



Extension
Community & Economic
Development

Portsmouth, NH

Business Retention and Expansion Program

University of New Hampshire
Cooperative Extension

Final Report
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About the Business Retention & Expansion Program

A healthy local economy and an improved business climate are the goals of the Business Retention and Expansion (BR&E) Visitation program. The program promotes job growth by helping communities identify the concerns and barriers to survival and growth facing local businesses. This approach focuses on existing businesses. Studies show that 40% to 80% of all new jobs are created by existing firms rather than by new business attraction. Furthermore, business attraction efforts are less likely to be successful if existing businesses are unhappy with the local business climate. This report includes an overall summary, notes from the UNH faculty review, and survey results.

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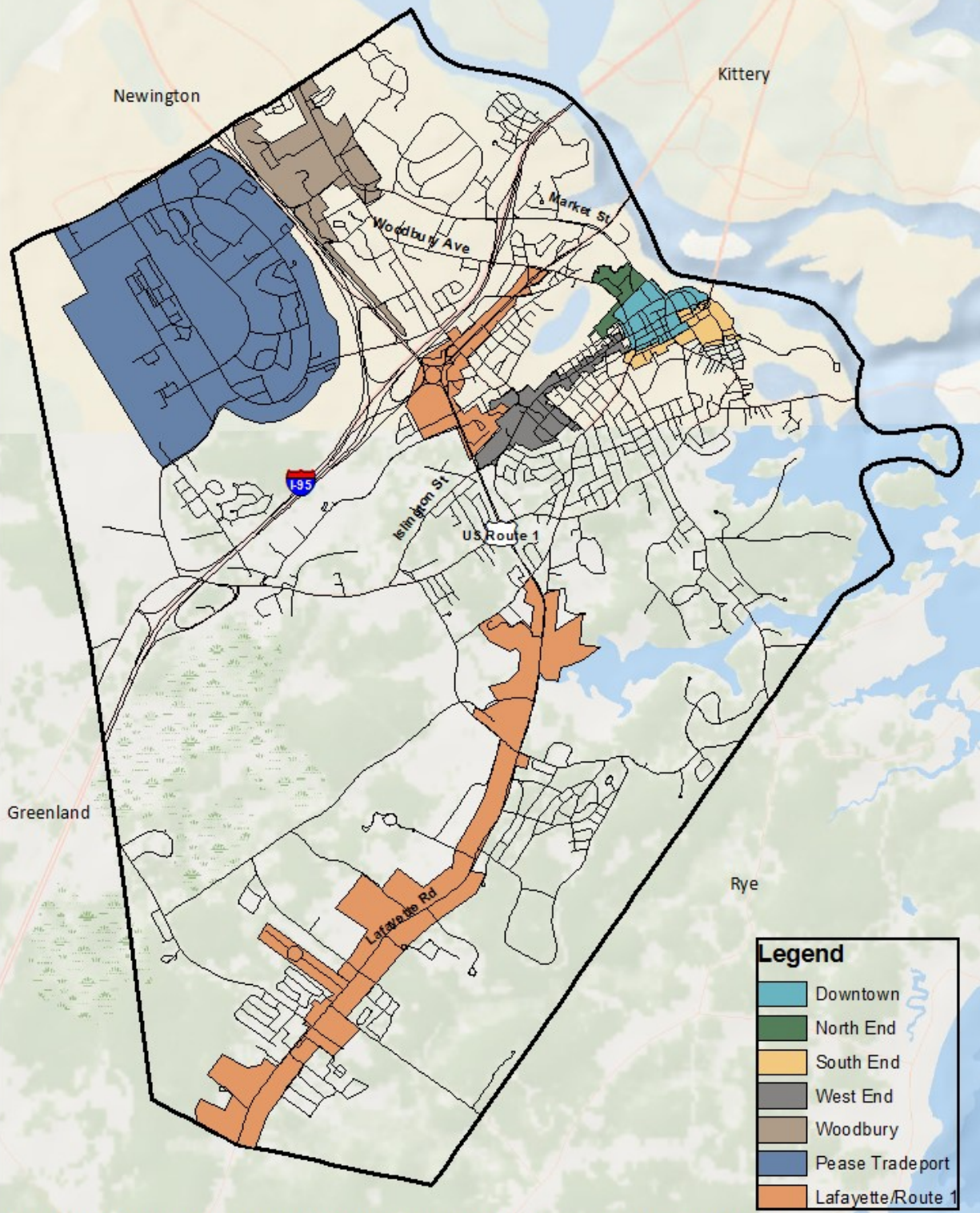
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City of Portsmouth Business Areas

