

**Phase I of a Two-Phase
Economic Development Strategic Plan**
For the
Town of Wolfeboro, New Hampshire:
Identifying Economic Opportunities
August, 2010



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Wolfeboro Economic Development Strategic Planning – Phase I

Introduction:

In the fall of 2008, the Town of Wolfeboro New Hampshire elected to pursue an economic development strategy with the assistance of an outside contractor. In the spring of 2009, the Town, via its Economic Development Committee (EDC) and the Town's Planning and Development Office, issued a Request for Proposals (RFP). After reviewing the submissions, the Arnett Development Group LLC of Concord was selected, in collaboration with Hawk Planning Resources LLC, also of Concord. However, the two-phased contract was not executed as the Warrant Article failed to pass at Town Meeting. Subsequently, the Town and the Economic Development Committee were able to raise 40% of the original amount, and decided to contract for only the first phase, subsequently entitled "*Identifying Economic Opportunities-Phase I.*"

This Report is *Phase I*. A listing of deliverables is attached at the end of the Report.

Future Phase II: Based upon this Phase 1 report, which identified relevant data, performed a SWOT analysis, and Findings, Phase II would provide the Town with specific recommendations, strategies, timetables and action steps to implement the plan.

A Summary of Findings and Reasons to Take Further Economic Development Actions:

- Wolfeboro has an economic climate that is generally positive, yet is subject to marketplace, tax policy, demographic and economic vulnerabilities.

Vulnerabilities include:

- Wages are currently and consistently below state averages
- Several economic sectors, including manufacturing, retail trade, hotel and restaurants, and IT Services, have lost market share in the region

- The local and state tax structure – which favors most Wolfeboro residents and enterprises – may not be sustainable
- There are few compelling economic reasons for a major, non-retail employer to re-locate to Wolfeboro
- Wolfeboro may be underserved by “box” retailers. If improperly sited, they could increase traffic and cause land-use disruptions
- Downtown retail viability could be challenged by new box retailing, the loss of a “critical mass” of retail establishments, and the low visitor counts in off-seasons
- While there are significant opportunities for Wolfeboro to capitalize on existing economic and cultural strengths – innovative people, investment capital, world-class business networks, unique history, and a modern IT infrastructure – there isn’t a broad-based, concerted community effort to pursue this opportunity.

Preliminary Recommendations:

1. Take Action

- *Inaction* will increase these community’s vulnerabilities, and concedes a unique and attractive opportunity to other, competing communities.
- Wolfeboro has demonstrated it can act on behalf of its economic future before, and has many elements in place to allow for success again.
- Actions can be measured, affordable and still be effective. Pursuing Phase II will equip the Town with relevant strategies and a plan of action.
- During these times of rapid economic transition, complacency or inaction may prove to be an expensive choice. Further action may reduce economic vulnerabilities for the Wolfeboro community, and provide a strategy to create an attractive new entrepreneurial niche for this generation, and the generations to follow.

2. Seek community-wide consensus, support and involvement

- The decision to act must be town-government generated and led, and be based upon community participation and communications. An economic development agenda that does not reflect the goals of the community and its elected leadership cannot succeed.

Current Conditions:

Wolfeboro is in a position of relative economic strength. Employment rates, local tax rates, cultural and natural resources, education rates, and the presence of an existing infrastructure are all positives. Wolfeboro shows the benefits of many decades of prudent administration and public investment.

But a position of relative strength is not guaranteed in the competitive marketplace. Other communities seek the same shopper, investor, traveler, and entrepreneur as does Wolfeboro. A successful economic strategy encourages reinvestment in public and private infrastructure. It increases the tax base and offers to young and the older resident economic opportunities without needing to move ever further away. It decreases the negative environmental costs of longer commutes and “start-stop” development. A strong local economy provides markets for existing businesses so that they may reinvest into their buildings and workforce. Better jobs in a community means better housing prices for existing home owners. Economic wealth allows a community to protect its natural, historic and cultural resources. New economic opportunity can complement existing economic and environmental assets, thus minimizing land-use changes and neighborhood disruptions.

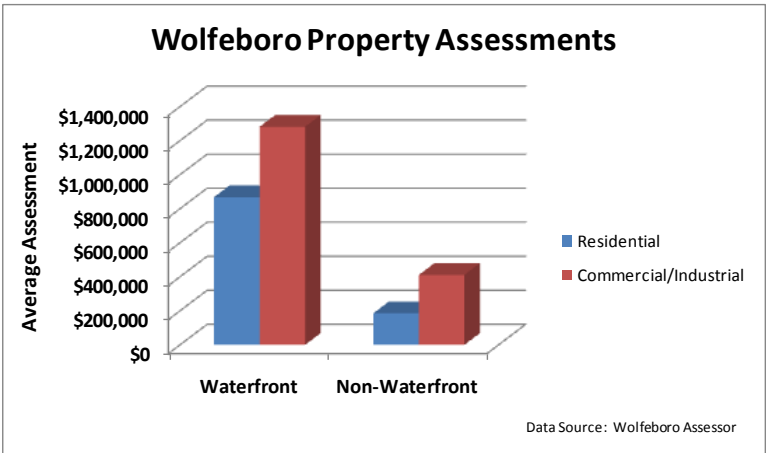
Wolfeboro has the luxury of determining its economic future without the disruption of a crisis. But there are ***vulnerabilities***, as well as significant ***economic opportunities*** which compel community action.

Vulnerabilities include:

- A. **New Hampshire tax policies** will be an on-going point of possible community vulnerability. Examples include the state’s Property Tax policy, as well as Rooms and Meals.

Property Tax: The significant reliance on property tax statewide as the primary tax receipt source, and the higher-weighting of tax value toward waterfront properties (see figures 1 & 2) has both a positive and negative effect. As a positive, the waterfront valuation

Figure 1



effectively lowers the overall tax rates (and electric rates from the Town-owned electric company) so as to make other facilities in Wolfeboro less expensive, a positive for most of the Town’s residents and enterprises. However, as the state increasingly passes its costs onto towns, the local tax burden increases and thus may hamper any community effort to pursue a unified economic strategy. Wolfeboro cannot alter the basis for assessments, as the property tax structure is state mandated and controlled.

Figure 2

Wolfeboro Property Assessments 2010		
	Number of Parcels	Total Assessed Value
Waterfront	27.26%	62.06%
Non-waterfront	72.74%	37.94%
Data Source: Wolfeboro Assessor		

Other State Tax Policy: The current state tax structure favors the Wolfeboro resident. The Rooms-and-Meals tax is targeted to visitors. The lack of a sales, income, or capital gains tax makes New Hampshire generally - and Wolfeboro specifically - an attractive destination or residence for high-income households. This could change. Rooms and Meals tax rates have repeatedly been increased. Serious debate continues in the legislature about instituting a mix of broad-based taxes. Should the state alter these revenue sources, it could prove to be a disincentive to current and future investments.

- B. **No Shared Economic Vision:** The reported lack of a “...collective economic vision” was listed by many in the SWOT community-input process. This was reported in spite of there being comprehensive community surveys, many public hearings, several adopted

plans, and detailed reports conducted recently and over the past twenty years. This mismatch indicates that community communications about a vision, and how to achieve it, could be strengthened. Economic opportunities missed by *inaction* need to be better understood by the community leadership, so that strategic and appropriate economic action is supported by the community at large.

- C. **Two-Tiered Community:** The Town's recent property assessments show the financial significance of lakeside property for the town's tax base. As waterfront property taxes increase, the setting for an "us-them" community increases. Why is this vulnerability an economic concern? A functional community is important. The authenticity of Wolfeboro's community is one of its strongest economic attributes. A cohesive community allows for the rapid and flexible responses to changing town issues, and to respond to economic opportunities. As further described below, a community of business and entrepreneurial networks could open up new opportunities for employers and employees.

