

TOWN OF LISBON MASTER PLAN

CHAPTER V - ECONOMIC DEVELOPMENT

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A. INTRODUCTION

Over the past 30 years, New Hampshire communities have focused increased attention and resources on economic development. Economic development is the practice of preserving and enhancing existing industry, while promoting and attracting new business. There are several reasons for escalated economic development in New Hampshire communities, but the primary drive behind this trend has been tax-base diversification and a goal to shift tax burdens away from residential properties to commercial development.

Economic development is an issue that can directly affect the quality of life and image of a community. Overly aggressive economic development can lead to loss of community character, housing and labor shortages, and other social problems. At the same time, efforts not to diversify the employment base of the community can leave the community more vulnerable during economic down-turns. Therefore, a balance of community character and a diversified economic base must be achieved.

The purpose of this chapter is to delineate the elements that make up the economic life of the Town of Lisbon and to consider how various elements should be managed to best achieve the type of community the citizen desire. The Community Attitude Survey indicated that the residents wish to retain the rural atmosphere and “high quality of life” of the Town and that growth of the Town be managed to encourage desirable industrial and commercial activities in properly zoned areas.

B. RESIDENTS OPINION AND NEEDS

Public participation is important in the planning process. In an effort to get as much input as possible from the community for this plan, a community wide survey was conducted in 2003. In total, 40% of all households in the community responded to the community survey.

The following is a summary of opinions expressed by residents through the survey responses related to economic development in Lisbon.

SURVEY RESULTS

In total, the survey consisted of 31 questions, of which 4 specifically addressed economic development issues. The following is an overview of responses offered by residents.

Concerns and Interests

- Tax rate seems to be the biggest concern of residents with a percentage of 16%, followed by job opportunities (11%) and roads (10%).
- 70% of residents feel that zoning regulations in Lisbon are **about right**.
- The small town atmosphere (16%), rural character (13%), public school system (10%) and proximity of friends and family (10%) are the most popular characteristics that town residents like.
- Shopping facilities (13%), employment opportunities (11%) and appearance of the downtown area (11%) are the least liked characteristics in town.

Growth and Development

Attitudes about Lisbon's rate of growth is well distributed between:

- Maintain present rate of growth (41%)
- Faster rate of growth (43%)
- 79% of respondents agree that the town should encourage economic expansion by providing incentives.
- 44% of respondents feel that residential development should occur anywhere in town and 30% feel that it should happen in rural areas.
- Commercial development should occur in the town center according to 57% of the survey respondents.

C. EMPLOYMENT, EDUCATION AND COMMUTING CHARACTERISTICS OF RESIDENTS

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

The labor force of a community is defined as the number of people who are over the age of 16, regardless of their employment status. In 2000, the population of Lisbon was 1,587 people, with a labor force of 886 people, which is approximately 56% of the population. In 1990, the population was 1,664 people, with a labor force of 857, constituting 52% of the population. This shows that the labor force has grown faster than the population over the last decade in between the last US Censuses. As can be seen below, the changes in labor force, employment and the unemployment rate for Lisbon are comparable with the surrounding communities.

**Table 5.1: Labor Force, Employment and Unemployment Figures
1990, 2000 & 2003**

Lisbon	1990	2000	2003	Littleton	1990	2000	2003
Labor Force	857	886	905	Labor Force	3234	3559	3634
Employment	800	858	874	Employment	3041	3444	3517
% Unemployment	6.7%	3.2%	3.4%	% Unemployment	6%	3.2%	3.2%
Bath	1990	2000	2003	Lyman	1990	2000	2003
Labor Force	418	530	539	Labor Force	189	263	264
Employment	406	519	532	Employment	181	255	259
% Unemployment	2.9%	2.1%	1.3%	% Unemployment	4.2%	3%	1.9%
Bethlehem	1990	2000	2003	Sugar Hill	1990	2000	2003
Labor Force	1180	1392	1428	Labor Force	232	315	323
Employment	1110	1340	1384	Employment	225	306	312
% Unemployment	5.9%	3.7%	3.1%	% Unemployment	3%	2.9%	3.4%
Landaff	1990	2000	2003	Grafton County	1990	2000	2003
Labor Force	202	237	237	Labor Force	40650	44340	47240
Employment	195	234	234	Employment	38430	43440	46220
% Unemployment	3.5%	1.3%	1.3%	% Unemployment	5.5%	2%	2.1%

Source: US Department of Labor, Bureau of Labor Statistics, www.bls.gov

OCCUPATIONS

The chart below outlines what types of occupations the residents of Lisbon were employed in during 2000. The numbers below do not necessarily represent the types of occupations available in the Town of Lisbon, but those occupations of Lisbon residents. In 2000, The highest percentage of the Lisbon work force was employed in the production, transportation, and material moving occupations, while the lowest percentage of people were employed in farming, fishing, and forestry occupations.