(as defined by Portsmouth Business Retention and Expansion Leadership Team)



Map prepared by UNH Cooperative Extension for the Business Retention and Expansion program.

Date: 8/8/2017

Esri, DeLorme, GEBCO, NOAA NGDC, and other contributors

Summary

UNH Cooperative Extension has seen the Business Retention and Expansion Program have different outcomes in different communities. This is largely based on the type of community and the level at which they are carrying out economic development activities. In many smaller communities, the outcome is learning about the needs of local businesses, which is often new information to community leaders. Portsmouth has many components to its economic development program and has a relationship with its business base. Therefore, the survey did not yield dramatically new information but serves to document some of the business retention and expansion issues in the community. The survey has served to make a formal contact with businesses and can be seen as a start in relationship building with individual business owners. Portsmouth successfully implemented a model for managing the “red flag” issues of the businesses. The Economic Development manager reviewed each survey and if there was an immediate concern or need stated from a business, the staff worked to address the issue and contact the business. This is a best practice for business retention, as businesses desire a municipal contact when needed.

In general, the businesses surveyed tend to be locally owned and operating in Portsmouth for some time. They are happy with their location and place a high value on the arts and culture; historical assets; K-12 education and the city as a place to live. There is concern about parking and the high cost of housing. Challenges include recruiting and training employees.

To Consider

Housing Affordability: Housing is a critical component to economic development. Housing is a factor in employee recruitment and has implications on the transportation system. Younger employees entering the job market are looking for transportation options such as biking to work and short commute times.

Planning, Zoning, Regulations: There is support for planning efforts in the city. At the same time, there is a perception that there is a lack of flexibility of zoning and regulations. Identify some simple ways to make zoning and permitting regulations more flexible or streamlined. Just one or two minor changes can signal to the business community that the city really wants to accommodate and support local businesses and see them thrive.

Quality of Life: The businesses surveyed appreciate the high quality of life – arts, culture, education, history, recreation etc. It is important to consider how to maintain or strengthen the quality of life. The committee could consider how the quality of life can be used for employee recruitment. Also important is the link between the business community and the arts, culture, education and recreation communities – can new partnerships be forged for the benefit of all?

Community Vibrancy: Community vibrancy is valued. Areas of Portsmouth are interesting and alive with people and activities. This is strong in the downtown district but less so in other areas—especially Pease. The committee could consider how to enhance other areas by expanding arts, culture, history and recreation to other areas – not just how to bring people into downtown but how to bring some of downtown to the other areas. Consider expanding these efforts with food, music, entertainment in the public – or even private – spaces in the other commercial areas.

Recreation: Recreation is an important component to quality of life. The recreation opportunities in the different commercial districts could be considered and possibly expanded and connected. Trails, bike and walking paths should be considered assets for employee recruitment and retention in addition to creating vibrancy in a community. Imagine all districts have recreational opportunities and even options to walk and bike between.

Higher Education: Employee recruitment can be a challenge. The committee could consider how the city is linked with the university system and consider new partnerships with University of New Hampshire and/or other colleges to recruit employees and interns. This can also be considered for employee training. Identifying and understanding training resources at existing educational institutions could lead to more formal training programs or options. This should be explored.

Exporting: The committee could explore further the exporting opportunities for businesses and establish a connection with the International Trade Resource Center.

Succession Planning: Succession planning is important to retaining businesses over time. 34% of survey respondents indicate they do not have a succession plan. The committee could identify sources for succession planning to ensure Portsmouth businesses remain in operation.

