

Chapter 7

Economic Development



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1.0 INTRODUCTION

The *Economic Environment* amendment to the Littleton Master Plan, completed in 1998, described Littleton as a neighborly community wanting to expand the variety of opportunities for employment, shopping, recreation, housing, education, culture, health care, government services and entertainment. The community's goal was to improve choices and opportunities for residents in each of these areas while maintaining the small town fabric and character. Six years later we find that Littleton is showing signs of change. Littleton has more retail, employs more people, attracts a greater number of people for retail and recreation opportunities, has strengthened the presence of downtown and is in the process of making physical improvements to Main Street.

In 2003 the North Country Comprehensive Economic Development Strategy Committee defined their twenty year vision statement for all interested North Country communities:

We envision that the North Country will continue to be defined by its working forests and farms, its scenic and natural resources, and its patchwork of villages and community centers. Our rural character will be sustained by high quality, natural resources based industries and services that help to maintain our open spaces and our connections to the past. We will be strengthened by improved educational and cultural opportunities, competitive telecommunication and transportation infrastructures, and a broad base of employment offering economic opportunity to our people in a region fully engaged by modern technologies and businesses.

This vision for the North Country closely matches Littleton's aspirations today. In this chapter Littleton's current economic environment will be presented and policy actions will be recommended.

2.0 HISTORICAL CONTEXT

From its humble beginning at Solomon Mann's sawmill and gristmill on the banks of the Ammonoosuc River, the Town of Littleton has used its location at the intersection of rivers, local transportation routes, and later the railroad to its advantage. Littleton first moved from an agricultural to a manufacturing-based economy. Littleton's growth as a mercantile center and the expansion of the tourism industry in northern New England then established Littleton as a regional commercial center by the mid 1800s – a role it continues to fill today. Manufacturing still plays a role in Littleton, but that manufacturing base is much more diverse now, and is complemented by large retail and tourism industries.

3.0 EMPLOYMENT & BUSINESS TRENDS

In the past decade Littleton has experienced modest growth in the number of businesses operating in the community, and the labor force has increased much more than population has increased. The unemployment rate is also much lower now than it was ten years ago. For the community to increase its tax base it must continue to grow economically, residents must have access to jobs, higher wages, and/or products that will help to attract additional investment, residents and visitors.

3.1 Existing Jobs and Income

Businesses, located in Littleton and within commuting distance, provide employment opportunities for Littleton residents. The number of jobs in Littleton was 4,116 in 2002. Though the number and variety of jobs seem reasonably diverse, the income that Littleton workers receive is about average for Grafton County. It is encouraging to note that the median household income increased more in Littleton since 1990 than in the County as a whole and is now at \$49,915.

Littleton residents average weekly income is \$531, while the County average is \$617, which is in turn nearly \$65 dollars less than the state average. The County's higher income communities range up to \$866 (Hanover) per week and typically are college towns like Hanover and Plymouth, medical centers like Lebanon, or have a large international manufacturer, as Bristol does.

In June of 2000 the New Hampshire Basic Needs and Livable Wage report calculated the basic costs of living for residents in the counties of northern New Hampshire and determined hourly wages required to pay for these necessities. If Littleton's average weekly income is broken up over a 40 hour work week it reveals an average fulltime wage of \$13.28 per hour. Table 7A displays the hourly wage required to meet basic needs, based on household composition, in Grafton County and New Hampshire.

Table 7A Livable Wage Figures

Household Composition	Grafton County	New Hampshire
Two parents with two children (both parents working)	\$10.86	\$11.42
Two parents with two children (one parent working)	\$15.61	\$16.74
Single parent with two children	\$17.73	\$18.92
Single person	\$8.24	\$9.01
Average wage earned in 1999	\$14.10	\$15.45

Source: North Country Comprehensive Economic Development Strategy (2003)

Educational level, percent of school age and retired residents, availability and access to jobs, and wages paid, are all factors that influence each community's median and per capita income. Therefore, raising income in a community requires a more complex

solution than simply attracting employers who can pay higher wages. Littleton has been successful in some respects over the last decade, and has experienced an increase in median household income. The largest growth has been experienced in the higher income brackets (over \$50,000), and now represents 36% of Littleton households. The number of households below \$25,000 is estimated at 875 households – representing 35% of the total households in Littleton. With this in mind Littleton must consider what will encourage current employers to stay, as well as attracting and retaining new jobs to continue to improve the income levels in the community.