D. **New Investment Limitations:**

Wolfeboro has lost both manufacturing and IT jobs. Due to market realities, it is less-likely these jobs will be recovered by luring a large employer to Wolfeboro.

- Wolfeboro has had a stable population, and is projected to grow at a modest rate of 1.25% a year, hence there is a small labor-pool for new-job recruitment.
- Wolfeboro does not offer significant incentives to relocate, such as:
 - Subsidized facilities to manufacture products, or free land
 - Either a low-wage, or high-unemployment workforce
 - Local or state cash incentives
 - Business sites adjacent to interstates and airports
 - Ready-access to major urban markets
 - Major research university or laboratory facility that could spin-off Intellectual Property into new businesses.

For these reasons, an industrial Site Selector would not rank Wolfeboro high against competing sites in the New England Region and the world.

Opportunities:

A. Entrepreneurs and home-grown jobs

Job development is more likely to come from existing, internal employers than from new investments into the community. Wolfeboro does offer many personal reasons for savvy, skilled people to live and work in the community. Wolfeboro's many amenities and family features are "world-class", including:

- great natural beauty
- easy recreation access
- advanced healthcare
- quality schools
- diverse and affordable housing options
- reasonable commuting –and telecommuting - access to major job markets including Boston and New York.

A community setting that is attractive to capable entrepreneurs and highly-skilled workers is a great opportunity for Wolfeboro. Entrepreneurs can creatively adapt lower-value commercial spaces, rather than requiring a new building. These re-uses increase the tax base and resale values of existing properties, without the disruptions of new development. Once the new enterprise is ready to grow into a larger facility, these home-grown ventures are likely to expand in their founding community, as owners and key-employees seek to retain their unique work-life qualities offered in Wolfeboro.

Small enterprises can succeed in Wolfeboro. Successful small enterprises pay well, and provide a more flexible work setting. Small enterprises can utilize both the younger and the older worker, those who need training, and it may provide economic opportunities for non-traditional workers, including those with disabilities, the retiree seeking part-time work, and the working-at-home Free Agent.

Wolfeboro offers an attractive economic and natural setting for the successful entrepreneur. Unlike mature industries, entrepreneurs thrive on change. In this changing economic environment – where smart people, low overhead and flexibility are keys to success – small enterprise is a good source for economic growth.

B. Specific Small Business Opportunities

The Shift-Share Analysis indicates changes in following Industries:

- Retail has lost ground
- Information Technology sector is almost non-existent
- The sector Finance, Insurance, Real Estate (FIRE) had slight gains
- Professional/technical sector declined
- Administration/management industry sector declined
- The Arts and Entertainment sector declined
- Accommodation/food services declined

A more detailed description of the shift share analysis can be found on pages 19-20.

Based upon the number of jobs by sector, the Location Quotation (LQ) results, and the fact that 20% of the existing labor force is self employed, *small companies in the above categories could be a focus of Wolfeboro's economic growth and marketing efforts*. The high quality of life and other community amenities lends itself to small entrepreneurial efforts in these areas.

Phase II will determine the best ways to identify and engage the entrepreneurial segment of the Wolfeboro community.

C. Economic Growth through Innovation:

The majority of the reported Strengths and Opportunities during the community SWOT session, as well as the attached data sets, point to the opportunity for the Wolfeboro community to better utilize Wolfeboro's existing facilities, people and networks; to grow new opportunity through creative and innovative ventures. Wolfeboro has many of the requirements for the "Innovation Economy"; an economy based upon new technologies, virtual organizations, smaller and flexible enterprises, and the blending of work, education and personal life. As examples of attractive assets, there are reasonably priced, smaller commercial spaces available within close proximity to downtown and the lake amenities. The Town owned Electric Company building – now vacant – might be an

Innovation Incubator, or otherwise serve as a hub for the small business start-ups. Wolfeboro has a well-educated workforce, and many early or semi-retirees. These 50+’ers are the potential “Free Agents” of the innovation economy. They can assemble into subject-matter expert work-teams as needed, and then when the task is completed, can easily dissolve, thus avoiding fixed overhead costs while providing world-class skills. Free Agents are attracted by convenient life-quality amenities, the ready access to superior healthcare, availability of quality schools, and to a community with diversity, authenticity and history, all of which are Wolfeboro strengths. Innovation enterprises can be aided by existing residents and visitors. The community has historically been the home or vacation destination for successful entrepreneurs and business leaders. These individuals could serve as a network of advisors, be a referral source to other investors, provide “Angel” investment, and be the initial clients for new innovative companies. With existing Internet tools, the networking of innovators is now easier, but face-to-face contact is still critical. Wolfeboro’s size, village lay-out, and history as a community encourage face-to-face networking where great new enterprises can develop.

D. External Investment in Local Retail Growth:

An exception to the external investment scarcity may be **regional and national retailers**: either shopping centers or “big box” development. The local rates of market penetration by regional and national retailers versus local enterprises are beyond the scope of this research. However, our observation of the community and region is that both may be under-served by national retailers, considering the relative wealth of the resident and visiting population, and absence of any regional (1m s.f. +/-) shopping center. The decline of retail jobs in Wolfeboro in the past decade is another indicator that retailer may find Wolfeboro “underserved”.

The possibility of further box stores or a shopping center has both positive and negative possibilities. Box stores are a significant addition to the local tax base, and provide valuable job opportunities to higher-level managers, entry-level workers, or workers with limited skills. Retail work is often a first step in a progression of career opportunities. If properly accommodated by local land-use regulations, a well-designed retail center would have minimal costs to the Town, and will provide an additional tourism attraction. In New Hampshire “shopping” is listed as the most popular travel

activity. Small retailers can offer individualized and “entertainment shopping” that box stores and malls do not offer.

Conversely, large retailers can draw market-share away from smaller, locally owned enterprises. This threat is important to Wolfeboro, where shopping is a major feature of downtown. Downtown must maintain a core of shopping destinations to attract day-shoppers.

The historic importance and the cultural authenticity of the historic areas of downtown are an irreplaceable Town asset. Efforts to promote in-town and downtown retailers seem essential to maintaining the unique and attractive allure of Wolfeboro.

E. Business and Travel Meeting Center:

With its quality of life, Wolfeboro offers opportunities to **increase off-season tourism spending**, by providing retail entertainment, authentic and business-friendly accommodations, healthcare services, specialized education classes, and access to business services, entrepreneurs, philanthropists, and investors.

The state’s tourism research indicates that the Lakes region has a low absorption rates “off-season”, indicating a possibility for attracting new business-conference travel. Business and conference travel off- season has minimal impact on the Town’s infrastructure. It provides greater year-long employment stability for those associated with the hospitality industry, can increase rooms and meals payments from the state to the Town, and brings more business leaders and entrepreneurs into a desirable work-live-play environment of Wolfeboro and the Lakes.

F. Education Opportunities:

A growth industry missing from the Town’s economic mix, and significant for the growth in innovation, is **higher-education**. Higher education helps to recruit and retain younger, educated workers. Higher-education also provides a valued amenity for the 50+ aged residents. These residents might participate in an Innovation Network once they are in Wolfeboro. Higher education is growing, in the for-profit colleges, for affordable community colleges, and in specialized areas including environmental studies and tourism development.

Wolfeboro's unique tourism history, and its leadership role in protecting the lakes and natural environs, could be an opportunity to introduce specialized higher-education programs such as ecological tourism, perhaps in coordination with an established institute, college or university. Two year colleges, private universities, and specialized institutes are growing, often in partnerships with existing tourism businesses. These seasonal or satellite sites can use existing, under-used buildings or industrial sites.

The quality reputation of the **Brewster Academy** is an opportunity, as dissatisfaction with public schools creates a market for attracting entrepreneurs and their families that can live where they choose, and who choose to be close to their boarding-student child. The Academy allows community access to social and cultural amenities that the school provides. The quality of the **Town's public schools** can also influence location decisions by investors and families.