What's Next

More Information: It is important to consider what other information may be needed. The survey gives an overview of the businesses surveyed but more in depth information may be beneficial. The committee should consider if more data or study is needed.

Additional Businesses: The committee should consider what effort, if any, it should take to reach more businesses and how to manage the information when gathered.

Continue relationship with those surveyed: Relationship building is key to business retention and expansion. The survey is a step in building a relationship with Portsmouth businesses and the committee should consider how to build on this. Continued communication is important. With such a large number of businesses in distinct areas, the committee might consider annual visits to districts or by type of business. This can be done with staff and volunteers. Also, consider that businesses value connection with one another and could play a part in an on-going visitation program.

Businesses who may expand: The businesses who are considering expanding have been contacted by city staff to ensure that their needs are met so the expansion is successful for the business and the city. Continued contact is encouraged.

Engaging with the larger community: The committee should consider how to share these survey results and its business retention and expansion efforts with the larger community. This can be done through presentations, communications and community discussions.

Link between Recreation Opportunities and Employee/Owner Quality of Life: Quality of life, recreation and community vibrancy are important to business owners and employees. Portsmouth has much to offer. Continue to work to support and enhance efforts in these areas. Consider the importance of recreation to employees — for pre/post work and lunch hour activities — and investigate making these connections more available. This may mean actual physical connections such as a direct route to walk, run or bike to natural areas or may mean promoting the areas to employees so they are aware.

Faculty Review: Highlights and Recommendations

A component of the Business Retention and Expansion Program is the Faculty Review meeting. The meeting was held on April 6, 2017 with representatives from the Portsmouth Business Retention and Expansion Task Force located in Portsmouth City Hall and connected with the UNH faculty through Zoom Video Conferencing. The faculty shared their thoughts on the survey data and the implications for business retention and expansion. The Portsmouth Business Retention and Expansion Task Force had an opportunity to share their responses and questions.

The faculty included John Halstead, Professor of Community and Environmental Economics: Department of Natural Resources and the Environment, Nate Trauntvein, Professor of Recreation, Parks and Tourism Management: Department of Recreation Management and Policy, Shannon Rogers, Professor of Environmental Economics: Plymouth State University (via Zoom).

Portsmouth as a Business Location

- There are a large number of employers that have been around for a long time (even more reason to focus on business retention and expansion).
- 81% of businesses are locally owned, which suggests that there is more opportunity for recirculation of local dollars. Businesses are expanding to other locations due to space/building space limitations. Can available space in Pease be leveraged, or perhaps better use of existing space (or shared space?). Portsmouth could consider strategies for addressing building/space constraints (e.g. co-space, dynamic space, targeting areas for expansion, system for matching businesses with lands/buildings, etc.)
- The quality of life in Portsmouth – education, arts, culture, and historic character – is highly valued by the businesses. The challenge is to keep them in Portsmouth. Parking and the high cost of housing are often cited as challenges.
- Businesses clearly want to stay and grow in Portsmouth. As such, building a pipeline between civic and municipal leaders and area businesses is critical. Sometimes businesses just need to know that someone cares and is paying attention. It is the small things that often influence a business to stay, even if they have opportunities to move to a location with cheaper rent, available land, building, etc.
- On one hand, there is support for planning efforts in the city. At the same time, there is a perception that there is a lack of flexibility of zoning and regulations. Identify some simple ways to make zoning and permitting regulations more flexible or streamlined. Just one or two minor changes can signal to the business community that the city really wants to accommodate and support local businesses and see them thrive.
- High commercial rent and land availability are big challenges for business expansion in the downtown core, less so in the Pease district.
- Young adults entering the workforce are looking for a high quality of life and they value recreation, biking, walking, arts, culture and community vibrancy. All business districts in the city should consider these factors. Renewed emphasis on enhancing quality of life, which includes things such as access to amenities, social places, pedestrian-friendly infrastructure, etc., should be considered. The Pease business area could particularly benefit from this emphasis. Expanded recreation at Pease could be beneficial. It is what makes Portsmouth attractive to businesses (in spite of high rents and lack of space).

