

Chapter 6: ECONOMIC BASE UPDATE

The Ossipee Economic Development Committee wrote a Mission Statement several years ago which summarizes their ideas, as well as those of many of the citizens, about Economic Development in Ossipee:

The Ossipee Economic Development Committee seeks to promote and support Economic Vitality in Ossipee by supporting existing businesses and encouraging opportunities for workforce education and job skill training. The Ossipee Economic Development Committee fosters organized growth utilizing human and natural resources in a responsible way.

This committee does not meet regularly, but keeps in touch via a newsletter, and new members are very welcome.

Several years ago the Committee began to investigate whether the Main Street Program might be a good vehicle for improving Center Ossipee Village as a place for businesses to thrive. The Main Street program is funded by pledges from citizens and businesses in the community and some tax money for technical assistance; support for economic development is within the context of historic preservation. See "Downtown Improvements" chapter for more detail.

Ossipee was accepted into the New Hampshire Main Street Program in January 2005. Since then an active corps of volunteers has been trained, a part-time Executive Director appointed, and revitalization in private building restorations has started. Voters approved \$65,000 in March 2006 to buy 3 lots on Moultonville Road at Dore Street for a new park. The site is in the heart of the revitalization target area. Work on the park project plus fundraising are now underway.

PRESENT CONDITIONS (Early 2000's)

Employment

The primary industries in the Ossipee area are machine tool and wood products. Ossipee is considered to be part of the Conway labor market. Other area jobs that employ large numbers of local people are retail trade and services, tourist related businesses, hospitals, a rehabilitation center, and town and county government jobs.

In 1990 the largest employers in Ossipee were local government, Shop 'n Save (Hannaford's), Ames, Ossipee Aggregates, and the Carroll County Independent. In 2000 they were Carroll County, Shop 'n Save, Ames, McDonalds, Ossipee Aggregates, Tuf Pak, and ValuLand. The only difference in the 2003 listing is the omission of Ames which went out of business everywhere. After sitting empty for a couple of years, the building was bought and remodeled by another large retail sales company, Ocean State Job Lots. The store opened in 2005 and employs many local people. There are indications that Ossipee will be the site of one or more shopping centers that would create more retail jobs. Most of these jobs do not pay very well and often carry few benefits, but they require little in the way of training, education or experience.

The Business Visitation Program designed by the Mount Washington Valley Economic Council to help existing businesses surveyed 5% of the businesses in the Ossipee area in the spring of 2000. Of the businesses surveyed 30% were in food services, 30% in retail, 10% in lodging, 10% in utilities, 10% in consumer goods production, and 10% in health care. A total of 5% were planning to expand, and 10% planned on increasing their numbers of employees. 38% said that they would hire employees at \$8.50 an hour. In response to questions about information that would help them in their business,

many selected internet marketing, business counseling, marketing strategies, labor/management relations, and employee training.

Asked to name assets of the area, these businesses identified friendly people, scenic area, community size, local services, and schools. Drawbacks to the area were high energy costs, taxes, and poor employee skills. The greatest challenge they faced was the unavailability of labor. Factors they felt would impact their profits over the next five years were energy costs, wage rates, competition, and labor force skills.

The publisher of “Business NH” magazine says that small businesses are the backbone of the NH economy. He believes that the high cost of health care adversely affects small business and needs significant reform. Unfortunately, the situation has not changed much in the last few years.

Goals and Directions

Findings from previous reports and studies were found to be still relevant. The 1995 “Building a Healthy Squam Lake Economy” report stressed that it is better for an area to increase the income of people working there than to encourage growth, because growth entails the need for more services. Increasing existing income improves quality of life, protects resources, and meets the needs of residents. Businesses that have a positive effect on the economy employ local people rather than import a work force, and do not necessitate additional expenditures. A mix of tourism and industry will yield a stronger, more diversified economy. Suggestions to increase tourism that are meaningful to this area as well are to: encourage multi-season tourism, develop trails and paths, and improve access to the lakes. Retail stores should sell locally manufactured goods and crafts.

The 1996 study, “The Mount Washington Valley Attitude Survey”, identified important concepts still of major concern today. Efforts to increase economic development must preserve open space, historic sites and recreational opportunities. Although general interest in expanding industry exists, it is not at the expense of the quality of the environment and the small town atmosphere.

“Business NH” in a Fall 2003 issue identified still other concerns, including decreases in manufacturing and exporting businesses. However, the area of services is up. Services to businesses are predicted to grow by 50% in the next few years.

