

# 4. ECONOMIC BASE

Chichester’s economic base has a direct connection to land use, the transportation network, and the town’s natural resources. As described in the Existing and Future Land Use chapter, the majority of commercial uses are located along US4 and NH28, with the existing zoning framework supporting that pattern. Chichester’s natural resources are a reason why residents choose to live here, and there is a direct connection between those resources and the development of future trails to the town’s future economic base.

This Chapter reviews the public input received during the Master Plan process related to economic development, provides a summary of related employment and tax rate data, and provides an overview of recommendations for the potential use of available economic development-related tools and the work of local committees.

## COMMUNITY SURVEY RESULTS

Survey results highlight resident’s appreciation of Chichester’s small-town, rural character, though many noted their dislike for the town’s high tax rate. It was desired that the tax rate be decreased so that Chichester continues to be a desirable place to live. As shown in the survey results below, the majority of residents feel it is important to expand commercial and industrial development along US4 and NH28, as well as attracting new retail and office development. With regard to specific locations of new commercial or industrial development, the preferred location include US 4 east of Main Street (64.1%), followed by US4 west of Main Street

### CHAPTER VISION

Chichester’s future economic development activities should promote an appropriate mix of residential, commercial and industrial development through the use of available tools and through the proactive work of local committees.

(57.1%), NH28 north of Swiggey Brook Road (48.2%), and NH28 south of Swiggey Brook Road (36.5%).

#### Community Survey Question #10:

Please rank the following economic development goals to the level of importance that the town should give them:

Goals	Very Important	Important	Not Important
Attract new office development	17.1%	49.7%	33.1%
Attract new retail development	23.0%	43.3%	33.7%
Expanding commercial & industrial development along US4	16.6%	44.0%	39.4%
Expanding commercial & industrial development along NH28	14.3%	42.9%	42.9%

**Community Survey Question #11:**

If you had to choose an area in town to encourage business development, where would this area be?

Area	Percentage
US4 (West of Main Street)	57.1%
US4 (East of Main Street)	64.1%
NH28 (North of Swiggey Brook Road)	48.2%
NH28 (South of Swiggey Brook Road)	36.5%

**EMPLOYMENT DATA**

**LABOR FORCE**

According to New Hampshire Economic and Labor Market Information Bureau (ELMI), the number of civilians in the New Hampshire labor force has grown between 2010 and 2018 by 3.2%, with an overall increase in the labor force of over 23,495 residents. However, the number of civilians in the labor force has not increased consistently every year, with a mix of increases and decreases. Similar to state trends, Chichester has seen an increase in the number of civilians in the labor force. Between 2010 and 2018 Chichester gained 4.2% of its labor force, increasing nearly 65 people. The Town’s number of employed civilians in the labor force also increased, rising 6.7% to 1,520 people in 2018.

**OCCUPATION AND EMPLOYERS**

Within Chichester’s civilian labor force, American Community Survey 2014-2018 data indicates that 69.2% are employed. Of these residents, the majority (40.2%) work within the management, business, science, and arts occupations as shown in Table 4.1. It should be noted that the numbers below do not necessarily represent the types of occupations available in the Town of Chichester, but those occupations of Chichester residents.

**JUNE 12, 2019 COMMUNITY VISIONING SESSION**

The economic development discussion at the Visioning Session focused mostly on encouraging economic development, including agricultural and equestrian businesses. Some of the topics discussed include:

- Manufacturing is a preferred land use in the C/I Zone;
- Interest in utilizing economic development tools, such as incentives for additional commercial density on US4;
- Support for agricultural businesses and agritourism activities; and
- Recognize the potential to connect open space development, agriculture, and economic development.

Many were interested in extending the Town Center node to include the remainder of Main Street.

**Table 4.1: Occupations of Employed Chichester Residents**

Occupation Type	Number Employed	Percent Employed
Management, business, science, and arts occupations	575	40.2%
Sales and office occupations	310	21.7%
Natural resources, construction, and maintenance occupations	154	10.8%
Service occupations	219	15.3%
Production, transportation, and material moving occupations	173	12.1%
Total employed persons over 16 years of age	1,431	100.0%

Source: US Census Bureau, American Community Survey 2014-2018

The largest employers in Chichester are shown in Table 4.2 as provided by New Hampshire Employment Security. Presented in the table are all employers that employ over 50 employees; however, there are numerous employers located in Chichester that employ less than 50 employees. As shown, Weathervane Seafood Restaurant, Chichester Central School, Millican Nurseries Inc, and Camping World employs the highest number of employees of all other businesses in Town, falling into the category of 50 to 99 employees.