G. Housing and the Economy

Based upon recent review of sale prices for primary homes not on waterfronts, it appears that **housing prices** are not a major impediment to attracting the families with needed technical jobs skills. New interest in Wolfeboro housing will increase the home values of existing property owners.

Conclusion:

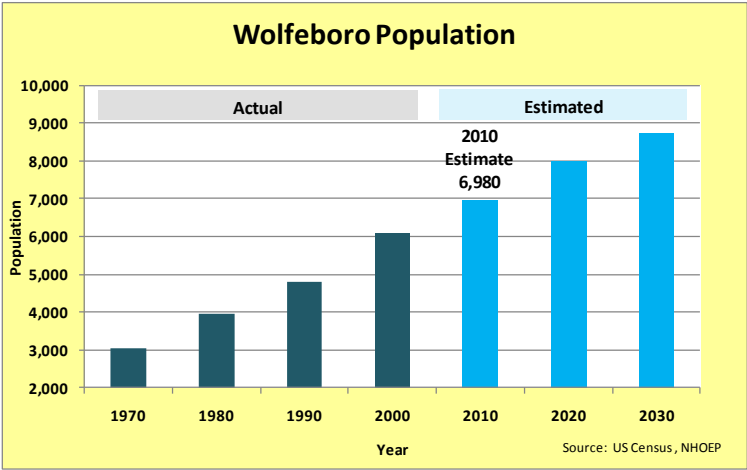
This *Phase I* report looks at the information available, as well as the inputs from community leaders, and adopted Town Plans, to determine "Current Conditions". The Findings indicate that there are opportunities for the community to grow its economy to support its existing businesses and historic legacies. Conversely, inaction or divided agendas increase the Town's vulnerability to property value declines, tax increases, loss of existing employment, youth-flight, and increasing social segmentation.

Limited, affordable and targeted economic development efforts – planned by the Town Government and supported by the Wolfeboro community – would have positive affects for residents, visitors, employers and employees. Phase II will identify effective strategies based upon this data and findings.

Wolfeboro Data - The following data sets characterize the town's economic conditions and how they compare to the region and state.

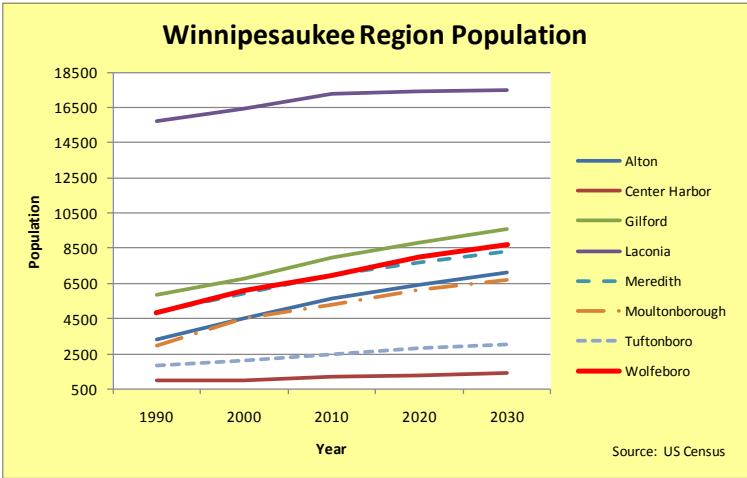
Population is projected to continue growing by an average of 1.25%/yr through 2030

Figure 3



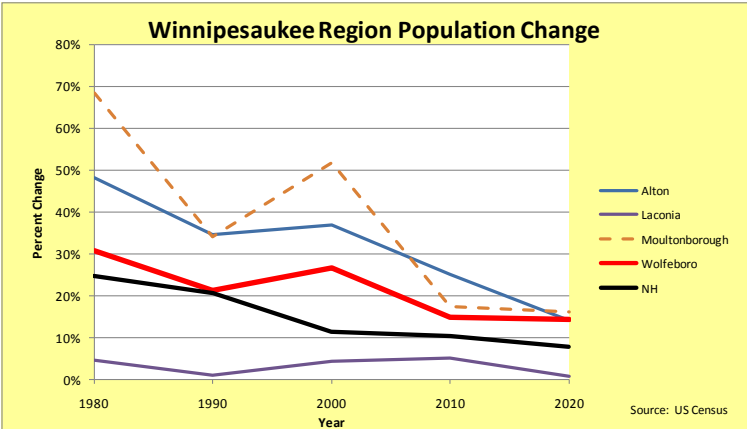
Wolfeboro is growing at a pace that is comparable to the rest of the region

Figure 4



Like the rest of the region, Wolfeboro's rate of growth is slowing down

Figure 5



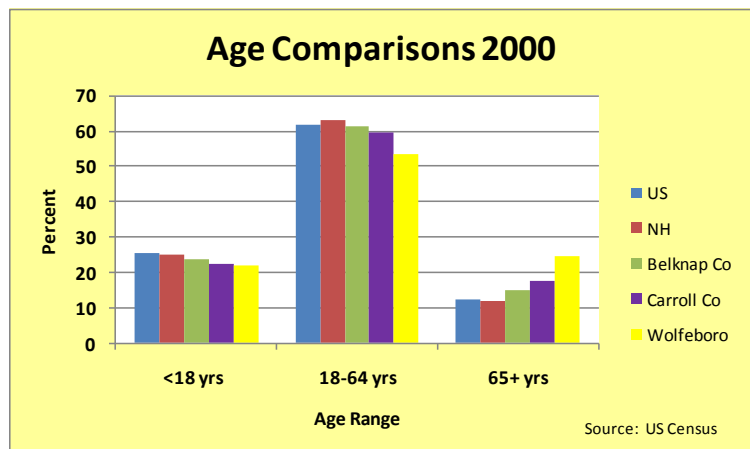
Wolfeboro's population is more highly educated than the counties, state or country.

Figure 6

Educational Attainment		
	HS Grad or Higher	College Grad or Higher
Wolfeboro	90.7%	34.1%
Belknap Co.	85.7%	23.3%
Carroll Co.	88.2%	26.5%
NH	90.5%	32.6%
US	80.4%	24.4%
Source: 2000 US Census		

Wolfeboro's population is older than the counties, state or country

Figure 7



Wolfeboro has substantially more households receiving SSI income than the counties, state or country