Recommendations from a study done in 1996 for the Greater Ossipee Area Chamber of Commerce made a number of important consistent points. The most realistic key to economic growth is to help existing businesses to expand. Factors affecting business expansion or location are local land use regulations, water, septic, 3-phase power (a more substantial electrical service), communications capabilities, and a skilled, motivated work force. New businesses should be fully aware of helpful regional programs and services. The availability of adult education is very important, because it increases the number of people ready to join the local labor pool.

Many small, diverse, locally-owned businesses help create a stable economic base. Each year the Ossipee Planning Board has about a dozen Site Plan Reviews for businesses that are opening in the town or expanding. One source that can assist small business start-ups is the new Technology Village of the Mount Washington Valley Economic Council - an 80-acre site on the Saco River in Conway, that opened in mid-2006. One wing contains an incubator for start-up technology businesses. Granite State College, formerly the School of Lifelong Learning, owns part of the building.

Work Force

Data from the 2000 census indicates that migration from outside the state continues to change the demographic characteristics of the labor force; the valley's workforce is much better educated than it was ten years ago. Carroll County has a relatively higher percentage of self-employed and those who work from their homes.

The 1990 US Census found that the average travel time to work for Ossipee residents was 21.39 minutes. In 2003 the average travel time to work was 25.8 minutes, which indicates that people are traveling further to find well-paid jobs. They choose to live here for the rural atmosphere and somewhat lower living costs, although recent hikes in gasoline prices may affect this pattern.

According to LRPC 52.5% of the Ossipee work force work in Ossipee, 47.5% work elsewhere, and 59.3% of the jobs in Ossipee are held by people who commute into Ossipee.

Using statistics from the Economic and Labor Market Information Bureau it is possible to compare Ossipee labor force figures for 1990, 1999, 2000, and 2002.

	1990	1999	2000	2002
Labor Force	1662	1664	1697	1812
Number Employed	1521	1606	1658	1713
Number Unemployed	141	58	39	99

These figures paint a bright picture with employment growing steadily and unemployment dipping until recently. The following chart shows the unemployment rate in more detail for 2000-2003.

Unemployment Rate (Not Seasonally Adjusted) in Ossipee, NH

Month Ossipee New Hampshire

Jan 2000 4.3% 3.3% July 2000 4.3% 2.6% Jan 2001 5.8% 3.3% July 2001 7.1% 3.5% Jan 2002 4.7% 4.8% July 2002 4.7% 4.4% Jan 2003 6.5% 5.1% July 2003 3.4% 4.3%

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

The unemployment rate is generally higher for Ossipee than the rest of the state as a whole.

Average Weekly Wage

A breakdown of the numbers by Economic Sector and Average Weekly Wage demonstrate inequalities: a small number of workers are making much better wages than the rest.

Year:	<u>1991</u>	<u>1998</u>	<u>2000</u>
# of People in Manufacturing	174	207	265
Ave. Wage	\$354	\$671	\$708
# of People in Non-manufacturing	739	1039	1,200
Ave. Wage	\$268	\$350	\$398

It is also necessary to look at median incomes and the number of people living below the poverty level to compare this area with others in N.H. In 1990 the median income per capita was \$12,141 and the median household income was \$25,117 in Ossipee. The percent of people living below poverty level was 11.2%, the percent of families was 6.5%, and the percent of elderly was 12.9%.

In 2000 the median income figures were \$18,092 per capita and \$34,709 per household, and the percent below poverty level was 10% for individuals, 7.7% for families, and 6.6% for the elderly.

“The New Hampshire Basic Needs and Living Wage” report of June 2000 points to inequality in the North Country. Residents are concerned about the lack of quality job opportunities, and the lack of an adequate labor pool in this region. The study collected data on the cost of utilities, rent, food, telephone, and an allowance for savings and determined that the cost of living in the northern part of the state is 6-11% less than the rest of the state. Rent and utilities are much lower; cost of food is the only more expensive category. However, wages are 20-40% lower. Twice as many people hold more than one job in the North Country as in the rest of the state as a whole.

Infrastructure

Ossipee is served by a number of highways such as NH Routes 16, 25, 28, and 171. Population projections indicate the town’s central location will host major commercial development in the future. With this in mind, the Route 16 Corridor Protection Study of 1999 sought to control sprawl on that highway, where in many spots commercial build-up has reduced traffic speed and erased scenic roadsides. Following the study Ossipee amended the Zoning Ordinance in 2000 to create nodal districts off Route 16 for commercial development; they would be reached by shared access roads off Route 16 so as to reduce traffic tie-ups, commercial sprawl, and removal of still scenic stretches of this major North-South highway. This study also recommended the revitalization of the rail lines and truck/rail dock facilities.

Ossipee has three Commercial Nodes: one in West Ossipee along Route 16, one in Center Ossipee at the intersection of Routes 16 and 25E, and a third in Ossipee at the intersection of Routes 16 and 28. These areas are just starting to be developed. In 2005 a Zoning Amendment added a larger percent of residential use to make a successful mix.