Table 5.2: Occupations of Employed Lisbon Residents, 2000

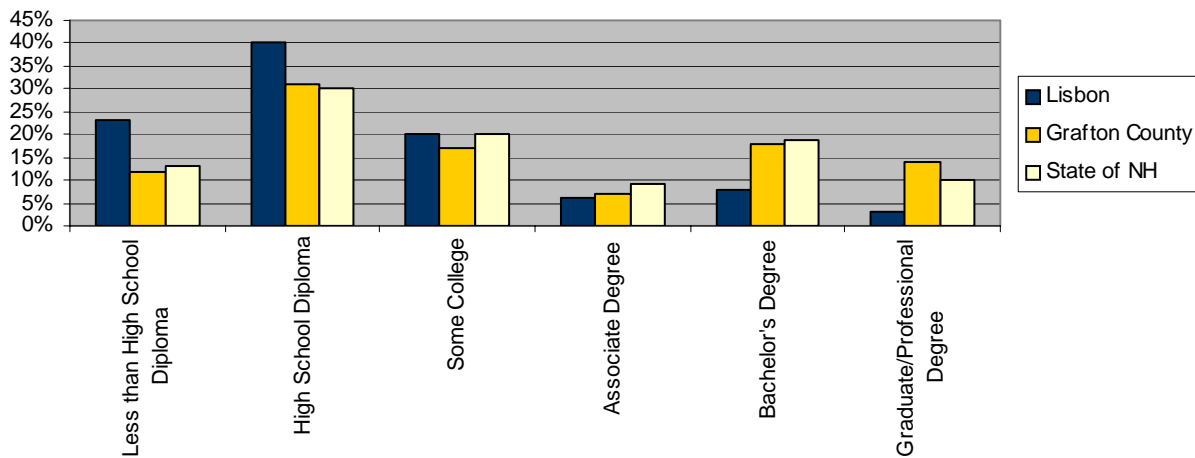
	Number Employed 2000	Percent employed 2000
Management, professional, and related occupations	150	19%
Service occupations	91	11%
Sales and office occupations	204	26%
Farming, fishing, and forestry occupations	6	0%
Construction, extraction, and maintenance occupations	87	11%
Production, transportation, and material moving occupations	261	33%
Total employed persons over 16 years of age	799	100%

Source: US Census 2000.

EDUCATION LEVEL OF RESIDENTS

Of the total population, 25 years old and older, living in Lisbon in 2000, 77% of Lisbon residents had a high school degree or higher and 12% had a bachelor's degree or higher. These figures are lower than Grafton County and the State. For more detail regarding the educational levels of Lisbon and the County and the State, please refer to figure 5.1.

Figure 5.1: Educational Attainment - Percentage of adults age 25 and older at or above selected degree attainment levels



D. INCOME CHARACTERISTICS OF RESIDENTS

The income characteristics of households, families and individuals tell a tale of the economic conditions within a community. Income and poverty levels of a community serve as indicators of the types of social services that a municipality may require.

PER CAPITA INCOME

As can be seen in table 5.3, Grafton County has the highest percentage change in per capita income from 1990 to 2000, as compared to Lisbon and the State. The Lisbon per capita income has increased more than the state's but is still much lower than both the county and the state. These findings could be in part attributed to the fact that the educational attainment of Lisbon residents is, in general, lower than the county and state.

Table 5.3: Per Capita Income, 1990-2000

Town	1990 Per Capita Income	2000 Per Capita Income	% Change 1990-2000
Lisbon	\$10,881	\$16,836	55%
Grafton County	\$13,611	\$22,227	63%
State of NH	\$15,959	\$23,844	49%

Source: US Census 1990 & 2000.

MEDIAN HOUSEHOLD AND FAMILY INCOME

Household income is the total income of people living in one household. Family income is the total income of all family members who consider themselves members of one household. Median income is the middle figure in a series from lowest to highest. As can be seen below, Lisbon's median household income has increased considerably (47%) between 1990 and 2000 to become more comparable to the county's household income in 2000. The Lisbon median family income had the lowest percentage increase between 1990 and 2000, and was already much lower than the county's and the state's. The difference is now much greater with Lisbon's median family income almost ten thousands dollars less a year than families in the county.

