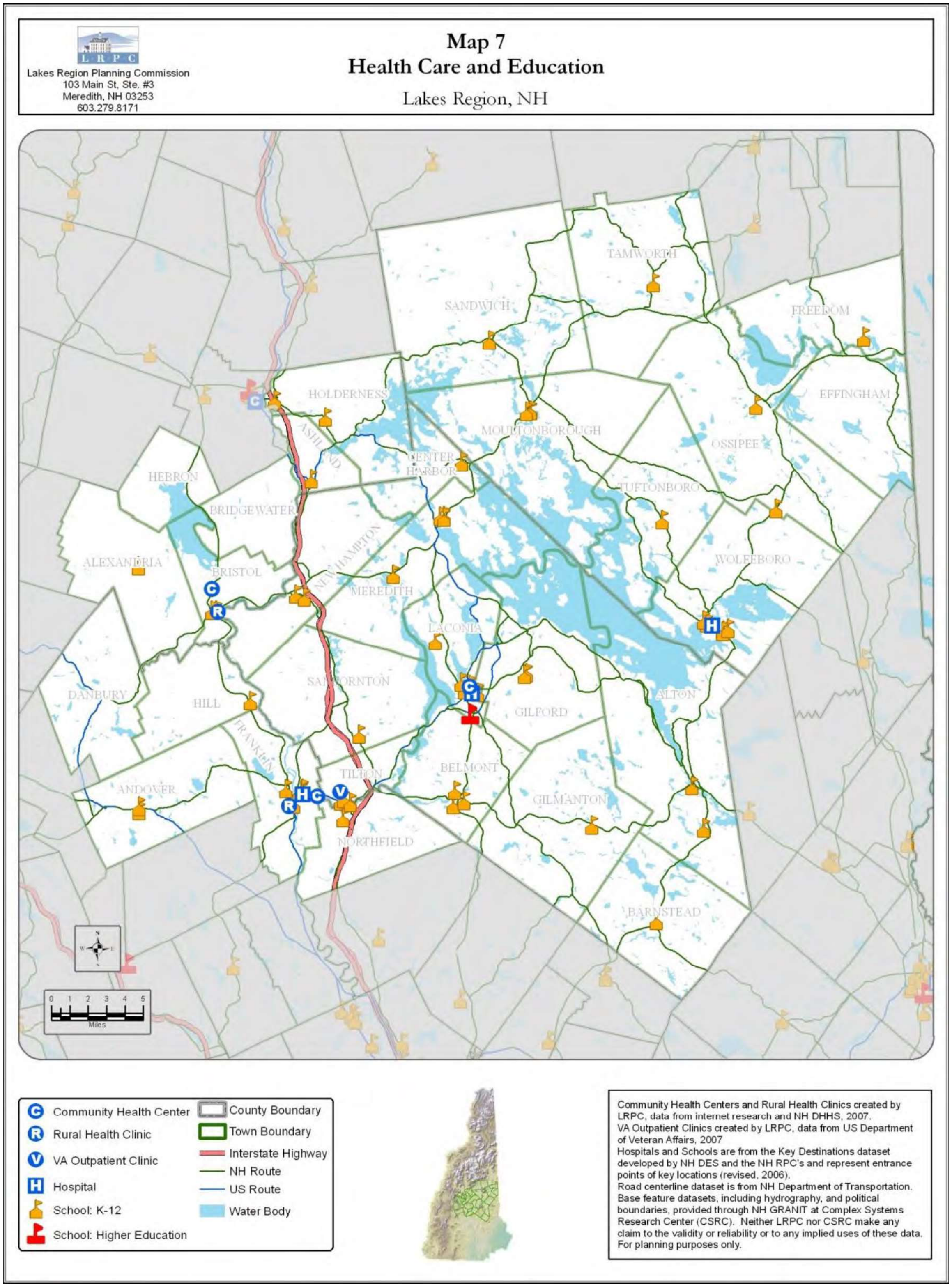
*****Category **-** identifies the size/type of CWS:

- Major CWS (>1500 population or surface water)
- Large CWS (>1000 population)
- Small CWS (<1000 population)

Source: NH Department of Environmental Services, 2012

Health Care Services

There are many health care facilities throughout the region (Map 7). Available health care services include specialty services such as physical therapists, pediatrics, and obstetrics, to hospitals and walk-in clinics. Several full-service hospitals are located in the region.


L R P C
Lakes Region Planning Commission
103 Main St, Ste. #3
Meredith, NH 03253
603.279.8171
Map 7
Health Care and Education
Lakes Region, NH
TAMWORTH
SANDWICH
FREEDOM
HOLDERNESS
EFFINGHAM
ASHLAND
MOULTONBOROUGH
OSSIPEE
CENTER HARBOR
HEBRON
TUFTONBORO
BRIDGEWATER
NEW HAMPTON
WOLFEBORO
ALEXANDRIA
BRISTOL
MEREDITH
LACONIA
SANBORNTON
ALTON
DANBURY
HILL
GILFORD
FRANKLIN
TILTON
BELMONT
ANDOVER
GILMANTON
NORTHFIELD
BARNSTEAD
0 1 2 3 4 5
Miles
Community Health Center
Rural Health Clinic
VA Outpatient Clinic
Hospital
School: K-12
School: Higher Education
County Boundary
Town Boundary
Interstate Highway
NH Route
US Route
Water Body
Community Health Centers and Rural Health Clinics created by LRPC, data from internet research and NH DHHS, 2007.
VA Outpatient Clinics created by LRPC, data from US Department of Veteran Affairs, 2007
Hospitals and Schools are from the Key Destinations dataset developed by NH DES and the NH RPC's and represent entrance points of key locations (revised, 2006).
Road centerline dataset is from NH Department of Transportation.
Base feature datasets, including hydrography, and political boundaries, provided through NH GRANIT at Complex Systems Research Center (CSRC). Neither LRPC nor CSRC make any claim to the validity or reliability or to any implied uses of these data. For planning purposes only.

LRGHealthcare — A charitable healthcare trust, which includes Lakes Region General Hospital and Franklin Regional Hospital.

Lakes Region General Hospital is located in Laconia and is a community and regional acute care facility. It has a licensed bed capacity of 137 beds and currently staffs 107 beds. In January 2000, the Hospital added the trade name LRGHealthcare to describe its growing continuum of services. This organization has grown into a full health care system for Lakes Region residents, offering a wide range of medical, surgical, psychiatric, diagnostic, and therapeutic services, wellness education, support groups, and other community outreach services. The hospital, which serves as a Level III Trauma Center, has 98 active staff physicians, 90 percent of whom are Board-certified.

Franklin Regional Hospital is a 25-bed critical access community hospital, serving 11 area towns with a population of approximately 32,000 people. The hospital provides a range of medical specialty areas including cardiology, audio laryngology, family practice, gynecology, internal medicine, neurology, obstetrics, ophthalmology, orthopedic, pediatrics, podiatry, pulmonary medicine, rheumatology, and urology. The hospital also offers a full range of rehabilitation services, education services, an occupational health program, and senior wellness and exercise classes at the Twin Rivers Intergenerational Program facility. It is also in the process of adding services in the areas of diabetes, heart failure, and wellness. In 2002, Lakes Region General Hospital and Franklin Regional Hospital merged under LRGHealthcare, a healthcare charitable trust.

Huggins Hospital is located in Wolfeboro. It is a non-profit, licensed, 55-bed community hospital with critical access designation. It provides primary and secondary medical services to 14 communities in and around the Lakes Region. Huggins' services include a 27-bed Skilled Nursing and Rehabilitative Care Unit, 15 assisted living suites, an adult day program, Back Bay Rehabilitation centers and 12 primary care and specialty medical practices in 12 locations. Several external sites provide physician diagnostic and outpatient services including restorative rehabilitation therapies.

Although located outside the Lakes Region, Speare Memorial Hospital in Plymouth, Dartmouth-Hitchcock Medical Center in Lebanon, and Concord Regional Hospital in Concord, New Hampshire, also provide comprehensive health care to many of the area's residents. Table 2.21 lists health care facilities.

There are a number of assisted living and long-term care residential facilities throughout the region, including a Veterans Home in Tilton. Many of the services offered in these facilities include residential, medical/dental and nursing care, physical/occupational therapy, recreation, dietetic and social services.

Table 2.21: Health Care Facilities in the Lakes Region

NAME	TOWN	TYPE
Mid-State Health Center	Bristol	Community Health Center
Health First Family Care Center	Franklin	Community Health Center
Health First Family Care Center	Laconia	Community Health Center
Mid-State Health Center	Plymouth	Community Health Center
Franklin Regional Hospital	Franklin	Hospital
Lakes Region General Hospital	Laconia	Hospital
Huggins Hospital	Wolfeboro	Hospital
Newfound Family Practice	Bristol	Rural Health Clinic
Westside Healthcare	Franklin	Rural Health Clinic
Tilton Outpatient Clinic	Tilton	Veteran Affairs

Source: Local health facilities, 2012

Higher Education Facilities

Quality education at all levels is a very important component for the economic prosperity of the region. Employers need educated persons to work at their facilities, which require a greater application of high technology. A common theme echoed received by many in the business community is that young workers entering the labor force at approximately 18 years lack basic English and math skills to perform well in the work environment. With the changing economic and technological work conditions, young people entering the workforce need not only basic educational skills and training but some level of college or advanced training. Access to quality education facilities is necessary to support the social, economic and cultural welfare of a community. For businesses trying to develop their workforce, access to a system of affordable and accessible higher education is crucial. A viable, diverse education system provides opportunities for children and adults alike by giving them the tools and a foundation for a productive, socially involved future. Without a well-educated workforce, New Hampshire and the Lakes Region will be unable to compete with other states for well-paying jobs. This has become a hot topic as "brain-drain" is of increasing concern among the business community. As young adults leave the state to seek education or opportunities elsewhere, they also leave a gap in the current workforce and potentially the future workforce since they take their children with them.

Lakes Region Community College in Laconia is the only higher learning facilities located within the Lakes Region; however, several facilities are close by. These include Plymouth State University in the neighboring town of Plymouth, and Dartmouth College in Hanover. Concord, 30 miles south of the region, is also home to the NH Technical Institute and the University of New Hampshire School of Law (formerly Franklin Pierce Law Center). The main campus of the University of New Hampshire is located in Durham, about an hour's drive southeast of the region. The Conway office of Granite State College, part of the UNH System, serves eastern New Hampshire.

Telecommunications --- Broadband

The distribution and quality of telecommunication services varies throughout the region. In order to better understand and plan for telecommunications service, a collaboration of multiple partners representing UNH, regional planning commissions, state agencies, and private, non-profit entities created the New Hampshire Broadband Mapping & Planning Program (NHBMPP). The NHBMPP is a comprehensive, multi-year effort that seeks to understand where broadband is currently available in New Hampshire, how it can be made more widely available in the future, and how to encourage increased levels of broadband adoption and usage. The Program, managed by the GRANIT System within the Earth Systems Research Center at the University of New Hampshire (UNH), includes two primary components: a mapping initiative, and a planning and technical assistance initiative.

In the mapping realm, GRANIT is collaborating with the nine regional planning commissions to map areas in the state where broadband service is currently available, as well as areas with no service and areas that are considered underserved. The mapping inventory relies on data collected semi-annually from the 70+ public and commercial entities, both landline and wireless (fixed and cellular) that provide broadband services in New Hampshire. Data is also being collected on broadband availability at individual community anchor institutions, including schools, libraries, medical/ healthcare locations, public safety offices, and state/county/municipal buildings. Finally, the mapping component includes a significant effort to develop the first public master address file for the state.

The results from the NHBMPP will be provided to the National Telecommunications Information Administration (NTIA) and the Federal Communications Commission (FCC) to assist in the development and maintenance of the national broadband availability map. The NHBMPP includes a significant effort to incorporate the information collected and the momentum generated by the mapping activities into a suite of planning and technical assistance services to benefit municipalities, businesses, institutions, and residents of New Hampshire. The planning activities focus on state broadband capacity building, on developing regional and statewide plans, and on providing technical assistance to various sectors in the state. For additional information and specific information relative to broadband service in a particular Lakes Region community, visit http://www.iwantbroadbandnh.org/ and check out the Town Profile maps.

Table 2.22: Internet cell providers in the Lakes Region

Internet and cell providers	**Satellite providers**	**Others**
AT&T	Wild Blue	Cyberpine Cooperative
Verizon Wireless	Hughes Communications	Lakes Region Wireless
FairPoint	StarBand Communications	Tamworth Wireless
T-Mobile		Wave Communications
US Cellular		Argent Communications
Sprint		Biddeford Internet
		Charter Communications
		Comcast

