

Town of Peterborough
Economic Policy Plan

September, 1999



ACKNOWLEDGEMENT

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In Memory: We would like to acknowledge the significant contribution of Peter Pelletier in assisting to initiate the development of this policy plan.

May 1999 draft report and executive summary prepared by the Peterborough Economic Development Authority with the assistance of Kelly A. Clark & Associates.

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September 1999 final report prepared by the Peterborough Economic Development Authority. The executive summary has been incorporated into this final report.

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Data Disclaimer

The EDA attempted to utilize the most current and accurate data available. However, the U.S. Census of Population is only published every 10 years and is the most readily obtainable, single source of data. Other data sources are cited as to their publication dates.

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I. Preface

The Peterborough Economic Development Authority (EDA) has written this economic policy plan for the Town of Peterborough. The plan is intended to be a dynamic and interactive discussion document. It will be used to assess and foster decision-making about the Town's:

- development;
- infrastructure;
- quality of life; and
- the many issues that will affect Peterborough businesses and residents over the next ten year period.

The EDA has created the draft of this document as a first step in gaining community agreement on what the Town's economic policy should be. Given the statewide focus on education funding, the EDA decided not to include education as a core component of this document. A one page addendum reflecting the EDA's discussions can be found in Appendix A.

The EDA will submit this final draft to the Selectman on September 21, 1999 in anticipation of their instructions to the EDA to join the Planning Board in a public hearing in October for eventual incorporation of this plan to become a section of a new Master Plan.

II. History of Peterborough's EDA

The Economic Development Authority (EDA) was created by the Town meeting vote of March 1995. The EDA was established as an economic development authority consistent with provisions in NH RSA:162-G:15-a. RSA 162 authorizes cities and towns to foster and encourage development within their respective boundaries through a development authority such as the EDA. The EDA has the authority to issue bonds, acquire, develop, expand, lease and dispose of such facilities to insure the continued growth and prosperity of the community. The EDA considers its role as a policy development authority and will use this plan not just as a convening tool to disseminate information, but as a vehicle to continuously gain feedback from many constituent groups and individuals throughout the Town. The Board of Selectmen appoints EDA members and the Office of Community Development (OCD) provides technical assistance and administrative support.

III. Mission Statement

The mission statement of the Peterborough EDA is:

To foster a sustainable economy consistent with the town's planning objectives.

Peterborough's vitality and quality of life is a direct result of a healthy mix of industry, commerce, open space, residential development and the arts. For at least a century, these

elements have interacted with and supported each other. Maintaining this balance is important.

IV. Guiding Principles

Peterborough is blessed with a strong and diverse economy. But that economy is fragile, subject to a degree of disruption that many residents may not understand. The current jobs and tax base did not just happen by chance. Much effort has been invested in building roads and bridges, developing wellfields, establishing necessary regulations, and working with the private sector to encourage economic development. If we want to sustain prosperity, we must work for it.

Five basic principles have been developed to guide Peterborough's Economic Development Policy. The principles seek to safeguard the special features that have given the Town its character, while embracing appropriate economic opportunities.

The balance of this document is presented in the following format:

I. Guiding Principles

Guiding Principles are the fundamental assumptions. They are the overriding expression of direction and priority.

A. Background

Background information on each guiding principle is provided.

B. Issues

Issues are the short-term and long-term challenges to the achievement of the objectives and action items.

C. Objectives

Objectives define the goals the community collectively needs to work toward and aspires to attain. The objectives may be long-term, short-term or medium range.

D. Actions

Actions reflect the specific and quantifiable benchmarks that must occur in order to tackle the issues and attain the objectives. These actions must be accomplished through the work of many Boards and Committees.

The next phase of this document describes the five basic principles and the related issues, objectives and actions. Specific strategies to implement each action item will be developed by the EDA after there have been further hearings and review of this economic policy document with the respective community boards and officials and residents throughout Peterborough.

1. **Peterborough should remain a major economic center of the region.**

A. **Background**

The Town of Peterborough, incorporated in 1760, began as an agricultural village. Due to the presence of two major rivers and many smaller streams, the Town became an industrial center for the immediate region. During the present century, Peterborough has undergone a gradual transition to a small town balanced with residential, commercial and industrial land uses in a predominantly rural setting.¹

For most of the Town's history, industry has been an important part of the community's economy, contributing substantially to the tax base and providing a majority of the available jobs. Much of Peterborough's present wealth is a result of prior investments in industrial and commercial activities. The textile industry played a predominate role in the late nineteenth century. Likewise, the publishing/catalog business has contributed greatly to the economy in the late twentieth century. The continuing presence of regional, national and global businesses brings Peterborough and the area to the attention of people who might otherwise never recognize it for the unusual place it is.

Peterborough, through its commercial, banking and industrial base, has served as an employment, shopping and financial center of the Contoocook Valley, in addition to having the largest residential population. As the 1990 census shows and as the Office of State Planning² projects (see chart page 2), other communities will surpass both Jaffrey and Peterborough in population growth over the next 20 years.

The Office of State Planning provides the best available estimates of present and future population in New Hampshire. However, EDA feels that their projections for future growth may be excessive, and urges caution in anticipating that rate of growth.

¹ Town of Peterborough Master Plan, March 1992, page 1.

² The accompanying figures are ESTIMATES. The data used to calculate the estimates were collected by local governmental units or school districts for purposes other than accounting for population change. The methods which convert the data, such as school enrollments and building permits, into estimated population have been developed to reflect true population as much as possible.

Fastest Growing Monadnock Towns

Towns	1990 Population	2000 Population	2010 Population	Percent Change
Temple	1,194	1,338	1,608	35%
New Ipswich	4,014		5,401	35%
Sharon	299	343	406	36%
Bennington	1,236	1,367	1,611	30%
Peterborough	5,239	5,935	6,718	28%
Rindge	4,941	5,162	5,508	11%
Jaffrey	5,361	5,577	5,905	10%

Source: NH Office of State Planning

State and County Population

Source: NH Office of State Planning

County and State	1990 Population	2020 Population	Percent Change
Cheshire County	70,100	82,600	18%
Hillsborough County	336,000	467,000	39%
State of New Hampshire	1,109,000	1,528,000	38%

Rindge has established itself as a major new retail area within the Contoocook valley and should surpass both Peterborough and Jaffrey in the total amount of typical commercial retail space within the next decade. This projection is based on three factors: Rindge has more readily buildable land; Rindge has zoned this land for commercial development and is encouraging development; and Rindge is strategically located so as to capture not only Contoocook Valley but also northern Massachusetts and other Monadnock area business.

