City of Keene
Economic Development Plan

Everything You Need Is Here!

Adopted by the City Council October 4, 2019
Ad-Hoc Comprehensive Economic Development Committee

This plan presented, is the next set of continuing steps to further the efforts of the original Ad-Hoc Comprehensive Economic Development Committee. As will be discussed further, the original work by the Committee was to move forward with efforts that devolved from the Adopted 2010 Comprehensive Master Plan, as well as the adopted 2017 City Council Goals. It is clear that development and most especially, redevelopment; carefully tended to are in the City of Keene’s best interests and are clearly needed to promote a sustainable community.

Committee Charge: To take an inventory of Economic Development efforts in Keene and the Monadnock Region, provide guidance, and encourage collaboration and planning for comprehensive Economic Development efforts.

The City Council has adopted five goals:
1. Provide high quality, cost-effective and environmentally sensitive services that are responsive to community needs.
2. Establish a competitive and prosperous local economy.
3. Exercise sound organizational and financial management.
5. Enhance regional collaboration.

Committee Members

Councilor Mitchell Greenwald
City of Keene, Chair

Mayor Kendall Lane
City of Keene

Councilor Gary Lamoureux
City of Keene

Councilor George Hansel
City of Keene

Tim Murphy
Southwest Region Planning Commission

Phil Suter
Greater Keene Chamber of Commerce

Jack Dugan
Monadnock Economic Development Corporation

Joseph Walier
Walier Chevrolet

Jordan Benik
People’s Linen

George Foskett
BHG Masiello Real Estate

Bill Hutwelker
BHG Masiello and Swanzey Selectman

Keith Thibault
Southwestern Community Services

Chris McIntosh
Clark-Mortenson Insurance

Rebecca Hamilton
Machina Arts

Elizabeth Dragon
City Manager, City of Keene

Melinda Treadwell
President, Keene State College

Dominic Perkins
Savings Bank of Walpole

Frequent Guests, Chris Coates- County Administrator- Rod Bouchard, Assistant County Administrator Medard Kopczynski, Staff Liaison, Director Economic Development, Initiatives and Special Projects
A Letter from the Chair

I am pleased to submit this plan from the Economic Development Committee. This is the second committee that has considered and discussed the current economic climate in Keene, and is making recommendations for the future.

We began by reviewing the plan issued by the 2016 committee. A number of recommendations are in the process of implementation. Several were the basis of action plans by the City Manager and are in place. Many of the topics discussed are still priorities as we move forward.

Significant goals that emerge from this report:

- Implement an outreach-marketing program, while supporting existing businesses to expand the local tax base and providing living wage opportunities. Urge Council to set aside money for Economic Development and branding projects.
- Continue and expand the close working relationship between the City and Keene State College, River Valley and Antioch University. Work to assure the success of the KSC / River Valley / Cheshire Career Center collaboration.
- Support and expand the presence of internships. Encourage employers to implement programs to subsidize college loan debt as an employment incentive.
- Identify, promote and utilize incentive programs from the State and Fed Government.
- Create and implement efforts to promote Keene as a cultural, recreational, and tourist destination. Support downtown Economic Development programs.
- Support the installation and expansion of high-speed internet. Plan for installation of conduit any time a street is excavated.
- Promote diversity as a means to workforce growth.
- Work to develop and expand the airport. Promote the development of public transportation.

The committee held monthly meetings. The attendance was truly amazing. I commend the committee for this and the very active participation in discussions. City Staff (Med Kopczynski) was an invaluable asset and a great fill-in for me when I was away during one of the meetings. Meetings started and ended on time. The committee was focused in discussion, and this report is issued as planned. This all is due to a great committee and staff support!

We need to expand this effort and continue to look at issues related to economic growth. Consideration of developing and adopting an Economic Development Master Plan should seriously occur.

Councilor Mitchell Greenwald
Chair, Comprehensive Economic Development Committee
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INTRODUCTION
Keene is a historic established community centrally located at the heart of New England. Situated in the breathtaking Monadnock region, Keene is linked economically with Windham County Vermont and Franklin County Massachusetts (our natural partners) in addition to the Boston/Portland corridor. Our local partners are the 22 surrounding towns in Cheshire County. The economic push and development of the I-91 Corridor is creating growth opportunities that are separate and distinct from southeast New Hampshire. While Keene has a smaller town feel, opportunities that you may only think are available in big cities like Boston or New York abound. Keene’s airport is the third longest in the state, and major airports and cities are but a small drive from Keene (New York, NY, 205 Miles- Albany NY, 101 Miles- Hartford CT, 97 Miles- Portland Me, 135 Miles- Boston MA 84 Miles). Our common heritage and community pride continue to drive us to maintain and grow the resources necessary to keep Keene vibrant and resilient for our citizens, guests, and those who work and shop in Keene. Ours is a unique community that our residents are proud to call home.

What Sets Keene Apart
• A City of Opportunity for all people- the City of Keene, our Colleges, our fine school system, Chamber of Commerce and employers support diversity and inclusion without regard to physical abilities, sexual orientation, and religious affiliation, racial or cultural ethnicity.
• A progressive community that values and supports lifelong learning—Boasting a first-rate public school system and four institutions for higher education.
• A regional airport that includes the third longest runway in New Hampshire.
• A diverse group of internationally relevant, high tech manufacturers that consistently lead their peers in both innovation and social responsibility.
• A rapidly growing arts scene that builds on the region’s storied reputation for cultivating successful visual and performing artists.
• A community vision that boldly strives to realize a more sustainable, thoughtful, and quality built environment that is attractive to young families and new residents of diverse backgrounds.
• A vibrant and active downtown core that has received national recognition—Central Square being named as “One of the Great Places in America” by the American Planners Association.
• A thriving “buy local movement” anchored by a downtown food coop and farmer’s market.
• Substantial and responsive municipal services housed in a newly constructed Fire Station (2014), Police and Public Works Building (2006), and a beautifully renovated and expanded Public Library (2019) that is the largest such facility in the state of New Hampshire.
• A collaborative and well-functioning group of individuals, businesses, non-profit organizations, and government entities that consistently work together to tackle bold ideas.
Committee Recommendations to the City Council

General

1. The City Council should set aside funding in the City Manager’s budget of $50,000.00 in a reserve account to permit funding of Economic Development efforts such as branding, marketing, networking, and travel.