Table 5.4: Median Household Income, 1990-2000

	1990 Median Household Income	2000 Median Household Income	Median Household Income % Change 1990-2000
Lisbon	\$25,776	\$37,993	47%
Grafton County	\$30,065	\$41,962	40%
State of NH	\$36,329	\$49,467	36%

Source: US Census 1990 & 2000.

Table 5.5: Median Family Income, 1990-2000

	1990 Median Family Income	2000 Median Family Income	Median Family Income % Change 1990-2000
Lisbon	\$31,932	\$41,250	29%
Grafton County	\$35,489	\$50,424	42%
State of NH	\$41,628	\$57,575	38%

Source: US Census 1990 & 2000.

POVERTY

The Census Bureau uses a set of money income thresholds that vary by family size and composition to define poverty levels. If a family's total income is less than the Census Bureau's threshold, then that family, and every individual in it is considered below poverty level. The poverty thresholds are updated annually for inflation using the Consumer Price Index. The following table contains the poverty thresholds for 1990 and 2000 that the Census Bureau used for their calculations.

By looking at table 5.6, you can see that Lisbon had, in 2000, a fairly low percentage of families below poverty level but one of the highest percentage of persons below the level of poverty.

Table 5.6: Poverty Thresholds, 1990-2000

1990		2000	
Individual Person	\$6,652	Individual Person	\$8,794
2-Person Family	\$8,509	2-Person Family	\$11,239
3-Person Family	\$10,419	3-Person Family	\$13,738
4-Person Family	\$13,359	4-Person Family	\$17,603
5-Person Family	\$15,792	5-Person Family	\$20,819
6-Person Family	\$17,839	6-Person Family	\$23,528
7-Person Family	\$20,241	7-Person Family	\$26,701
8-Person Family	\$22,582	8-Person Family	\$29,701
9+ Person Family	\$26,848	9+ Person Family	\$35,060

Source: US Census Bureau, 2001.

Table 5.7: Poverty Data for Lisbon, Grafton County and the State of NH, 1990-2000

	1990 % of Families Below Poverty Level	2000 % of Families Below Poverty Level	1990 % or Persons Below Poverty Level	2000 % of Persons Below Poverty Level
Lisbon	7.0%	3.9%	9.3%	7.5%
Grafton County	5.7%	5.1%	9.6%	8.6%
State of NH	4.4%	4.3%	6.4%	6.5%

Source: US Census 1990 & 2000.

E. LISBON EMPLOYERS

Understanding historic trends in the local economic base can help the community better develop sound economic development strategies for the future. One key trend is the change in size and type of the local employment base. Local employment data (i.e. the number and types of jobs in community) is collected by various government agencies, including the Census Bureau and the New Hampshire Office of Employment Security. Using a classification system, the number of employment positions for each business in the community can be identified and tracked over time.

Table 5.8: Trends in the Lisbon Employment Base, 2001-2003

	2001	2002	2003
GOODS-PRODUCING			
Private Ownership			
# of Employers	8	10	9
# of Employees	691	604	615
Avg. Wk Wage	\$551	\$559	\$570
NH State Government			
# of Employers	1	1	1
# of Employees	6	7	7
Avg. Wk Wage	\$581	\$645	\$733
SERVICE-PROVIDING			
Private Ownership			
# of Employers	24	22	24
# of Employees	141	137	163
Avg. Wk Wage	\$568	\$853	\$688
Federal Government			
# of Employers	1	1	1
# of Employees	4	4	3
Avg. Wk Wage	\$791	\$811	\$965
Local Government			
# of Employers	2	2	3
# of Employees	83	80	61
Avg. Wk Wage	\$540	\$590	\$435

Source: NH Department of Employment Security.

Between the years 2001 and 2003, Lisbon's goods-producing private businesses have decreased the number of their employees, but have increased their weekly wages overall. State and federal governments have kept a stable number of employees and have seen a constant increase in their weekly wages. The number of local government employees has considerably decreased in 2003 as well as the weekly wages.

WAGE COMPARISONS

To gain a better understanding of the types and quality of the jobs located in Lisbon we can compare wages paid by employers in Lisbon to those in surrounding communities. Although the figures below show average annual weekly wages for people who work within the Town of Lisbon, they do not represent the average weekly wages of a Lisbon resident. See the table below for more detail.