- Portsmouth has a great atmosphere for shopping across many districts/neighborhoods and a positive view by the community. Capitalize on this perception.

Employees

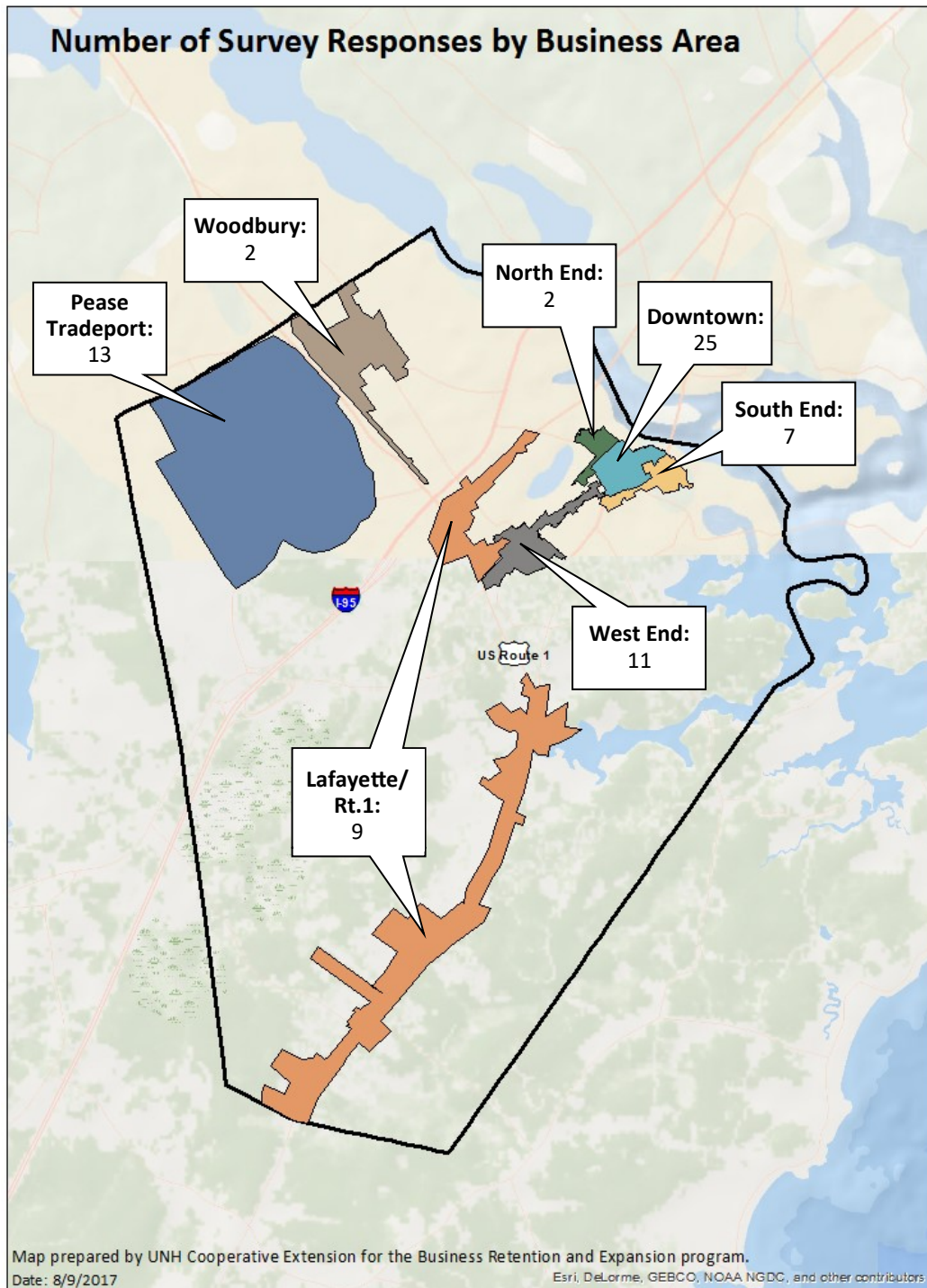
- Recruitment of unskilled service workers, skilled manufacturing, unskilled manufacturing, and scientific/technical workers can be a challenge. The latter is a more prominent problem in Pease, while the first is more of an issue in the retail districts.
- Lack of workforce housing is a challenge for recruitment and retention.
- There is a perceived need/demand for future training, particularly around technology. Many businesses provide a lot of in-house training, but this is not necessarily the most efficient approach. In addition, it might not be the businesses' preferred option if they had other options.
- 60% of businesses surveyed require a college degree for the majority of entry-level employees. This demonstrates a highly educated workforce. This workforce may be also looking for recreation options and transportation options. Walkability and bike-ability are important. Due to high housing costs, employees will look to other communities for housing choices so that transportation becomes something to consider.
- There are more options for online recruitment of employees. In addition, there is an opportunity to recruit directly at the University of New Hampshire and develop internships in Portsmouth for UNH undergraduate and graduate students.