2. Access to High Speed internet is a priority. To this end, staff shall develop a conduit policy that ensures the installation of suitable conduit in the city; and the City Council should fund these installations as part of any road, or utility projects by the City or any private party.

3. The City Council should consider the value of a regional transportation center located in the Greater Keene area and participate in collaborative efforts to evaluate issues such as appropriateness, features, location, design, funding, etc.

4. The City of Keene should coordinate with the Chamber of Commerce, MEDC and Cheshire County to advance the concept of Countywide Economic Development and Branding.
   b. Participate with efforts focused on branding and/or promoting Greater Keene and the region such as those currently being explored by the Greater Keene Chamber of Commerce and other stakeholders.

5. The City Council has supported and should continue to support the Downtown Revitalization Project proposed by the Department of Public Works. This presents the opportunity to take a closer look at the current condition of the Downtown area within the City of Keene and to consider replacing outdated and failing infrastructure. It will be important to build upon the vibrancy of Main Street by involving citizens in a community wide decision-making process.

6. The City Council should continue to fund the position of the Downtown Coordinator and the Economic Development and Special Projects Director in order to support and encourage City efforts for Economic Development activities. With the impending retirement of the Executive Director of MEDC, the City will need to take an even more active role in Economic Development, including advocating for appropriate funding at the state and federal level for Economic Development initiatives.

Arts and Culture Goals and Objectives:

1. The review of Land Use Codes as part of the Building Better Together Project to determine if any City Land Use Codes or processes discourage the Arts.

2. The review of Land Use Codes as part of the Building Better Together Project to encourage the placement of public art.

3. By June 2020, the City of Keene under the direction of the City Manager will review the City Code and approval processes to determine if there are barriers to the placement of art, and make recommendations to the City Council as needed.

4. Review by the City Manager of Capital Improvements Budget projects for inclusion of Public Art.

5. The establishment of an Arts and Culture Commission.

6. The creation of the Arts and Culture Corridor with a targeted completion date.

7. As part of the new corridor the placement of Public Art.

8. The creation of a Welcome Center which will supply public bathrooms;
   a. Could function as center for the Monadnock Chamber of Commerce.
b. Could function as a center for arts management to include Arts Alive.

**Energy Use Supply Goals and Objectives:**

1. The review of Land Use Codes as part of the Building Better Together Project to determine if any of the City Land Use Codes or processes discourage Energy Efficiency or the placement of Energy Distribution (EG Solar, Solar Farms, Solar siting).
2. The most effective mechanism for increasing/preserving Energy Supply and use is Energy Efficiency, to that end the City Council will:
   a. Support the review of building/green codes, and building placement with the goal of increasing the energy efficiency of buildings.
   b. Support programs locally and at the state level that provide incentives to retrofit buildings envelopes.
   c. Support programs locally and at the state level that provide incentives to retrofit all building envelopes including manufacturing and commercial buildings.
   d. Continue to promote energy efficiency in design and function of City Facilities.
3. The City Council will continue to support the efforts at the State level to expand Net Metering to allow the expansion of the use of solar and wind power generation.
4. The review of any potential district heating programs that could use renewable energy source supplies such as wood pellets or wood chips.

**Dillant-Hopkins Airport Goals and Objectives:**

1. Completion of Part 139 status review costs and benefits.
2. Reuse of the PAPI (precision approach path indicator).
3. A review of the actual condition of Airport Building to create an Asset Management Plan.
4. The completion of a revised Market/Demand Study.
5. The continuation of outreach to develop lands on and adjacent to the Airport.
6. Expand the cooperative working relationship with the Town of Swanzey.

**Workforce Development Training and Education Goals and Objectives:**

1. Create a Monadnock Region Sector Partnership. The Sector Partnerships Initiative (SPI) is a new industry-driven statewide initiative to help businesses in targeted industries address their workforce needs, while also helping workers prepare for and advance in careers in these critical sectors. The initiative is initially focusing on four industries: manufacturing, hospitality, healthcare, and information technology.
2. Keene State College will create a coalition with Franklin Pierce University, River Valley Community College, Cheshire Career Center, and Keene Community Education provided through SAU 29 to create work internships with local employers and industries.
3. The creation appropriate credentialing for Nursing, Healthcare, and Childcare.
4. The establishment of an annual workforce connect event through an organization such as the Hannah Grimes Center.
5. The City of Keene, Keene State College and Franklin Piece University will work with major employers and industries to create progressive benefits packages that could help with the reduction of student debt, which could link student debt to retention in addition to other progressive benefits options.
6. Support legislation that would reduce or eliminate student debt.
7. Support legislation that would increase state spending on higher education. The biggest higher education spender, relative to personal income was Wyoming ($11.18 per $1,000 in personal income) and the lowest New Hampshire ($1.56 per $1,000 in personal income).
8. Support the future funding of recent Keene State Workforce Training initiative (Business Partnership Hub).

Available Funding for Small and Large Businesses and Development Goals and Objectives:

1. The continuation and expansion of State and Federal programs that support rural and disadvantaged districts, investment and business development.
2. The addition to the City’s Economic Development strategy- information to businesses about the variety of funding programs available.
3. Any potential centralization of funding information and contacts that could assist business development and growth.
4. The continued support of the Monadnock Economic Development Corporation as an important component of growth and development in the Monadnock Region.
5. A more pronounced presence at the New Hampshire state level such as New Hampshire Live Free.