3.2 Available Work Force

According to the North Country Comprehensive Economic Development Strategy (2003) unemployment in the North Country has historically been higher than the state average due to higher seasonal unemployment caused by dependence on the tourism industry, and higher structural unemployment caused by a mature industrial base. This does not currently appear to be the case for Littleton or Grafton County, but the trend of higher unemployment rates has continued in nearby Coos County. Table 7B shows the growth in Littleton’s labor force and the drop in the unemployment rate during this ten year period. Table 7C includes the unemployment rates at the town, county, and state levels.

Table 7B Labor Force

Annual Average	1992	2002
Civilian Labor Force	3,035	3,643
Employed	2,788	3,536
Unemployed	247	107
Unemployment Rate	8.1%	2.9%

Source: NH Employment Security

Table 7C Unemployment Rates in 2002

Location	2002
Littleton	2.9%
Grafton County	2.3%
New Hampshire	4.7%

Source: NH Employment Security



Littleton has a relatively diverse economy. The major industries, based on number of jobs created, are manufacturing, retail, and a combination of educational, health and social service organizations. Table 7D illustrates the labor force in Littleton by industry.

Table 7D Labor Force by Industry

Industry	Employed
Agriculture, Forestry, Fishing & Hunting	26
Construction	223
Manufacturing	508
Wholesale Trade	67
Retail Trade	596
Transportation Warehousing and Utilities	145
Information	107
Finance, Insurance, Real Estate, Rental & Leasing	178
Professional, Scientific, Management, & Administrative	152
Educational, Health & Social Services	547
Arts, Entertainment, Recreation, Accommodation, and Food Services	312
Public Administration	79
Other Services	138
TOTAL – Employed Civilians 16 and Over	3,078

Source: US Census

Littleton’s population is aging. With a median age of thirty-nine years old the “operative population” is declining. The operative population is composed of working age residents (21-62 years of age), who contribute the most to the local economy. The number of people within this age range is declining as young people are leaving the region for new opportunities. A comparison of the percent change from 1990 to 2000 of prime working age residents cannot be created because of a change in the age reporting intervals used by the Census. Table 7E shows a modified comparison of the prime working age population in Littleton, Grafton County, and New Hampshire for 1990 and 2000.

Table 7E Prime Working Age Populations

	Littleton		Grafton County		New Hampshire	
1990 Prime Working Age Population 22-61	59.5%	3,467	55.1%	41,286	56.7%	628,946
2000 Prime Working Age Population 25-59	49.5%	2,843	47%	38,418	50.9%	629,015

3.3 Access to Employment

Littleton has excellent access to employment opportunities. The convenience of Interstate 93 and the state highway system is reflected in the percentage of commuters traveling in and out of town to work. Commuting patterns reveal, however, that

hometown employment is still a major force in Littleton. This is partially due to Littleton's role as one of Grafton County's major employment centers. Most of the County's small towns have a much higher out-migration rate. In Littleton, 61% of the resident workers have jobs in the community. This is a declining phenomenon, however, as just ten years ago 76% of the resident workforce worked in Littleton. Table 7F shows where Littleton's residents are employed.

Table 7F Place of Work

Place of Work	Percent of Littleton Workers
In New Hampshire	95%
In Littleton	61.2%
In Other Grafton County Communities	26.3%
Outside Grafton County	7.5%
Outside of New Hampshire	5%

Source: US Census

Most out-commuting which does occur (39%) is destined for other Grafton County communities. Only 5% of Littleton's workers are employed outside of New Hampshire, and most of these individuals are working in Vermont. Table 7G shows the largest employers in Littleton currently.

Table 7G Largest Employers

Largest Employers	Product/ Service	Employees	Established Locally
Hitchiner	Manufacturing Metal Products	760	1984
Littleton Regional Hospital	Health care	430	1906
Littleton Coin	Collector coins, mail order	300	1947
Burndy Corporation	Electrical connectors	230	1976
Wal-Mart	Department store	150	1998
Norton Pike	Sharpening stones	85	1823
GenFoot America	Boots	60	
Harrison Publishing	Printers	19	
Rotobec	Forestry equipment	15	

Source: NH Employment Security

Littleton workers fill just over half (56%) of the jobs that are available in Littleton, the remainder are filled by residents from other towns. This is a change since 1990 when 51 % of the jobs in Littleton were held by Littleton residents.

3.4 Improving/Retaining the Business Base

Because industrial/commercial businesses serve the dual purpose of providing both jobs and a nonresidential tax base, it is important to maintain a sufficient business base to support the Town. Two significant factors are important to consider in developing a program for improving the business base. One is that it is easier to retain an existing

business than to attract a new one. The other is that most job growth (85% on average), is related to expansion of existing businesses, not from major new businesses moving into town. It is, therefore, most important to look at the needs of existing businesses and to determine the role of the community to insure their continued economic viability and growth.