Peterborough's present commercial and industrial base supplies the citizens of Peterborough and the region with a wide variety of services and essential jobs. Other towns in the region have chosen to focus almost exclusively on residential development or a mix of residential and retail growth. Historically, Peterborough has maintained a more diverse base and this balance has served the Town well. **This should continue and it should serve as the central principle of future land use and economic development planning.**

In this last decade of the twentieth century, a dominant factor in any community's life is the emergence of a global economy and its consequences for the local economy and the quality of life. Previously self-contained local, regional and national economies are being transformed into interdependent parts of an

integrated world economy.³ The ownership of multi-national corporations is global. Worldwide competition will result in lower labor costs in most of the rest of the world; and this is an important factor that will continue to impact Peterborough's overall labor market.

The economy of the region, state, nation and world is vulnerable and changing at a very rapid pace. During the next 20 years, automation will eliminate a large number of jobs as well as create many new jobs requiring different skills and levels of education. High-tech firms are following basic location factors: urban areas, strong universities, access to air transportation, concentration of defense and government research, high quality of life, and, perhaps most important, the availability of technicians and skilled labor.⁴ Re-training the workforce and creating vital linkages with the community technical college, all post secondary institutions and private businesses and industry becomes a necessity.

Jobs must be created to sustain the present percentage of residents who live and work in Peterborough. To create employment opportunities, Peterborough must provide and maintain an educated and skilled workforce, as well as support services for businesses. **The education and skills of the workforce are key to providing Peterborough with an economic advantage as well as, a good quality labor force.**

B. Issues

Financial Center

Peterborough has been the economic center because of the number of jobs based here, and because of the two major banks that operated here. This has dramatically changed. Financial institutions are undergoing significant changes that will have an impact in Peterborough. The EDA encourages more businesses that employ the local labor force and produce services and products that serve the needs of the local community as well as those of more distant and global markets.

Workforce

While population, jobs and overall economic activity are shifting in nature and location, Peterborough still has a large number of jobs, estimated at approximately 4,666, in 1990. Non-residents held 67 percent of those jobs in 1990. **This means that Peterborough's economic vitality is dependent on a workforce residing in adjacent communities.** This may be a trend on which Peterborough can capitalize and outlines the need for more regional planning and cooperation.

³ Philip Kotler, Donald H. Haider, Irving Rein, Marketing Places, (The Free Press, New York, NY, 1993), p. 9.

⁴ Alan S. Gregerman, Competitive Strategy (Washington, D.C.: National Council for Urban Economic Development, 1984), pp. 7-8.

Available estimates suggest that the average worker can expect to hold at least five or six different jobs during his or her lifetime. Adult education is viewed by some as a form of recreation. In the decades ahead, continuing education for all working citizens regardless of age will be essential for economic survival. Today, a strong learning ethic is as important as a strong work ethic.

Peterborough's unemployment rate remains relatively low. A low unemployment rate indicates a lack of readily available highly skilled workers and presents a challenge to the community's efforts to retain and expand its commercial and industrial base.

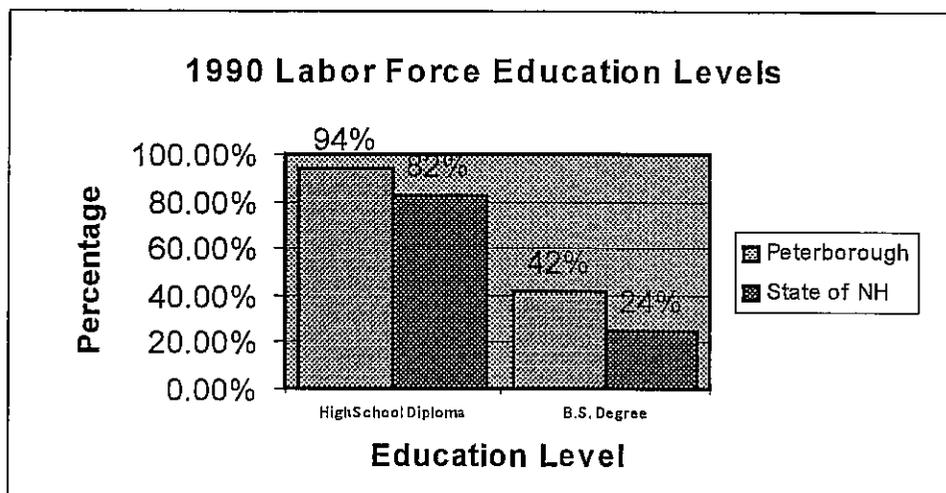
Unemployment Rate Comparison

Governmental Unit	Unemployment Rate January 1998	Unemployment Rate January 1999
Town of Peterborough	1.9 %	2.3 %
State of NH	3.1 %	2.7 %

Source: NH Department of Environmental Services

Labor Force Education Levels

Educational attainment is a primary determinant of the income levels and employment opportunities of individuals. Peterborough has a well-educated labor force.



Source: 1990 Census

A high percentage of non-residents commute to Peterborough to work. Many surrounding communities in the region have decided to zone their communities predominately for residential growth. This indicates that other communities may be dependent upon Peterborough for a significant amount of the region's total employment. Just as a significant percentage of the current workforce in Peterborough commutes from surrounding towns, it is likely that a significant percentage of those new jobs which will be introduced in Peterborough in the future will also be filled by non-Peterborough residents. Therefore, it is to be expected that any additional demand for new residential development

accompanying the introduction of new jobs in Peterborough will be mitigated by the residential opportunities offered by the surrounding towns in which a large percentage of Peterborough's workforce has been shown to reside.

Regional Commuting Patterns

Town	Percentage of Workforce Commuting to Another Town
New Boston	85%
Antrim	82%
Fracestown	78%
Greenfield	77%
Hancock	74%
Bennington	71%
Dublin	62%
Jaffrey	53%
Peterborough	42%

Source: 1990 Census

As of 1990, 58 percent of Peterborough's 2,612 *working residents* worked within Peterborough. When a majority of residents leave town each morning, it may become more difficult to retain a sense of community. Peterborough has maintained a sense of community in part because more than 50 percent of working residents are able to earn a living within the Town. Although, it is difficult to quantify, there is a consequence as to whether or not residents are employed in the town in which they live.