**Table 4.2: Largest Employers in Chichester**

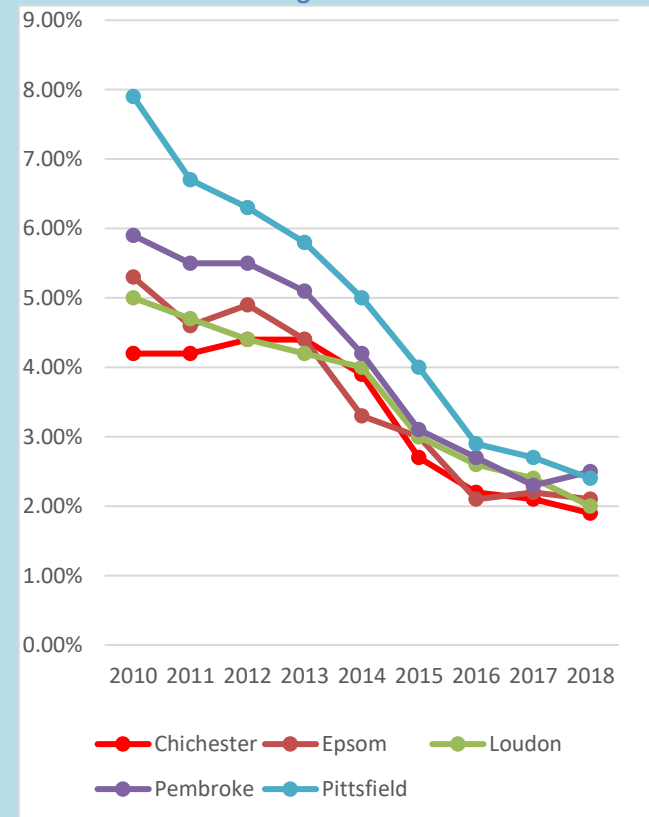
Company	Number of Employees	Location
Weathervane Seafood Restaurant	50 to 99	Dover Road
Chichester Central School	50 to 99	Main Street
Millican Nurseries Inc	50 to 99	Pleasant Street
Camping World	50 to 99	Dover Road

Source: New Hampshire's Economic and Labor Market Information Data System, New Hampshire Employment Security

**UNEMPLOYMENT RATE**

Compared to its neighbors, Chichester had the lowest unemployment rate in 2018 at 1.9%. Similarly, Chichester's historic unemployment rate over recent years has been similar or lower than abutting communities, as shown in Figure 4.1.

**Figure 4.1: Unemployment Rates for Chichester and Abutting Communities**



Source: New Hampshire Economic and Labor Market Information Bureau

## WAGE COMPARISONS

To gain a better understanding of the types and quality of the jobs located in Chichester, wages paid by employers in Chichester can be compared to those in the surrounding communities. Although Table 4.3 shows average annual weekly wages for people who work within the Town of Chichester, they do not represent the average weekly wage of a Chichester resident (Chichester resident income data can be found in Chapter 1, Chichester Today). Chichester falls in the middle of the abutting communities in regard to average weekly wage for Private Industry, but one of the smallest for Government weekly wages.

## TAX RATES

A review of Chichester’s total tax rates between 2010 and 2019 (Table 4.4) show that the rate increased from \$19.07 in 2010 to \$23.40 in 2019. That said, the total tax rate decreased from \$26.80 in 2014 to \$26.37 in 2015, and again in 2018 to \$23.42 from \$27.72 in 2017. The municipal, county, local education and state education rates also saw various fluctuations in their values over the time period.

Equalized valuation, or equalization, is an adjustment of the town’s local assessed values, either upward or downward, in order to approximate the full value of the Town’s property. This process is due to an imbalance caused by varying local assessment levels. That being said, the full value tax rate is the equalized tax rate for a town.

**Table 4.3: Average Annual Weekly Wage Private Industries and Government, 2018**

Community	Private Industries		Government	
	Annual Average Employment	Avg. Weekly Wage	Annual Average Employment	Avg. Weekly Wage
Chichester	703	\$916.41	85	\$702.85
Epsom	1,072	\$807.31	133	\$802.01
Loudon	852	\$909.87	98	\$830.02
Pembroke	1,866	\$967.61	528	\$892.35
Pittsfield	84	\$1,008.02	203	\$678.71

*Source: Covered Employment and Wages, NH Department of Employment Security*

**Table 4.4: Chichester’s Tax Rates, 2010-2019**

Year	Municipal Rate per \$1000	County Rate per \$1000	Local Education Rate per \$1000	State Education Rate per \$1000	Total Rate per \$1000
2010	\$3.05	\$2.44	\$11.40	\$2.18	\$19.07
2011	\$3.65	\$2.33	\$11.22	\$2.10	\$19.30
2012	\$4.48	\$2.41	\$11.26	\$2.01	\$20.16
2013	\$5.34	\$2.83	\$14.80	\$2.35	\$25.32
2014	\$6.07	\$3.14	\$15.12	\$2.47	\$26.80
2015	\$5.36	\$2.96	\$15.52	\$2.53	\$26.37
2016	\$5.58	\$3.00	\$16.36	\$2.37	\$27.31
2017	\$5.57	\$2.93	\$16.85	\$2.37	\$27.72
2018	\$4.99	\$2.48	\$14.07	\$1.88	\$23.42
2019	\$5.18	\$2.61	\$13.72	\$1.89	\$23.40