Figure 8

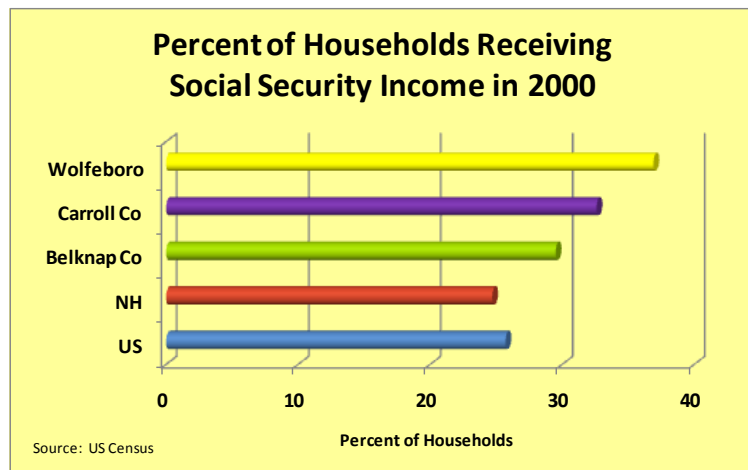
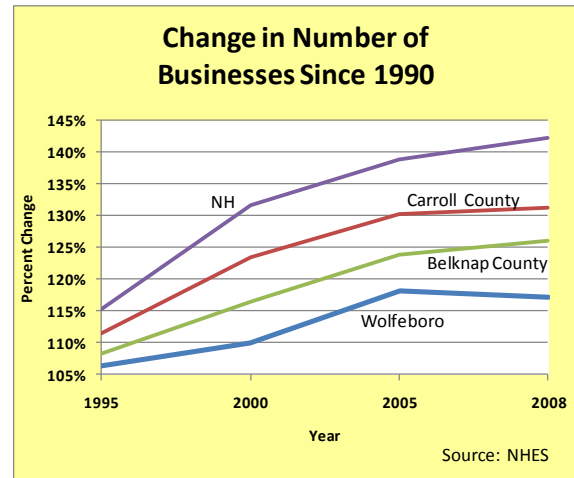
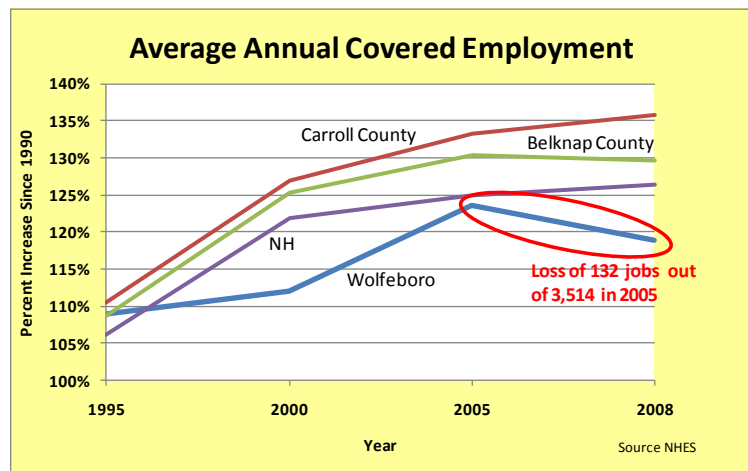


Figure 9



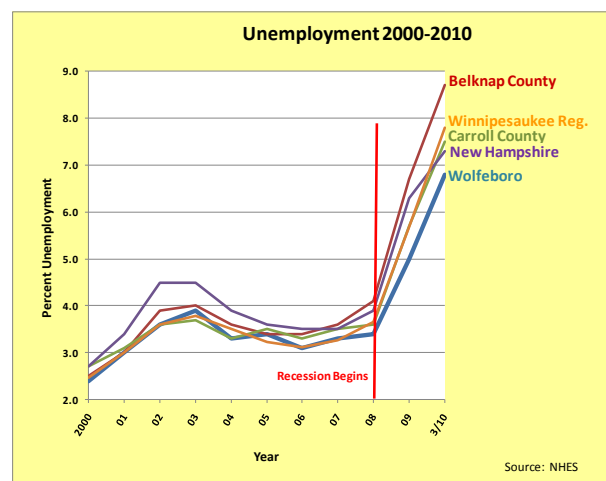
The percentage increase in number of businesses in Wolfeboro has generally kept pace to that of the counties and state – although at a slower rate. There was a loss of three businesses between 2005 and 2008.

Figure 10



Wolfeboro lost 132 jobs between 2005 and 2008

Figure 11



Longer term unemployment has been consistently at or below the region, counties or state.

It currently averages about 1% less than the region, Carroll County and the State and 2% below Belknap County.

Figure 12

Recent Labor Market Area (LMA) data shows seasonal drops in unemployment and overall higher unemployment since the beginning of the recession.

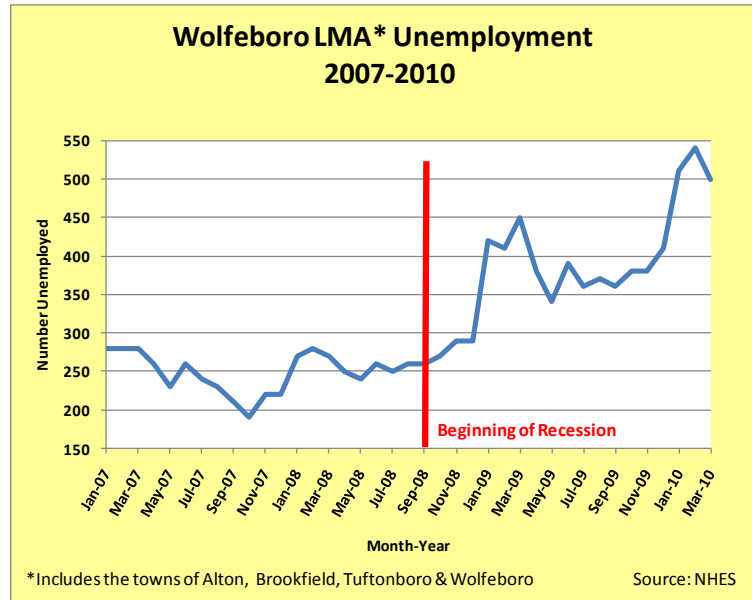


Figure 13

Recent labor market area unemployment is also lower than the counties or state

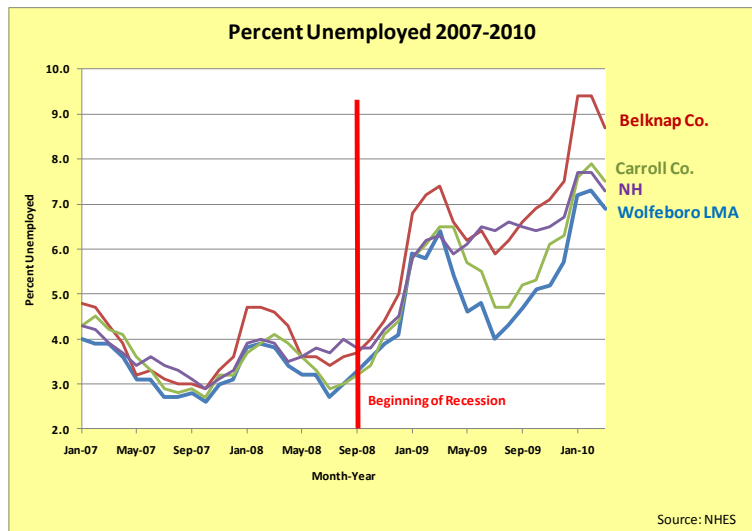


Figure 12

Commute to Work					
Work in Wolfeboro & Commute from:			Live in Wolfeboro & Commute to:		Net Job Import/ (Export)
Number	Percent	Town	Number	Percent	
1434	44.81%	Wolfeboro	1434	56.86%	N/A
296	9.25%	Tuftonboro	50	1.98%	246
215	6.72%	Alton	49	1.94%	166
232	7.25%	Ossipee	130	5.15%	102
138	4.31%	Wakefield	42	1.67%	96
102	3.19%	Maine	23	0.91%	79
44	1.38%	Brookfield	0	0.00%	44
44	1.38%	Freedom	0	0.00%	44
101	3.16%	Other NH	60	2.38%	41
36	1.13%	Middleton	0	0.00%	36
53	1.66%	Tamworth	18	0.71%	35
30	0.94%	Madison	0	0.00%	30
29	0.91%	Barnstead	0	0.00%	29
45	1.41%	New Durham	17	0.67%	28
59	1.84%	Effingham	33	1.31%	26
25	0.78%	Gilford	0	0.00%	25
29	0.91%	Milton	9	0.36%	20
18	0.56%	Sandwich	11	0.44%	7
70	2.19%	Conway	65	2.58%	5
18	0.56%	Laconia	18	0.71%	0
20	0.63%	Bartlett	23	0.91%	(3)
14	0.44%	Other Carroll Co.	18	0.71%	(4)
6	0.19%	Meredith	13	0.52%	(7)
58	1.81%	Moultonborough	66	2.62%	(8)
0	0.00%	Somersworth	16	0.63%	(16)
9	0.28%	Concord	26	1.03%	(17)
5	0.16%	Durham	24	0.95%	(19)
23	0.72%	Rochester	45	1.78%	(22)
6	0.19%	Dover	33	1.31%	(27)
13	0.41%	Other Mass.	48	1.90%	(35)
17	0.53%	Farmington	54	2.14%	(37)
0	0.00%	Portsmouth	37	1.47%	(37)
0	0.00%	Boston, MA	45	1.78%	(45)
11	0.34%	Manchester	57	2.26%	(46)
0	0.00%	Other States	58	2.30%	(58)
3200		Total	2522		678
Source: US Census					