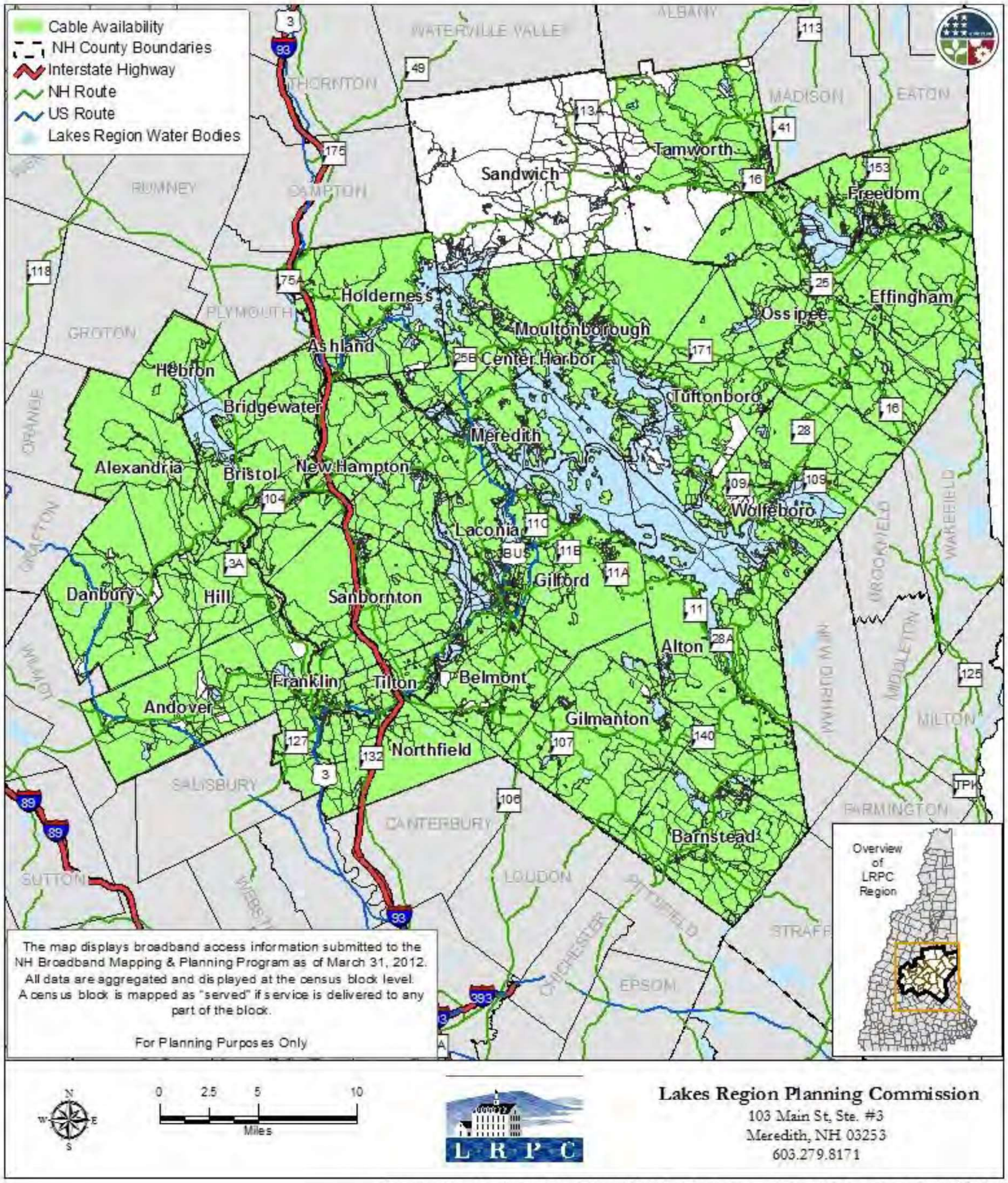
Source: NH Broadband Mapping & Planning Program; NH GRANIT

Fairpoint holds a NH PUC franchise to provide the state of New Hampshire telephone service, so the opportunity of dial-up internet service is available to most. High-speed internet, however, is dependent on the proximity of FairPoint's "hub stations" to the end-user. In most cases, a customer must be within a three-mile linear radius of the hub in order to have internet coverage.

Map 8 - 1

Broadband Availability in the Lakes Region, NH

Cable Technology



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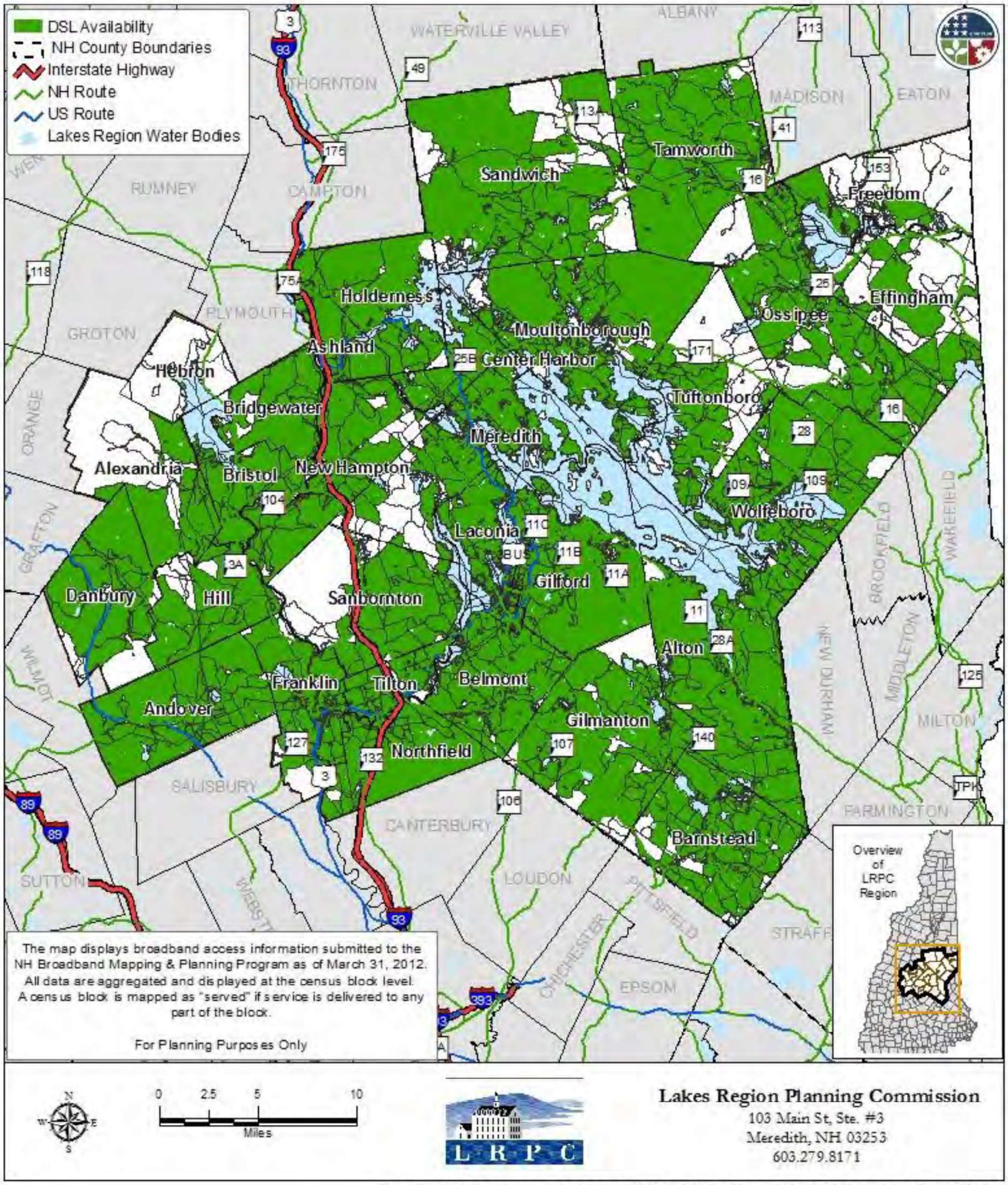
Map 8 - 2

Broadband Availability in the Lakes Region, NH

DSL Technology

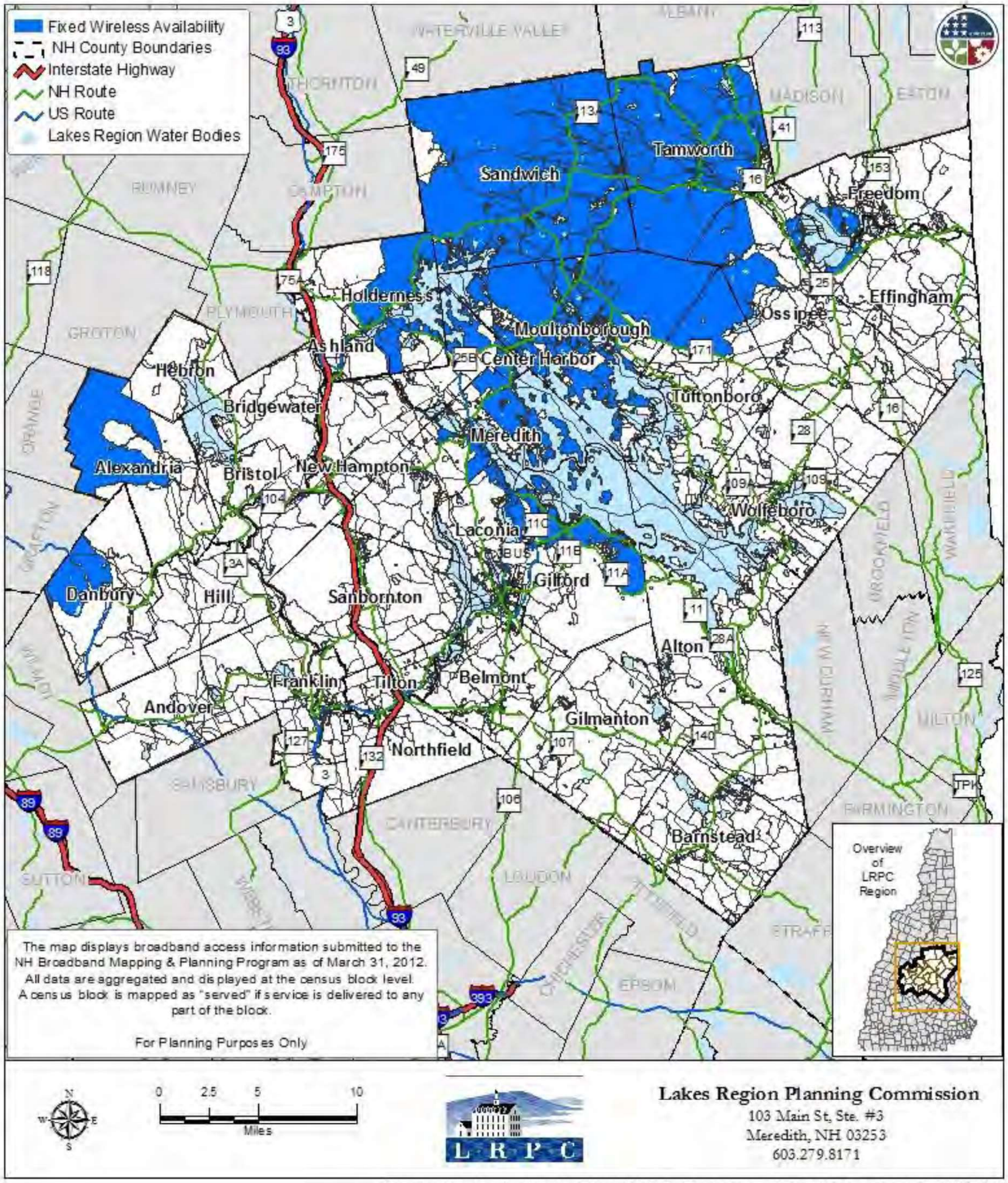


\\Broadband\BB_Availability\BB_Avail_March2012\LRPC_Region\BBavail_32012_LRPC_Region.mxd 7/27/12 MTT

Map 8 - 3

Broadband Availability in the Lakes Region, NH

Fixed Wireless Technology

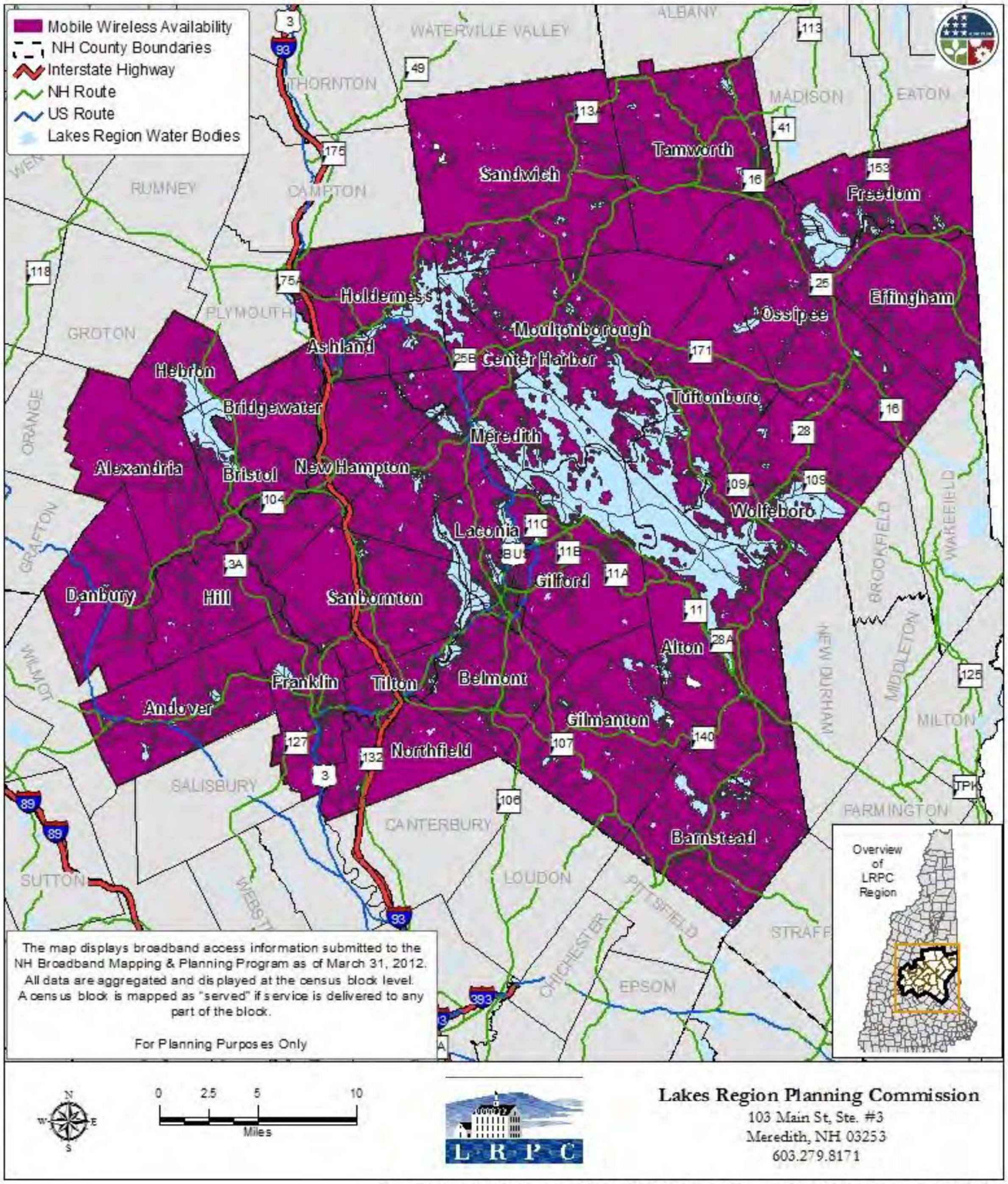


\\Broadband\BB_Availability\BB_Avail_March2012\LRPC_Region\BBavail_32012_LRPC_Region.mxd 7/27/12 MTT

Map 8 - 4

Broadband Availability in the Lakes Region, NH

Mobile Wireless Technology



\\Broadband\BB_Availability\BB_Avail_March2012\LRPC_Region\BBavail_32012_LRPC_Region.mxd 7/27/12 MTT

Transportation – highway, transit, air and rail

A balanced and well functioning transportation system is a key ingredient for successful regional planning and economic development.