Sustaining the mix of residents who live and work in Peterborough is of historical importance to the community and steps must be taken to preserve this long-standing tradition. To do so requires that the Town of Peterborough and its business community protect existing jobs and continue to create jobs for its residents.

Housing

The availability of housing in the region is an issue for some businesses when trying to recruit for entry and mid-level jobs. It will be important to address this issue so that initiatives to retain companies and help them grow and expand are not jeopardized.

Land

Important undeveloped industrial sites exist in Peterborough. However, most of the land zoned for commercial/industrial use has been exhausted. The total usable acreage appropriately zoned with access to town water and sewer is less than 100 acres. **Unless more land is zoned commercial/industrial, the historic balance between the residential tax base and the commercial/industrial tax base will be lost.** Adding less than 200 acres would be a significant step toward maintaining the percentage of the tax base that is funded by commercial/industrial

land without threatening the character of the community. This increase changes the per cent allocated to Commercial/Industrial from 2.3% to 3.1%. Setting aside this land now would be providing a mechanism to deal more effectively with future growth.

Allocation of Land Use

Use Type	Present Allocation		Proposed Allocation	
	Acres	%	Acres	%
Current Use	13,784	57.4%	13,784	57.4%
Exempt	3,016	12.6%	3,016	12.6%
Residential	6,656	27.7%	6,456	26.9%
Comm./Ind.	544	2.3%	744	3.1%
TOTAL	24,000	100%	24,000	100%
Adding 200 Acres increases % for Commercial/Industrial from 2.3% to 3.1%				

Infrastructure Capacity

Our infrastructure capacity is limited. This means that the Town must be an active player and work directly with the private sector to build what the Town desires.

C. Objectives

- Encourage business development to expand the Town's non-residential tax base in desired locations and in suitable forms, so as to increase the supply of locally based jobs and maintain a stable tax rate.
- Encourage industry, high-technology, telecommunications, consulting, publishing, software, internet services companies and other entrepreneurial businesses that will reinvest and contribute back to the community.
- Encourage economic growth by supporting existing local businesses.
- Maximize Peterborough's job potential by taking actions to continually review and lower "job leakage" . . . Jobs and contracts that are or may leave town unnecessarily.
- Continue to encourage appropriate home occupations.
- Develop, maintain and preserve a strong labor force.
- Continue to develop the school-to-work efforts, technical training and retraining at both the secondary and post secondary levels, to create a more highly skilled workforce to meet business and industry's needs.

- Recognize the value of a strong relationship with the local business community and the importance of all post secondary institutions, including the Sharon Arts Center, MacDowell Colony, Culinary Center, Franklin Pierce College, the Peterborough/Monadnock Regional Center and the Applied Technology Center, to the economic health of the community.

D. Actions

- Put in place a program to bring together local realtors and the regional development corporations to draw desired businesses into Peterborough.
- Work with the regional development corporations, the State of NH and private developers to implement a business retention program that focuses on the growth and expansion of businesses that are already operating here.
- Expand the interaction of the Town and Chamber web sites so that they become a tool to assist the owners of retail stores, gift and craft shops, restaurants, lodging and entertainment/recreation businesses and cultural groups to promote Peterborough as a shopping, cultural and recreational destination.
- Convene a meeting of all realtors and regional economic development corporations to determine how to develop and maintain an inventory of available vacant buildings and office space.
- Sponsor an E-Commerce workshop.
- Build a consortium of technical and skill development resources to assist companies with specific educational and training needs.
- Work cooperatively with local and regional groups seeking to provide available housing.

2. Economic activity must respect Peterborough's natural, cultural and historic heritage.

A. Background

Businesses in our economy today, together with the Town's people and natural resources, are Peterborough's core resources for sustainable development. Peterborough is a special place. Its economy and its natural beauty, its abundant natural and cultural resources and its history determine the overall character of the community. For all of these reasons, protecting strategic open space must also be incorporated as part of the Town's economic development policy.

Many of the wetland areas function as strategic flood control and water quality devices and in some instances directly contribute to our municipal water supply. If natural flood storage areas continue to be filled, the Town will experience increased flooding. The many parks and trails through natural areas provide a high quality of living for residents and businesses and support a modest but important tourist-based economy.

It is important that natural area preservation be undertaken through a public planning process that identifies the strategic open space areas that need to be preserved. It is essential that natural area preservation is done in a fair and reasonable manner and that all the available tools are utilized. Gifts should be encouraged; bargain sales, tax credits and transfer of development rights should be considered.

It is not easy to quantify the impact of art related activities on the local economy, however the reporting members of The Arts Council estimate that arts spending in the area was approximately \$2.5 million dollars, of which 71% was spent on persons and vendors within the Monadnock region⁵. This figure does not necessarily include the income generated by many local artists who sell their work outside of New Hampshire and thus may be considered akin to other "export businesses" that bring their profits back to the local community. While the MacDowell Colony's position as "the nation's, if not the world's best art colony" ⁶contributes greatly to Peterborough's reputation, the vitality of all the arts in Peterborough owes much to the generous support from the town's commercial and industrial businesses. Without a vibrant commercial/industrial base, that financial support will diminish.

The strength of Peterborough's present economy is based upon the fact that people like to live and work here. **If the town's visual attractiveness, cultural opportunities and historic heritage are lost or diminished, there could be a direct and significant negative impact upon our economic success.** If we lose what we have, our only option may be franchise retail development that is transforming so many other New Hampshire towns.

B. Issues

Ninety-eight percent of the Town of Peterborough is zoned for residential development. Although a large portion of the residentially zoned land is in current use or tax exempt, it is not protected from being developed as residential home sites. Studies⁷ have shown that all growth imposes costs. As a rule, open space and commercial/industrial property tend to create a net gain of jobs and tax revenues while residential development tends to create a net financial drain on the

⁵ The Arts Council Annual Report; 1996.

⁶ Robert MacNeil, Medal Day Speech, 8/15/99.

⁷ Conservation Commission News; Volume 28, Number 4 – Fall 1996, New Studies on the Economics of Open Space; Phil Auger, Extension Educator, UNH Cooperative Extension.

community. **Setting aside strategic open spaces to preserve the natural beauty, historic character and to provide the necessary "natural infrastructure" functions makes good financial sense.** However, many of the important natural areas are zoned for residential development and will be lost unless an open space plan is developed and implemented.