- There are more people who commute to work in Wolfeboro than people who live in town and commute to work out of town, making Wolfeboro a net importer of labor.
- Not surprisingly, the largest commuting patterns are to and from area towns

Figure 13

More than 75% of Wolfeboro workers are employed in the top six industry sectors. This represents 2,051 workers out of a total of 2,583 in 2000

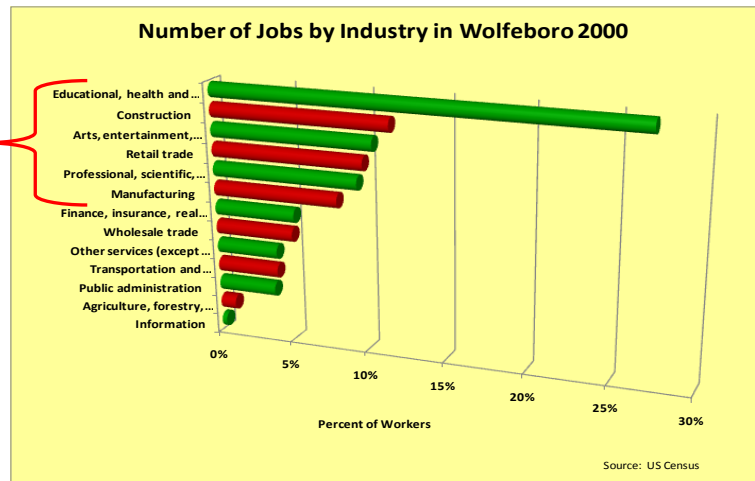


Figure 14

The largest employment sector gains over the past decade have been in:

- health care and social assistance;
- government; and
- Accommodations and food services.

Education is not shown due to data confidentiality requirements of the state.

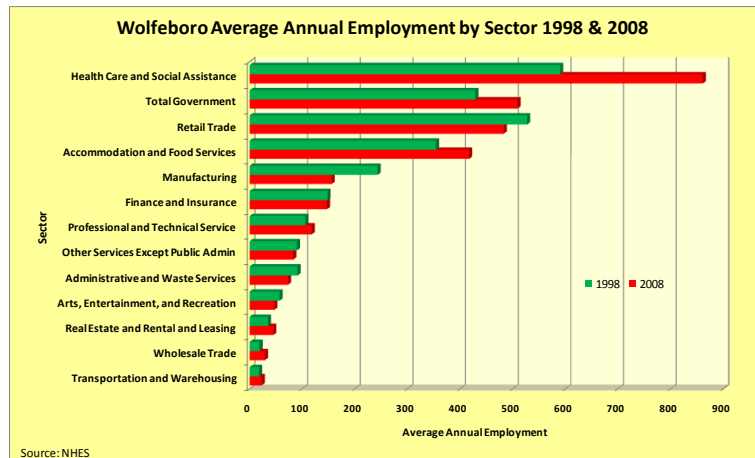


Figure 15

Figure 17 shows the largest industry sector employment gains and losses in the most recent four year period.

In addition to the sector gains noted in figure 16, “Arts, Entertainment & Recreation” and “Transportation & Warehousing” also grew in the 2004-2008 period. The largest losses were in “Accommodations & Food Services,” “Retail Trade,” “Administrative, Management and Waste Services,” and



in “Manufacturing.” Education is not shown due to data confidentiality requirements of the state.

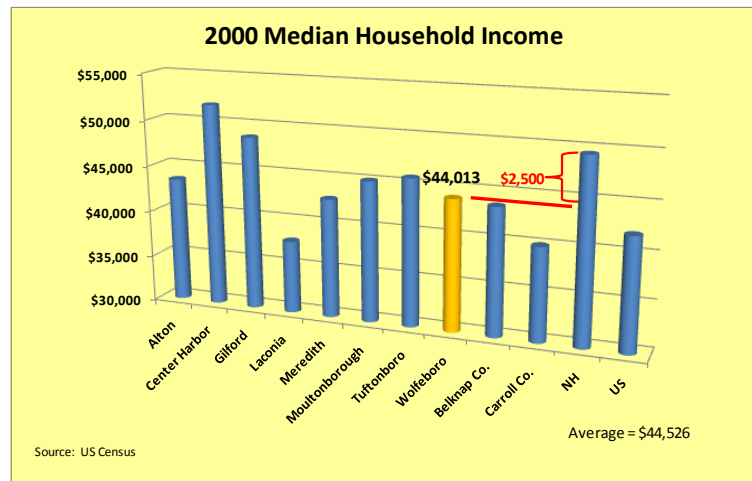
Figure 16

Class of Workers	NH	Carroll Co.	Belknap Co.	Wolfeboro
Civilian employed population 16 yrs. and over	705,203	21,418	28,848	2,583
Private wage and salary workers	79.0%	72.7%	73.8%	67.1%
Government workers	12.9%	12.5%	15.3%	12.3%
Self employed in own business	8.0%	14.4%	10.4%	20.1%
Unpaid family workers	0.2%	0.4%	0.5%	0.5%

Source: 2000 US Census

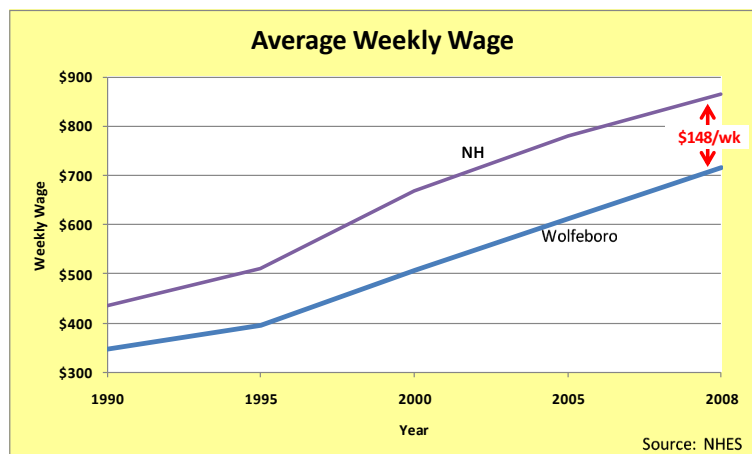
Wolfeboro has a significantly higher percentage of self employed workers than the counties or state

Figure 19



In 2000, Wolfeboro’s median household income was \$2,500 below the state average but similar to most lakes region towns.

Figure 20

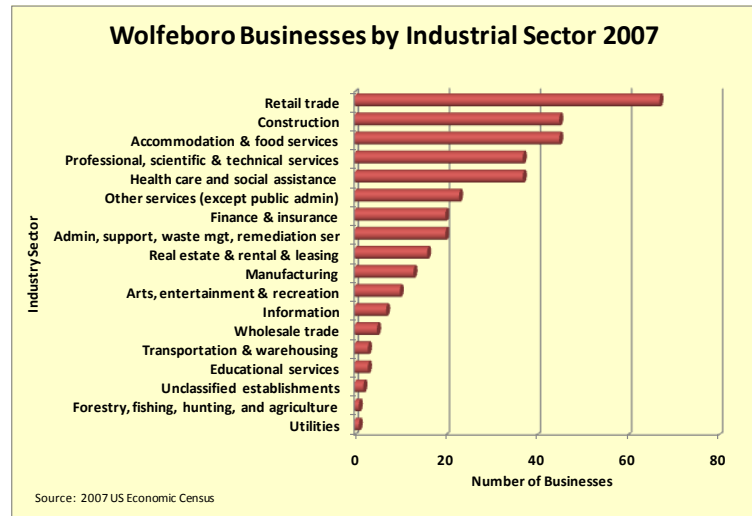


2008 weekly wages in Wolfeboro were \$148 below the average for the state.

