



City of Rochester, New Hampshire  
Office of Economic & Community Development  
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Rochester Economic Development Commission  
Minutes – September 26, 2023  
Rochester City Hall  
33 Wakefield Street, Rochester, NH

**Members Present:** Kris Ebbeson, Jonathan Shapleigh (left at 5:00), Marsha Miller, Janet Davis, Chris Harrison, Tim Jones (remote), Tanya Hervey (arrived 4:23)

**Members Absent:** Ron Poulin, Kristen Bournival

**Others Present:** Mike Scala, Barbara Holstein, Jenn Marsh, Carole Glenn, Matt Wyatt, Russell Archambault (RKG Associates), Lawrence Cranor (RKG Associates)

- A. B and C: Chairperson Shapleigh called the meeting to order at 4:04.

**Meeting Minutes**

- A. Roll call attendance was taken as part D of the preamble and introductions were performed.
- B. Kris made a motion to approve the July minutes. Marsha seconded the motion, all in favor.
- C. Public Input – None
- D. REDC Website Update  
This agenda item was moved to after the RKG strategic update conversation. Matt reviewed the [www.rochesterredc.com](http://www.rochesterredc.com) website, he then presented the new website: [Rochester Economic Development \(chooserochester.com\)](http://RochesterEconomicDevelopment(chooserochester.com)). Rochesteredc.com will be rerouted to chooserochester.com in the near future.
- E. Project updates  
There was no discussion on project updates to make sure there was enough time for the strategic planning session.
- F. RKG and Associates – Kick off for the strategic plan update.  
Russ opened the conversation and noted this would be a six-month process and said there would be approximately 4 meetings with the REDC to customize the strategy for the community. Russ and Larry covered topics of what has changed since the last strategic plan 5 years ago, what has been accomplished since then and what the new goals should be. See attached powerpoint presentation.
- G. Other  
None
- H. Adjourn  
Tanya made the motion to adjourn at 5:33 Pm, Marsh seconded. All in favor.

The next meeting will be Thursday October 26<sup>th</sup> from 4:00-5:30.

Respectfully Submitted,  
Jenn Marsh

# STRATEGIC ECONOMIC DEVELOPMENT PLAN UPDATE ROCHESTER, NEW HAMPSHIRE

## KICKOFF PRESENTATION

September 26, 2023



PRESENTED BY  
RUSSELL ARCHAMBAULT, VICE PRESIDENT AND PRINCIPAL  
LARRY CRANOR, SENIOR PROJECT MANAGER





## INTRODUCTION AND PURPOSE

- RKG, in association with the City of Rochester Economic Development Commission, to offer an update of the City's Strategic Economic Development Plan.
- This represents a continuation of the established Plan, acknowledging its accomplishments and identifying remaining challenges, in consideration of the current and foreseeable economic and market opportunities that may present themselves to the City.
- This current analysis is intended to serve as a guideline of goals and actionable implementation items that the City of Rochester may undertake to ensure its continued economic growth and business diversity while fostering a high quality of life for the City's residents and business community.



## THE RKG ASSOCIATES, INC. TEAM



- **Russel Archambault**, Vice President and Principal – overall Project Manager with responsibilities to ensure the completeness of our scope of services, fiscal analytics where applicable, outreach and co-ordination with the City and its Economic Development Commission and development of an implementation strategy with goals, action items and timetables.



- **Lawrence Cranor**, Senior Project Manager – responsible for analysis of baseline metrics and indicators. These include socio-economics trends, real estate and market trends, and employment projections, as examples. Also, the development of an implementation strategy with goals, action items and timetables.



- **Erik Woyciesjes**, Market Analyst – assist in the tax base and land use analysis and development of thematic analytics and presentations.



## STRATEGIC ECONOMIC DEVELOPMENT PLAN GOALS (2018)

RKG worked with the City in the prior update of the SEDP, where identified goals included:

- Provide direct support and professional services to commercial, retail, and industrial development that exists today or is seeking to locate in Rochester.
- Be responsive to business and industry needs and foster expansion of the City's established commercial and industrial base.
- Continue to make available marketable industrial and commercial sites within the City through strategic capital improvements, municipal programs, cooperation with owners and representatives, and other actions which may positively impact the City's future economic growth.
- Foster discussion and enhance the sense of community relating to development and growth issues.
- Continuously assess the City of Rochester's strengths and weaknesses as a location for industrial and business expansion.
- Provide economic opportunities for Rochester residents, not just in the short term but also well into the future, through continued education, supporting technology and a range of quality housing opportunities.
- Strengthen the City's fiscal stability through sustainable growth of the tax base and prosperity of its citizens.



## SELECTED ACCOMPLISHMENTS SINCE PRIOR UPDATE

While the following is not exhaustive, it represents a sampling of actions completed since the prior update:

- **FY 2019** – acquisition of 47-acres as part of the Granite State Business Park.
- **FY 2020** – agreement with Chinburg properties to redevelop the Scenic and Salinger property for residential use, and adoption of the 3 RSA 79E tax incentive plan to encourage investment in City or historic centers and to rehabilitate under-utilized buildings. Creation of a microloan program to assist businesses impacted during Covid-19, with loans totaling **\$77,750 across 16 businesses**. Phase 1 of Apple Ridge apartments opened, and the City built a new Public Works facility.
- **FY 2021** – purchase of the Hoffman building for redevelopment, installation of a kayak launch.
- **FY 2022** – developer plans for the Hoffman building to include ground floor commercial and 55 residential units. City Council passed a revised version of the Granite Ridge Development District Ordinance that will now allow commercial uses and some forms of residential housing along Route 11. Phase 3 of Wayfinding signage completed. New businesses in the Granite State Business Park include Prep Partners, LDI Solutions and Pella Windows of New England.