The Contoocook and Nubanusit rivers were essential economic resources during the early development of the Town. These two rivers are capable of flooding and, in the past, have inflicted significant damage upon the town from floodwaters and river borne ice. An initial analysis by the Office of Community Development reveals that there are a number of natural hazards, accidents or damage waiting to happen. The mitigation of these natural hazards is important to protect life and property and to avoid significant economic disruption.

C. Objectives

- Encourage and assist new and existing businesses, industries, and commercial ventures to reflect Peterborough's natural, cultural and historic heritage.
- Create incentives through the Tax Increment Financing program and zoning changes to encourage the development of a tree lined boulevard along Route 202 south into the downtown core that would evoke historic downtown.
- Recognize the preservation of open space as an economic strategy and pursue open space protection.
- Educate all landowners on the available tools for preservation and development.
- Encourage the use of historic buildings that support Peterborough's natural, cultural and historic heritage.
- Avoid the characteristics and appearance of strip development.

D. Actions

- Develop a strategic Open Space Plan.
- Identify and protect well recharge area, floodplain, wetlands.
- Incorporate the strategic Open Space Plan into the new Master Plan.
- Establish a program to implement the Open Space Plan through land acquisition, conservation easements, gifts, bargain sales, transfer of development rights, zoning changes and other land preservation techniques.

- Review and adjust as necessary land use policy and zoning so that all policies are compatible with preserving strategic open spaces.
- Support the Planning Board's efforts to define and debate the establishment of a "gateway" corridor zone along Route 101 and Route 202.
- Utilize the NH Office of State Planning's Cornerstone⁸ Project to identify and protect critical and important cultural and historic resources.
- Educate the community on the options for the use of historic buildings.
- Establish standards to preserve and enhance the visual appearance of the community.

3. A financially healthy, pedestrian friendly, core commercial center is essential.

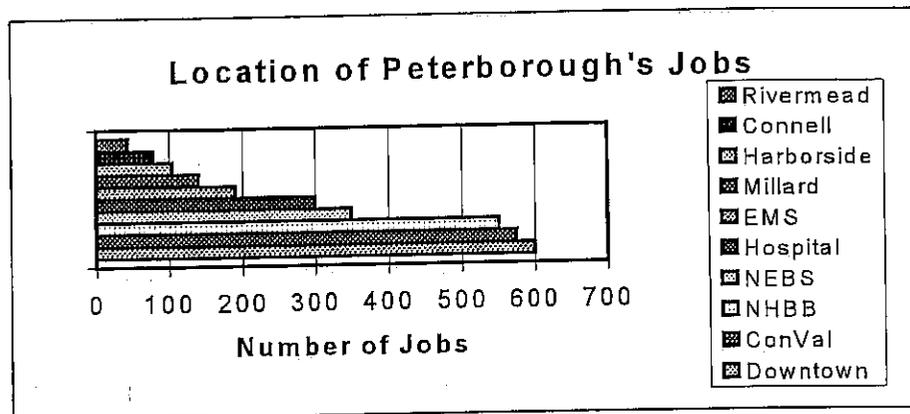
A. Background

In the mid-1990's, after much discussion, a degree of consensus arose around the idea of re-establishing the historic downtown area as a site of commercial and office activity. Downtown 2000 was established as a private-sector advocacy group to work with the Economic Development Authority, Office of Community Development, the Chamber of Commerce and others to assure a sustained revitalization effort. To date, the collaborative effort has been quite successful. The decision by Town Meeting in March of 1998 to establish a tax increment finance district for both the historic downtown and the Route 202 South commercial core represents an expansion and continuation of the effort.

The town's economic base reflects a healthy diversity. Amid the small, locally owned businesses there are major national and international firms utilizing state of the art technology including "high-tech" manufacturing, healthcare, retirement services and national retail. Peterborough's agricultural base still maintains an active role in the economy. There are also farms in town using state of the art genetics to breed world class cattle and horses, and there are several riding facilities, all of which support a continuance of a rural visual quality to the town by allowing large acreage to remain as open fields.

⁸ Using the Community Cornerstone Project, a town identifies 21 key "Cornerstones" that the town will commit itself to preserving in the 21st century. Identification is followed by an evaluation of the Cornerstones, and lastly, by actions and recommendations that will ensure preservation.

The downtown is an essential component of the Town's economy. The largest concentration of jobs (600) within the Town is in the core historic downtown area.



Source: Peterborough Office of Community Development

Twenty (20) acres in the downtown core provides:

- approximately 600 jobs;
- over \$500,000 per acre towards the tax base.

B. Issues

The future economic vitality of the downtown core will depend in part on how easy it is to get in and out of the area. The availability of accessible parking is a key aspect of this issue; the improvement of the major intersections controlling access is another. Without extensive and expensive improvements, the existing intersections controlling access to the downtown will increasingly become choke points. Downtown development will not be sustained without addressing both of these issues. **A pedestrian friendly, sustainable core commercial center requires a diverse combination of commerce, activities, gathering places, arts and culture, shopping and commerce convenience, mixed use of limited space and ease of access and egress.**

C. Objectives

- Maximize the utility of the tax increment finance district established in March 1998 for the historic downtown and the Route 202 commercial core.
- Develop a parking solution for the downtown that will support the core commercial center and will preserve the "small town" atmosphere.

- Continue the partnership of the Economic Development Authority,⁹ Office of Community Development and the Community Task Force members.
- Encourage residential uses of downtown space.

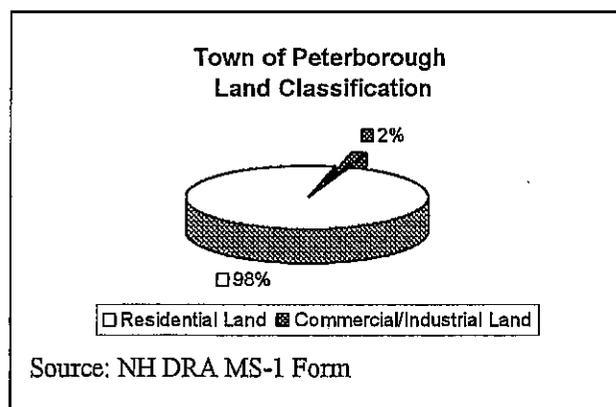
D. Actions

- Review current zoning regulations to ensure and encourage residential uses in the downtown area.
- Gain consensus as to the best location for future additional downtown parking.
- Secure control of the downtown parking site.
- Prepare engineering and design of the preferred site and identify funding sources.
- Continue private/public investments in the infrastructure improvements.