Housing Programs and the Availability of Housing Goals and Objectives:

1. Programs to support the reuse of existing housing to include energy efficient upgrades.
2. Programs working with Keene State College and major employers to assist families to purchase one and two family homes when; they are within walking distance of the City of Keene (as an employer), Keene State College and major employers as well as Main Street. These would be owner occupied for a specified period.
3. Programs and funding at the state level to assist with property purchase and home renovations.
4. The revision or adoption of codes and ordinances related to property conditions and enforcement; to ensure public health, safety and welfare insofar as they are affected by the continued occupancy and maintenance of structures; and to improve the quality of life of our citizens.
5. Changes when needed to State Law to assist with the abatement of property conditions, and reduction of the impact on the court system of enforcement cases.
6. Changes in the proposed Unified Development Code, when densification or revised standards could provide a clear path to home ownership in the city core.
Prior Plans

Keene’s Adopted 2010 Master Plan

In 2010, the City of Keene adopted an updated Comprehensive Master Plan. Master plans are used to gain acceptance of long-term goals created by Citizens to address future growth and development. The plan is meant to act as a guide and goal for activity as diverse as land planning decisions, rules and ordinance creation and implementation and even budget decisions. The Master Plan provides a yardstick for choices and actions with Keene’s long-term economic, social, and developmental goals – as determined by a public process of two and a half years. Key ideas expressed in the Plan include:

Appropriate Industries

The Keene economy was mainly based on local manufacturing and agriculture with Main Street retail and offices. As agriculture shifted and manufacturing changed from rail orientated smokestack industry, large local manufacturing has shifted to more diverse and global high tech industry. Main Street is changing to become a more interesting cultural and entertainment hub. One of the goals of the 1993 Economic Development Plan was the addition of land suitable for increased manufacturing capacity, which was advanced through the Black Brook development initiative. While the economic balance has changed, business has adapted to embrace change, which creates successful entrepreneurs. In partnership with the educational system (Keene State College, Antioch University New England, River Valley Community College and the local school system, SAU 29) Keene is in a position to leverage local business knowledge to both grow and create new business. This means that Keene can capture opportunities during times of economic prosperity and is less vulnerable during periods of economic hardship.

A Vibrant Economy

A vibrant economy addresses the issues of opportunity, prosperity, livability, and availability of meaningful work for citizens.

For our future, achieving a vibrant economy means:

- Providing for a Balanced Local Economy.
- Employment Opportunities.

The City of Keene has an established development goal of balancing the tax base among industrial, commercial and residential uses so that no one segment is completely burdened. This helps to preserve economic stability where there is opportunity for investment and employment as well as advanced education and quality housing. The abundant natural gifts bestowed to our City, in addition to quality services and a strong sense of community, communicates to investors that Keene is a great place to Live, Work, and Play. If the tax base is balanced, Keene can continue to support various types of businesses and employment opportunities as well as provide quality housing.

While Keene is successful in attracting new manufacturing and businesses, the ability to construct new buildings is limited by land availability and to some extent transportation. Keene has always been successful in creating new industry and the ability to expand new business efforts is limited by a number of factors, that which is most important at this time, is the ability to attract or create a workforce.
2017 Economic Development Action Plan

At the April 06, 2017 City Council meeting, the Economic Development Action Plan (EDAP) was adopted by the City Council. The Committee charge was to produce a comprehensive Economic Development plan for the City of Keene. Upon review, the committee made a number of recommendations for actions that where substantially under the control of the City, as they tended to be operational, project orientated or regulatory. Many of the recommendations were the same or similar to those contained in the adopted 2010 Keene Comprehensive Master Plan, and the adopted 2017 City Council Goals. Many of the City Council Goals reflect the recommended actions from the EDAP so they are both supportive of Economic Development efforts and reflect the Master Plan.

The adopted plan identified a number of items that grouped under the title of action items. Many of these action items were under way independent to the report, but the report helped to identify those efforts and how important they were to Economic Development. The specific action items are listed in the report and in the updated report for details and how the items were addressed. Most of the action items have been achieved or are well on their way to being achieved.

2017 Adopted City Council Goals

The City Council Goals Committee has identified specific “objectives” under each of the five goal statements. The Goals Committee also identified “stakeholders” who would most likely have either a direct responsibility or they are a potential partner or promoter with others working towards an objective. Stakeholders include the City Council, City staff, Cheshire County, the community and/or the region, and the educational community.

1993 Economic Development Plan

The 1993 Economic Development Plan was quite prescient and the major findings and points made are still very relevant to today. The “plan” is part analysis, part master plan, and part development plan. The information in it and the path forward mesh quite well with the 2010 Keene Adopted Comprehensive Master Plan, the EDAP and the 2017 adopted City Council Goals. The 1993 Economic Development Plan was well conceived, but its goals only partly realized and weakly emphasized in later years. The major achievements from the plan were Black Brook, the redevelopment of the Railroad property and increased planning, as well as spending on critical public infrastructure. The same pattern exists for the 2010 Keene Adopted Comprehensive Master Plan: ambitious, far-reaching, but partly executed. Only
now with the Building Better Together Project, the creation of Community Development and the completed action items from the EDAP, has progress been made to parts of the plan; there is, however, much more yet to be accomplished.

**1993 Long Range Goal:** Keene should continue as the economic center for Cheshire County by encouraging reasonable Economic Development in the City that will increase the employment opportunities, expand its tax base, and at the same time maintain its quality of life.

**1993 Interim Goal:** During this planning cycle, Keene should place emphasis on industrial growth to create 500 to 1000 additional industrial jobs during the next ten years and increase the industrial tax base so that by the year 2003 it is at least 12% of the total Keene tax base.

**1993 Findings – Selected for Consistency with Present Committee Effort Recommendations:**

1. The public and private sectors need to work together on two important steps to strengthen Keene’s industrial sector:
   - There should be an ongoing program to meet regularly with local industries with the interest of retaining present industries and encouraging those already here to expand in Keene.
   - A concerted, professional effort will need to be made to attract new industries to Keene.

2. There needs to be an increased emphasis on technical training and retraining at both the secondary and post-secondary levels to create a more highly skilled work force to meet industry’s needs.