*Source: NH Department of Revenue Administration*

As shown below in Table 4.5, Chichester has a full value tax rate of \$23.41, which is higher than Epsom and Loudon, but lower than Pembroke and Pittsfield. Chichester has an equalization ratio of 99.6, indicating that the town’s municipality’s total market value is greater than it assessed value. All of the abutting communities also have equalization ratios less than 100, with the lowest being Loudon at 84.9.

**Table 4.5: Equalized Tax Rates of Chichester and Abutting Communities, 2018**

Community	Total Equalized Valuation Including Utilities and Railroad	Tax Rate per \$1000	Full Value Tax Rate per \$1000	2017 EQ Ratio
Chichester	\$317,850,605	\$23.42	\$23.41	99.6
Epsom	\$501,563,009	\$25.97	\$22.20	85.3
Loudon	\$666,417,289	\$22.06	\$18.66	84.9
Pembroke	\$721,824,831	\$26.24	\$24.03	90.2
Pittsfield	\$275,268,894	\$33.46	\$31.89	94.2

*Source: NH Department of Revenue Administration*

## POTENTIAL ECONOMIC DEVELOPMENT TOOLS

Economic development tools available for use by New Hampshire’s municipalities include the Community Revitalization Tax Relief Incentive, the establishment of Economic Revitalizations Zones (ERZs), and the implementation of the Commercial and Industrial Construction Exemption. While different in their application (temporary local property tax relief vs. a potential reduction in New Hampshire business profits tax levied), the tools are can be used to help further their economic development goals. A summary of the tools follow.

### **COMMUNITY REVITALIZATION TAX RELIEF INCENTIVE (RSA 79-E)**

If the provisions of RSA 79E are adopted by Town Meeting, the Board of Selectmen have the authority to delay any *increase* in taxes for property owners in a designated Village or downtown district if they replace or substantially rehabilitate their property. Its goal is to encourage the rehabilitation and active reuse of under-utilized buildings.

## THE ROLE OF THE ECONOMIC DEVELOPMENT COMMITTEE

It takes a great deal of effort and momentum to undertake an appropriate level of economic development in a small community. The recently formed Chichester Economic Development Committee can assist in promoting some of the potential tools described in this chapter. The charge of the EDC is as follows:

- Encourage development of the Commercial-Industrial/Multi-Family Districts to offset property taxes
- Establish an Ambassador Group to make contact with existing Chichester businesses to understand their needs and to provide assistance with retention and expansion activities.
- Publicize the Town to potential new businesses who might consider locating to Route 4 and Route 28.
- Create an inventory of commercial/industrial parcels in Chichester and identify potential areas for future development.
- Network with other Boards and organizations to promote the Town of Chichester as a destination for new businesses.
- Focus on the Route 4 and Route 28 corridors for future development.
- Coordinate and seek out support for businesses from local, state, and regional organizations such as CNHRPC and the NH Division of Economic Development.
- Engage in strategic economic development planning and policy development and recommend zoning changes when needed to encourage sound economic development.

The Community Revitalization Tax Relief Incentive program works in the following manner:

- A property owner who wants to substantially rehabilitate a building located in a designated district may apply for a period of temporary tax relief.
- The temporary tax relief, if granted, would consist of a finite period of time (1 to 5 years) during which the property tax on the structure would not increase as a result of its substantial rehabilitation. In exchange for the relief, the property owner grants a covenant ensuring there is a public benefit to the rehabilitation.
- Following expiration of the tax relief period, the structure would be taxed at its full market value taking into account the rehabilitation.

The area encompassing the recently approved Town Center zone is proposed for initial designation as a Community Revitalization Tax Relief Incentive Zone. The proposed zone is shown in Figure 4.2, Potential Economic Development Incentives (attached).

#### **ECONOMIC REVITALIZATION ZONES (ERZs)**

The Economic Revitalization Zone (ERZ) program is enabled in the State of New Hampshire through NH RSA 162-N. The program allows municipalities to establish certain zones in a community where a business can then seek a credit on its New Hampshire Business Profits Tax. To establish a zone or zones, the Town may apply to the program (administered by the NH Division of Economic Development) following a process outlined in NH RSA 162-N:8. The ERZ program currently has \$825,000 available per year for tax credits throughout the State of New Hampshire.