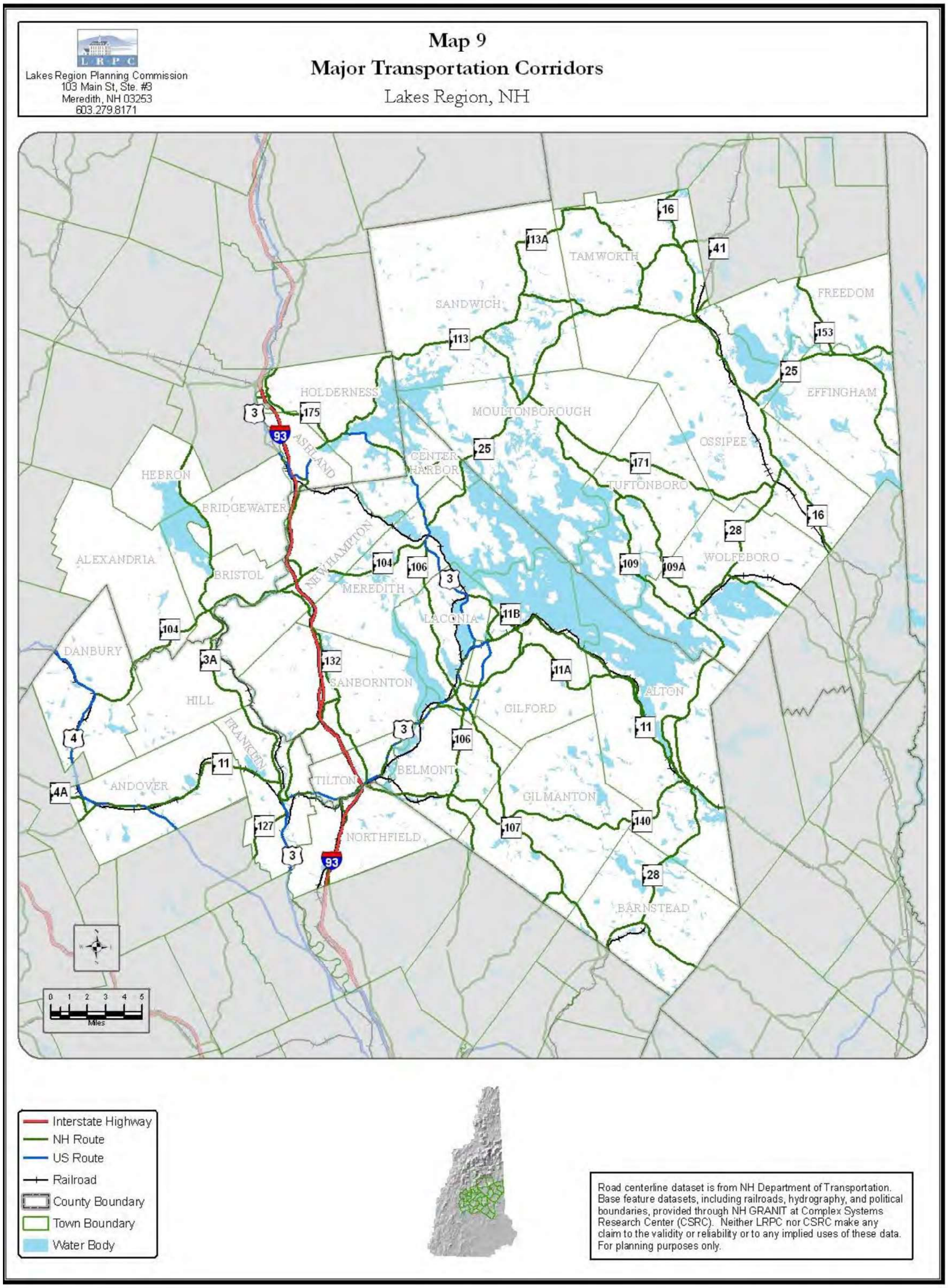
The regional transportation planning process in the Lakes Region is driven by community participation through the Lakes Region Transportation Technical Advisory Committee (TAC) and supported by LRPC and NHDOT staffing. Recommendations related to transportation planning are made by the TAC for consideration by the LRPC Commissioners, who approve the regional transportation policies. The TAC committee membership consists of representatives from LRPC area communities who act as a liaison to local City Councils and Boards of Selectmen.

There are several key elements to the regional transportation planning process in the Lakes Region. The first is the *2008 Lakes Region Transportation Plan*. The Plan outlines the overall transportation planning process and describes the goals and objectives that are the underpinnings of the Plan's strategies. The Lakes Region Transportation Mission Statement is as follows:

> "To provide an integrated, all-mode transportation system in the Lakes Region which offers efficient, effective and safe movement of people and goods, and provides mode choice wherever possible while enhancing and preserving the character and livability of the neighborhoods and the natural, socio/economic, and historical environments where transportation facilities are located."

Another important element in the planning process is the development of the regional transportation improvement program (TIP) every two years. The process to prepare the TIP usually begins with the LRPC soliciting project requests from local communities, followed by an evaluation process by the TAC where new and existing projects are prioritized. The prioritized projects are presented to the LRPC Commissioners for adoption. After LRPC approval, they are submitted to NHDOT for consideration in the statewide Ten Year Plan. Following a series of public hearings held by the Governors Advisory Commission on Intermodal Transportation (GACIT), and potential modifications of the Plan by GACIT and the Governor, the Ten Year Plan is submitted to the Legislature where it may be again amended before adoption.

Due to severe state and federal fiscal constraints, the NH Ten Year Plan is underfunded. The current 2011 TIP prepared by LRPC will be updated in 2013. NH DOT requested the LRPC and other regional planning commissions to reevaluate existing regional project priorities during the last TIP development process. Lakes Region transportation priorities can be found in Table 2.23. Map 9 shows the region's major transportation corridors.



Lakes Region Planning Commission
103 Main St, Ste. #3
Meredith, NH 03253
603.279.8171
Map 9
Major Transportation Corridors
Lakes Region, NH
TAMWORTH
FREEDOM
SANDWICH
HOLDERNESS
MOULTONBOROUGH
EFFINGHAM
OSSIPEE
ASHLAND
CENTER HARBOR
TUFTONBORO
HEBRON
BRIDGEWATER
ALEXANDRIA
BRISTOL
NEW HAMPTON
MEREDITH
WOLFEBORO
LACONIA
DANBURY
SANBORNTON
ALTON
HILL
GILFORD
FRANKLIN
BELMONT
ANDOVER
TILTON
GILMANTON
NORTHFIELD
BARNSTEAD
Miles
Interstate Highway
NH Route
US Route
Railroad
County Boundary
Town Boundary
Water Body
Road centerline dataset is from NH Department of Transportation. Base feature datasets, including railroads, hydrography, and political boundaries, provided through NH GRANIT at Complex Systems Research Center (CSRC). Neither LRPC nor CSRC make any claim to the validity or reliability or to any implied uses of these data. For planning purposes only.

Transportation funding discussions in the 2013 Legislative session have caused NHDOT to develop and disseminate information that demonstrates the potential impacts of discontinuing the motor vehicle registration tax and betterment funding changes. According to information presented by NHDOT the potential impact for the Lakes Region is approximately $12 million in additional highway cuts. Adequate funding for Lakes Region projects in the Ten Year Plan to address the scope of each project is the leading regional priority. Specific Ten Year Plan projects are:

Table 2.23: Lakes Region Transportation Priorities, 2011

ID #	Project	Location
14121	NH 28 from Alton Traffic Circle south 7.0 miles	Barnstead/Alton
2787	US 3/NH 11 Bypass north .4 miles	Belmont/Laconia
10430	NH 25 from Center Harbor T/L south 3.2 miles	Meredith
10431	NH 16/28 Intersection Improvements	Ossipee
13910	NH 16/25/41 Intersection Improvements	Ossipee
14749	NH 16 from Chocorua River north 3.22 miles	Ossipee

Source: NHDOT Ten Year Plan 2011-2020: June 2010

While the state transportation funding debate continues, additional projects have been identified by Lakes Region communities for consideration in the regional Transportation Improvement Plan. Secondary regional transportation priorities include projects previously removed from the TYP and new projects for consideration in the regional TIP in relationship to regional "lifeline corridors." The lifeline corridors are the primary east/west and north/south corridors serving the majority of the traffic flow through and within the region, many of which also provide vital connectivity to other regions. Secondary regional priorities, after existing TYP projects, are located on lifeline corridors serving upwards of 12,000 average annual daily traffic volumes with considerable influx of seasonal traffic.

Secondary Regional Priorities		
Rank	**Project**	**Location**
1	NH 28 from Alton T/L to Wolfeboro Falls	Wolfeboro
2	NH 104 from I-93 to Meredith Center Road	New Hampton/Meredith
3	Central Square Redesign	Bristol

Public Transit

The Tri-County Community Action Program (TCCAP) operates the Carroll County Transit (aka Blue Loon bus). The service area includes much of Carroll County with a flex route system that operates from Wolfeboro to West Ossipee, West Ossipee to North Conway, West Ossipee to Laconia. The dial-a-ride service operates in North Conway, Conway, Bartlett, Albany, Madison, Tamworth, Chocorua, Moultonborough, Sandwich, Freedom, Effingham, Ossipee, West Ossipee, Center Harbor, and Wolfeboro. Carroll County Transit is working to recruit a larger base of volunteers to meet the needs of residents in towns within Carroll County who lack access to service.

The flex route service began operations in January 2012. Information for the first six months of 2012 is below:

Route	**Number of trips provided**
West Ossipee to North Conway	1,313
West Ossipee to Wolfeboro	871
West Ossipee to Laconia	529

The Blue Moon bus desires to expand its current operating hours and to expand its flex route service.

General observations

The services being provided are new to Carroll County and require education and marketing. A sense of trust needs to be built between the riders and the service so that riders know it is a dependable means of transportation for medical appointments, shopping, employment and other activities.

Because of the relative newness of the service in most of Carroll County, representatives of local government and the county do not fully appreciate the need for transportation for their residents. Residents using the services recognize the value of an affordable community transportation service.

The majority of the ridership consists of the elderly, disabled and low-income persons. The Advisory Committee for this project is promoting to others who would not normally utilize public transportation by encouraging them to help protect the environment by reducing their carbon footprint. Adequate funding is a problem in Carroll County.

The potential for transit-oriented development will evolve as the creation of workforce housing, development opportunities and sustainable communities occurs.

Car-pooling and ride sharing are currently set up at the state level.

Winnipesaukee Transit System

Belknap-Merrimack Community Action Program (BM-CAP) manages the Winnipesaukee Transit System. At present, the Winnipesaukee Transit System (WTS) serves most of the city of Laconia and the US Route 3 corridor through Belmont, the shopping district in Gilford and the business districts of Tilton and Franklin. WTS coordinates with Carroll County Transit to provide connections for customers riding Carroll County Transit coming from the West Ossipee area. WTS honors transfers for customers from the Blue Loon bus on the WTS route by providing access for these customers to the central Lakes Region. The entire route consists of 11 bus stops with scheduled times and deviations off the route by up to a quarter mile to pick up and drop off passengers at other locations.

The current deviated demand-response route offers all riders flexibility. Customers can call to schedule a pick-up or drop-off within one-quarter of a mile of the designated route when it is safe to do so. Customers can call for a ride from any location to another location (their house, a business, a social services organization, etc.) as long as it is within a quarter mile of the travel corridor. Customers call the WTS ride line a day in advance and deviations are on a first-come, first-served basis as the route schedule permits. To date, WTS has not refused any deviated trip due to too many requests. WTS does not charge for deviations.

There is limited service provided by Concord Trailways with stops in Meredith and Tilton. Unfortunately, the stop times make it difficult to connect with WTS during regular hours of operation. Customers report that they need to travel to Concord for medical appointments, and to make connections to transit services for more southern destinations. The Lakes Region Chamber of Commerce has received several inquiries from tourists needing to travel from Logan Airport to local destinations. WTS will explore the possibility of providing a connector/feeder service for customers needing access to services in Concord.

WTS ridership for FY 2011 was 3,370 vehicle hours of service, 40,794 vehicle miles recorded serving 7,310 customer trips. Seniors consist of 27% of the ridership. Customers report that WTS is their only reliable, affordable, transportation option. Since WTS is ADA accessible, it is also one of the only transportation options available in the region for low-income passengers riders using mobility equipment like wheelchairs, scooters, or walkers.

WTS received funding support from the City of Laconia and the Town of Tilton along with private assistance from Franklin Savings Bank in Gilford to support the expansion of service back out to the Gilford shopping district.

Aeronautics

The state of New Hampshire has 12 airports that are eligible for Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funding. NHDOT provides a State match when federal funding is available. In the Lakes Region, the Laconia Municipal Airport, located in Gilford, is the only FAA / NH DOT eligible airport. The Laconia Municipal Airport is beginning the update of its Airport Master Plan.

There are another 12 airports in the state that are open to the public. Although they do not qualify for FAA funding, they do qualify for NHDOT funding based an 80 (state) 20 (local) split. Due to state budget reductions, there has been no funding for this activity for the past two bienniums. In the Lakes Region, there are three airports in this category: Alton Bay Seaplane Base (Ice Runway), Moultonborough Airport and the Newfound Valley Airport in Bristol.

More than 100 privately owned airports, heliports and seaplanes are available for private use in New Hampshire. They are not required to be registered with the State or with FAA. A website, maintained for FAA, is an excellent source of information: www.gcr1.com/5010web/ (enter "New Hampshire" and click Search). In the Lakes Region, the following "private" airports are registered with the FAA:

- Longview Heliport (Alton)
- Locke Lake Airport (Barnstead)
- Chickville Airport (Center Ossipee)
- Meader's Heliport (Center Ossipee)
- D.W. Heliport (Franklin)
- Franklin Regional Hospital Heliport (Franklin)
- Bossey's Seaplane Base (Meredith)
- Morrison Heliport (Meredith)
- Flying Ridge Heliport (Meredith)
- Smiling Jack Heliport (Meredith)
- Ward Field (Sanbornton)
- Gile Pond Airport (Sanbornton)
- Loons Nest Seaplane Base (Tuftonboro)
- Windsock Village Airport (West Ossipee)
- Winter Harbor Seaplane Base (Wolfeboro)
- Huggins Hospital Heliport (Wolfeboro)
- Mountain View Field (Wolfeboro)

Rail

The Lakes Region has limited rail service. At present there are three rail lines serving the region.