3. A cooperative working relationship between Keene and the towns of Cheshire County should be established in addressing a number of regional issues on traffic, solid waste disposal, housing, etc. which have a bearing on the Economic Development of the area.

4. To increase the importance of tourism in the area, the City should support the private sector in its outreach to new geographic markets and appeal to some new niche markets.

5. A committed effort should be made by the City Government, by private organizations within the community, and by individual citizens to maintain and improve the partnership between Economic Development and the quality of life in Keene. Good schools, good residential neighborhoods, medical facilities, an attractive downtown, low crime rate, efficient local government, an appreciation of its history and heritage, and many other factors. A vibrant downtown is particularly important not only to Keene, but also to the surrounding towns.
Subjects reviewed by Committee and Speakers

**Arts and Culture** – Councilor Carl Jacobs, Jessica Gelter, Director Monadnock Arts Alive


**County Economic Development Efforts** – Tri-Town-Steven Bitel, Chairman of Swanzey Economic Development Advisory Committee, and Christopher Coates, County Administrator.

**Current and Future Airport Economic Efforts** – Jack Wozmak, Airport Director (former).

**Current and Future MEDC Economic Development Efforts** – Jack Dugan, President.

**Workforce Development Training and Education** – Dr. Melinda Treadwell, President Keene State College, Dr. James DuMond, Franklin Pierce University, Michael Burnett, Director Cheshire Career Center, and Dan Osborn, Coordinator of Workforce Development of River Valley Community College.


**Housing – programs and availability of housing… including workforce**- Josh Meehan, Executive Director Keene Housing, Josh Greenwald, President Monadnock Region Board of Realtors, John Hamilton, Vice President of Economic Opportunity, New Hampshire Community Loan Fund, and Tony Marcotte, MDP Development.

Economic Development Plan – Workforce Development

The Committee, having heard from many sources, recognizes that the barriers preventing business expansion is the ability to attract new business, to grow existing business, and to be able to start new business. The lack of qualified employees is a significant problem in Keene and in the State of New Hampshire. There are several subjects that the Committee identified that affect the ability to both recruit and retain employees. These barriers are especially acute for younger employees looking for a place in the community and the age group that normally would be in the stage of life to raise children, purchase homes and become invested in neighborhoods. As the Committee met and discussed issues and potential goals for the committee and for this plan, the Committee set as a working goal with subsets:

**Workforce Development**

1. Training and Education
2. Housing
3. Culture (entertainment, arts, recreation that supports the workforce)
4. Compensation

**Trends - New Hampshire - Keene, Monadnock Region**

*Charts and Commentary- Courtesy of the New Hampshire Fiscal Policy Institute*

The national and regional economies have grown since the Recession and are larger than they were in 2006. New Hampshire actually entered the Recession earlier, but it was shallower for New Hampshire. However, New Hampshire had slower growth coming out of the Recession than the rest of New England or the United States as a whole. That long, slow period of growth in New Hampshire did not start to turn into faster growth until 2013-2015. While the economy has grown larger...

![Changes in Real Gross Domestic Product](image)
...what has happened to household incomes? This chart shows median household income, with the inflation adjustment shown in blue. You can see here for the median household, with half of households bringing home less than this amount and half of households bringing home more. These figures are not adjusted for household size, so this includes all households. You can see that, after adjusting for inflation, median household income has only returned to pre-Recession highs in the last few years, following economic growth picking up after the long, slow recovery.

Median rents have risen in New Hampshire. Unadjusted for inflation, between 2013 and 2018, rents rose by about 20 percent statewide for two-bedroom apartments. This coincided with a drop in the vacancy rate for two-bedroom apartments statewide. The New Hampshire Housing Finance Authority notes that 5 percent is considered a well-balanced market, and the national vacancy rate is about 7 percent, according to Census Bureau figures. In New Hampshire, the statewide vacancy rates for two-bedroom apartments in New Hampshire has been at or below 2 percent for several years. The vacancy rate has continued to decline in Cheshire County since the recession, although there are more irregularities in the data, likely due to the smaller sample size of the survey. These vacancy rates of less than 2 percent in recent years suggest if the pattern seen throughout the rest of the state holds rents may be pushed upward in Cheshire County. Rents have remained relatively flat in Cheshire County. However, there was a steeper rise in rents in Cheshire County than in the state as a whole between 2000 and 2008. Demographics, particularly demand from college-aged students perhaps being a disproportionate part of the rental market in Cheshire County relative to the state as a whole, may have driven this, as there may have been more college-aged students seeking apartments in Cheshire County earlier relative to demand for apartments more generally statewide.
Housing is the largest household expenditure nationally. There are calculators that estimate the cost of living by region, and this plan includes two. These two have different methodologies, but they measure similar categories of expenditures, which helps the comparisons. While the Economic Policy Institute (EPI) estimates higher transportation costs in Cheshire County than MIT, you can see some of the main drivers are similar, particularly Housing and Child Care. The total amounts from MIT and EPI are different as well, both measured here for a household with two adults and one child. MIT estimates a bit under $58,000 as the living wage, while EPI estimates about $68,000. These do not account for higher education costs, entertainment costs or vacations, etc.

One of the costs that people may have had a hard time keeping up with during the long, slow recovery is housing. Slightly under half of renter households owe more than 30 percent of their incomes in rent and utilities in New Hampshire. Usually, when we are talking about renters, these individuals have lower incomes, and median household income in a renter-occupied unit is much lower than in an owner-occupied unit.
Looking at data for 2013-2017 for Cheshire County, we can see both owner and renter household incomes are shifted down, but renters have considerably lower income than the state average ($41,868 vs. $33,453). About the same percentage, nearly half, of renter households owe more than 30 percent of their income in rent and utilities. There was also a smaller shift in the percentages of households owing smaller portions of their income in rent, with a smaller estimated percentage owing less than 20 percent of their incomes in rent.