To be eligible for the program, a designated zone must meet one of the following requirements:

- (a) Unused or underutilized industrial parks; or
- (b) Vacant land or structures previously used for industrial, commercial or retail purposes but currently not so used due to demolition, age, relocation of the former occupant's operations, obsolescence, deterioration, brownfields, or cessation of operation resulting from unfavorable economic conditions either generally or in a specific economics sector.

Several potential locations for an ERZ along US4 within a potentially expanded Residential Business District are identified in Figure 4.2 (attached).

#### **COMMERCIAL AND INDUSTRIAL CONSTRUCTION EXEMPTION - NH RSA 72: 80-83**

If the Commercial and Industrial Construction Exemption is adopted at Town Meeting, the tax exemption for a commercial or industrial use shall be a specified percentage on an annual basis of the increase in assessed value attributable to construction of new structures, and additions, renovations, or improvements to existing structures not exceed 50 percent per year. The maximum period for the exemption is 10 years following the new construction, and only applies to municipal and local school property taxes.

When considering the enactment of the Commercial and Industrial Construction Exemption, the Town Meeting vote must specify the percentage of new assessed value to be exempted and the number of years duration following construction. The vote to adopt remains in effect for 5 years, except that exemptions shall continue for the rate and duration granted.

## SUNCOOK VALLEY TRAILS PLAN/TRAILS COMMITTEE FORMATION

In 2019 CNHRPC worked with the five Suncook Valley communities of Pembroke, Allenstown, Epsom, Pittsfield and Chichester to develop the Suncook Valley Trails Plan. Each community evaluated their existing trails, trail needs, and envisioned future trails. The communities also collectively looked at regional trail connections, with a particular focus on a possible rail trail along the abandoned Suncook Valley Railroad bed, which passes very near the intersection of NH28 and Main Street. It was understood that where potential trails cross private property, trail development depends on property owner consent, and all future efforts will need to be conducted with their participation and interests in mind.

During the public visioning process, Chichester residents and trail advocates envisioned how trails could be integrated into the fabric of the community in a way that enhances quality of life and is supportive of economic development initiatives. One of the primary outcomes of this planning work was a vision for four season multi-use trail connections in and around the Main Street town center, bounded roughly by Bear Hill Rd, NH28, US4, and Center Road. Trails could connect to the existing Marsh Pond trails, the Library, the Elementary School, Carpenter Park, and residences and businesses in the vicinity. These trails could also connect into a potential regional rail trail across NH28 from Main Street off Depot Street and the historic Thunder Bridge.

Implementing such a vision would require groundwork by town residents and business owners as part of a newly formed local trails committee. This group would be tasked with engaging the community, speaking with property owners, addressing neighbor concerns, soliciting ideas, and ultimately building trail that meets the needs of the community. Partners such as the Conservation Commission and local snowmobile clubs could assist in the work.

## OBJECTIVES OF THE CHAPTER AND RECOMMENDATIONS

The following objectives were developed that capture the overall aims of the chapter. Individual recommendations were developed that correlate to existing conditions and needs of the community.

### OBJECTIVE 1:

Encourage and support the use of appropriate economic development incentives in Chichester.

- Encourage additional local investment by (1) seeking Town Meeting approval of a Community Revitalization Tax Relief Incentive Zone (NH RSA 79-E) for the Town Center Village Zone and (2) development of Economic Revitalization Zone (ERZ) zones along appropriate areas of US4.
- Investigate and consider the future adoption of the Commercial and Industrial Construction Exemption.

### OBJECTIVE 2:

Encourage and support the work of local committees to investigate and implement economic development related tools and projects.



- Support the continued work of the Economic Development Committee.
- Support the formation of the Chichester Trails Committee to develop a local four season multi-use trail system that connects to a potential regional rail trail.

### OBJECTIVE 3:






Preserve and enhance the US4 and NH28 corridors through a modification of existing zoning districts to serve a variety of functions including appropriate levels of economic development and mixed use development (See Existing and Future Land Use chapter).

# Figure 4.2 Potential Economic Development Incentives Chichester Master Plan 2021

## Legend

-  Potential 79-E District
-  Potential ERZ

## Base Legend

-  Town Boundary
- Roads**
-  Class I/II State Highway
-  Class V Local Roads
-  Class VI Unmaintained Roads
- Water Features**
-  Waterbodies
-  Rivers and Streams

Data Sources for the Chichester Master Plan Map series includes:

Digital Tax Maps by CAI Technologies, NH Department of Environmental Services, Federal Emergency Management Agency, NH Department of Transportation, US Geological Survey, Town of Chichester, NH GRANIT, and CNHRPC.

### Disclaimer:

This map is intended for use with the Chichester Master Plan. The information presented is to be used for planning purposes and may not fully represent actual geographic conditions. Inaccuracies should be directed to the Town of Chichester or to CNHRPC.

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