Table 5.9: Average Weekly Wage - Private Industries and Government, 2002

	Lisbon	Littleton	Landaff	Lyman	Sugar Hill	Bath
Private Industries						
# Employers	33	318	4	N/A	25	15
# Employees	741	4,116	13	N/A	128	188
Avg. Weekly Wage	\$613	\$521	\$447	N/A	\$320	\$619
Government						
# Employers	4	21	2	1	1	2
# Employees	91	399	10	4	9	27
Avg. Weekly Wage	\$603	\$622	\$535	\$401	\$427	\$356

Source: NH Department of Employment Security, 2002.

As can be seen above, Lisbon is in the higher range for private industry and government weekly wages, as compared to abutting communities.

TAX CHARACTERISTICS

An examination of the tax rate helps to gauge the economic attractiveness of a community to businesses. As can be seen below, Lisbon’s tax rate increased considerably between 1990 and 1995 and then steadily decreased until 2002. Lisbon has the second highest total tax rate of the area, closely following Littleton.

**Table 5.10: Tax Rates of Lisbon and Abutting Communities,
1990, 1995, 2000, 2002 & 2004**

Town	1990	1995	2000	2002	2004
Lisbon	22.66	42.6	35.39	29.58	31.00
Littleton	14.36	24.12	22.85	21.12	35.04
Landaff	13.84	26.55	26.76	12.12	26.00
Lyman	14.58	34.38	25.67	21.85	29.46
Sugar Hill	10.67	16.92	17.28	16.04	14.24
Bath	17.82	28.03	17.37	14.91	21.25

Source: NH Department of Revenue Administration, 2004

F. FACTORS INFLUENCING ECONOMIC DEVELOPMENT

LAND AVAILABILITY

As noted in the Land Use Chapter, Lisbon currently has approximately 854 acres of land, or 5% of the total community land area, designated as commercial land use. As part of the planning process, the Planning Board has identified areas for commercial development in the village area and along Route 302. Most of the land identified for commercial development is developable due to the lack of wetlands, floodplains or special easements and easy access to Route 302.

BUILDING AVAILABILITY

Availability of commercial, industrial and office space is critical to the attraction and expansion of desirable businesses. Currently, there is very little commercial space available for businesses to settle in. The former Chevrolet dealership recently closed and it is currently the only available space.

One key component of a long-term economic development strategy requires the retention of some office and commercial space to be used as “incubator space”. Incubator space is generally a small office or industrial building space that start up businesses, or expanding cottage industries, can occupy at reasonable rates.

HOME BUSINESSES

A growing and often unseen part of the local economy are home businesses. Having home businesses and occupations located in Lisbon helps to ensure that those who live in Town have the opportunity to work in the community and contribute to the local economy as a resident and as a business owner.

The Lisbon Zoning Ordinance defines “Home Businesses” as a “home shop, office or occupation (such as, but not limited to, doctor, realtor, beautician, electrician, or other tradesman) operating entirely within a building by occupying not more than one-third of the floor area, operated by a resident of the same premises, employing not more than two persons not members of the family, provided the use is unidentifiable from the exterior except by an identifying sign.”¹ The Zoning Ordinance allows the establishment of home businesses in all zoning districts. No special permit is required and no other requirements are necessary for parking or lighting.

The ability to have local ownership of business is important to the economic health of a community. The more often money circulates within the community before leaving, the more the community benefits. Locally controlled businesses allow employees to have a voice in the decisions that affect them and encourages them to work, shop, and live all in one place.

WATER AND SEWER COVERAGE

As noted in the Community Facilities Chapter, Lisbon has limited public water system and public sewer available. These circumstances can serve to hinder the development of certain types of commercial and industrial development.

Currently, municipal water and sewer service is located in the Village area, extending on Route 302 from the wire mill to the north into Landaff approximately 1 mile beyond DCI to the south. In total, there are approximately 380 service connections. Consumers are charged \$2.60 a gallon for water and \$4.18 for sewer. The wells are located on Town owned property located along the Ammonoosuc River off Bishop Road opposite to the wire mill. There are two storage tanks that store approximately 850,000 gallons with pumping capacity of 125 and 200 gallons/min. A major upgrade was completed to the wastewater treatment system in 1992 and can handle approximately 800,000 gallons/day. The Town of Lisbon currently treats approximately 125,000 gallons per day.

¹Lisbon Zoning Ordinance, 2002.

TRI-TOWN INITIATIVE

This project is a collaborative effort between three contiguous communities whose centers are all within fifteen miles of each other in the North Country, Bethlehem, Littleton and Lisbon. The resources and low utility rate of Littleton are attractive to investors and businesses and all three communities will share in the tax revenue through a unique inter-municipal agreement.