This graph shows different calculations for MIT statewide, MIT for Cheshire County, and EPI for Cheshire County (EPI does not offer statewide figures) for different household compositions. There are noteworthy differences between the two methods, but we can see that the Living Wage calculator estimates a living wage at about $25,000 for an individual and about $60,000 for a three-person household.
household. EPI estimates about $35,000 for an individual and about $70,000 for a three-person household.

Wages from work are a part of this picture of income and well-being, and these wages vary by county in the state. This table shows the average wages offered by jobs within each county. The people doing these jobs might live in different counties, but this is where the jobs are located. You can see Rockingham and Grafton are near to the state average, with Hillsborough higher and Merrimack and Strafford somewhat lower. Carroll and Coos counties are substantially lower, while Cheshire is closer to the middle of the group.

<table>
<thead>
<tr>
<th>Geography of Workplace</th>
<th>Average Weekly Wage</th>
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<tbody>
<tr>
<td>County</td>
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<tr>
<td>Belknap</td>
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<tr>
<td>Carroll</td>
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<td>Coos</td>
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<td>Grafton</td>
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<td>Rockingham</td>
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Projections produced by the State of New Hampshire and published in 2016 suggest that about one out of every three residents of Cheshire County in 2030 will be aged 60 or older. These projections may be
updated after the 2020 Census, but this again has potential implications for the economy and public services in the region.

Arts and Culture

Arts and culture in addition to improving the lifestyle of the Citizens of Keene have an effect on the local economy through art sales, artist’s residency as well as travel and tourism. Arts and culture attract people who come for one thing and spend money on another. A recent study shows the arts generating about 16 million dollars in the Monadnock region. Some people come for art and end up staying, the arts continue to be a huge part of developing our workforce and this is not something new for Keene or the region.

Keene, through the Monadnock Economic Development Corporation, is in the very early stages of the development of a corridor in downtown Keene (east west from Gilbo Avenue across Main Street through the railroad land) to promote additional arts and culture. As conceived, this would include the construction of two new buildings, the renovation/repurposing of two buildings, purchases of public art, and the creation of two performance venues. This would be an estimated 25-million-dollar project with the plan to purchase a train. The boxcars would be retail space and the passenger cars would be restaurant space. In addition, there is a planned 15,000 square foot covered pavilion. To assist with these and other downtown development plans the Monadnock Economic Development Corporation has collaborated with the City of Keene to hire a Downtown Coordinator. This person provides some of the

Councilor Jacobs said, “He is seeing more and more young people returning to live in Keene. People also come or return to work for companies that value creativity which is a part of the arts and a reason why people stay. The arts are a huge part of developing our workforce and this is not something new for Keene or the region. Creative problem solving has been a part of our culture for hundreds of years.”
connectivity, calendaring and promotion needs for the Arts Community in addition to business promotion.

The Department of Public Works is moving forward with a downtown project that will complement and coordinate to some extent with the Arts and Culture Corridor. The first phase of the project is funded in the Capital Budget for $180,000. This project is planning and preparing for the future of downtown as the continued economic engine in the City of Keene.

The City’s Downtown is the economic engine that drives the rest of the community and the region. The City has already completed an initial study on the revitalization of the Downtown. In February 2018, the City wrapped up a six-month effort that solicited initial input from the community on their expectations for the Downtown area and looked ahead for the next 30 years (Downtown Revitalization Study). The Community has initially identified the need to:

- Increase the amount of public space for cultural events to occur;
- Increase the amount of public space for gathering areas to be created;
- Add various types of public art (both permanent and temporary displays);
- Increase green spaces;
- Increase the potential for the occurrence of outdoor dining; and provide safer passage, function and use by bicyclists, pedestrians and automobiles.

The City has other efforts under way to move itself forward for the next century such as the “Building Better Together” Project that is updating its land use regulations to become easier to navigate and be more closely aligned with Keene’s Master Plan Goals of prioritizing smart redevelopment while protecting the distinctive character of this community. A component is to develop form based zoning to guide new construction and redevelopment, while maintaining Keene’s distinctive character and charm contributing to a more vibrant Downtown.

The Downtown Revitalization Project proposed by the Department of Public Works presents the opportunity to take a close look at the current condition of the Downtown area within the City of Keene based upon extensive citizen input. The focus of many discussions and input received from the public was how and where the streetscape could serve to better accommodate its residents, business owners and visitors. This public input resulted in the discovery that there is an overarching desire to increase the level of activity in the Downtown area by residents, businesses, and visitors and to better utilize the space available.

This project will update the Downtown area through traffic calming, improved pedestrian facilities/crossing, bicycle lanes/facilities, and repurposing space to provide streets, sidewalks and public gathering spaces that will create a place where all travel modes, vehicle traffic, pedestrians, bicyclist,
and where all users, young, old, and physically challenged, can safely intermingle and interact. The project will encourage mixed-use activities in this high-density commercial core while accommodating all modes of transportation. Using the City’s Complete Street Guidelines, transportation facilities will be reconstructed. In this area, cars, buses and bicycles all share the right-of-way. Improved pedestrian safety and accessibility are primary goals along with providing space for cars to easily pull in and out of curbside parking. This Project will update the infrastructure to provide access to technology and improve the City’s overall sustainability. This project will replace utilities and stormwater facilities’ dating back to the 1890’s and will incorporate green and more sustainable methods of operation and maintenance of these infrastructure components. All these improvement will increase the overall quality of life for residents and visitors, increase the safety of the users, and serve as a platform to support and grow the businesses and encourage people to reside in mix use developments within the Downtown area.

Energy, Use and Supply

The availability and cost of energy are factors for the workforce as well as the businesses that are or could be located in Keene. Mechanisms to reduce the cost and efforts to increase the supply are of supreme importance to the future of Keene. The main source of energy supply in the Monadnock region are Eversource Energy and Liberty Utilities. Both Liberty Utilities and Eversource have taken, or are planning to take steps to increase supply or reliability. Both suppliers have programs to assist homeowners and businesses increase building and or equipment energy efficiency. However, these programs do not seem to be of great assistance for the average business or homeowner due to the availability of funds, or the program parameters (and limitations). Some property owners have installed solar panels on their properties and have been able to subsidize some of their electric use, but without changes to the Zoning Code and delimiting Net Metering, larger scale generation of electricity will not occur and of course, generation of power this way has limits. Gas supply is being increased and the intention is to create a natural gas supply system. Recent change due to a rates case has permitted a 20% reduction in Gas rates. Clearly, programs that will increase the effectiveness of the building envelope need to be developed and be available for the majority of the homes and businesses in Keene.