Littleton is fortunate to have the Littleton Industrial Development Committee (LIDC) working to promote business visitation. Their efforts to provide training and re-training, and the operation of the Littleton Learning Center benefit the community and the region.

Economic growth can bring net benefits or net costs to the community depending on how it is managed. All businesses, existing and new, can benefit from certain efforts that are within the scope of community control, and they all place a demand on the community's infrastructure and services. Communities can encourage and manage industrial and commercial growth in the following ways:

- * Provide suitable land and structures
- * Use appropriate zoning techniques
- * Provide adequate infrastructure (transportation access, utilities and services)
- * Provide a skilled work force
- * Active efforts by the Chamber of Commerce and/or other organization
- * Public/private partnership programs

Brook Road Industrial Park

For several years, the Town of Littleton, recognizing that the existing industrial park is nearly full, has been exploring a multi-town effort involving Bethlehem and Lisbon. Multi-town industrial parks have been authorized under New Hampshire law since the 1980s. Only Gilford and Laconia have successfully developed such a park, sharing both the expenses and the tax benefits. The Littleton-Bethlehem-Lisbon could be the second, and the only three town effort in the state.

The parcel that is being investigated is some 140 acres of land on the Brook Road, just over the Littleton/Bethlehem town line, approximately one half mile beyond the Norton industrial building. The site is not without some problems. First and foremost, it lacks adequate utilities, which would have to be extended approximately from the Norton complex. Initial access from the Brook Road is steep, but the site itself is a relatively level plateau.

An additional access issue is the Redington Street Bridge. At present it is subject to both height and weight restrictions that would preclude its use for industrial truck traffic. Conversations have begun with the NH Department of Transportation (NHDOT) relative to adding a replacement for this facility to the State's Ten-Year Highway Plan. Conversations have also been begun with the US Economic Development Agency (EDA) relative to financial support for extending utilities and upgrading the road along its entire length, from Route 116 in Littleton to Route 302 in Bethlehem. The current estimate is

that the public infrastructure investments will total on the order of \$4.5 million in current dollars. Funds are being sought from EDA, NH DOT, and potentially other sources. The balance will be funded through a cooperative arrangement amongst the three participating communities.

Preliminary engineering drawings have laid out a development plan for the first 70 acres. The configuration suggested includes a total of twelve sites, on which would be located buildings totaling some 350,000 square feet. Using normal space utilization rates, and assuming the buildings would be used 20% for warehousing and 80% for manufacturing, it is anticipated that there could be as many as 600 jobs generated by this first phase of development, 40 in warehousing and upwards of 560 in the manufacturing. Additionally, at a cost to construct of \$60/square foot, in current dollars, the park would add in excess of \$20,000,000 to the grand list, when fully built out. The property taxes generated will be split by the three towns using an agreed upon formula.

3.5 Marketability

Every community has one or more features that make it attractive to residents and/or businesses. It is important to recognize and promote those characteristics which are the strengths that hold the community together, and make it a unique place. Some of these may be identified as heritage, tradition, neighborliness, rural atmosphere, and quiet neighborhoods. These and other attributes can be identified and used to market the community. While events such as the opening of a major business, or construction of a new highway or bridge, may alter a community's growth, long-term sustainability relies on understanding what the community has to offer and promoting those characteristics.

Littleton is in a prime location within the region and still remains at the "crossroads" in many ways. With access to Interstate 93 in town, Interstate 91 nearby in Vermont, and the many New Hampshire State Routes Littleton has excellent access to the region's best roadways. The rich natural resources in Littleton are enhanced by the nearby White Mountain National Forest, and the many recreational opportunities in the area. Littleton has one of the cheapest rates in New England for electricity thanks to Littleton Water and Light. The tax rate in Littleton is moderate. There is access to a range of retail opportunities in the downtown and on Meadow Street. The local school system provides a quality education, and the school department has been working with other sectors of the community to involve the students in real world projects that benefit everyone. Littleton boasts a great quality of life for residents, employers, and employees and this contributes to the marketability of the community.

4.0 COMMERCIAL AND INDUSTRIAL USES

Although current commercial and industrial development may appear to some residents to dominate the community, it only accounts for 3% of Littleton's land area. Table 7H shows the acreage of Littleton's major land uses by assessed valuation.

Table 7H Land Use Categories by Assessed Valuation

Land Use	Acres	Percent
Residential	9,804.30	32%
Commercial/Industrial	965.92	3%
Utilities	2,343.94	8%
Current Use	16,000.74	53%
Public and Tax Exempt	1,329.82	4%
Total Land Area	30,444.72	100%

Littleton boasts a fairly low tax rate. In 2004 the total tax rate in Littleton is \$29.95, and the local valuation is \$367,123,716.