Figure 21

The largest number of businesses in Wolfeboro can be found in:

- retail,
- construction,
- accommodation and food services,
- professional and scientific services and
- health care and social assistance

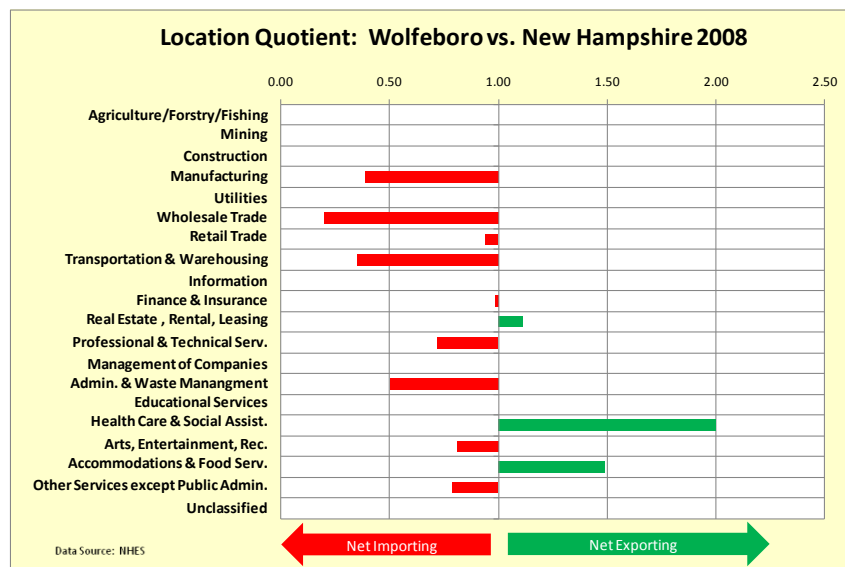


Location Quotient Analysis

Location Quotient analysis provides a means of comparing the relative strength of individual industry sectors in a local area as compared to a larger region. This is done by looking at the percentage of employment in each sector compared to the total employment in the local area and then evaluating that percentage to the comparable figure for the larger region.

The resulting numerical relationship will show that the local area is either below, the same as or higher than the larger area to which it is being compared. Figure 22 shows the results of this analysis in a comparison of Wolfeboro employment to total New Hampshire employment.

Figure 22



In the manufacturing sector the LQ figure is less than 1.00 meaning that Wolfeboro's percentage of manufacturing employment is considerably below the statewide percentage of manufacturing employment. This indicates that in the manufacturing sector, Wolfeboro has proportionately fewer jobs than does the state and is therefore a net importer of manufacturing goods and services. Other net

importing sectors are shown in red to the left of the 1.00 dividing line. Conversely, Wolfeboro has higher employment than the state percentage in (1) real estate rental and leasing; (2) Health care and social assistance; and (3) accommodations and food services. Given the strength of Wolfeboro's summer tourism and second home population and the presence of Huggins Hospital, these sector strengths are to be expected. It should be noted that a number of categories have no LQ number represented in figure 22. This is due to the small numbers of businesses and employees in these sectors and the State Employment Security's policy of not releasing data that might infringe on the confidentiality of the data sources. For example, there are only three educational institutions indicated in figure 21.

Figure 23 compares the change in location quotient for Wolfeboro and the state between 1997 and 2008. The change in LQ over time shows where Wolfeboro's employment has gotten stronger or

Figure 23

weaker relative to that of New Hampshire.

- Manufacturing continues to decline – a trend that is true throughout the region and the entire country.
- Wholesale trade continues to decline in Wolfeboro.
- Retail trade is down in Wolfeboro, likely due to stronger chain store competition elsewhere

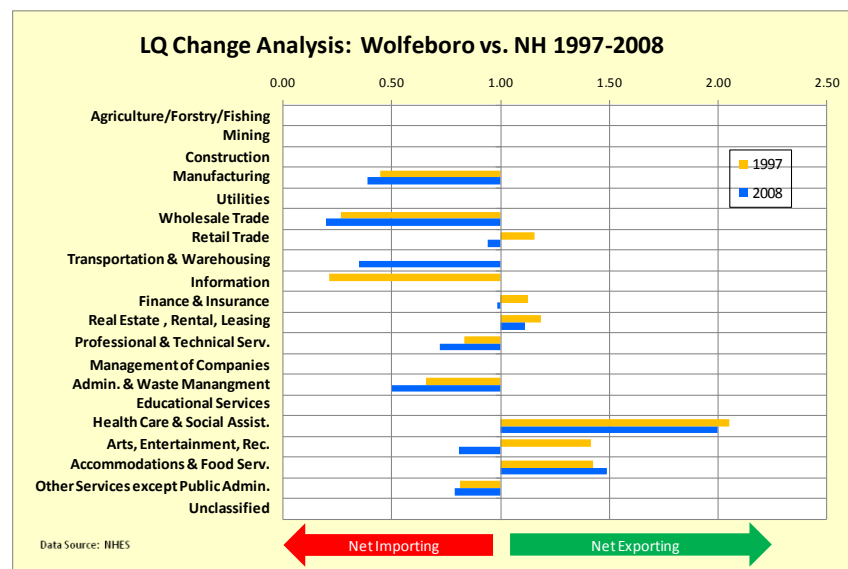
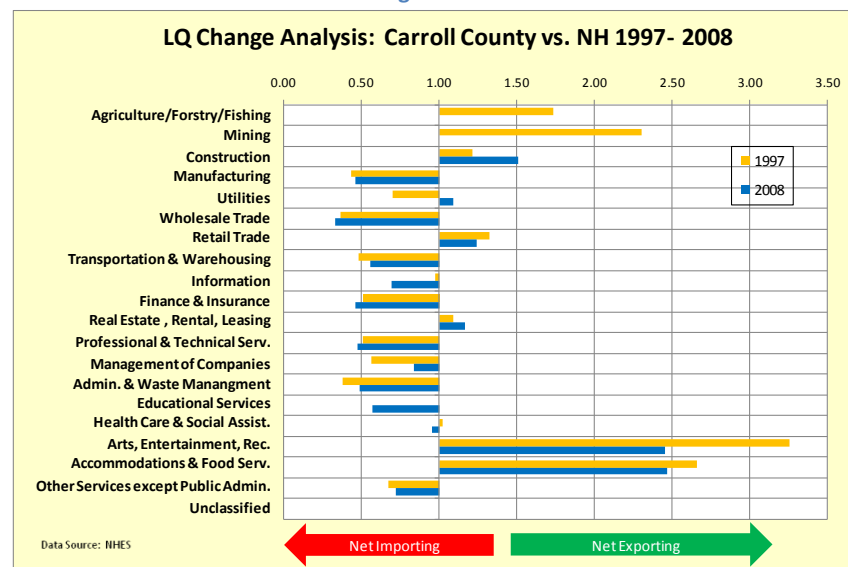


Figure 24

- in the lakes region.
- Real estate, rental and leasing is still strong for Wolfeboro compared to the state, but down some from 1997.
- Professional and technical services are even weaker in 2008 than they were in 1997.
- Administrative and support and waste



management and remediation services also lost ground during this time period.

- Health care and social assistance remains strong throughout the time period but represents a slightly smaller portion of the total employment in Wolfeboro in 2008 than it did in 1997.
- The arts, entertainment and recreation services sector was stronger than the state percentage in 1997 but dropped below the state percentage by 2008.
- Accommodations and food services in Wolfeboro remain stronger than the state ratio.