Factors and Resources for Businesses

- Services/sales are expected to sustain and grow for most businesses, which is a very positive sign.
- Lack of awareness of key resources—and utilization of state programs—seems to be high (International Trade Resource Center, Office of Workforce Opportunity, etc.)
- Broadband access is critical and there is generally good access, except for one district of the city. The bigger issue is the cost of high-speed internet, which varies.
- Parking is a challenge in the downtown district and a concern to businesses.
- Around half of all businesses could focus on exporting, though the majority appear not to. This is a great opportunity to leverage existing programs and encourage other businesses who could export to do so.
- Of the businesses without a business plan, a quarter said they would like help. While percentage wise this may not be high, it could represent a large number of businesses that could be supported with business planning.
- Market and communicate resources and amenities to both businesses and employees. Utilize everything from flyers promoting available resources to leveraging a peer network of businesses.

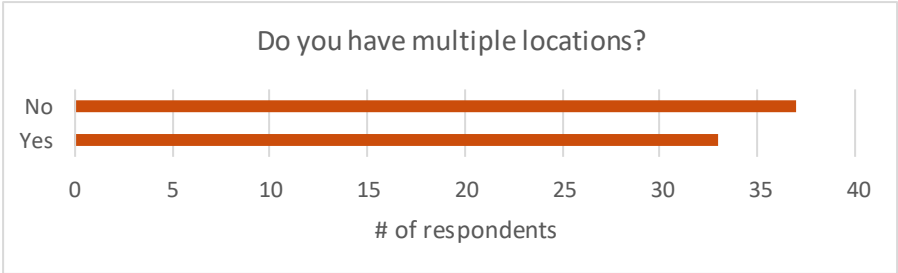
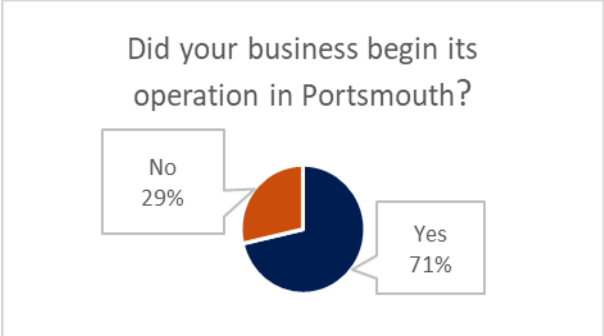
Survey Data

71 businesses and nonprofits responded to the survey which was administered by trained community volunteers in late 2016 and early 2017. All questions were not answered by all respondents. For the purposes of the business survey, Portsmouth was broken down into the following areas:



Note: One respondent selected "other" and another respondent did not answer the question.