Dillant-Hopkins Airport

Keene Dillant-Hopkins Airport is a key component of the economic prosperity within the Monadnock Region and will play an ever-increasing role in business growth. Already the home for corporate jets, the airport is less than an hour by air from all the major commercial centers in the Northeast. The consolidation down to the major four airlines, the need to get people through the hubs from distant locations to fill their planes is increasingly important. As a hub for transportation and the gateway to the exceptional resources in the region, the airport has professional regional airport services with economical prices. The City has identified developable properties on the airport that could be used for
aviation/non-aviation type activities. This is advantageous to both the City of Keene and the Town of Swanzey.

**Workforce Development Training and Education**

In order to enable a business to grow or to keep business thriving, the business must have access to employees who are skilled or who can become skilled to advance the future of the company. The success of these businesses and the ability of their employees to be productive citizens is the foundation of our community. It has been said that each month, there are more than 10,000 job openings in New Hampshire. Businesses state that they cannot find the skilled workers they need and the anticipated economic growth rate is steadily growing. Job creation is strongest (statewide) in industries with wages below statewide averages and both housing and workforce constraints are likely limiting economic growth. The New Hampshire Fiscal Policy Institute (NHFPI) reports, “Several metrics also indicate income for workers has grown in the last two to three years. This trend is particularly welcome for low- and moderate-income workers, who saw their incomes stagnate during most of the long, slow economic recovery and appear to have only reached pre-Recession income and wage levels recently.” Additionally, while thousands of jobs that were lost in the years since the Recession were in manufacturing, which has relatively high average wages, many of the jobs that have been added during the recovery have been in employment sectors with lower average wages. Slower hiring due to workforce constraints is likely impeding growth of the state economy, and aging demographics paired with limited housing availability restrict the state’s ability to add to the workforce quickly.

The City of Keene, the Monadnock region, non-profits, the local business wants to develop their workforce and the residents are blessed with an abundance of opportunities for training and education. These efforts include those conducted by Keene State College, Franklin Pierce University, River Valley Community College, Cheshire Career Center, and Keene Community Education provided through SAU 29. Each of these have programs designed to supply training or advanced education to potential employees, some have agreements with local employers, some provide continuing education to workers looking to train for advancement.

The Hannah Grimes Center for Entrepreneurship is often mentioned in regards to education and training, but their focus is not on training employees; their focus is to provide the space, tools and connections that innovative entrepreneurs need to build strong businesses, thriving local economies, and vibrant communities in the Monadnock region. The Center for Entrepreneurship educates, supports, and assists in the successful development of entrepreneurs who are committed to building a vibrant community.

Each education provider has similar but varying roles and methods to provide a pathway to, or to work with employers. They can only have success if they work with the businesses and non-profits of the City of Keene and the broader Monadnock region. Employers such as BAE Systems, Corning, Moore Nanotech, StingRay, and Omega Optical seek credentials within the Sustainable Product Design and Innovation program. There is a focus on optics and soft skills that employers claim they need. These include writing, communication, creative problem-solving, cross-disciplinary thinking, and teamwork.
The other area of focus in Keene State’s proposal to the Governor is healthcare—specifically programs to help the region address our substance misuse and behavioral health challenges. Keene State College has emerging partnerships with the Community College System and with River Valley Community College; the Nursing Program is fully accredited. River Valley works with employers in Healthcare, who have a large number of open positions. They create a pipeline for a career trajectory from the Career Center, to the Community College and then into a four-year program through the employer.

Franklin Pierce University’s current efforts center on developing partnerships with Corporate America in this region. They have 4 area agencies, 17 hospitals, 13 municipalities including Keene, and six New Hampshire based corporations that are partners. This will help meet industry demands for a more skilled workforce by providing opportunities for students to receive training, learn skills, and gain experience in all aspects of an industry. If an employer/partner needs an employee workshop in a specific area, Franklin Pierce University’s will develop it and deliver it free of charge. Employees of the partners can take courses traditionally or online; over the past four years employees have taken over 1500 courses from Franklin Pierce. This saved employers/employees of over a quarter million dollars. Franklin Pierce University’s provides competency based learning called PLA. Franklin Pierce is almost the pioneer for this type of learning in the state. Franklin Pierce University has a great partnership with C&S Wholesale Grocers; we call it the C&S Scholars Program. Franklin Pierce developed an internship manual that will help employers who want to offer an internship. This is available free of charge and Franklin Pierce University will walk through all the steps with interested parties.

The Cheshire Career Center’s goal is to map academic content to authentic workplace tasks and integrate workplace tasks and classroom instruction. This is based on rigorous academic and employability skill requirements that can include in-depth and hands on work experience.

**Available Funding for Small and Large Businesses and Development**

There are a number of different funding opportunities or the creation of a funding stack depending on the business and its location. Any business or proposed business can take advantage of the number of different loans, grants and tax incentive programs that can be accessed through entities such as the State or Federal Government, Lending institutions or a specialist entity such as Monadnock Economic Development Corporation. As stated by Mr. Dugan of the Monadnock Economic Development Corporation, “the trick is to figure out what uses to use them for and how to cobble them together. It is not uncommon to have a dozen different funding sources on a joint project.”
Most projects begin their funding search by pursuing a bank loan of which there are different types of loans including Guarantee and the US Small Business Administration (SBA) 504 Loans. Some projects may be able to access “funding” for infrastructure improvements when they are located in a Tax Increment Financing (TIF) district which is a public funding source used for a community to use designated taxes from a Revitalization Zone (TIF District) to build out infrastructure to support economic growth. Keene has adopted the Community Revitalization Tax Relief Incentive (NH 79-E) which delays the impact of property tax increases resulting from property rehabilitation. In some cases, a project can take advantage of the Federal Historic Tax Credit (HTC) program administered by the National Park Service and the Internal Revenue Services in partnership with State Historic Preservation Offices. The NH Department of Environmental Services (NHDES) provide loans to businesses and developers to help clean up their sites. Along with NHDES, the Capital Regional Development Corporation (CRDC) and Regional Economic Development Corporation (REDC) in New Hampshire also provide Brownfields Revolving Loans to help businesses clean up contaminated sites. In the Keene/Monadnock Region is the Green Gap Fund, private investors that have pooled their funds and have an interest in helping businesses make their buildings and processes greener.