Community water and sewer systems service Center Ossipee Village. Ossipee Village and Indian Mound have water systems. However, the majority of residents rely on private wells and septic systems.

There is 3-phase power in a number of locations in Ossipee. To foster business development telecommunications capability should be substantially improved.

Planning and Land Use

According to “The New Hampshire Basic Needs and a Living Wage” report Ossipee’s Zoning Ordinance is progressive and growth based. It contains objective performance standards, such as noise, dust, glare, etc., but it needs to have a more uniform enforcement. A new tower ordinance added in 2001 offers a good example of satisfying the demand for improved services an expanding economy requires using, where possible, existing infrastructure.

Recently the Planning Board expanded the minimal 1994 Site Plan Review with a more complete checklist to use when conducting a Site Plan Review. Plans are in the works for updating the Ossipee Subdivision Regulations. Ossipee now employs a fulltime Zoning Enforcement Officer.

In 2000 the Office of State Planning issued a report on growth and land use issues called “Managing Growth in NH”. It states that development is a regional issue; it is cumulative and incremental, and should be based on a Master Plan. Some government policies and actions contribute to sprawl. Lower density land use and zones of single use actually cause increased traffic and sprawl. Having individual septic and wells guarantees low-density development with large lots. Communities should encourage development in partially developed areas and leave standing the open spaces. This report stresses mixed land use in nodes where highways intersect and in villages, which it refers to as “the NH way”.

Looking to the Future

In September 2004 Ross Gittell, professor at UNH Whittemore School of Business and Economics, spoke about Economic Conditions in Carroll County, saying that the quality of life in this area continues to bring in skilled labor and entrepreneurs. This immigration caused NH to be sixth in the nation in per capita income in 2003. Although Carroll County was successful in keeping jobs during the 2001-2003 recession period, they were not high-paying jobs. In NH high tech industry wages are 74% higher than other private sector wages. After 9/11 tourism in the area increased because people felt safer traveling to NH than other places.

Ross Gittell believes that one way Carroll County can benefit from economic growth in other parts of the state is to foster linkages like satellite offices with growth sectors of the state. Since Carroll County does not have a high dependence on manufacturing, it can more easily attract non-manufacturing industries, such as computer software and information and business services. In Carroll County the three leading industry clusters, food and accommodations, construction trades, and retail trade make up almost 90% of industry.

“North Country Know-How, A Model for Rural Community Success” written by Brian J. Gottlob and published in 2003 by the Mt. Washington Valley Chamber of Commerce, says that this area has a higher percentage of entrepreneurs than any in NH, who both strengthen and diversify the economy. It is likely we can expand this group through linkages with high technological industries, increased education availability, and better infrastructure.

According to the New England Economic Partnership in 2004, NH will again lead New England in employment growth. In the next five years, New England’s fastest growth sector will be professional and business services, followed by health and education services. There continues to be a high correlation between the amount of education and income. Suggestions for improvement are directly relevant to Ossipee. They are to recruit entrepreneurs and high tech businesses in tourist locations, and to diversify the economic base by balancing tourism with higher paying technology service industries. It is also recommended the supply of skilled workers be increased through education and training.

Ossipee is subject to economic growth and recessions that affect the rest of the Northeast either directly or through a ripple effect. It is important to keep a close watch on what is happening nationally, in the region, in the rest of NH, as well as locally.

Real Estate

For the last few years up to 2005, real estate has been selling at phenomenal rates and prices. This is primarily happening as people move here from other places where they are used to paying higher prices. Increased property taxes from higher assessments are the direct result of rising real estate prices. These present financial problems for many long-time residents on fixed incomes as well as those who have lived on the lake for many years. It is unlikely the slower sales of 2006 will change tax valuations much.

Energy Costs

The most noteworthy aspect of the economy in 2005-2006 is the large increase in the costs of fuel for home heating and automobiles. Many people who were able to get by until now are asking for fuel assistance. People who commute to work are spending more of their paycheck for gasoline.

Implementation Recommendations:

Encourage area high schools, colleges and technology schools to offer high technology courses that preferably lead to a degree.

Encourage accessible county-level adult job training programs and vocational education.

Promote organizations such as MWVEC, WEDCO and MicroCredit-NH that offer revolving loan funds, credit lines or other help for small business owners.

Promote multi-season tourism through development of trails, paths and improved lake access.

Attract environmentally friendly employers to Ossipee who offer skilled jobs, opportunities for advancement, and good benefits.

Promote resident awareness and use of local businesses.

Promote Main Street Economic Fairs and Main Street resources for people who seek help in starting a business, and collect their feedback on what works and what doesn't.