Comparing the relationships in figure 23 to those in figure 24, it can be seen where Wolfeboro's relative sector strengths and weaknesses are compared to that of all of Carroll County. Notable differences between the LQ for Wolfeboro and for the County are:

- Retail trade sector is stronger in the County
- Finance and Insurance is somewhat stronger in Wolfeboro
- Health care and social services are considerably stronger in Wolfeboro
- Arts, entertainment and recreation sector is considerably stronger in the County, and
- Accommodations and food services are also stronger in the County than in Wolfeboro.

What the location quotient analysis offers is a glimpse at market sectors where Wolfeboro has strengths and weaknesses. The strengths need to be acknowledged and reinforced. The weaknesses need to be looked at carefully to see if they are a function of fewer human resources in those sectors or if there is just less demand in Wolfeboro. They may also indicate possible opportunities for a locally under-served sector.

Shift Share Analysis

Shift Share Analysis is another economic evaluation tool that can be used to assess recent trends in employment change. Shift share analysis looks at changes in employment over time between a local area and the entire country. It is used to explain how much of an industrial sector's employment gains or losses over time can be attributed to (1) total growth (or loss) in employment at the national level; (2) growth or loss of employment nationally in a specific industrial sector, and; (3) how much of the growth or loss of jobs at the local level is due exclusively to local factors.

Figure 25 shows the results of the shift share analysis completed for Carroll County and for Wolfeboro. Both of these analyses have been completed because of the confidentiality restrictions and data suppression resulting from very small numbers in many of the industrial sectors in Wolfeboro. Due to the data limitations, we will need to look at both the local and county data and infer trends between them.

In figure 25 we have highlighted more notable employment gains and losses in both the national industrial mix and regional share columns. The pink highlights represent employment losses in that sector and the green highlights sector gains.

Figure 25

Looking at some of the more significant sectors:

- The county share of agriculture, forestry, etc. continued to decline.
- Construction in the county grew significantly more due to local conditions than either the national share or industrial mix.
- Manufacturing has had a significant decline in the national industrial mix that accounts for an estimated loss of 290 jobs in Carroll County but the relative strength of manufacturing in the county actually lessened the national slippage by approximately 56 jobs, moderating the overall manufacturing job losses in the county to 187 jobs during the seven year time period. Wolfeboro also lost manufacturing jobs in this time period with fifty being a result of national shifts in the industrial mix and 33 resulting from specifically local factors.
- 76 jobs were lost in Wolfeboro's retail sector during this time period due to local conditions

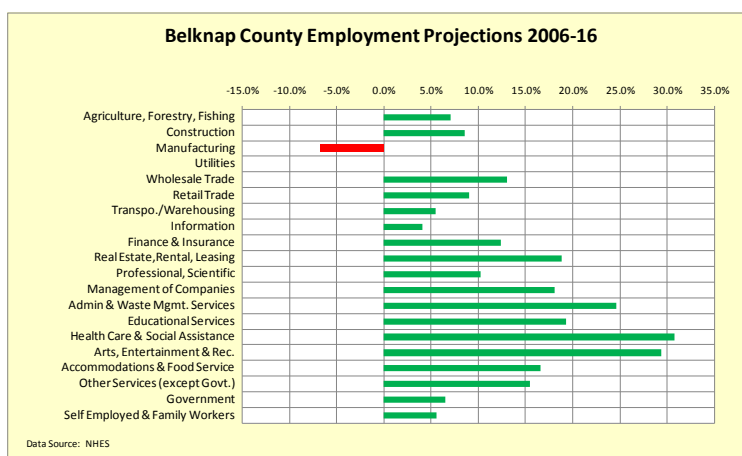
with another 15 lost due to the national industrial mix. This loss was in spite of strong national growth in this sector that lowered the net local loss to 71 jobs for the time period.

2001- 2008 Carroll County Shift Share Analysis					Wolfeboro Shift Share Analysis			
Industry	National Share	Industrial Mix	Regional Share	Total Change	National Share	Industrial Mix	Regional Share	Total Change
NAICS 11 Agriculture, forestry, fishing and hunting	4.51	-4.68	-21.83	-22.00	0.00	0.00	R	R
NAICS 21 Mining, quarrying, and oil and gas extraction	R	R	R	R	R	R	R	R
NAICS 22 Utilities	2.35	-6.96	25.61	21.00	R	R	R	R
NAICS 23 Construction	38.16	17.55	150.29	206.00	R	R	R	R
NAICS 31-33 Manufacturing	47.08	-289.93	55.85	-187.00	8.21	-50.55	-32.66	-75.00
NAICS 42 Wholesale trade	8.95	0.92	43.12	53.00	R	R	R	R
NAICS 44-45 Retail trade	138.47	-105.56	-26.91	6.00	19.68	-15.01	-75.68	-71.00
NAICS 48-49 Transportation and warehousing	7.11	-0.64	17.53	24.00	0.68	-0.06	3.39	4.00
NAICS 51 Information	12.68	-72.60	-16.09	-76.00	0.92	-5.29	R	R
NAICS 52 Finance and insurance	13.54	0.95	28.52	43.00	4.55	0.32	14.13	19.00
NAICS 53 Real estate and rental and leasing	10.06	0.35	-3.41	7.00	0.82	0.03	21.15	22.00
NAICS 54 Professional and technical services	17.34	49.81	-74.15	-7.00	4.30	12.35	-19.65	-3.00
NAICS 55 Management of companies and enterprises	6.54	12.68	17.78	37.00	R	R	R	R
NAICS 56 Administrative and waste services	13.18	-0.93	54.75	67.00	3.52	-0.25	-29.27	-26.00
NAICS 61 Educational services	12.12	75.37	-100.48	-13.00	7.46	46.41	R	R
NAICS 62 Health care and social assistance	77.74	364.58	-105.32	337.00	22.88	107.31	86.81	217.00
NAICS 71 Arts, entertainment, and recreation	25.01	51.58	90.41	167.00	1.74	3.59	-7.33	-2.00
NAICS 72 Accommodation and food services	150.34	401.07	-548.41	3.00	16.66	44.46	-113.12	-52.00
NAICS 81 Other services, except public administration	14.78	12.77	20.45	48.00	3.13	2.70	-10.83	-5.00
NAICS 99 Unclassified	R	R	R	R	R	R	R	R
Data Sources: US Bureau of Labor Statistics, NH Employment Security					R = Data restricted to maintain confidentiality			

- Finance, Insurance and Real Estate posted some gains at the local level that are due specifically to strengths in the Wolfeboro market.
- Professional and technical services gained ground on the national and industrial mix but declined at both the county and local level. This should be a potential growth area for Wolfeboro.
- Administrative and support and waste service encompass a wide variety of businesses that include office administration support, facilities support, employment placement agencies, telephone call centers, collection agencies, credit bureaus, travel agencies, janitorial and landscaping services as well as waste collection and environmental remediation services. This sector gained employment at the county level but lost in Wolfeboro. This may be due to consolidation of these services into larger, regional providers and a decline in small local businesses.
- As seen from other data analysis, healthy care and social assistance grew significantly in Wolfeboro, following a strong national trend and further highlighting Wolfeboro's strength in this sector.
- Arts, entertainment and recreation jobs had a significant growth in the industrial mix and at the county level but lost a few jobs in Wolfeboro. Given the significance of summer tourism and seasonal residency, this sector should be looked at locally to understand why it is declining.
- In a similar vein to arts and entertainment, accommodations and food services show strong national and industrial mix growth but the county and town show meaningful declines.

The results of the shift share analysis are important in understanding the sectors of the county and local economy that are gaining and losing ground and the influences that national sector trends have on them. The sectors that gained and lost need to be evaluated in light of community goals to determine which ones need to be targeted as sectors that should be encouraged and actively promoted.