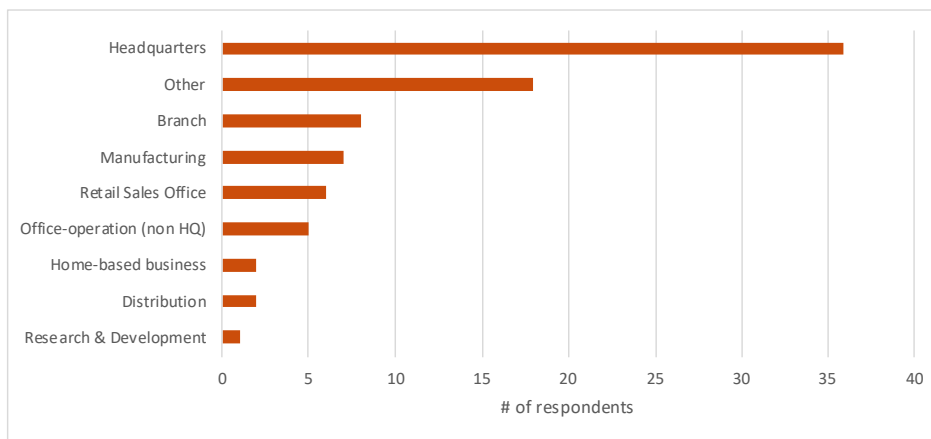
The majority of businesses who responded to the survey began their business in Portsmouth, are locally owned with many having multiple locations. 71% indicated that their business began in Portsmouth. Those who began their business elsewhere had primarily been located somewhere in NH, followed by Massachusetts and Maine.



Which of the following North American Industry Classification System (NAICS) categories best describes your business? (Check one answer)

Answer	%	Count
Professional/Scientific/Technical Services	23.53%	16
Retail Trade	13.24%	9
Accommodation/Food Services	7.35%	5
Arts/Entertainment/Recreation	7.35%	5
Health Care Services/Social Assistance	7.35%	5
Manufacturing	7.35%	5
Other Services	7.35%	5
Construction	5.88%	4
Finance/Insurance	5.88%	4
Real Estate/Rental and Leasing	4.41%	3
Educational Services	2.94%	2
Transportation and Warehousing	2.94%	2
Information	1.47%	1
Management of Companies & Enterprises	1.47%	1
Public Administration	1.47%	1
Administration/Support/Waste Management/Remediation Services	0.00%	0
Agriculture/Forestry/Fishing/Hunting	0.00%	0
Mining, Quarrying, and Oil and Gas Extraction	0.00%	0
Utilities	0.00%	0
Wholesale Trade	0.00%	0
Total	100%	68

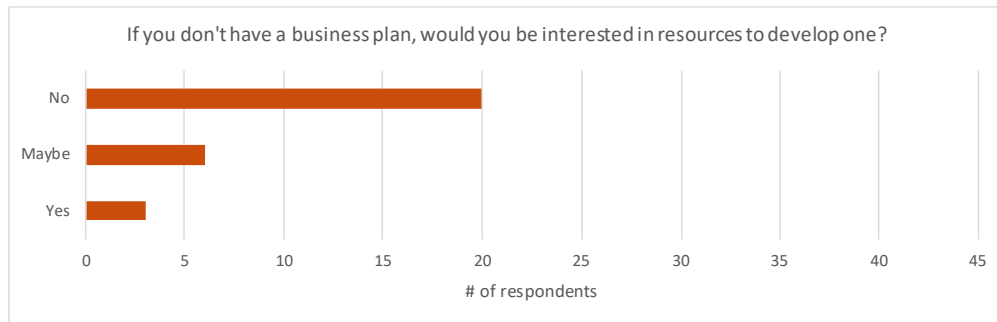
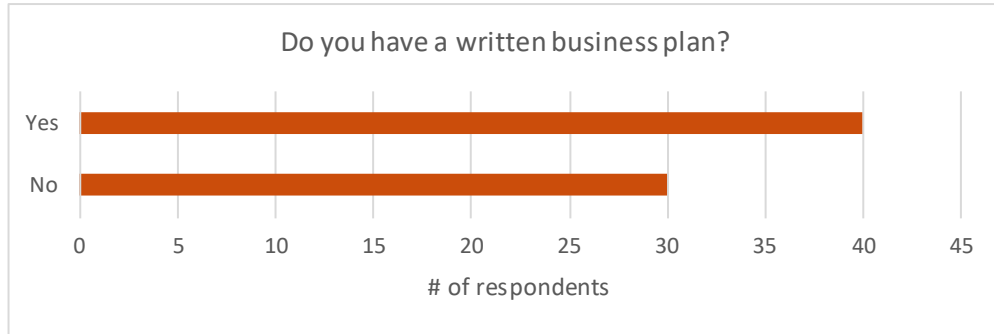
What type of facility is this? (Check all that apply)