4. Sustained economic prosperity for Peterborough requires a balance between residential, industrial/commercial development, and open space.

A. Background

Peterborough has approximately 24,000 acres of land valued at approximately \$338,452,530.00. Of that 2.3 percent is zoned for commercial or industrial use.



Historically, the Town has relied upon commercial and industrial business to provide 25% to 30% of the tax base as well as most of the employment opportunities.

A recent survey by the Office of Community Development suggests that less than 200 acres of additional land exist for suitable industrial or

commercial development. Of this land, there is only one large site (approximately 100 acres) which appears to have the capacity to be developed as an attractive office/industrial park similar to Vose Farm Road. The chart below indicates the breakdown of Peterborough's assessed valuation and land base.

⁹ Community Task Force members included the Planning Board, Zoning Board of Adjustment, Conservation Commission, Downtown 2000, Chamber of Commerce, EDA, Riverwalk and the Selectmen.

Assessments, Property Values and Ratio's of Use Revenues

Year – 1990, Tax Rate of \$18.20						
Use Type	Acres	%	Valuation	%	Revenues	%
Current Use	12,150	50.6%	845,890	0.2%	15,463	0.2%
Exempt	3,016	12.6%	-	0.0%	-	0.0%
Residential	8,290	34.5%	283,238,670	71.4%	5,177,603	71.4%
Comm./Ind.	544	2.3%	112,503,200	28.4%	2,056,558	28.4%
TOTAL	<u>24,000</u>	100%	<u>396,587,760</u>	100%	<u>7,249,624</u>	100%
BUDGET:						
School					4,557,088	62.7%
County					634,117	8.7%
Town					<u>2,077,345</u>	28.6%
TOTAL					<u>7,268,550</u>	100%
Year – 1998, Tax Rate of \$31.70						
Use Type	Acres	%	Valuation	%	Revenues	%
Current Use	13,784	57.4%	1,277,150	0.4%	40,486	0.4%
Exempt	3,016	12.6%	-	0.0%	-	0.0%
Residential	6,656	27.7%	242,527,940	72.8%	7,688,136	72.8%
Comm./Ind.	544	2.3%	89,418,900	26.8%	2,834,551	26.8%
TOTAL	<u>24,000</u>	100%	<u>333,223,990</u>	100%	<u>10,563,173</u>	100%
BUDGET:						
School					7,269,029	68%
County					639,215	6%
Town					<u>2,733,792</u>	26%
TOTAL					<u>10,642,036</u>	100%

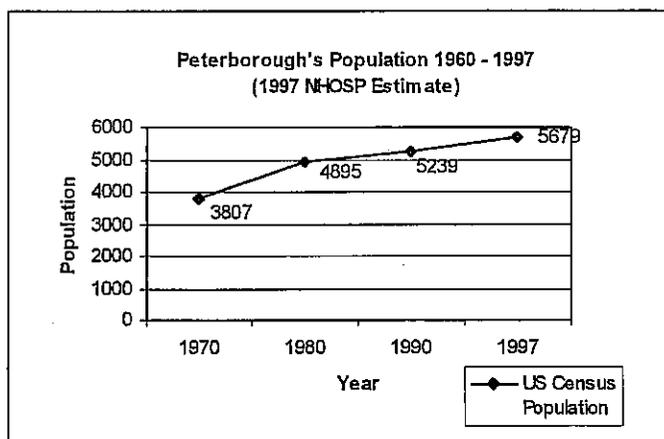
Source: Town of Peterborough

Approximately 30 percent of the land base (commercial, industrial, residential) is generating 99 percent of the Town's revenue stream. In 1995, there was a town wide property re-valuation. Most properties were reduced in value, resulting in an overall tax base loss of \$86 million or 21 percent. Because Rivermead had just been completed, its new tax value somewhat offset the loss. However, of greater importance was the shift in tax base that occurred.

Peterborough just does not have a great deal of non-residential development potential. However, the community has traditionally relied on non-residential development to provide the backbone for Peterborough's economy. At issue is the Town's ability to continue to support the increasing public costs with a tax base that is shifting predominately towards residential taxpayers.

The Conservation Commission recently commissioned a study, which suggests that any growth has a "cost" to the community. In considering "growth", one must weight benefits against costs. However, intensive "costs of community service" studies conducted throughout New England and in New York State have shown that both current use land and commercial/industrial properties cost the community less than residential development.¹⁰ Yet 98% of Peterborough is zoned for residential development.

The residential population continues to grow and incentives exists to preserve open space, but there has been virtually no expansion of land available for industrial or commercial use.



If the town wants to preserve the economic formula that has sustained the community for more than 100 years, then additional non-residential development capacity must be established through zoning and perhaps through utility extensions. If no corrective action is taken, the historic formula will

shift further towards residential development. This shift will result in higher public costs (school children) and a greater percentage of taxes paid by residential property owners while also requiring a larger portion of residents to commute out of town for work.

Cost of Services

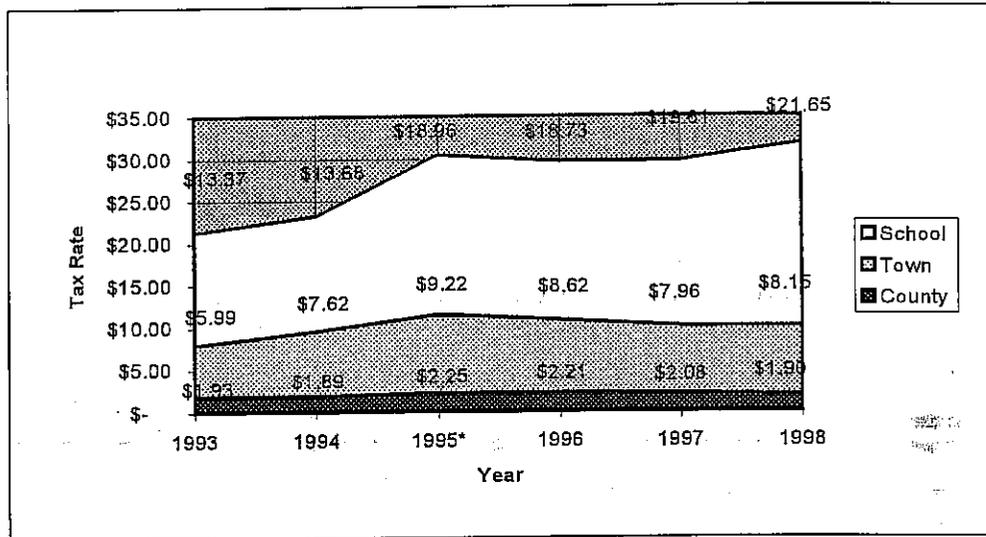
The Town of Peterborough spends in excess of \$10 million per year (\$10,642,036). This is a substantial increase from 20 years ago when the annual budget was in the \$2 million range. The Town's income is based on property taxes, which are based on the assessed valuation of various types of land and buildings within the community.