Figure 26

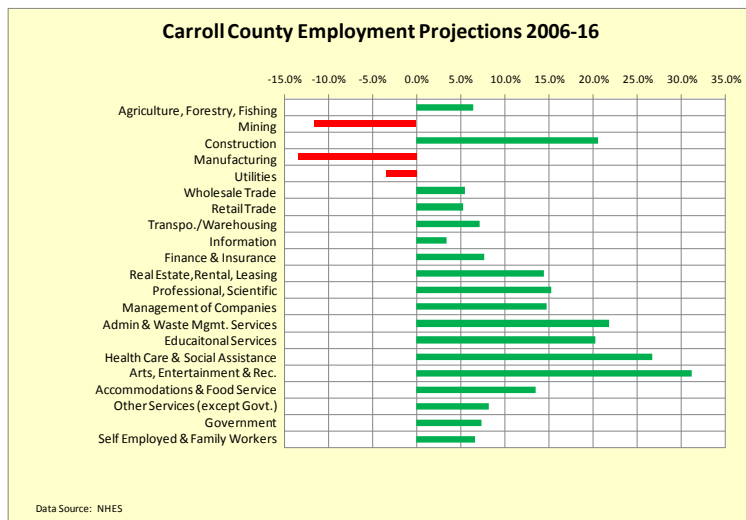


Employment Projections

The NH Department of Employment Security periodically develops employment projections for the state and counties. Figures 26 and 27 show their most recent projections for both Belknap and Carroll County. We have shown data for both counties because Wolfeboro is on the edge of Carroll County but shares much of its economic well being to the lakes region which is largely encompassed by

Belknap County. What both data sets highlight is the projected continued decline in manufacturing and strong growth in the sectors shown in the lower half of both graphs.

Figure 27



Taxes

Finally, when compared to other communities and the state, Wolfeboro's tax rate and tax base are very positive. As figure 28 shows Wolfeboro has one of the lowest tax rates in the state, ranking 18th from the lowest out of the 234 communities in the state. This low ranking is due in part to the fact that the town has one of the highest per capita valuation in the state – meaning that property values are quite high for the number of people that live in town.

Figure 28

2008 Taxes						
Wolfeboro has the 18th lowest tax rate in the state out of 234 towns = lowest 8%						
Wolfeboro has a net per capita valuation that is 16th highest out of 234 towns = 8%						
Assessed Valuation (millions)						
2008						
	Land		Ratio Res/NonRes	Buildings		Ratio Res/NonRes
	Res	Non-Res		Res	Non-Res	
Wolfeboro	\$1,058	\$49	21.72	\$838	\$86	9.71
NH	\$53,179	\$8,571	6.20	\$79,359	\$18,949	4.19
1999						
Wolfeboro	\$326	\$24	13.71	\$379	\$43	8.74
NH	\$17,915	\$4,047	4.43	\$32,123	\$8,868	3.62
Change 1999-2008						
Wolfeboro	324.08%	204.62%		220.88%	198.85%	
NH	296.83%	211.80%		247.05%	213.69%	

About this Report and its Authors

This Report was authorized by the Town of Wolfeboro and overseen by the Wolfeboro Economic Development Committee, ably Chaired by Mr. Frank Giebutowski. The Committee is the lead for the Town's economic development. It hosts many valuable services, and provides guidance and support to the Town. We are grateful for the Committee's insights and direction. We are also grateful for the support of Town Manager David Owen, Director of Planning and Development Robert Houseman, Planning Assistant Lee Ann Keathley, and other Town officials and residents who ensured that we had any needed information, provided valuable insights, and participated in the community SWOT Analysis.

The Report was issued by two Associates:

Roger C. Hawk was the lead for quantitative research and findings.

Mr. Hawk has over 30 years of successful experience in municipal planning, zoning and land-uses, community development and workforce housing. Roger has headed up municipal planning and development offices in New Hampshire and Massachusetts. He recently completed his second term as the President of PlanNH, a statewide association of developers, designers, builders and planning professionals seeking to promote sustainable, high quality built environment in New Hampshire communities. Roger founded Hawk Planning Resources LLC in 2006.

Stuart Arnett was responsible for the quantitative content, economic narrative, and findings.

Mr. Arnett launched the Arnett Development Group LLC in 2006, after serving two, four-year terms as New Hampshire's Economic Development Director. During this period, this state office engaged with communities in several successful economic initiatives. Stuart also has served in several municipal planning and development Directorships, as well as being with a New-Town land-development company, Chair of a machine-tool manufacturer, and served as a government advisor in the South Pacific. The Group succeeds another enterprise established in 1987.

Roger and Stuart have collaborated on a diversity of other projects, including workforce housing recommendations, permitting, a marketing assessment and strategy for various small communities in New Hampshire and Vermont, and broadband deployment strategies for a healthcare entity.

The Arnett Development Group LLC is solely responsible for the findings herein. Findings, research and any recommendations are advisory.

Consolidated Results of 5-17-10 SWOTS Community Input Meeting

Strengths (Internal)

Genuine, small town New England Village

Functioning, New England downtown village	14
Many 1 st class amenities to draw people	10
Lakefront	10
Clean environment and lake	8
Outdoor recreation	7
Unique hospitality by the whole community towards visitors and residents	5
Central state location (2 hrs to Boston, Close to Ports. Conc., Manch.)	4

Lake {

Authentic Place {

People Talents {

Authentic – bring back good memories	5
Brand value	3
Simpler way of life	3

People/Institutional Resources

Strong, stable institutions, i.e., Brewster, Huggins	11
Population talents –willing to do things	9
Strong retirement pool = talent/people, education	7
Strong education; public/private	7
Non-profits to help us care for each other	4

Culture/Creativity

Great cultural base (arts, music, galleries, antiques, historic...)	3
Volume of music/arts organizations	2

Fiscal Issues

Good budget process /fiscal responsibility	1
Low income tax	1

Challenges (Internal)

Vision

Lack of a collective vision for where the town should go	12
People in power do not want change	2

Infrastructure/Natural Assets

Maintain Business Properties {

Maintaining buildings/infrastructure	12
Undeveloped properties, buildings	2
Maintain retail center for seasonal and year round residents/diverse retail	

Maintain
Infra-
structure

Parking and traffic, management of traffic control officers at crossings	6
Traffic & road system for getting through town	5
Reconstruction of downtown/join business districts by road, walk, bridge, ferry	3
Downtown parking – make a part of downtown reconstruction	2
Bury utilities	2
Transportation: limited; quality; public	
Location and access – takes an hour to get anywhere	6
How to lengthen business season	4
Maintaining natural resources (lake)	

Business

Difficult to start a new business, and for existing to improve	6
Planning Board unclear policy and un-followed policy	5
Keeping existing businesses here / Make it easier for new businesses to come here	
/Yankee Frugality/Come up with incentives to attract new business	11

Labor Force

Workforce	4
Lack of things to do for young population	4
Keeping youth here with decent jobs	2
Lack of job opportunities	1
Less employees = less spending	1

Fiscal

Perception that taxes are high	3
Dependency on property taxes	3
Increased financial burden passed from state to town	2
Cost of goods and services higher	3

Opportunities (External)

Tax laws	11
Deterioration of natural resources elsewhere	9
Internet opportunity	4
Shore protection act, 'greenness of area'	3
Weather more predictable, less violent	2
Exodus from metropolitan areas	1
Education	
Strengthen brand: Destination; culture; quality; stretch season; promotion	
Business development/jobs: Wickers, incubator	

Threats (External)

Change in tax law – tax uncertainties (in Concord)	15
Decrease in property value	10
Energy cost	4
State budget cuts	

Contracted Deliverables

Phase 1: Identifying Economic Opportunity: [was \$10,000.00]

- A. SWOT Analysis Matrix
- B. State of the Regional Economy
 - 1. Trends
 - 2. External Forces
- C. Shift-share;
 - 1. Wolfeboro to NH,
 - 2. Wolfeboro to New England
- D. Location Quotient Analysis
 - 1. Opportunities for further cluster development
 - 2. Identifying competitive advantages
- E. Final Report
 - 1. Current conditions
 - 2. Data supporting the findings