New England Central Railroad brings a limited amount of freight to the Laconia area.

New Hampshire Northcoast, owned by Boston Sand & Gravel, operates five days a week hauling aggregate material from Ossipee to Rochester for transfer to another railroad for downtown Boston. Aggregate material from the Ossipee pit was used for much of the construction of the I-93 "big dig" tunnel through downtown Boston.

The Plymouth and Lincoln Railroad (aka Hobo and Winnipesaukee Railroad) serves primarily as a tourist railroad during the summer season with limited service in the fall. It provides limited freight service.

The state of New Hampshire has debated the future of rail both for passenger and freight service and, at present, there is no clear policy direction as how to proceed. For further information rail, see the NH State Rail Plan, 2012 at: http://www.nh.gov/dot/org/aerorailtransit/railandtransit/documents/FinalStateRailPlan.pdf

Other investment

Federal agencies such as the USDA Rural Development, Department of Housing and Urban Development, and state organizations such as the NH Community Development Finance Authority and the NH Business Development Authority provide investments in the Lakes Region which stimulate economic growth.

III. Evaluation of the Regional Economy

Understanding and promoting economic growth in the Lakes Region is a fundamental principle of the Economic Development Chapter. For one year (July 2012 through July 2013), the Lakes Region Comprehensive Economic Development Strategy (CEDS) Committee worked on updating the region's vision for future growth along with regional goal and objectives. Similar to the rest of New Hampshire, the Lakes Region is experiencing a number of new trends that differ significantly from the more robust past. According to the NH Center for Public Policy, New Hampshire is faced with socioeconomic "headwinds" which include out-migration, an aging population, and decreased labor participation and productivity. These trends are projected to continue for the next several years.

2013 Trends

The CEDS document along with input from economic development professionals and involved citizens provided information and insight regarding emerging trends in the Lakes Region. The major regional economic and demographic trends include the aging of the population (aka "the Silver Tsunami"), out-migration, significant changes in the manufacturing sector, a decline in the number of persons in the 25 to 55 age group, and the overall slowdown in the creation of traditional employment opportunities.

In updating the CEDS goals, the CEDS Committee reviewed and discussed related social and economic trends in the region for guidance. The CEDS Committee noted the following key issue:

1. With a significant number of older persons retiring in the next several years, there is concern regarding the number of persons with the interest and skill set to fill jobs in manufacturing, health care and finance. Businesses may need assistance in finding new employees.
2. With the nature of work and a "job" changing, the workforce appears to have more self-employed persons, people with more than one job, and older persons remaining in the workforce beyond age 65, the traditional retirement age. Current data and information on these trends and information on the appropriate support structure for self-employed and freelancers will be helpful. Affordable health care is an issue for these people.
3. As the population continues to age, many Lakes Region communities lack the services and infrastructure necessary to accommodate these additional older and elderly people.
4. While the Lakes Region attracts tourists and retirees because of the region's natural amenities, the economy needs to be more multi-faceted. The CEDS Committee advocates that the region should also focus on the retention and attraction of high quality, better paying employment opportunities in the professional arena, service sector, manufacturing sector and others. This may require additional emphasis on attracting young professionals, professional service firms, and small entrepreneurial businesses.

5. The region needs to work together to help promote and encourage employment opportunities for the workforce while keeping our communities healthy and balanced.

Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

In 2007, the Lakes Region CEDS Committee completed the original regional analysis of the Lakes Region's Strengths, Weaknesses, Opportunities, and Threats (SWOT), which included two interactive meetings with a broad cross section of stakeholders. The CEDS Committee made the following observations:

Over-reliance on Tourism Industry: How can we diversify tourism to include higher wage jobs with low environmental impact? What level of tourism growth can realistically be achieved and be sustainable, both environmentally and economically? The Economic Development Chapter should include strategies aimed at strengthening the tourism industry in these ways, and we should consider whether or not we want to encourage additional growth of this industry.

Environmentally Friendly and Clean Energy Business: Why do we not already see more entrepreneurial activity around environmental and clean energy ideas? It seems that the environment is an issue that brings people together and is a key part of our identity. Addressing the high cost of utilities by promoting alternative energy and energy conservation for homes and buildings could be a business opportunity.

Agriculture and Forestry: Another important part of maintaining our region's natural beauty, which is an important strength, is to make sure the "working landscape" (agriculture and forestry) is sustained. Better direct marketing to consumers through farmers' markets could support growing niche agriculture. Local wood processing could support forestry and keep our timber here.

Affordable Housing: The "real question" is how to make the provision of affordable housing realistic in the marketplace — how to provide incentives to property owners and developers to create affordable housing.

Workforce Development: With current information on the needs of the labor force in terms of training and education, the region could better target its efforts. How can we use partnerships to address workforce issues?

Building on Retiree Expertise: The expertise of the growing retiree population could be a significant resource for entrepreneurs and growing companies. How can we harness the expertise, energy, and civic-mindedness of this growing segment of our population?

Structures for Implementation: An important question is how do we define the intermediate steps to achieve goals identified through this process? What impediments stand in the way of achieving the goals we set? Which organizations or entities in the region should be responsible for implementing the various aspects of the Economic Development Chapter? Implementation will involve partners.

In 2013, the Lakes Region Planning Commission decided to engage a larger pool of stakeholders using an online survey that was developed based on the 2009 SWOT results. Survey participants included the CEDS Committee, representatives of local governments and the business community, town and city planners, and the LRPC Commissioners.

Survey respondents reviewed and rated the priorities from the 2007 SWOT and provided comments. The priorities for each Strength, Opportunity, Weakness and Threat in the 2013 SWOT survey update are listed below in rank order. The online survey generated the ranking based on the number of positive responses to a particular question.

Strengths:

2013 Priority	2007 Priority
1. Natural beauty lakes and mountains	1.
2. Excellent location to raise a family or retire	5.
3. Strong tourism industry	6.
4. Internet access	4.
5. LRCC partnerships for business-specific training	2.
6. Local and Regional Eco Dev Councils support for business growth	3.
7. Manufacturing high-end specialty products	7.
8. Excellent location to Boston	8.

Weaknesses

2013 Priority	2007 Priority
1. Over-reliance on tourism, retail trade	1.
2. Lack of state support for quality education; dependence on local real estate taxes	4.
3. Lack of professional opportunities for young adults	6.
4. Lack of highly skilled workers, shrinking workforce	3.
5. Lack of affordable housing; no support	2.
6. Lack of workforce and capital for growing companies	8.
7. Growing wealth disparity; poverty	7.
8. Poor growth management at the local level	5.

Opportunities:

2013 Priority	2007 Priority
1. Telecommuting makes the Lakes Region a viable location	2.
2. Use significant expertise of retired executives	1.
3. Growing retiree population creates demand for health care	3.
4. Old mill buildings for creative spaces	4.
5. Return of locally born talent; now successful Lakes Region residents	5.
6. Capture Boston brain trust and seed capital	6.
7. Retirees to fill needs of seasonal employers	7.
8. Granite Media Center – foster growth of media industry	8.

Threats:

2013 Priority	2007 Priority
1. Continued increase in health care cost	3.
2. Continued reduction in manufacturing jobs	6.
3. Rise in the cost of housing due to 2nd homes & retirees	2.
4. Decline in seniors' incomes lead to poverty	1.
5. Weather patterns that affect tourism	8.
6. Changes in travel market could erode LR tourism economy	4.
7. Int'l ownership of corporations affects location decisions	7.
8. New business activity could threaten tourism and region's identity	5.

The following are brief observations of changes from 2007 to 2013.

Strengths: The natural beauty of the lakes and mountains retained its status as the number one regional strength, followed by an excellent place to either raise a family or retire; the latter was up several positions from 2007.

Weaknesses: While "Over-reliance on tourism and retail trade" retained its number one ranking, the lack of state support for education, with over reliance on local real estate taxes moved to second from fourth place.

Opportunities: The results are nearly identical to the 2007 ranking. Telecommuting and use of retiree executive experience flipped in ranking as the 1st and 2nd regional opportunities in 2013.

Threats: In 2013, continued increase in the cost of health care is seen as the top threat, followed by a decrease in the number of manufacturing jobs, which was perceived as a lessor issue six years ago.

The LRPC determined that the online survey provided ample opportunity for additional comments, and having analyzed the 2013 comments, the following new themes emerged for inclusion in the 2013 CEDS:

- Agriculture and farming;
- Arts and the creative economy;
- Entrepreneur support system in the region.

IV. Regional Goals and Objectives

Lakes Region Economic Development Vision Statement

The LRPC, working through its CEDS Committee, completed a review of the following Vision Statement, and determined it reflected a meaningful social and organizational future.

> Recognizing the critical importance of maintaining and nurturing our natural environment and diverse cultural heritage, the Lakes Region Community will strive to improve the quality of life of its cities and towns through the increased capacity and prosperity of its businesses, civic, social, and education institutions, and its citizens. All our efforts will be characterized by respect, communication, cooperation and integration with others and will exhibit stewardship toward our magnificent natural resources.

Economic Development Goals

The fundamental regional economic development goal is to:

> *Create suitable well paying jobs, consistent with the stewardship of the region's natural resources.*

In 2013, the CEDS Committee reviewed the 2009 goals and objectives and concluded that the goals of Building Employees, New Economy, Social Capital and Cultural Heritage, and Sustainability remain relevant. The Committee also added three new goals to foster Entrepreneurship, the Creative Economy, and Quality of Place.

In order to accomplish its goals and objectives, LRPC recognizes the critical importance of working closely with established economic development partners. The primary local partners are the regional economic development councils, local economic development committees, and the Lakes Region Community College. At the state level, support is available from the NH Department of Resources and Economic Development, and the Community Development Finance Authority.

In the next phase, the LRPC CEDS Committee will focus on implementation with assistance of representatives from the partner organizations to review and monitor the progress.

Workforce Development

Goal: Improve the preparation of the workforce by ensuring extensive coordination between educational and training organizations and the needs of business and industry.

Specific objectives include: To provide students with the necessary skills to fill positions in manufacturing resulting from attrition, retirement, and other causes; to enable displaced workers to qualify for jobs requiring high school diploma or GED as minimum educational requirements; and to inform students and the general public on the current nature and requirements of modern computer-assisted manufacturing processes.

To accomplish these goals, the CEDS Committee will collaborate with its regional partners to: encourage or host manufacturing roundtables, identify and advocate training opportunities, and sponsor Job Fairs.

New Economy

The term New Economy refers to an economy based on internet communications, social media and advanced technology.

<u>Goal:</u> To define where digitization, the internet, social media, and other future-oriented communications modes will take the regional economy so that the region can better take advantage of these new opportunities; to improve the region's technology infrastructure, specifically related to increases in bandwidth, reliability, redundancy, predictability, and access.

Specific objectives include: To increase bandwidth for the business community; to identify deficiencies and suggest improvements to the existing regional internet service; to work to improve reliability and redundancy.

To accomplish the objectives, the CEDS Committee will encourage the expansion of broadband in the region consistent with the forthcoming Regional Broadband Plan.

Social Capital and Cultural Heritage

Social capital refers to intangible aspects such as education, healthcare, a sense of community, and a general well being aspect of the community. Cultural heritage is the legacy of physical artifacts and intangible attributes of a society that are inherited from past generations, maintained in the present, and bestowed for the benefit of future generations

<u>Goal:</u> To strengthen social networks and build engaged communities through planning and the creation of opportunities for economic growth.

Specific objectives include: To promote civic engagement throughout the Lakes Region by developing a working list of civic engagement-promoting events; to develop a plan for advocacy for community engagement, and a community outreach strategy; to design an advanced and highly active website for volunteerism; to identify opportunities for expression around multiple issues affecting the common good in the region.

In July 2012, the Lakes Region Planning Commission established the Regional Leadership Team as a mechanism to reach out to minority, disadvantaged, and underrepresented persons as part of the Lakes Region Plan process.

Sustainability — Energy and the Natural Environment

In the context of the Economic Development Chapter, sustainability refers to a planned process of strategic activities and steps designed to increase local employment opportunities and community prosperity, while maintaining and improving the area's infrastructure, and natural resource base for future generations. Renewable energy development also needs to be balanced by responsible stewardship of the region's natural resources.

Goal: The built environment of the Lakes Region should be maintained and enhanced in an environmentally sustainable manner. To assist the Lakes Region in adjusting to the need for lower-cost and renewable fuels, while considering the impacts of these potential developments on the natural environment. Effectively protect or enhance natural resources through conservation efforts.

Specific objectives include: To promote energy conservation in partnership with the Lakes Region Community College; to maintain and improve the air quality of the region; to protect or enhance natural resources through conservation efforts.

LRPC will work with the Regional Development Corporations and the Lakes Region Community College to promote the concept of sustainability, especially as it relates to energy and natural resources.

Entrepreneurship

Entrepreneurship is the act and art of the creation of new business enterprises that oftentimes involves innovations and brings together new activities, approaches, finance, and business acumen. The intent is to transform the new business activity or enterprise into economic goods or services. This may result in a new organization or may be part of revitalizing mature organizations in response to a perceived opportunity

Goal: Expand entrepreneurship in the region by supporting entrepreneurs of all types, especially farmer entrepreneurs and artist entrepreneurs.

Specific objectives include: To identify and promote resources such as micro-lending, business counseling, training and other related activities that foster an entrepreneurial spirit in the region; to provide entrepreneurs with the knowledge, tools, resources, and financing necessary to ensure they are successful; to encourage "buy local" themes targeted to local residents, businesses and visitors; to identify impediments to entrepreneurship; to encourage cities and towns to assist entrepreneurs through a procedure of timely regulatory reviews and through consideration of a Tax Increment Financing (TIF) district and Economic Revitalization Zones (ERZ) when appropriate; to explore the creation of a Lakes Region Economic Development District.

LRPC will work with the regional development councils to promote and encourage entrepreneurship.

Creative Economy

The creative economy includes individuals working in activities, including but not limited to, advertising, architecture, art, crafts, design, fashion, film, music, performing arts, publishing, research and development, software development, toys, games, TV and radio, etc.

Goal: Support development of catalyst projects that can spur the creative economy such as public art, programming and other projects that enhance the visibility of the creative sector.

Specific objectives include: To promote activities that encourage local art festivals, fairs, and celebrations that can lead to new economic activity; to inform local governments, the business community and non-profit organizations on the benefits of the creative economy; to provide members of the creative sector with the knowledge, tools, resources and financing necessary to ensure their success; to develop projects that will encourage the creative sector to collaborate and work together to increase opportunities and visibility.