The US Department of Agriculture has a number of programs including Intermediary Relending Program that provide 1% low-interest loans to local intermediaries that re-lend to businesses to improve economic conditions and create jobs in rural communities. The Business and Industry (B&I) Loan Guarantee is similar to the Small Business Administration (SBA) 7(a) Guarantee program but the programs operate independently. The B&I program is specifically targeted to rural businesses. Rural Business Development grant opportunities in the $30,000 to $40,000 range for public purpose projects are available. This program is a competitive grant designed to support targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas, which will employ 50 or fewer new employees and has less than $1 million in gross revenue. Programmatic activities are separated into enterprise or opportunity type grant activities.

The Foreign-Trade Zones (FTZ) Act of 1934 provides financial incentive to companies, which would have operated offshore, to locate within the United States, to create jobs and stimulate the economy. This is especially important in today’s world of increasing tariffs. Usually called a Free Trade Zone the state’s application for federal approval to expand Foreign Trade Zone #81 includes Cheshire County. Keene’s FTZ can eliminate formal customs procedures and payment of duties on foreign merchandise that does not enter customs territory for domestic consumption. Domestic goods moved into the zone for export
is considered exported for the purpose of excise tax rebates and drawback. Keene businesses can take advantage of this federal incentive.

The Northern Border Regional Commission (NRBC) is Federal-State partnership for economic and community development. The NBRC can invest in economic and infrastructure projects in Cheshire County. Depending on criteria, projects may be eligible for up to an 80% matching grant. Prioritized grant projects include those that...

1. Revitalize and modernize essential infrastructure in Northern Border region communities,
2. Increase access, affordability, and use of high speed telecommunications by Northern Border residents and businesses,
3. Stabilize and reduce electric and thermal energy costs,
4. Retain, expand and diversify business enterprise that capitalizes on the region’s natural, cultural, and economic assets,
5. Position the Northern Border region as an attractive and supportive place for creative and entrepreneurial people,
6. Support and expand a highly productive workforce with skills suited to existing and future business needs,
7. Foster entrepreneurial leadership and capacity for community Economic Development, and
8. Inform and align local, state, and regional Economic Development decision making with regional data and perspectives.

Another little known funding source for potential small public purpose projects is the Keene Downtown Housing Corporation. In addition, the New Hampshire Community Loan Fund collaborates with a wide range of donors and investors, and with business, nonprofit and government partners to provide the financing and support that people with low and moderate incomes need to have affordable housing, vital community services like childcare, and quality jobs. The NH Community Loan Fund focuses on working with existing businesses with over 12 months of revenue. They have sectoral focus on manufacturing and businesses that are part of building a local, regenerative food system (farms, food businesses of all types). They also will do renewable energy and other value added businesses that create better quality jobs for people who do not have a four-year college degree. The size of their loans and investments to businesses are up to $1M. Typically, it ranges from $100,000 to $500,000.

Other Funding Sources that can be accessed include Tax Exempt Bonds; USDA Rural Development which issues Community Facilities Loans, Intermediary Relending Program...
Loans, and Aid to Local Development Organizations Loans. The New Hampshire Community Development Finance Authority loans or grants fund through the Community Development Investment Program, Community Development Block Grant (CDBG), Energy Efficiency Loans, and provides Pre-Development Loans. A new source of funding could be the Opportunity Zone Funds – this is relatively new with only one eligible census tract in the region. If an entity or person has a significant capital gain liability, they can self-certify themselves as an Opportunity Zone Fund. They are permitted to delay the payment of their capital gains tax for seven to 10-years. If the investment is kept for the 10-year term, the capital gains tax is eliminated. In addition, if they stay the 10-year term any gain realized from the new investment is not subject to capital gain.

Both the NH Community Loan Fund and New Markets Tax Credits (NMTC) program have been used to great effects in Keene. Similar to the Opportunity Zone NMTC are available to distressed census tracts.

There are three NMTC census tracts in the City of Keene. The NMTC is a very powerful program that was established in 2000 as part of the Community Renewal Tax Relief Act.

The goal is to spur development and revitalization efforts in low-income communities. NMTC investors provide capital to community development entities (CDEs), and in exchange are awarded credits against their federal tax obligations. The program provides a 39 percent tax credit, spread over seven years to a project investor, based on total project investment or cost. The program is administered by the US Treasury Departments CDFI Fund division and is competitively awarded.
Mascoma Bank (MCD) has additional resources, which are loan pools. The Loan Pools allow MCD to do smaller transactions ($500,000 up to $2,000,000). These transactions are interest only loans that have an average rate of three percent that can be fixed for seven years. The Loan Pools allow for higher than standard Loan to Values, and as a result, they are a favorable program. The project would also have to meet all the requirements for a New Markets Tax Credit project.