As with virtually every other community in New Hampshire, the majority of Peterborough's budget is dedicated to school costs, which at \$7,269,029 in 1998,

¹⁰ Conservation Commission News; Volume 28, Number 4- Fall 1996, New Studies on the Economics of Open Space; Phil Auger, Extension Educator, UNH Cooperative Extension.

represents approximately 68 percent of the Town budget. The County, at \$639,215, represents 6 percent and the Town portion, at \$2,733,792, represents 26 percent. The chart below gives an analysis of Peterborough's tax rate set by the Department of Revenue Administration from 1993 to 1998.

Peterborough Tax Rate 1993 - 1998



Several studies across the country have attempted to calculate how much various land uses generate in tax revenues and how much tax dollars they cost the community each year. It is clear that residential development usually costs a community more than it generates in tax dollars because of high school costs. It is also clear in five of six Cost of Community Services (COCS) studies done in New Hampshire that Commercial/Industrial development provides significantly more tax revenues than costs. (page 2, MacFaden)¹¹

It is important to recognize the limitations of these studies. Peterborough does not track expenditures by land use and there is no valid method for making such a determination from town to town. There is no evidence in Peterborough, which suggests that the short term or long term financial impact of Commercial/Industrial development is anything but positive. EDA believes that to focus just on tax issue misses the broader issue of what mix of land uses do we want and need to keep Peterborough a vital attractive community. We feel that more open space and more commercial/industrial development are needed.

¹¹ Scott MacFaden; Cost of Community Services Study; Town of Peterborough, New Hampshire, 1997.

Estimated Cost of Community Services, 1995

Land Use Category	Revenue	Expenditures	Cost Per Revenue Dollar
Residential	9,107,925	9,874,851	1.08
Open Space	80,482	43,649	0.54
Commercial/Industrial	2,706,479	835,360	0.31
	11,894,886	10,753,860	

Source: Scott MacFaden, Cost of Community Services Study

B. Issues

The less than 200 acres of additional land suitable for industrial and commercial development represents a strategic and limited resource which is at risk of residential development. From 1986 to 1997, the Town of Peterborough processed 246 building permits: 81 percent of the building permits were for residential development, 14.6 percent for commercial development and 4.4 percent for industrial development. The New Hampshire Office of State Planning has consistently projected that the residential population will increase more rapidly during the next 20 years. The Town's current zoning encourages such an outcome given that 98 percent of the Town is zoned residential.

The land along Routes 101 and 202 is zoned for commercial development. Every time a proposal has been made for these and adjacent parcels, there has been considerable public discussion and a degree of deeply felt disagreement. The issue of commercial development is often one on which it is difficult for a community to reach a consensus. For various reasons, this is a particularly difficult topic for Peterborough.

The EDA recognizes that some people question whether any additional "industrial" or "corporate park" land is needed now or in the future, especially since it has been difficult to sell or rent the Brookstone building. This building, specifically designed for a very large consumer goods distribution company, contains 144,000 square feet of space. This makes it one of the largest buildings of its type in the state, and the owners have not been willing to subdivide it into small enough units to make it attractive for the more common users.

It is inappropriate to link our long term needs for 200 additional acres to the fact that this building is currently vacant. We recognize that rapid and unplanned commercial/industrial development would be detrimental and costly to our community. The fact remains that very few desirable acres are designated for industrial or corporate park type development. The available acres may be lost to the community unless action is taken to strategically preserve them.

The document entitled "Getting the Town We Want" by the Peterborough Development Planning Steering Committee, September 9, 1995, states that "no growth" is unsustainable, often leading to decline, and rapid growth would transform the nature of the Town, no matter how well it is managed.¹²

The balance that we enjoy today could be changed markedly if unprotected open space is allowed to remain vulnerable to residential development and if we fail to allocate more land for commercial/industrial use. We must have a plan in place that gives equal weight to permanently preserving open space while maintaining the traditional proportion of public costs paid for by the commercial/industrial sector. **A planned, systematic strategy of controlled growth is the preferred alternative to doing nothing and hoping for the best.**

C. Objectives

- Ensure that the town does not lose land that has been designated as desirable for commercial/industrial development.
- Ensure that the town does not lose land that has been designated as desirable for commercial/industrial development.
- Identify, through the zoning and planning process, the impact on the community of development proposals for commercial/industrial and multi-unit residential.
- Determine how much land is needed for commercial, industrial, and corporate park use and, if necessary, adjust zoning to protect the historic ratio.
- Target the capacity of the town's infrastructure and buildable non-residential land towards an appropriate balance between industrial and commercial activity.
- Decide upon the types of commercial activity the town desires.
- Ensure that commercial activity focuses on services the town residents want.
- Ensure that major development proposals for both commercial/industrial and multi-unit residential are subject to an analysis to identify the impact on the community as well as short and long term costs and benefits.

D. Actions

- Analyze the financial tools available for the purchase of designated available land for commercial/industrial use.

¹² Getting the Town We Want – Final Report of the Steering Committee 9/95.

- Review zoning through the Master Plan update process to ensure that the traditional land use and revenue ratios are balanced.
- Utilize tax increment financing to influence the type and quality of development along Route 202 south.
- Participate in the Route 101 & 202 corridor study.
- Create opportunities for the town to discuss the commercial activity it wants.
- Increase the depth of the commercial zone by 400 feet as part of an adjustment/reconfiguration of the existing commercial area.
- Study and determine the feasibility of establishing a geographical growth boundary.