LRPC will work with the regional development councils to promote and encourage the expansion of a creative economy.

Improve Quality of Place

Quality of place refers to those characteristics that make a place or community special or unique, as well as to those that foster a sense of authentic human attachment and belonging. The characteristics could include scenic features of the landscape, such as mountains, lakes, rivers, and streams, a vibrant downtown or village area, an area with open space and a trail network, outdoor recreation opportunities.

Goal: Support projects that make the Lakes Region a more attractive, inviting, and affordable place for young people to live, work and play.

Specific objectives include: To encourage planning boards to prepare and or update the cultural and historic resources chapter of a local master plan so that the community can identify and preserve unique areas and places that add value to the community; to work with and support the regional development councils in their efforts to increase employment opportunities that provide young people with livable wages and benefits.

LRPC will also encourage local governments and the private sector to recognize that recreational trails, the preservation of unique buildings, forest lands, agricultural lands and other areas are important to maintaining the region's quality of place, sense of community, and identity.

V. Plan of Action — Strategies and Projects

The Economic Development Chapter uses the information and research compiled from past extensive strategic planning efforts by the CEDS Committee in 2008-2009, the update of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis, and the updated Industry Cluster Analysis. Collectively, these documents and planning efforts contributed to the 2013 Lakes Region economic development goals. The purpose of the Plan of Action is to identify and develop strategies, policies and projects that contribute to the implementation of the Lakes Region's economic development goals. The fundamental intent of this effort is to improve the quality of job opportunities in the region and to increase the local real estate value of individual communities.

The following summarizes the process that the LRPC followed to develop the Action Plan, and concludes with a list of potential economic development and community development projects. These projects are intended to reflect, and be consistent with the overall vision and the updated economic development goals and objectives, formulated during the course of numerous public meetings over the past year.

The Project Development Process

A part of the preparation of the 2013 Lakes Region Comprehensive Economic Development Strategy (CEDS), the LRPC staff contacted the 30 municipalities in the region and solicited potential economic and community development projects consistent with the CEDS Goals & Objectives. In addition, the LRPC conducted two project solicitation workshops in February 2013, one in Laconia and the second in Center Ossipee. Furthermore, the staff re-contacted several communities to encourage the submission of a viable project for the CEDS.

The purpose of the above effort was to publicize the economic development process and generate applications for projects considered to have an economic development potential regardless of EDA funding eligibility. An emphasis was made to encourage the submission of projects that are eligible for EDA funding. Submittals included primarily local projects ranging from the future installation of a sewer line along NH Route 140 in Northfield, extension of municipal water in Tilton, redevelopment activities in Laconia, a comprehensive redevelopment program in Franklin, the "Missing Link Pedestrian Bridge" project (part of the Winnipesaukee River Trail) in Tilton, and the revitalization of the Ossipee Grange into a sustainable building.

Project Summaries

The project descriptions prepared and submitted by the project proponents are found below. The project submittal forms that include project cost estimates and more detailed explanations of how each project relates to the EDA and Economic Development Chapter evaluation criteria.

NH Route 140 Sewer Improvements

The town of Northfield proposes construction of approximately 3,600 linear feet of gravity sewer line along NH Route 140, a sewage pumping station located at the northern terminus of the gravity line, and approximately 1,700 linear feet of sewer force main from the pumping station across the Winnipesaukee River to an existing interceptor sewer in Tilton operated by the Winnipesaukee River Basin Project. The project will serve 34 properties containing approximately 332 acres zoned for development. Properties are located either directly on NH Route 140 or on industrial/commercial subdivisions adjacent to the highway. The project will serve two existing industrial/commercial parks in addition to properties adjacent to these parks. The total project cost is estimated to be $950,000.

Business Park Drive Municipal Water Extension

The town of Tilton proposes to extend municipal water to the Nickerson Business Park, LLC. Nickerson Business Park, LLC has proceeded with engineering plans to bring water into the park. Business Park Drive is town owned and maintained with municipal sewer to each lot. At present, there are three businesses in the park — PSNH, Spinnaker, and SeaLite LLC — each using a private well. In order to make it economically feasible for any further development to occur in this park, the park needs municipal water for fire suppression purposes.

The three improved lots have a combined assessed value of $4,718,200 with 67,000 square feet of manufacturing buildings and 33,000 square feet of warehouse/office space. The three companies employ well over 200 people. The Business Park has a very desirable location (Exit 20 of I-93 and NH Routes 3 and 11), which serves as the gateway into the Lakes Region. The potential exists to build out an additional 12 lots in the park. I n addition, there are two undeveloped commercial/industrial zoned tracts (89 acres and 32 acres) abutting Business Park Drive. The extension of municipal water to this park would entice future manufacturing, warehouse and office buildings. The estimated project cost is $1,300,000 to extend the municipal water distribution system along Business Park Drive.

Comprehensive Redevelopment Project for the City of Franklin

The city of Franklin proposes a broad comprehensive program to accelerate the city's economic development and redevelopment efforts for the core downtown business zone. According to the U.S. Bureau of Census, this zone experiences economic distress as evidenced by high unemployment and low per capita income. The redevelopment efforts will provide relief and assistance that help to reduce and/or minimize this distress. The projects include economic revitalization, new job and housing opportunities, local recreational opportunities with a business component, and planning in the context of smart growth initiatives. The intent is to advance the economic development process.

From mid 2013 to early 2014, the city will work on a detailed business development plan. Due to the early planning of this comprehensive project, the city has not prepared cost estimates but expects to develop cost estimates as specific work components are identified.

The "Missing Link Pedestrian Bridge"

The Winnipesaukee River Trail Association, Inc. (WRTA) proposes the "Missing Link Pedestrian Bridge" project. The WRTA is a unique coalition of volunteers representing local business, environmental, and health care organizations whose goal is to develop and maintain a multi-use trail along the Winnipesaukee River. By preserving and increasing access to the Winnipesaukee River and its natural surroundings, the trail connects the communities of Franklin, Northfield and Tilton, promotes economic development, and provides opportunities for recreation and alternative transportation designed to improve the physical health of community residents. The WRTA is in the process of constructing Phase II-A the "Missing Link Bridge" to bridge the gap in the Winnipesaukee River Trail. Completion of the bridge will link the downtown centers of Tilton, Northfield and Franklin, and the trail will eventually join the WOW trail in Laconia, and the Northern Rail Trail which runs from Lebanon through Franklin to Concord. The total project cost is approximately $1,625,000 of which $1,035,000 is committed with a gap of approximately $590,000. Note that the recreational trail network is making an important economic contribution to the Laconia-Tilton-Franklin area.

Laconia Redevelopment Projects

The city of Laconia submitted the following projects, several of which are in the planning stages.

- Downtown Riverwalk: The city is in the process of completing a riverwalk along the Winnipesaukee River with the intent of it being an economic generator for the downtown. Phase I and II are complete. The total project cost is approximately $500,000.
- Winnipesaukee Pier: This historic property is in need of redevelopment as a commercial recreation facility. The approximate total project cost is $3,800,000.
- Surf Coaster property: Redevelopment and renovation of the old water park into a hotel and major function facility. The total project cost is approximately $4,000,000.
- Garden Theatre: Redevelopment of the property with a mix of commercial and residential uses. The total project cost is approximately $2,000,000.
- Burial of utility wires in Weirs: Many of the tourists who visit the Weirs are attracted to the natural beauty and scenic views of Lake Winnipesaukee and the mountains. Since overhead utility wires detract from the overall attractiveness of the area, burial of these wires would add value and increase the potential for increased tourist activity. The approximate total project cost is $2,000,000.

Bridging Sustainability: A project to revitalize the former Ossipee Mt. Grange Hall

This project will reestablish the former Ossipee Mt. Grange Hall, located at #3 Pork Hill Road in Water Village, Ossipee, NH, as a center of economic, social, and civic activity. Each of the three floors of the building will host distinct ventures that together build local resiliency and improve quality of life. The first floor will serve as a local farmer and artisan "cottage industry cooperative." The second floor will be an assembly hall for arts, education, and civic engagement. And the third floor will serve as an entrepreneurial "green job" incubator and affordable shared office space where people can learn about triple bottom line business planning while sharing the expenses of computers, printers, software, high-speed internet, and office supplies.

The operational three floors will bridge New England's heritage of self-reliance with emerging innovations and best practices in sustainable community development. The project is based on the idea that designating local spaces for people to gather and meet their social and economic needs will move us toward a more sustainable society. Grange Halls filled this niche in the late 1800s, specifically for the agricultural population. Though the Grange is much less active today, their buildings are still standing and the resurgence of a "local food" movement and entrepreneurial artisans presents great opportunity to reclaim these historic buildings as hubs for community building and local economic revitalization. Estimated cost is $500,000. The project is in the planning stage.

Combined Heat and Power: The North Country Resource Conservation and Development Project proposes small scale combined heat and power facilities that utilize renewable fuels as a strategy to fill vacant space in existing business and industrial parks by providing heat and/or power to tenants of the parks. The availability of this energy may make the difference in a business deciding to locate in the Lakes Region. Creating this energy will help reduce the region's dependency on fossil fuels and reduce CO_2 emissions. This project includes a survey of existing and proposed business and industrial parks in the Lakes Region and proposes a preliminary feasibility assessment around the creation of a combined heat and power facility to service one business or industrial park. The estimated cost: Phase 1 - Inventory: $5,000 and Phase 2 Feasibility: $40,000

Wood Pellet Feasibility Study: Belknap County proposes a Wood Pellet/Wood Chip Feasibility Study to explore the potential for using a wood pellet or wood chip boiler to provide heat and hot water for the new County House of Corrections and the County Complex including the County Nursing Home. The study will explore the cost and availability of wood pellets and compare that cost with the cost of the existing natural gas system. In addition to investigating the economic feasibility of this heating system, the study will explore the economic impact on the county and region. The estimated cost is approximately $75,000.

Improvements to Water Delivery and Emergency Response Capabilities: The North Country Resource Conservation and Development (NCRC&D) Project proposes the NH Rural Fire Protection Initiative (NHRFPI) to provide technical and planning assistance to rural communities in the Lakes Region to improve their water delivery capacity and emergency response capabilities. As of 2012, over seventy New Hampshire communities have worked with the NHRFPI to improve their ability to fight wild-land and structural fires in rural sections not served by pressurized water systems. This has created a workload of over 1,000 non-pressurized hydrant or cistern type facilities to be installed. Rural New Hampshire communities need continued technical assistance for the design and installation of these facilities. Technical assistance will also help new communities identify, evaluate, and/or develop water delivery sites. Planning assistance will include a review of a community's current mitigation strategies and activities, and an assessment of their emergency response capability, fire fighting capacity, water supply resources, community development patterns, and identification of areas at risk. The review and assessment will be summarized in a Water Delivery and Emergency Response Plan. The estimated cost is $81,455 of which $40,000 is needed to initiate the plan.

Project Evaluation

A project scoring process was devised to quantify how each project met the EDA requirements and the 2013 Lakes Region economic development goals, as included in the project submittal form. The 2013 scoring process generally follows the prior process. Projects were initially reviewed to determine if they addressed the key subject areas of the CEDS, and then were given points if they addressed the individual scoring categories. Timelines or the readiness of the project was also assessed and is an important factor in the overall scoring.

Project Priority List

The following priority list stratifies the projects submitted to the CEDS Strategy Committee into two categories, (1) Implementation and (2) Planning/Organizational. The implementation projects are those that are ready or near ready for construction. Planning and organizational projects are still in the planning phase; supporters may elect to support them as development or construction activities in the future.

All submitted projects were evaluated and included in the overall priority list.

Projects Ranked in the 2013 Lakes Region CEDS

The stratified priority list of projects:

Implementation

- Downtown Riverwalk, Laconia
- Missing Link Pedestrian Bridge, Tilton
- NH Rt 140 sewer extension, Northfield
- Comprehensive redevelopment project, Franklin
- Nickerson Business park, water extension, Tilton
- Garden Theatre, Laconia
- Ossipee Mt. Grange Hall, Ossipee
- Winnipesauke Pier, Laconia
- Burial of utility wires in the Weirs, Laconia

Planning/Organizational

1. Wood Pellet Feasibility Study, Belknap County
2. Combined Heat and Power

VI. Implementation Plan and Performance Measures

This section addresses two important components: implementation and performance measures. The Lakes Region Planning Commission and its economic development partners will focus on the implementation of the economic development goals and identified projects. The Economic Development Chapter uses the EDA criteria as a tool to measure the success in implementation of the economic development goals. They include:

- Number of jobs created and retained as a result of the CEDS implementation effort;
- Number and type of investments undertaken in the region;
- Amount of private sector investment; and
- Changes in the economic environment of the Lakes Region.

An annual review of the region's economic environment using measures such as changes in employment and private sector investment is an effective way to monitor changes. Much of the current baseline socioeconomic data to start this comparison has been completed, and is found in Chapter II. The CEDS Committee will review these data as new information becomes available. It is important to note that monitoring the effectiveness of the economic development strategies and action steps is an ongoing process and will be refined over time.

The top economic development projects for the 2013 are:

- Downtown Riverwalk in Laconia;
- "Missing Link" Pedestrian Bridge, Tilton;
- NH Route 140 sewer extension in Northfield;
- Comprehensive redevelopment project, Franklin: and
- Nickerson Business Park water extension, Tilton.

The LRPC staff, in cooperation with the respective regional development corporation, will contact representatives from the above municipalities for the purpose of developing the specific project.

Qualitative Performance Measures

Each 2013 CEDS project is found in the Project Implementation and Performance Measures logic model worksheet following this page. The CEDS Committee, LRPC, and the Regional development Councils/Corporations will use the worksheets to monitor progress and performance.

Local Economic Development efforts

Most economic development activity occurs at the local level with regional and state partners often willing and available to provide technical assistance, information, and access to financing. In order for towns and cities to be effective in the economic development arena, there needs to be a level of local engagement in the process.

The following are potential work activities in which a local economic development entity can engage.

- Organize a local economic development committee;
- Provide leadership in the community for an appropriate level of growth based on local planning;
- Establish a business visitation program;
- Assist existing employers with retention and expansion issues;
- Cultivate new, entrepreneurial ideas and people;
- Identify business sectors and companies appropriate for the community;
- Consider branding the community by differentiating it from the competition;
- Be familiar with development financing alternatives such as grants, loans, credit enhancements, equity and when and where such financing may be needed;
- Real estate development — identify available land, buildings, and brownfield sites;
- Workforce development — encourage the retention and development of the existing labor force, and the building of the "smart skills" needed for tomorrow;
- Be knowledgeable of the industry clusters that drive the local economy, and what assistance/services they may need;
- Be knowledgeable of broadband and wireless tools, technology transfer from R&D facilities, creative economy opportunities, among others.
- Technology, innovation and productivity produce competitiveness and profitability; and
- Seek assistance from regional and state economic development organizations.