### Housing Programs and the Availability of Housing

The committee has an interest in the supply of housing as a component of workforce retention and recruitment. There are, of course, many differing potential supply markets for housing in Keene and the Monadnock Region, and differentiated on location and cost. Higher end housing on larger lots or acreage is available, but usually at the cost of service availability and the requirement to commute. There is, however, large amounts of housing available within walking/biking distance of Main Street, major employers and Keene State College. New housing construction especially of single-family homes is low with few houses constructed because of lingering fear of what happened during the 2008 recession and it is hard to find construction companies to build on spec. Additionally, there is very little land available, especially land served with services (Police, Fire, Sewer, Water, Internet). It has been a long time since there has been new single-family house development in Keene and the market is seeing a lot of recycled real estate, but they are not seeing a lot of new development. It is difficult to make a profit on new construction and in the past, properties sold at an extreme discount, as it is so expensive to build a new house. Much of the recent new housing development has been apartments usually for senior housing or assisted housing. Recently two projects that target a demographic other than seniors or assisted housing are nearing completion (Washington Park and the Colony Mill Apartments). There are three manufactured homes parks in Keene with no new ones planned or being constructed. Most of the housing stock considered for workforce use is existing stock either for sale or for rent. Much of that supply is very old, not updated especially related to energy efficiency and safety, and usually in need of work.

The present real estate market for house sales is robust; the market in Keene currently is very “thirsty,” and people are gasping for inventory and properties to buy. The absorption rate is the amount of months it would take to sell the existing inventory that is on the market currently, assuming that no other houses are listed in that time. For example, if there are 100 houses on the market and 35 houses sold in one month, the absorption rate is about 3 months to sell the remaining inventory. The absorption rate in Keene is incredibly low because the market cannot resupply that market. The present market is well out of the recovery period of the great recession and 2014 marked the beginning of the real estate stabilization period with a more stable and robust housing economy. Prices have also increased but appraisers keep those increases in check so that there are not wild swings in pricing. Year to year sales shows an increase of 73% and an increase of 71% of homes under agreement.
Recently completed senior housing has not had an influence on the market. Homes above $300K are high-end homes with a more limited market. The main market is for homes in the $180-200K range and homes in the $170K-260K without many functional deficiencies are the listings that are flying off the shelves.

Quite a bit of funding source is available for business development (see above), but funding targeted to housing is more limited. Keene Housing avails itself of Federal funding and grants, private developers have to fund projects using some grants and loans. Thanks to 657 investors (mainly individuals, churches, banks and foundations); New Hampshire Community Loan Fund is a private nonprofit with $145 Million in flexible capital. Sixty percent is currently deployed to affordable housing. For multifamily housing, they collaborate with local housing authorities and nonprofit developers and fill capital gaps to make developments (renovation, new construction) feasible. Often they are early first money into a project or the last money that gets project into the finish line. They focus on a range of needs, including multifamily housing with supportive services. Combined they have helped to00 units of affordable housing. Through their ROC (Resident Owned Communities), the Community Loan Fund also focuses on normalizing home ownership for people that are low income. Manufactured housing enables people who can only afford $50-100K to buy a home. Unfortunately, many of the 6% of people in NH who live in manufactured homes live in parks where an outside investor rents the land. The trend is that these “mom and pop” investors are selling to private equity fueled, big portfolio buyers. Tanglewood, as an example, was slated to be sold to a large such buyer based in Michigan, but under the NH law that gives residents the chance to intervene and make a comparable offer. The residents have recently formed a cooperative and the Community Loan Fund hopes to help finance them in in the next month or two so they can complete their purchase to gain the security and pride of ownership (of the land). There are 128 other successful ROCs throughout the state.

Keene Housing is one of the largest suppliers of housing in Keene. A relatively small number of the 1500 individuals they serve are workable adults, and the individuals they house in that demographic have extremely low incomes. As an example, a family of three making $22K per year has profound needs beyond just having a place to live. Most working families living in Keene Housing units participate in the Resident Self-Reliance (RSR) program, an intensive economic independence program for families. A surprising number of the mini grants available to RSR families are used for mufflers and tires due to the lack of transportation infrastructure in the region. The demand data shows a demand for new units, however, there will never be an affordable supply to meet that demand, but there are deeper infrastructural, mental health and education issues at the root of the problems many low-income families face. Keene Housing, as the public housing authority of the City of Keene, as well as a developer and manager of affordable housing does not target what would be considered workforce housing. Most of Keene Housing’s real estate portfolio as well as the housing choice voucher program target extremely low-income households (those earning less than 30% of the area median income). They are, essentially, a federal contractor that makes affordable housing and opportunities for working families to increase their income and for elderly people to grow old safely, and where they can, they provide resident services to both of those groups to help them achieve those two things. Keene Housing owns and manages about 550 units of affordable housing in Keene and 2 properties in Swanzey. They house about
1500 people in 870 households. The majority of individuals they serve are single, and almost half of them have a disability. Keene Housing typically serves the demographic of an elder living alone or a disabled person with a child. Over 60% of the people they serve are either disabled or elderly, and only about 24% of the people they serve are between the ages of 18-62 and not disabled.

Washington Park Development is a recent and soon to be open apartment complex. This new apartment building has 135 units. The building is four stories and consists of all apartments, not condominiums. Each unit has a washer and dryer, central air conditioning and heat pumps. All units have granite countertops, stainless steel appliances and track lighting. The two-bedrooms unit have a second bathroom and there is on-site parking, seating areas, meeting and lounge areas. The former middle school will be available for tenants and there will eventually be a workout area, too, so people can play and shop. The rent structure was set up so that each floor goes up slightly in price and they found that typically people want to be on fourth floor and the first floor and the back of the units have sliders. There are 71 one-bedroom units that range from 620-640 square feet is size and the rents on the first floor are $1030-1400. The average rent for one-bedroom is $1080 and those same units on the fourth floor would range from $1200-1350 (average rent $1250). There are 64 two-bedroom apartments, the typical rents on the first floor for two-bedroom units are $1400-1570 most units and most units are on average $1500-1550, and those same units on the fourth floor are on average $1600-1700. In the former middle school, there is a wide variety of sizes from 1300 square feet for two-bedrooms. The tenants would pay for electricity, heat and air conditioning. The expected market for these units are people who want a nice place to live there is a lack of nice housing. The Clubhouse will have space where people can work, or workout in the free gym. Every unit has one on-site parking space assigned.