5.0 CONCLUSION

In the 2003 report from the North Country Comprehensive Economic Development Strategy Committee the Littleton Labor Market Area is identified as an area showing competitive advantage in manufacturing, retail, personal/recreation services, and agricultural industries. This is thought to be due, in part, to the success of the Littleton Industrial Park and the Main Street Program. Still, the Littleton Labor Market Area was noted as lagging in the construction, professional service, and information technology sectors. These are thought to be important industries because they generate higher rates of pay. All but construction would on average offer better benefits as well.

6.0 LAND USE IMPLICATIONS AND POLICY ACTIONS

Land Use Implications

Littleton's economy has a direct impact on the character and vitality of the community and its residents. Here are a few items related to the existing economic environment in Littleton and its land use implications:

- 1) Littleton is currently a regional business hub.
- 2) Despite Littleton's advantages there are still many residents that have occupations at the lower end of the pay scale.
- 3) The convenient location of the Interstate provides easy access for all businesses, as well as a supply of tourism and recreation related visitors, traveling to and through town.
- 4) There is a shortage of high quality land suitable for future commercial and industrial development, or the necessary regulations to minimize the impacts of such development

on community resources and character.

5) In the downtown, and along several major routes, infrastructure is already in place to supply water, sewer, electricity, fire and police protection. Some vacant or under-utilized buildings are available and could be adapted for reuse.

6) Electric rates are some of the lowest in the state.

7) Current telephone service is by fiber optic cable, facilitating data transmission.

8) There are a number of stable, long-term businesses that continue to provide jobs in the community.

9) The historic character of the downtown and continuing development of new commerce and attractions in this area offers new opportunities for tourism development.

10) Proximity to winter and summer recreational facilities are features that can be used to attract and retain businesses and draw visitors.

11) Advantage of having several strong organizations working on business development, business retention, and tourism initiatives on Littleton's behalf (Chamber of Commerce, Main Street, Industrial Development Corporation, etc.).

Potential Actions

There are an array of possible actions the Town may want to consider pursuing as it evaluates the economy in Littleton and future economic development initiatives. This section will be used to identify the specific actions for Littleton to take upon completion of the master plan.

1) Encourage and facilitate appropriate economic growth and development which will benefit Littleton residents, including the protection of their property values, natural environment, and community character.

2) Expand existing training opportunities through the Training Center by enhancing linkages with the College of Lifelong Learning, New Hampshire Community Technical College in Berlin, and Plymouth State University.

3) Work with local organizations on attracting and retaining employment opportunities, especially jobs at higher pay scales, which will contribute positively to the community's economic well being.

4) Strengthen Littleton's market position as a regional employment center, through positive promotion and marketing, to attract desirable growth, development or redevelopment investments.

5) Continue to strengthen the downtown as the historic center of commerce, serving as a

complement to surrounding retail districts and the core of the community.

- 6) Attract and retain more tourism related businesses and a wider range of industries to help diversify the local economy and increase the non-residential tax base.
- 7) Continue to foster the growth of local value-added products, e.g. McClure's Maple Products, making sure that area businesses know about low cost marketing opportunities such as New Hampshire Stories (www.nhmade.com).
- 8) Pursue opportunities to reuse or redesign existing industrial and commercial areas, including the reuse of existing buildings and infill with new development. Building design, signs, landscaping, and overall appearance of these areas should be encouraged to meet high standards. Attention to image and appearance is part of being a regional center and will help attract more commercial, industrial and tourism growth.
- 9) Discourage industries posing a substantial health, safety, or environmental hazard.
- 10) Continue to recognize, encourage, and promote volunteer, public, and private efforts as mechanism for promoting economic growth.
- 11) Ensure that growth is properly managed, rather than attempting to attract an absolute amount of growth. The amount of growth desired is to be measured in relative terms so that:
 - There is enough growth to support a broad range of goods and services;
 - The unemployment or underemployment rate is reduced;
 - Undeveloped areas with public utilities are in-filled; and
 - Vacant office, industrial, and commercial space is absorbed.
 - The proportion of higher wage opportunities are increased.
- 12) Continue to work with Bethlehem and Lisbon on the creation of the Tri-Town Industrial Park on Brook Road, and the necessary infrastructure improvements. Continue to pursue development of an industrial site on Mt. Eustis Road in Lisbon.
- 13) The Town should work with the AHEAD to attract an appropriate use to old hospital site that would contribute to the community as a whole.