The regional economic development councils and corporations and the regional planning commission, listed below, can assist local governments and local economic development committees with the implementation of the 2013 CEDS. Assistance may also be available from state agencies such as DRED and CDFA.

Belknap Economic Development Council, 383 South Main Street, Laconia, NH 03246, 603-524-3057 info@belknapedc.org

Grafton County Economic Development Council PO Box 178, Plymouth, New Hampshire 03264, 603-536-011 or toll free at 1.888.535.0002 info@gcedc.org

Wentworth Economic Development Corporation PO Box 641, 7 Center Street, Wolfeboro, NH 03894, 603-569-4216 info@wedco-nh.org

Mt. Washington Valley Economic Council 53 Technology Lane, Suite 100, Conway, NH 03818, 603-447-6622 info@mwvec.com

Capital Regional Development Council, P.O. Box 664, Concord, NH 03302, 603-228-1872 sheavener@crdc-nh.com

APPENDICES

Appendix A – The Economic Outlook for the Lakes Region and actions being taken…

Appendix B – Belknap EDC: Promoting Economic Vitality in the Lakes Region

Appendix C – Economic Impact of Promoting Advanced Manufacturing Employment and Entrepreneurship in the Lakes Region, New Hampshire

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APPENDIX A

The Economic Outlook for the Lakes Region and actions being taken …

Shift away from good-producing industry employment

- From 2005 to 2012, total covered employment in the Lakes Region dropped by 2,600 jobs. Nearly all of the jobs lost were attributable to a decline in goods-producing industries. As a share of total private employment, goods-producing industries dropped from 25.4 percent in 2005 to 19.7 percent in 2012.
- The two main sectors in the goods-producing domain are *Manufacturing* and *Construction*. Between 2005 and 2012, employment in both of these sectors has dropped by more than a quarter of their original base.
- Still, in 2012 *Manufacturing* accounted for 13.3 percent of total private employment in the region and accounted for 17.8 percent of wages earned in private industries.
- Population growth in the Lakes Region was on average more than 1 percent annually from 1960 to 2004. The region's population more than doubled between 1960 and 2000. This strong population growth trend slowed down after 2004 and the Lakes Region has experienced a slight decline in population from 2008 to 2013. This current *no population growth* trend has diminished the demand for additional housing. Building permits for the Lakes Region peaked in 2002 at 1,205, but remained above 1,150 from 2003 to 2005. Since then building permits plummeted and by 2009, there were only 207 building permits issued.
- The value of real estate at the Lakes Region's waterfront will always be relatively higher than the regional average. Ongoing upkeep and maintenance of these homes will continue to create employment opportunities in *Construction*.

Seasonal employment stronger component of the regional economy

- Due to the decline on the goods-producing industries, the region has become more dependent on service-providing jobs. These types of jobs are often seasonal jobs related to tourism. From 2005 to 2012, covered employment in *Leisure and hospitality* barely grew and covered employment in *Retail trade* declined by nine percent. As employment in these two sectors grew slightly or declined less than employment in *Constructio*n and *Manufacturing*, the tourism dependent sectors carry more weight in the local economy today. In 2012, one in five jobs in the Lakes Region was in *Retail trade* and close to one in five jobs was in *Leisure and hospitality*.
- Employment related to seasonal tourism in the region is elevated from late May to mid October, as tourism in the region is dependent on swimming and boating activities around Lake Winnipesaukee as well as the region's many other lakes.
- Historically, both labor force and the number of employed residents increase by more than ten percent from a low level in April to a high level in July. By November, labor force and employment have usually contracted back to its low level.
- For some residents, seasonal jobs are a way of life, working summer jobs in the Lakes Region and migrating to other regions for work during the winter months. In

addition, many younger workers are able to work summer jobs in the region and these workers generally go back to school in the fall.

- Lack of employment opportunities during the winter months can create hardship for some residents.

Aging

- The region is aging, and so is the population of the state and the nation. However, the Lakes Region might age even faster than the natural rate for the current population due to a high level of retiree in-migration. If many of the region's second home owners choose to retire to their vacation home, the share of older population in the region will increase more rapidly.
- Whether or not second home owners decide to retire permanently to the region, as the Baby Boomers get older and retire, these second home owners are likely to spend more time in the region, which will spur an increase locally in consumer spending.
- With aging also comes an increase in demand for health care, personal care services and other services related to home maintenance.

Workforce Housing Affordability

- Jobs created due to seasonal tourism are in relatively low paying occupations. According to Occupational Employment Statistics May 2012 survey, the average wage for *Retail salespersons* and *Waiters and waitresses* in the Lakes Region were $11.88 and $11.15, respectively. In comparison, the average for *All Occupation* in the region was $19.36.
- An increase in demand for lodging during the summer months creates upward pressure on housing affordability in the region. Many of the pristine locations in the nation, and especially those with seasonal attractions (winter or summer), are likely to have housing affordability issues and might need to attract workers for only a limited period of time. Many resort communities will, therefore, have housing quarters located in nearby proximity to the resort facility. In the Lakes Region, most tourists rent or own homes that are not part of a larger resort community, which makes on-site workforce housing less feasible.
- An increase in tourism spending translates into more employment opportunities in *Accommodation and food services*, *Retail trade*, *Administrative and waste management services* (such as janitorial and landscaping services) and *other services* (such as boat repair and maintenance).

Source: All data for the combined area of the Lakes Region Planning Commission were extracted from the NHetwork application at http://nhetwork.nhes.state.nh.us/nhetwork/.

Solution to the Aging Workforce – Attachment to the larger regional economy

- The region's residents are an integrated part of the greater region.

- According to LED OnTheMap, 56 percent of the working residents commuted outside the LRPC area for work in 2011.
- Conversely, a large portion of the region's workers live outside the region. In 2011, about four out of ten job holders working in the *Lakes Region* commuted in from outside the region.

- Improvement in the transportation network (mostly roadways as opposed to public transportation) and broadband will make the region more accessible to the southern part of New Hampshire and the Greater Boston Metropolitan area. Improvement of the infrastructure promotes tourism as well as facilitating commuting.
- If there are no reasonable employment opportunities within a one-hour commute, families with children may not want to relocate to the region and young adults living in the region are more likely to migrate to other areas for better job opportunities.

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Justin Slattery, Executive Director of the Belknap Economic Development Council notes that many of the lost jobs were of the lower-skilled kind. The remaining manufacturing jobs are high-tech, clean, and in industries that will likely remain in the U.S. such as aerospace, defense, and medical manufacturing. The region has a healthy amount of advanced manufacturing firms still that account for a major percentage of total wages earned in the county.

On a positive note …

Regional leaders in the Lakes Region have received the message and are being proactive. Leaders in education, economic development, planning, banking and local business people continue to collaborate to build a "pipeline" of future workers for local manufacturers so that they can find the talented and skilled labor locally. This is a challenge! The Lakes Region Community College (LRCC) and the Huot Technical Center continue to align their curriculums to better meet the needs of local manufacturers. Large investments in new equipment, facilities, and curriculum improvement are producing positive results. Instructional programs in manufacturing at the Huot Center have grown in enrollment from four students to more than 110 in less than three years. The LRCC is also experiencing enrollment growth and that growth is expected to continue.

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APPENDIX B

Belknap EDC: Promoting Economic Vitality in the Lakes Region

Belknap EDC is committed to playing a leadership role in efforts to leverage new resources, build strong partnerships, and attract new investment to create better economic opportunities for Belknap County residents and businesses. Two key components of this vision are to support our local high-tech manufacturers with workforce development programming and assist entrepreneurs in gaining access to technical, financial, and marketing resources to grow and succeed.

Manufacturing is the leading industry in New Hampshire with workers earning an average salary of $75,000. Often thought of as a tourism and recreation destination, the Lakes Region has a significant base of high-tech manufacturers which account for 13.3% of total employment and 17.8% of total wages earned in the region. Local manufacturers specialize in product lines including aerospace, defense, and medical industries that support more than 3,500 jobs in the region. Jeff Hollinger, President of EPTAM Plastics in Northfield, stated, "We are a high-tech, clean, innovative company that is always seeking more skilled employees with technical backgrounds with critical thinking and communication skills." Belknap EDC collaborates with Lakes Region Community College, Huot Technical Center, local high schools, and other business partners to provide opportunities for students to learn more about the great careers available in their communities. With an aging workforce, partnerships have developed between education institutions in the region to build a "pipeline" of skilled talent for local manufacturers to ensure future economic prosperity. Efforts to promote manufacturing careers have included open houses at manufacturers which allow students and parents to learn more about career paths in manufacturing and the launching of LakesRegionInternships.com which connects students with internships at local businesses. Enrollment in manufacturing education classes in the past three years has grown 90% with 114 students enrolled at the Huot Technical Center. We need to continue these initiatives as we face demographics challenges from our aging workforce. Belknap EDC will continue to promote and support manufacturing as it is an important sector of our economy in Belknap County.

Each year, 3,000 small businesses in approximately 200 New Hampshire communities benefit from the advising and educational programs offered by the New Hampshire Small Business Development Center (SBDC). However, the Lakes Region has not had a locally based SBDC business advisor for more than a decade until Belknap EDC was successful in receiving USDA-Rural Development grant dollars to fund a business advisor for Belknap County's existing and future businesses in 2013. Sally Holder, SBDC Business Advisor, provides one-on-one long-term management advisement to small businesses at no cost to the client. "Client businesses come from all sectors seeking advice on financing, improving operations, bringing new products to market, and where to start in launching a new business or purchasing an existing one," said Holder. In less than nine months, Holder has worked with more than 100 existing and new businesses in Belknap County, demonstrating SBDC's technical resources are a valuable asset to local businesses. In the coming year, Belknap EDC will create a sustainable plan to keep SBDC business services in the region in the future.

Belknap EDC will continue to collaborate with partners to create opportunities for students to discover manufacturing opportunities, thus building our region's future workforce. Assisting businesses with technical resources and advisement will also be a focus of Belknap EDC as we continue to help our businesses grow. Belknap EDC is committed to building a sustainable economic future for Belknap County.

APPENDIX C

Economic Impact of Promoting Advanced Manufacturing Employment and Entrepreneurship in the Lakes Region, New Hampshire

prepared by

Economic and Labor Market Information Bureau
New Hampshire Employment Security

for

Lakes Region Planning Commission

June 2014

The economic impact of promoting Advanced Manufacturing employment and Entrepreneurship in the Lakes Region

Definitions:

Advanced Manufacturing: Advanced manufacturing involves the use of technology to improve products and/or processes, with the relevant technology being described as "advanced," "innovative," or "cutting edge." For example, one organization defines advanced manufacturing as industries that "increasingly integrate new innovative technologies in both products and processes. The rate of technology adoption and the ability to use that technology to remain competitive and add value define the advanced manufacturing sector

Entrepreneurship: Entrepreneurship is a process of identifying and starting a business venture, sourcing and organizing the required resources and taking both the risks and rewards associated with the venture.

Gross Domestic Product (GDP): The market value of goods and services by labor and property in the United States, regardless of nationality. As the changes made in each of these scenarios were made at the county level, GDP would refer to the value of goods and services by labor and property in Belknap and Carroll counties.

This impact analysis of promoting *Advanced Manufacturing* employment and *Entrepreneurship* in the Lakes Region was conducted using the Economic and Labor Market Information Bureau's New Hampshire Econometric Model – a REMI Policy Insight + ® model.[1] Regarding advanced manufacturing, the Lakes Region Community College and Huot Technical Center provided information.

Using this econometric model, we are able to estimate both the number of direct jobs added in Belknap County, as well as the indirect and induced jobs gained in the region (the model results will include the impact on both Belknap and Carroll counties).

The Lakes Region Planning Commission is interested in promoting economic opportunity through a vibrant economy and high quality jobs. LRPC is interested in qualitative growth and sustainable development. A scenario of an aging population combined with slow population growth could lead to a shortage of talent in manufacturing. In addition, slow population growth could decrease the number of young professionals in the region, which are usually viewed as the prime demographic group for creating new entrepreneurial businesses.

Derived from this overall slow population growth are the following two concerns for which scenarios were developed:

1. Attracting skilled workers in *Advanced Manufacturing* to support the manufacturing base in Laconia, Meredith, and Bristol.
2. Attracting more entrepreneurs

[1] Product of Regional Economic Models, Inc. of Amherst, MA.

The first scenario was built upon an initiative in the Lakes Region to facilitate the training and hiring of skilled workers in *Advanced Manufacturing*. Lakes Region Community College and the Huot Technical Center (part of Laconia High School) are currently offering educational degree programs related to *Advanced Manufacturing*. A leading manufacturing employer in the region has indicated that the company will employ any qualified persons that complete such a program.

The second scenario is an attempt to estimate the economic impact of attracting more entrepreneurs to the region. Attracting an additional 25 entrepreneurs to the region over the next five years was set as a reasonable goal.

Scenario 1: Promoting Advanced Manufacturing

Inputs and assumptions:

The estimated number of direct jobs created in Belknap County was modeled based on an input of training and hiring in incremental number of students each year over a five-year implementation period, from 2014 to 2018. The employment estimate is accumulative, so by 2018, 220 jobs would be created in Belknap County. To capture the longer term impact of this scenario, the model time period was extended another five years to 2023, without additional program completions entering the labor force. These *Advanced Manufacturing* jobs were distributed across 54 detailed manufacturing industries in proportion to 2023 forecasted employment share, to account for future growth patterns.[2]

The assumed number of direct jobs in *Advanced Manufacturing* — students completing the training program and entering the local labor force — was added accumulatively to Belknap County's economy between 2014 and 2023 as follows:

Job Training Promotion	Five year implementation period					Stabilization period				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Advanced Manufacturing Jobs	20	50	95	150	220	220	220	220	220	220

The direct jobs created in Belknap County were added to manufacturing industry employment based on the following shares:

[2] The REMI model is based on NAICS, the North American Industry Classification System, which is used to classify business establishments according to type of economic activity (process of production) in Canada, Mexico and the United States. An establishment is typically a single physical location, though administratively distinct operations at a single location may be treated as distinct establishments. Each establishment is classified to an industry according to the primary business activity taking place there.