5. **Investing in infrastructure is necessary to maintain and expand the existing tax and job base.**

A. **Background**

Most of the commercial and industrial activity within the Town of Peterborough is dependent upon the municipal water and sewer system. The health of the existing tax base, job base and overall economy therefore requires an adequate water and sewer system as well as roads, bridges, drainage, telecommunications and support services. Expansion of the non-residential base will require a good sewer and water system and also extra capacity in those systems to meet increased demand. A significant percentage of Peterborough's residential properties rely upon town water, sewer or both. The capacity of sewer and water systems to support additional residential growth will have a direct bearing on the location and type of residential development that takes place in future years. The Town's decisions regarding its infrastructure are some of its most important but least used strategies for shaping the future of the town.

B. **Issues**

Water

The Town is now working on a comprehensive water supply plan, which will eventually be adopted by the Planning Board as part of the new Master Plan. A preliminary report prepared by Levy Engineering in February of 1998 supports the conclusion that the Town needs more water. The Town of Peterborough currently needs a new well with a minimum capacity of 300 gallons per minute to meet the existing demand. To meet the demand for the next ten years, the well

should have a safe yield of 450 gallons per minute.¹³ In March of 1998, Town Meeting authorized the expenditure of \$1.6 million to construct a new well and to then connect that well to the existing Town water distribution system. Although a potential well site has been identified, it remains to be seen how much water it can provide and how much it will cost to install.

Until additional water supplies become available, the Town is at risk. During the summers of 1997 and 1998, if there had been a major fire, there was not enough water to refill the storage tanks. Serious constraints exist in our water capacity. There presently is not enough water to protect the existing community, much less support additional growth. The Town has recognized this problem and a new well at Hunt Road should be in operation by the end of 1999. The Public Works Department has indicated that the situation remains serious and that considerable additional corrective action is required.

Recently it became known that the possibility exists for bringing the South well on line at some time in the next few years. This could impact and add to our overall water capacity.

Sewer

The sewer system is also of concern. The majority of the system, including the treatment plant, was constructed during 1971-1972. It is now time to upgrade that system, since it does not meet present federal and state treatment standards. The Town is waiting for the NH Department of Environmental Services to complete a study of this system and anticipates that a requirement to upgrade will be issued in 1999.

This raises a series of planning and financial issues. There are, for example, two potential industrial sites in the north part of town, which are not connected to the sewer system. If they were going to be connected, it would be important to know that as part of the design of the new upgrade. Overall, the Town needs to know by some time next year what its vision for the future growth is. The Town also needs to know what portions of the town it wants connected to the sewer system in future years.

Paying for the upgrade will be a major challenge. When the original system was constructed in the early 1970's, federal and state money appeared to have paid for 90 percent of the costs. There may be no state or federal monies available at this time, except perhaps in the form of low interest loans. It is likely that Peterborough will pay for at least 80 percent of the costs. The cost will not be known for at least another year, but could be in the range of \$3 million to \$10 million.

¹³ Levy Engineering Study. Page 5-1, emphasis added.

Roads

The Town is at the intersection of Route 202 and Route 101. As the region grows, the volume of traffic on both of these roads can be expected to increase. **Route 202, and to a lesser extent Route 101, will be an important factor in determining the nature of the community during the next two decades.** Route 136 and Route 123 will also experience significant increases in traffic volumes. The impact upon the community of the changing nature of these roads must be carefully considered and planned for.

A majority of the towns in the region have developed as bedroom communities. As the region's population increases, the volume of traffic on these roads will also increase. As commercial development expands in locations such as Rindge, the volume of truck traffic will also increase. This increased traffic will result in more than inconvenience. Without extensive and costly improvements, the existing intersections controlling access to the downtown will increasingly become choke points.

Most Peterborough residents love the town the way it is and it has been suggested that if the roads and intersections are improved, increased traffic will result. **If Peterborough does nothing about the several state roads running through the town, then other towns will determine our future for us, as they continue to grow and generate traffic which must pass through the town.** If the Town takes a leadership role in addressing these issues, then there is a chance to ensure that future highway improvements enhance rather than diminish the town's visual beauty and rural character.

Cost of Electricity

Energy costs are a significant expense in many industries. Major cost differentials between New Hampshire's energy prices and those of other states puts us at a competitive disadvantage among firms with multiple location options. The prospect of change in the electric utility regulation offers hope for lower prices. The Town of Peterborough has participated in New Hampshire's utility deregulation pilot project. In the meantime, New Hampshire has the highest electricity costs in the country. High electricity costs will impact Peterborough's efforts to encourage and support existing and new businesses and industries.¹⁴

Telecommunications

Technological advances in communication, transportation and manufacturing, exemplified by microelectronic advances, have become a driving force in the world economy. Most of the new jobs being created are in the "thoughtware sector" which includes computer software, finance, education, medicine, telecommunications, engineering services, data base development and dissemination, innovative forms of distribution, innovative insurance, new forms

¹⁴ NH Business and Industry Association; January 1998, The New Hampshire Economic Opportunities Index, pp. 36-37.

of hospital management and waste collection.¹⁵ In order for Peterborough to foster new jobs and economic opportunities in the "thoughtware sector", two-way, high-speed digital data transport capability must exist.

The telecommunications industry will continue to experience deregulation and widespread competition, both in long distance and local services. Peterborough exchange customers served by Bell Atlantic are provided service by a state of the art digital central office. Telecommunications services offered to other, more urban areas in the state are also available in Peterborough.

Peterborough's cable television carrier, Adelphia, is taking steps to upgrade the existing cable system to enable two-way high-speed data transport. Once completed, digital television and power link (high-speed) Internet services will be available.

C. Objectives

- Encourage the Planning Board to create water supply, sewer and transportation chapters for the new Master Plan.
- Ensure that the telecommunications systems are quickly upgraded and maintained to serve appropriate sustained economic activity.
- Seek means to reduce electrical costs.

D. Actions

- Encourage the Southwest Regional Planning Commission to initiate a study of the Route 101 & 202 corridor as part of the regional transportation improvement plan.
- Determine how much water and wastewater treatment capacity is available for additional development.
- Construct the new well (approved March 1998) and connect it to the existing Town water distribution system.
- Build Townwide support to repair and upgrade the existing infrastructure.
- Communicate with the telecommunications providers to ensure that high-speed data transport services are made available as soon as possible.

¹⁵ David L. Birch, "The Changing Rules of the Game," Economic Development Commentary, Winter, 1984, p.13.