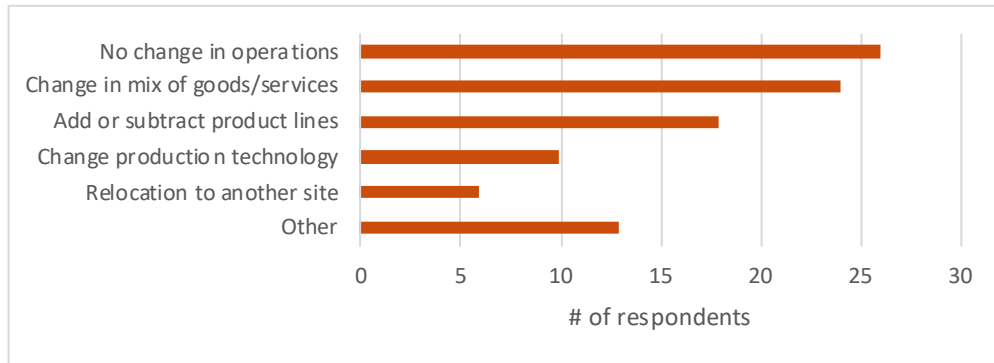
Other:

- Creative studio
- Healthcare, medical office
- Hotel
- Industrial
- Law office
- Museum, Non-profit arts museum/organization
- Nonprofit agency/ shelter
- Production based facility - non-manufacturing
- Restaurant, retail food, retail space
- Yacht club

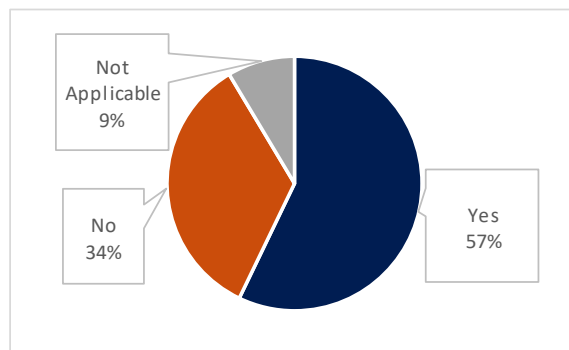
There are a number of businesses without a business plan but also a high number of respondents who do not want information on a business plan. 34% of businesses do not have a succession plan.



Are there changes in your business plan for the next three years? (Check all that apply)



Does your company have a succession plan (ownership/management)?



Employees

There has been an increase in employment – full time, part time and seasonal which is attributed to growth in demand, expansion and new products and services.

Total number of workers represented in the survey

	Full Time	Part Time	Seasonal	Total
Currently (n=67)	3055	360	174	3589
3 years Ago (n=61)	1676	241	164	2081

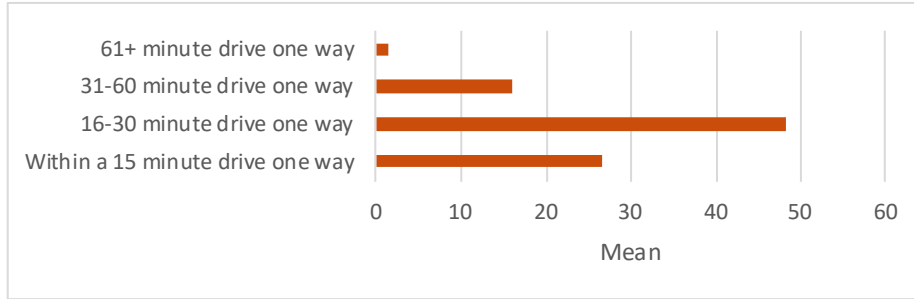
If the number of employees changed from three years ago, please identify up to 3 reasons for the employment change.