REMI Model detailed Manufacturing NAICS Industries	**Share of 2023 forecasted employment base**
Other fabricated metal product manufacturing	21.70%
Foundries	17.00%
Computer and peripheral equipment manufacturing	16.88%
Machine shops; turned product; and screw, nut, and bolt manufacturing	11.24%
Coating, engraving, heat treating, and allied activities	4.38%
Semiconductor and other electronic component manufacturing	3.78%
Medical equipment and supplies manufacturing	3.77%
Textile mills and textile product mills	2.72%
Cement and concrete product manufacturing	2.69%
Electrical equipment manufacturing	1.99%
Ship and boat building	1.88%
Apparel manufacturing; Leather and allied product manufacturing	1.57%
Household and institutional furniture and kitchen cabinet manufacturing	1.51%
Forging and stamping	1.37%
Other miscellaneous manufacturing	1.35%
Architectural and structural metals manufacturing	1.05%
Printing and related support activities	0.86%
Navigational, measuring, electromedical, and control instruments manufacturing	0.70%
Other wood product manufacturing	0.51%
Aerospace product and parts manufacturing	0.44%
Sawmills and wood preservation	0.43%
Engine, turbine, power transmission equipment manufacturing	0.39%
Sugar and confectionery product manufacturing	0.39%
Other electrical equipment and component manufacturing	0.34%
Beverage manufacturing	0.16%
Cutlery and handtool manufacturing	0.15%
Glass and glass product manufacturing	0.10%
Communications equipment manufacturing	0.08%
Bakeries and tortilla manufacturing	0.08%
Dairy product manufacturing	0.07%
Pulp, paper, and paperboard mills	0.06%
Petroleum and coal products manufacturing	0.06%
Motor vehicle body and trailer manufacturing	0.04%
Converted paper product manufacturing	0.03%
Rubber product manufacturing	0.03%
Soap, cleaning compound, and toilet preparation manufacturing	0.03%
Resin, synthetic rubber, and artificial synthetic fibers and filaments manufacturing	0.03%
Pharmaceutical and medicine manufacturing	0.03%
Paint, coating, and adhesive manufacturing	0.03%
Pesticide, fertilizer, and other agricultural chemical manufacturing	0.03%
Basic chemical manufacturing	0.02%
Other chemical product and preparation manufacturing	0.02%
Industrial machinery manufacturing	0.01%
Metalworking machinery manufacturing	0.01%
	100.00%

It is assumed that the anticipated increase in output due to these 220 *Advanced Manufacturing* jobs is driven by an increase in demand for the products from outside the Lakes Region. In other words, the output produced by these added workers is mainly exported to markets outside of Belknap County as well as outside of the United States (international exports).

The following results are the anticipated implications of training and hiring 220 *Advanced Manufacturing* workers in Belknap County. The results include the direct jobs generated in the Belknap County, as well as the secondary (in-direct and induced) jobs added in Belknap and Carroll Counties. The results also include the impacts that this expansion will have on the region in terms of added gross domestic product, personal income and population.

Results: Impact from promoting job creation in Advanced Manufacturing

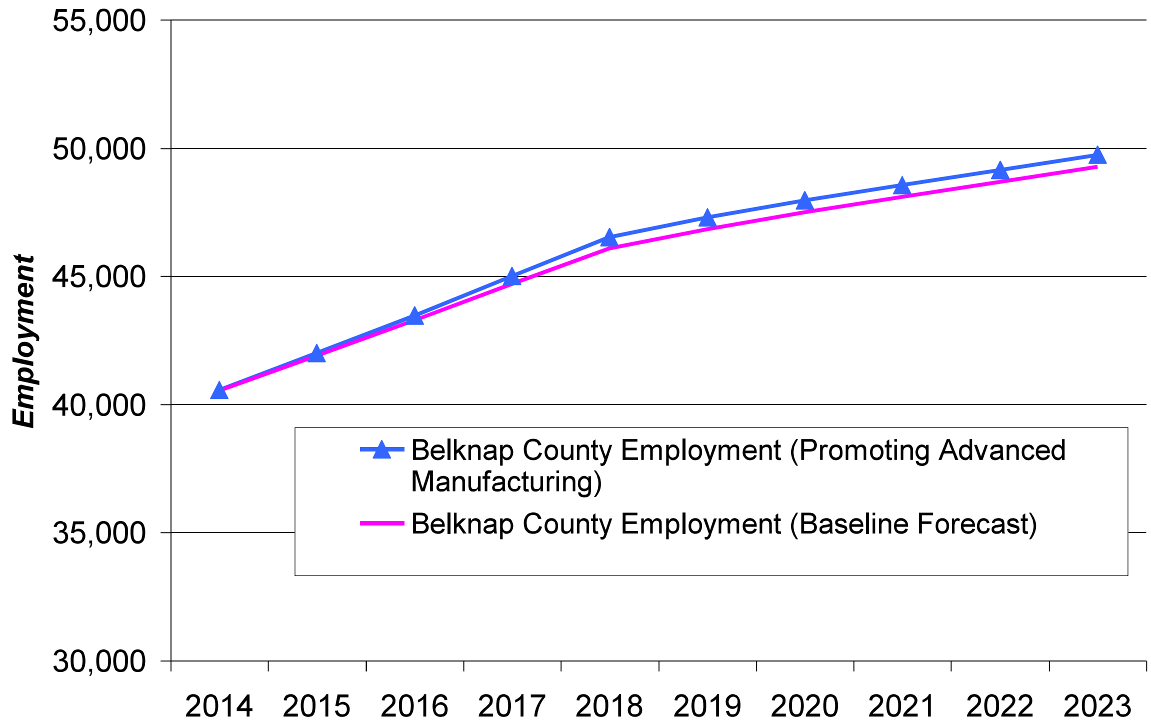
- In 2014, a total of 38 direct, indirect and induced jobs[3] would be created in Belknap County. Additionally, 1 job would be created in Carroll County.

- By 2018, at full implementation of the *Advanced Manufacturing* training and hiring scenario, total impact on jobs will have increased to 453 direct, indirect and induced jobs for the entire region. (The combined results for Belknap and Carroll counties). The direct jobs created in this scenario should be interpreted as replacement jobs in the region's Advanced Manufacturing sector. The indirect and induced jobs are those created as the ripple effect of replacing these highly skilled workers in Advanced Manufacturing as opposed to letting Advanced Manufacturing jobs go unfilled or having those types of jobs leave the region altogether

- By 2023, five years after the full implementation of the scenario, total job creation will reach 463 jobs above the employment baseline in the region. (The combined results for Belknap and Carroll counties).

[3] Employment in the REMI model is based on Bureau of Economic Analysis (BEA) definition of employment. The BEA estimates of employment and wages differ from covered employment data because BEA makes adjustments to account for self-employment. The employment count in the REMI model is larger than what is regularly reported by the Economic and Labor Market Information Bureau (ELMIB), New Hampshire Employment Security, which excludes self-employment. The REMI model does not distinguish between full-time and part-time jobs.

Comparison of the baseline employment outlook for Belknap County with the employment outlook with the *Advanced Manufacturing* scenario



- By 2018, the distribution of the secondary jobs created in Carroll County would be as follows: Construction would create 56 jobs; Retail trade would create 21 jobs; and Wholesale trade would create 19 jobs. State and local government would create 64 jobs[4].

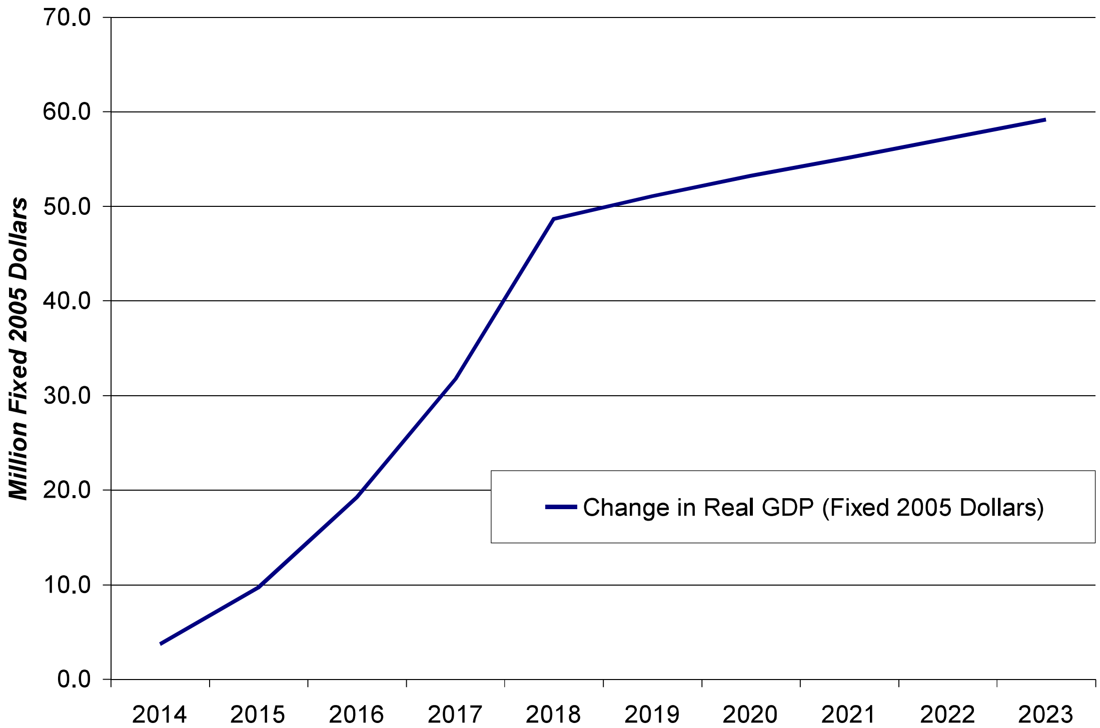
[4] The impact on local and state government jobs would best be interpreted as employment (above the baseline projected government employment) that would be required in order to provide for the overall increase in the demand for shared government services. Shared services could include education, public safety, water and sewage treatment, road construction and maintenance, and other services related to an increase in business activity and resident population.

Industry	2018	
	Direct Jobs	Total jobs created
Manufacturing	220	223
Construction		56
Retail Trade		21
Wholesale Trade		19
Administrative and Waste Management Services		13
Health Care and Social Assistance		11
Real Estate and Rental and Leasing		10
Accommodation and Food Services		10
Other Services, except Public Administration		7
Professional, Scientific, and Technical Services		6
Arts, Entertainment, and Recreation		2
Utilities		1
State and Local		64
Total Jobs	220	443

Gross Domestic Product

- For this scenario, Gross Domestic Product (GDP) in the region in 2014 will have increased above the baseline by 3.7 million in fixed 2005 dollars. By 2018, the GDP in the region will have grown to $48.7 million in fixed 2005 dollars above the baseline, and GPD will continue to grow throughout the forecast period.
- The economic activity of this scenario will account for 0.2 percent of total GDP in Belknap County. By 2018, total economic activity due to the hiring of 220 *Advanced Manufacturing* workers will account for 1.7 percent of the county's GDP.

The impact on GDP from the hiring of *Advanced Manufacturing* workers in the Lakes Region



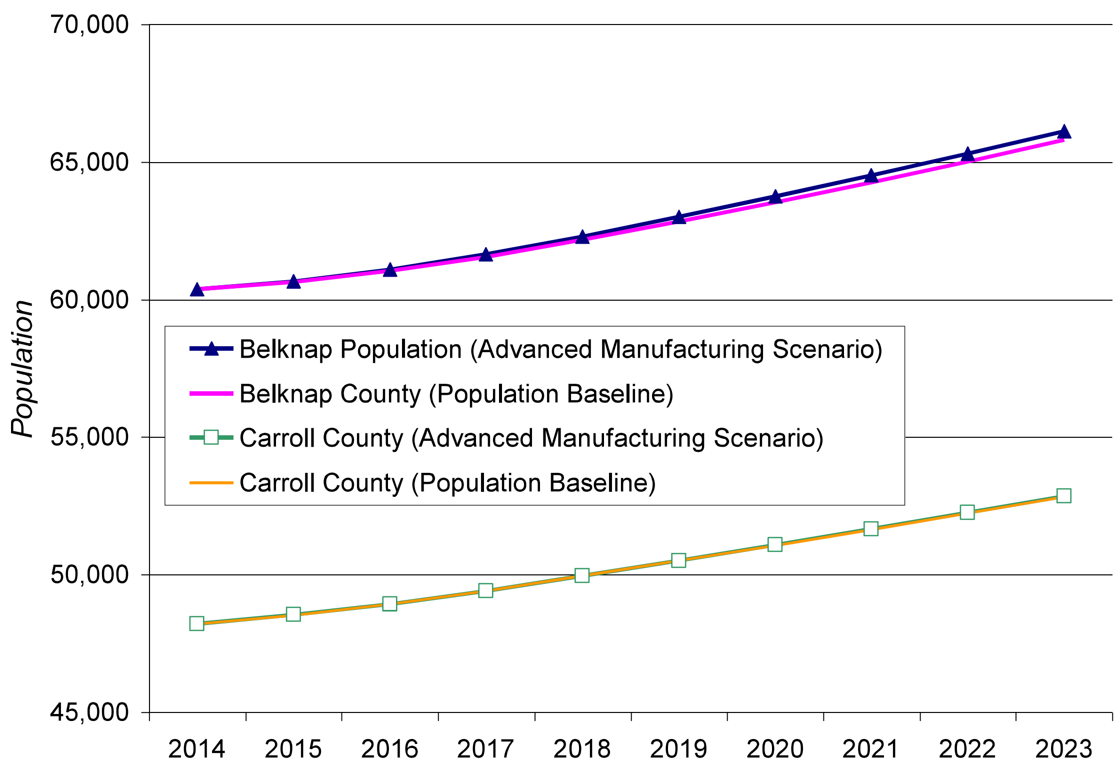
Personal Income

- Based on this scenario, total real personal income will have increased by $1.2 million in fixed 2005 dollars in 2014. By 2018, the increase in real personal income will have grown by $16.2 million in fixed 2005 dollars.
- Real personal income per capita in Belknap County will gain $15 fixed 2005 dollars in 2014. By 2018, real personal income per capita will be $153 in fixed 2005 dollars above the original baseline for the county. The impact on real personal income per capita in Carroll County will be minimal in 2014 but will increase to $12 fixed 2005 dollars in 2018.