- Continue to explore ways to work regionally with area towns on infrastructure improvements.

V. Next Steps – Action Items

Thirty-two proposed actions have been identified by the EDA. Specific strategies and responsibilities to implement each action item will be developed by the EDA and other appointed Boards jointly for new Master Plan adoption and implementation.

1. SUPPORT EXISTING BUSINESSES ACTION ITEMS:

- Work with the regional development corporations, the State of NH and private developers to implement a business retention program that focuses on the growth and expansion of businesses that are already operating here.
- Expand the interaction of the Town and Chamber web sites so that they become a tool to assist the owners of retail stores, gift and craft shops, restaurants, lodging and entertainment/recreation businesses and cultural groups to promote Peterborough as a shopping, cultural and recreational destination.
- Sponsor an E-Commerce workshop.
- Build a consortium of technical and skill development resources to assist companies with specific educational and training needs.
- Work cooperatively with local and regional groups seeking to provide available housing.
- Review current zoning regulations to ensure and encourage residential uses in the downtown.

2. INFRASTRUCTURE ACTION ITEMS:

- Gain consensus as to the best location for future additional downtown parking.
- Secure control of the downtown parking site.
- Prepare engineering and design of the preferred site and identify funding sources.
- Continue private/public investments in the infrastructure improvements.
- Determine how much water and wastewater treatment capacity is available for additional development.

- Encourage the Southwest Regional Planning Commission to initiate a study of the Route 101 & 202 corridor as part of the regional transportation improvement plan.
- Construct the new well (approved March 1998) and connect it to the existing Town water distribution system.
- Build Town wide support to repair and upgrade the existing infrastructure.
- Communicate with the telecommunications providers to ensure that high-speed data transport services are made available as soon as possible.
- Continue to explore ways to work regionally with area towns on infrastructure improvements.
- Participate in the Route 101 & 202 corridor study.

3. PRESERVATION & CONSERVATION ACTION ITEMS:

- Develop a strategic Open Space Plan.
- Identify and protect well recharge, flood plain and wetlands.
- Incorporate the strategic Open Space Plan into the new Master Plan.
- Establish a program to implement the Open Space Plan through land acquisition, conservation easements, gifts, bargain sales, transfer of development rights, zoning changes and other land preservation techniques.
- Review and adjust as necessary land use policy and zoning so that all policies are compatible with preserving strategic open spaces.
- Support the Planning Board's efforts to define and debate the establishment of a "gateway" corridor zone along Route 101 and Route 202.
- Utilize the NH Office of State Planning's Cornerstone 7 Project to identify and protect critical and important cultural and historic resources.
- Educate the community on the options for the use of historic buildings.
- Establish standards to preserve and enhance the visual appearance of the community.
- Study and determine the feasibility of establishing a geographical growth boundary.

4. PROMOTE COMMERCIAL/INDUSTRIAL GROWTH ACTION ITEMS:

- Put in place a program to bring together local realtors and the regional development corporations to draw desired businesses into Peterborough.
- Convene a meeting of all realtors and regional economic development corporations to determine how to develop and maintain an inventory of available vacant buildings and office space.
- Analyze the financial tools available for the purchase of designated available land for commercial/industrial use.
- Utilize tax increment financing to influence the type and quality of development along Route 202 south.
- Review zoning through the Master Plan update process to ensure that the historic land use and revenue ratios are preserved.
- Create opportunities for the town to discuss the commercial activity it wants.
- Increase the depth of the commercial zone by 400 feet as part of an adjustment/reconfiguration of the existing commercial area.

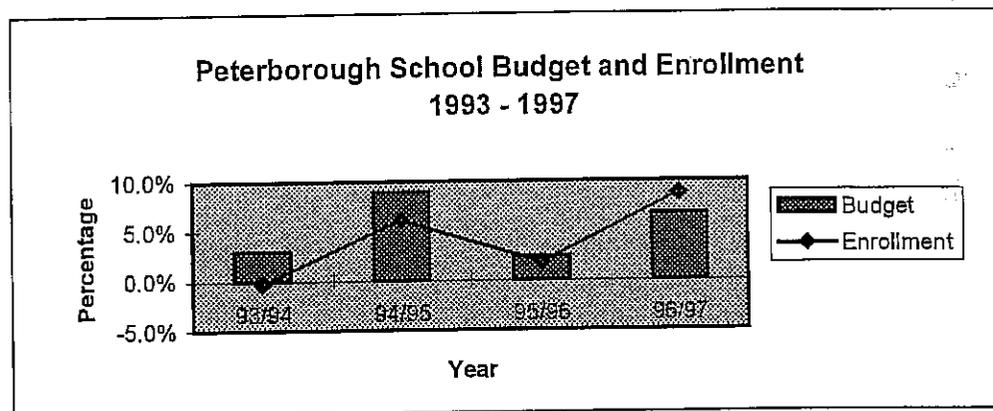
Addendum - Education

Financial planning to meet the needs of the town and school must be coordinated.

A. Background

The EDA recognizes the major role that education spending plays in defining the Town's future. As with virtually every other community in New Hampshire, the majority of Peterborough's budget is dedicated to school costs. In 1998, school costs represented \$7,269,029.00 or approximately 68 percent of the Town budget. The present budgeting and capital investment planning process discourages or precludes coordinated financial planning.

Since 1993, Peterborough's school costs have grown from approximately \$5.3 million to over \$6.5 million in 1997. Enrollment has also been on the increase. In the 1993-1994 school year there were approximately 837 Peterborough students enrolled in the system. Today there are over 978 Peterborough students enrolled, an increase of 16.8%.



The growing cost of Peterborough's schools has restricted the community's ability to fund its necessary infrastructure. However, the present uncertainty due to the legislative/judicial discussions relating to the Claremont decision makes financial planning particularly difficult.

B. Issues

Successful schools are essential. Both schools and communities would benefit from coordinated and balanced consideration of our investments in education and in the community's infrastructure. In future years, we should strive to create trust, open communication and cooperation between those engaged in financial planning for education, Town administration and infrastructure.

C. Objective

Assist the school board and school management to develop more comprehensive, coordinated financial planning.

D. Actions

- Conduct the first work session with representatives of the school board and the town.
- Develop and implement a capital planning and budgeting process that brings school and municipal officials together to set priorities.
- Encourage school planners to recognize the contributions that technology may offer in improving productivity.

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