## SELECTED ACCOMPLISHMENTS SINCE PRIOR UPDATE

While the following is not exhaustive, it represents a sampling of actions completed since the prior update:

- **FY 2023** – District Courthouse budget was approved to provide \$17.5M to construct a new Courthouse on Route 108. Renovation plans for the Union Street Parking lot. Phase 2 of The Ridge Marketplace call for development approximately 83,768 SF inclusive of 241 apartments and retail/restaurant/entertainment uses. s, purchase Be responsive to business and industry needs and foster expansion of the City’s established commercial and industrial base. An RFP (24-02) for the former Public Works property has been initiated. As RKG understands, the proposed development is for 72-units of affordable housing, referred to as Wyandotte Falls, to be targeted to elderly residents and younger disabled residents Ownership of the Lilac Mall (5 Milton Road) ownership has changed. Plans for a casino/charitable gaming [use].
- **FY 2024** – City staff are designing a roundabout for Milton Road (former Stonewall Kitchen and Cabletron properties) where Sig Sauer just moved in. Reportedly, Sig Sauer has invested \$21.5M (to date) in this project. As RKG understands, the City of Rochester contributed \$270,000 for completion of interchange upgrades.



## SELECTED ACCOMPLISHMENTS SINCE PRIOR UPDATE

- Over the FY 2018 to FY 2022 time period the City of Rochester reported a total of 84 new, retained, or expanded businesses. This occurred during an economically turbulent Covid-19 period
- According to the New Hampshire Housing Authority there are currently 154 units under development, totaling an investment of more than \$30.79M, or approximately \$199,960 per unit.
- The City of Rochester has aggressively and effectively undertaken numerous initiatives and projects to continue a trend of improving the Citywide economic development portfolio, enhancing quality of life services and amenities and fostering a climate for continued forward progress.
- The goal is to continue this trend and to be adaptive to and reflective of the changing market dynamics.



# THE CURRENT MARKET TRENDS AND PROJECTIONS

## Population

- An increasing elderly, age 64+, population – those who may be seeking to downsize their residential footprint.
- A decrease in the population aged 35 to 64 years – those in peak earning and spending years.
- A decrease in the population aged 20 to 34 years – those in their family formation years and 1<sup>st</sup> time home ownership.

## Housing

- A projected decline in renter households (2023-2028). However, opportunities may exist for additional development targeted to the 64+ cohort.

## Employment

- Projected (2023-2033) growth of 480 positions, or 3.4%. This could translate to demand for 22,040 SF of office/flex space, 62,470 SF of warehouse/industrial space and 36,350 SF for medical use – provided sites are available.
- City economy strongest in the manufacturing and retail trade sectors – the former with generally above average wages and the latter with generally below average wages.



# THE CURRENT MARKET TRENDS AND PROJECTIONS

## Commuting

- Approximately 27% of those employed in Rochester also reside in Rochester. As of 2020, the City was a net exporter of 3,500 persons in the resident labor force. This represents an increase of 800 workers over the prior analysis.

## Retail

- While the City continues to be an overall net importer of retail sales, some level of retail sales leakage remains. This is currently estimated at \$31.5M which is an increase of nearly 3.6% from the prior analysis.
- A conservative 35% re-capture of sale leakage could translate to 34,120 SF of development. Additionally, RKG estimates that every new 100 households equals demand for 5,550 SF.

## Office

- Q1 2018 through Q2 2023 the City office inventory has been relatively stable averaging 825,960 SF with an average vacancy factor of 3.09%. However, net absorption of office space has lagged gross absorption, indicating that newly occupied space has not kept pace with recently vacated space.

## Industrial

- Q1 2018 through Q2 2023 the City industrial inventory has averaged 2.33M SF with an average vacancy of 2.40%. There is some lag between net absorption and gross absorption, but not as wide as for office space.



# STRATEGIC PLANNING DISCUSSION

- **Housing / Jobs Balance** – How important is housing to accomplishing the City’s economic development goals?
  - What types of housing are needed? Workforce Housing, Senior Housing, Affordable Housing, Downtown Housing
  - What housing prices are considered affordable
- **Economic Development Fund** – What are the highest priorities for use of the Economic Development Fund?
  - Workforce Housing Support?
  - Downtown Revitalization and Site Redevelopment Opportunities?
  - Infrastructure Improvements in Support Private Investment?
  - Industrial Site Development?
  - Workforce Development?



# STRATEGIC PLANNING DISCUSSION

- **Tax Base Expansion** – Not all development is created equal. Some economic development creates higher tax rateables, higher paying jobs, lower transportation impacts, lower environmental impacts, etc.
  - What industries have shown the strongest growth potential in Rochester?
  - What industry benefits are most important to this community? (tax base, jobs, job quality, high labor force compatibility, other)
- **Regional Economic Development Identity**
  - What is Rochester do well with regard to economic development?
  - What is the City's niche or role in the regional economy?
  - Should that role change or stay the same in the future?
  - What emerging needs or opportunities should be explored in the strategic plan?