Population

- There would be no significant changed to population in 2014. By 2018, Belknap County would gain 125 residents above the forecast baseline and Carroll County would gain 11 residents. By 2023, the population of Belknap County would gain 319 persons above the projected population baseline (a 0.5 percent increase above the forecasted baseline) and Carroll County would gain 25 residents above baseline.

The anticipated population growth in Belknap and Carroll counties due to the hiring/retaining of 220 *Advanced Manufacturing* workers



Job Multiplier

- The multiplier effect on the Lakes Region for each Advanced Manufacturing job created is between 1.9 and 2.1 jobs annually [5] — including the direct job created — over the entire simulation period.

[5] A job multiplier of more than one indicates that the new job created in the local economy has a ripple effect that generates more employment in the region. A multiplier of less than one indicates that some of the current employment in the region would be eliminated due to the competition from the expanding businesses.

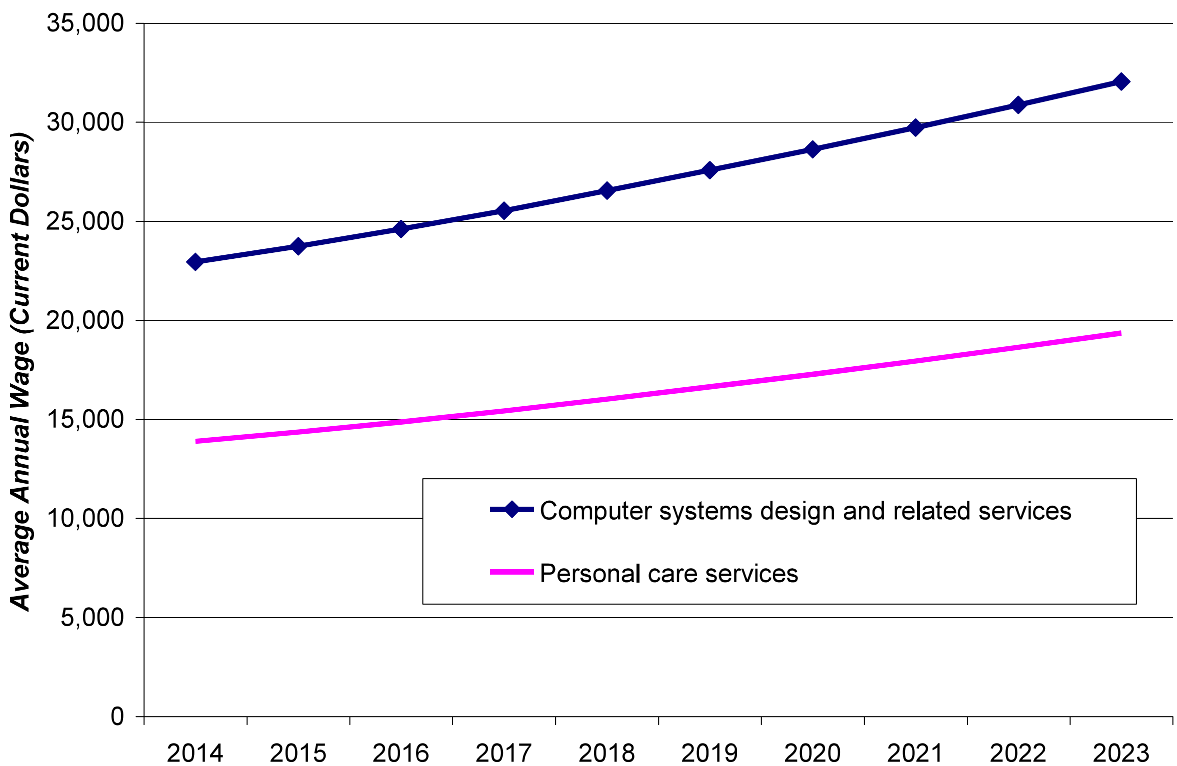
Scenario 2: Promoting Entrepreneurship

Inputs and assumptions:

The direct jobs created in Belknap County due to an increase in the number of entrepreneurs in the region were entered into the REMI model for the time period of 2014 to 2018. It was assumed that on average, four jobs would be created with each entrepreneur. These 25 entrepreneurs were phased in over a five-year period in increments of 5. It is assumed that each entrepreneur is producing 4 jobs on average, so 20 jobs will be created in the first year. Accumulatively, by 2018, 100 additional jobs will be added.

To capture the longer term impact of this scenario, the period for running the model was extended to 2023. The additional jobs created due to the increase in entrepreneurs in the region were distributed equally into the following two NAICS industries[6]: *Computer systems design and related services* and *Personal care services*.

Baseline average annual wages for Belknap County in the two selected industries



[6] See NAICS explanation on page 3.

These two industries were chosen as businesses in these service-oriented industries are likely to be created by entrepreneurs, are mostly made up of small-scale operations, and are likely to be developed within the region. As the chart above indicates, the average pay rates in the two selected industries are very different. Keep in mind that these averages are based on both full- and part-time positions.

The assumed number of direct jobs created in Belknap County was added to the REMI model as follows:

Increased Entrepreneurship										
	Five year implementation period					**Stabilization period**				
NAICS Industry	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Computer systems design and related services	10	20	30	40	50	50	50	50	50	50
Personal care services	10	20	30	40	50	50	50	50	50	50
Total Jobs Created	20	40	60	80	100	100	100	100	100	100

It is assumed that the anticipated increase in output due to the increase of entrepreneurship in the region is driven by an increase in total regional demand. In other words, the output produced by these added workers is either exported to markets outside of Belknap County or the output is provided to people from outside the region, such as tourists or seasonal homeowners, or to residents that currently travel outside the region to obtain these services.

The following is the anticipated implications of increasing entrepreneurship in the region.

Results: Impact from promoting entrepreneurship in the region.

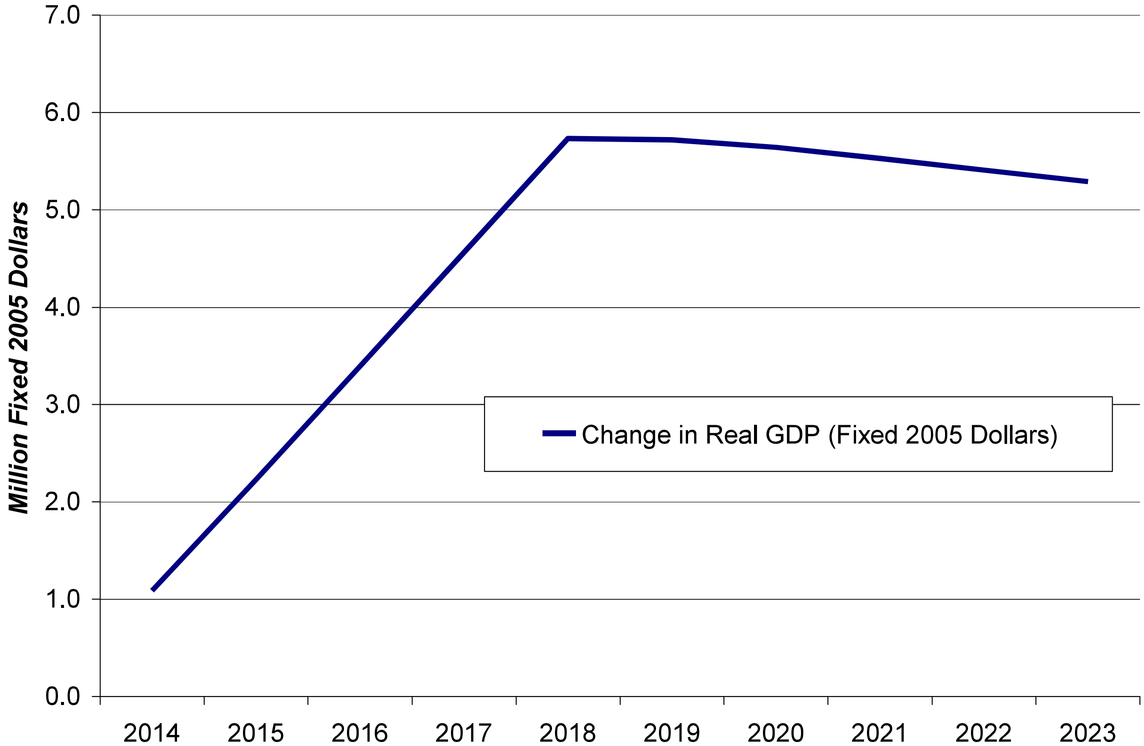
- In 2014, a total of 28 direct, indirect and induced jobs would be created in Belknap County. There would be a minimal impact on Carroll County.
- By 2018, at full implementation of the increased entrepreneurship scenario, total job impact would be 138 direct, indirect and induced jobs.
- By 2023, five years after the full implementation of the scenario, total impact on jobs has declined to 125 jobs above baseline in the region. This indicates that the secondary job impact of entrepreneurship declines over time. Based on the declining impact, a conclusion may be drawn that entrepreneurship needs to be nurtured on an ongoing basis.
- By 2018, the distribution of the secondary jobs created would be as follows: Construction would create 14 jobs; Retail trade would create 6 jobs; and *Administrative and waste management service* as well as *Health care and social assistance* each would create 3 jobs. State and local government would create 8 jobs (See footnote 4 on page 5).

Industry	2018	
	Direct Jobs	Total jobs created
Professional, Scientific, and Technical Services	50	50
Other Services, except Public Administration	50	50
Construction		14
Retail Trade		6
Administrative and Waste Management Services		3
Health Care and Social Assistance		3
Accommodation and Food Services		3
Real Estate and Rental and Leasing		2
Wholesale Trade		1
State and Local		8
Total Jobs	100	140

Gross Domestic Product

- In 2014, Gross Domestic Product (GDP) in the region will have increased above the baseline by $1.1 million in fixed 2005 dollars. By 2018, the GDP in the region will have grown to $5.7 million in fixed 2005 dollars above the baseline. After 2018, the GPD added above the forecasted baseline will start to decline.
- The economic activity of this scenario will account for 0.05 percent of total GDP in Belknap County. By 2018, total economic activity due to increased entrepreneurship in the region will account for 0.2 percent of the county's GDP.

The impact on GDP from the promoting entrepreneurship in the Lakes Region



Personal Income

- Total Real personal income will have increased by $0.8 million in fixed 2005 dollars in 2014. By 2018, the increase in real personal income will have grown by $4.7 million in fixed 2005 dollars.
- Real personal income per capita in Belknap County will gain $12 fixed 2005 dollars in 2014. By 2018, real personal income per capita will be $62 in fixed 2005 dollars above the original baseline for the county.

Population

- Belknap County's population would gain two persons above baseline in 2014. By 2018, Belknap County would gain 19 residents and by 2023, the population of Belknap County would gain 37 persons above the projected population baseline.

Job Multiplier

- The multiplier effect on the Lakes Region of each job created by entrepreneurs is 1.4 annually — including the direct job created — during the implementation period. After the implementation period, the job multiplier declines.

Summary

The two scenarios create very different results. This is partly due to the different size of the employment shock to the model; 220 *Advanced Manufacturing* jobs versus the 100 jobs created by increased entrepreneurship. But there are two comparisons important to note:

- In the *Advanced Manufacturing* scenario, GDP continued to grow throughout the entire simulation period, versus the *Increased Entrepreneurship* scenario, where the additional GDP value started to decline as the employment shock to the model was stabilized.
- The job multiplier of an Advanced Manufacturing job was between 1.9 and 2.1 jobs, whereas the job multiplier of a job created by increased entrepreneurship was 1.4.
- The total economic activity due to the hiring of 220 *Advanced Manufacturing* workers will account for 1.7 percent of the Belknap County's GDP whereas total economic activity due an increase in entrepreneurship (25 additional entrepreneurs creating a total of 100 new jobs) in the region will account for only 0.2 percent of the county's GDP.
- Despite the fact that the economic impact of an *Advanced Manufacturing* is much less than the overall impact of jobs created by entrepreneurs, an economic development strategy involving goals for multiple avenues is still important due to the need for diversification of the regional economy. There are risks associated with both strategies, but mergers and acquisitions of the larger corporations can lead to plant closure and displacement of large amount of manufacturing employment. Manufacturing employment in the Lakes Region Planning Commission dropped 27.4 percent from 2005 to 2012. However, if the region is known for highly skilled workers in a specific industry cluster, the likelihood that other highly specialized manufacturers will relocate to the area is greater.

Please note that Economic and Labor Market Information Bureau under New Hampshire Employment Security projects that there will be 55 openings, annually, in the *Production occupations* in the Lakes Region and more than 1,000 annual openings in *Production occupations* for New Hampshire. ELMIB also projected 5 annual openings for *Engineers* and *Drafters, Engineering Technicians, and Mapping Technicians*. These numbers of projected job openings are based on a Manufacturing sector that is <u>not</u> projected to experience employment growth over the ten-year period from 2010 to 2020.

The explanation below is the economic theory and empirical data behind the REMI model.

The REMI Model

REMI Policy Insight® is a structural model, meaning that it clearly includes cause-and-effect relationships. The model is based on two key underlying assumptions from mainstream economic theory: households maximize utility and producers maximize profits. Since these assumptions make sense to most people, lay people as well as trained economists can understand the model. The tool is often used by economic developers and planners to gage the potential impact on a regional economy of proposed projects such as transportation infrastructure, office and retail development, relocation or expansion of businesses, etc.

In the model, businesses produce goods and services to sell locally to other firms, investors, governments, and individuals, and to sell as exports to purchasers outside the region. The output is produced using labor, capital, fuel, and intermediate inputs. The demand, per unit of output, for labor, capital, and fuel depends on their relative costs, since an increase in the price of any one of these inputs leads to substitution away from that input to other inputs. The supply of labor in the model depends on the number of people in the population and the proportion of those people who participate in the labor force. Economic migration affects the population size. People will move into an area if the real after-tax wage rates or the likelihood of being employed increases in a region.

Supply and demand for labor determine the wage rates in the model. These wage rates, along with other prices and productivity, determine the cost of doing business for each industry in the model. An increase in the cost of doing business causes either an increase in prices or a cut in profits, depending on the market for the product. In either case, an increase in costs would decrease the share of the local and U.S. market supplied by local firms. This market share, combined with the demand described above, determines the amount of local output. Many other feedbacks are incorporated in the model. For example, changes in wages and employment impact income and consumption, while economic expansion changes investment, and population growth impacts government spending.

The effects of a change scenario to the model are determined by comparing the baseline REMI forecast with an alternative forecast that incorporates the assumptions for the change scenario.