The investment area encompasses the entire Littleton area commutershed that surrounds the three communities. In the North Country of New Hampshire travel distance is, on average, 20 miles one way. The Town of Littleton, although only a population of 5,845 in 2000, is the major community employment for upper Grafton, lower Coos Counties and parts of Caledonia County in neighboring Vermont. According to New Hampshire's Economic and Labor Market Information Bureau, at Employment Security, the civilian labor force of Littleton in 2000 was 3,649. That same year, 12,632 employees commuted to Littleton from within NH. Additionally, 739 commuters came from across the Connecticut River from Vermont, quadrupling Littleton's own labor force. In Bethlehem and Lisbon the number of employees commuting into the town in 2000 was 1,200 and 1,711 respectively.

More specifically, the project area is proposed to be physically located on Brook Road in Bethlehem, NH, adjacent to Littleton. Littleton has run out of suitable land for further expansion of the regions industrial/office park, which ends at the Lisbon and Bethlehem borders. While the two adjacent communities have available land they are limited in their ability to extend infrastructure from their town centers all the way to the current industrial park area. It is planned to bring infrastructure from the Littleton line into Bethlehem. The three communities have joined into an agreement to this and future projects in order to encourage regional development, smart growth practices and enhance downtown centers.

G. FISCAL STRATEGIES AND RESOURCES

The following is a list of resources that could be employed by the Town to help encourage and promote economic development.

Community Development Block Grant (CDBG): CDBG funds are a valuable resource available for funding a variety of public needs. In addition to funding affordable housing programs and community centers, CDBG funds can also be used for economic development purposes, such as the expansion of public waterlines. In 1999, New Hampshire received over 10 million dollars in CDBG funds that, through the grant process, were allocated to communities across the State.

Community Development Finance Authority (CDFA): The Community Development Finance Authority (CDFA) was established by legislation (RSA 162-L) in 1983 to address the issues of affordable housing and economic opportunity for low and moderate income New Hampshire residents. The Authority is both a political body and a nonprofit corporation that is governed by an eleven-member board of directors that are appointed by the governor for five-year terms.

By statute, the board is composed of four representatives from community development organizations, two from small business, one from organized labor, one from employment and education, two from the private financial community, and the Commissioner of the NH Department of Resources and Economic Development or his/her designee. The Authority does not receive an appropriation from the state.

The Authority provides financial and technical assistance to community development corporations, workers' corporations, and certain municipal entities. The Authority is unable to assist a for-profit business directly, but can work with non-profit partner.

CDFA administers a variety of economic development grants programs including the Economic Development Ventures Fund, Tax Credit Program, and various discretionary grants.

CDFA finances major community development projects primarily with the Community Development Investment Program. The program has proven to be a major source of support for affordable housing and economic development and is one of the most successful initiatives that CDFA has implemented. The Community Development Investment Program enables New Hampshire businesses to donate funds or property, either in lump sum payments or pledged over a predetermined period, to fund economic development and housing projects throughout the state. Contributions made by these business donors entitle donors to a 75% state tax credit when the tax returns are filed with the New Hampshire Department of Revenue Administration. For example, a donor making a \$10,000 cash donation to CDFA on behalf of an approved project will receive a tax credit of \$7,500. This credit may be applied directly on a \$1:\$1 basis against the following state business taxes:

- Business Profits Taxes imposed by RSA 77-A
- Insurance Premium Taxes imposed by RSA 400-A
- Business Enterprise Taxes imposed by RSA 77-E

CDFA charges the non-profit sponsor a fee, typically 20% of the award, for participation in this program. The fees are used to support other CDFA community development initiatives and to cover CDFA's operating costs.

Capital Regional Development Council (CRDC): CRDC is a non-profit organization that has been promoting economic development for 45 years. Governed by a Board of Directors consisting of experts in the fields of banking, private development, business, law, and real estate, the organization serves Merrimack, Belknap, Grafton and Sullivan counties. The missions of CRDC are to create new and permanent jobs, enhance personal income of workers and expand community tax bases through private investment. CRDC meets these goals by developing land and through administration of various business loan programs, including the Small Business Administration (SBA) 504 debenture grant program. Since 1954, CRDC activities in the central New Hampshire region have created 4,000 new jobs and \$350 million dollars in private investment. In 1997 alone, CRDC projects created 244 new jobs and over 9 million dollars in private investment. CRDC could be a helpful resource for a community to tap to help encourage economic development.