Answer	%	Count
Growth in demand	44.44%	20
Expansion	28.89%	13
New products/services	20.00%	9
Corporate decisions/policies	15.56%	7
Change in profits	13.33%	6
Changes in worker efficiency	13.33%	6
Entered new markets	13.33%	6
Change in management	11.11%	5
Increased competition	6.67%	3
Technological changes	4.44%	2
Business did not exist 3 years ago	2.22%	1
Change in subcontracting	2.22%	1
Government regulation	2.22%	1
Lack of demand	2.22%	1
Renovation	0.00%	0
Other (see below)	24.44%	11
Total		45

Other reasons for number of employees changed:

- Company went public 2013. Acquired new companies.
- Family child
- General organic growth
- I had over-hired when I opened
- Increased efficiency
- Like company acquisition
- Shift in lending regulations that prohibited competitors from providing services due to cost to comply

Proportion of Employees by Commute Time (one-way)



Hourly starting wage paid to employees

- Below, the average entry level hourly wage by industry is compared to the statewide entry level wage reported by NH Employment Security.
- For each industry, Portsmouth’s entry level hourly wage is higher than the statewide average, and in the case of Arts, Design and Creative Operations, the starting wage in Portsmouth is more than double than the statewide average.

	Average Portsmouth Entry Level Wage	Statewide Entry Level Wage (NH Employment Security)
Professional/Managerial (n=44)	\$37.43	\$28.46 (Management Operations)
Engineers, Scientists and Technicians (n=8)	\$33.37	\$22.87 (Architecture and Engineering)
Information Technology (n=17)	\$30.77	\$ 25.98 (Computer and Mathematical Operations)
Healthcare Related (n=4)	\$22.25	\$20.28 (Healthcare Practitioners and Technical Operations)
Repair and Skilled Maintenance (n=13)	\$21.13	\$14.87 (Installation, Maintenance and Repair Occupations)
Arts, Design and Creative Operations (n=15)	\$20.83	\$10.97 (Arts, Design, Entertainment, Sports and Media Occupations)
Transportation (n=4)	\$20.25	\$9.88 (Transportation and Material Moving Occupations)
Office and Administrative (n=33)	\$18.12	\$11.34 (Office and Administrative Support Occupations)
Construction (n=4)	\$17.67	\$14.84 (Construction and Extraction Occupations)
Skilled Manufacturing (n=7)	\$16.97	
Unskilled Manufacturing (n=8)	\$13.36	
Unskilled Service Workers (n=15)	\$13.14	
Agricultural (n=1)	\$11.00	\$10.96 (Farming, Fishing and Forestry Occupations)

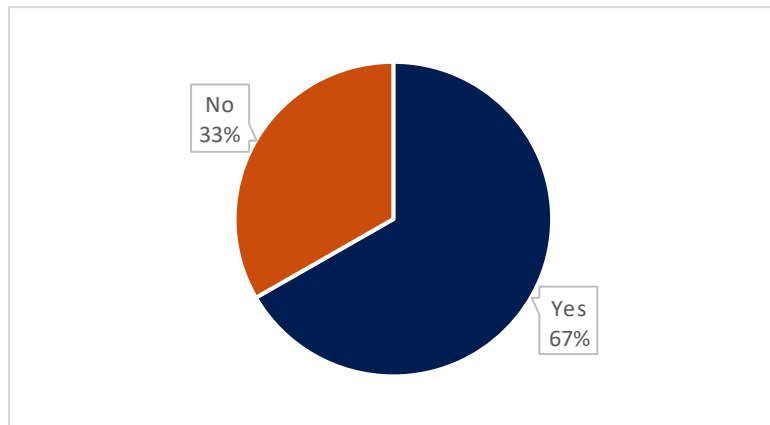
Do you expect the number of employees you have in each of the following categories to increase, decrease or stay the same over the next three years?

- The categories that expect to see the greatest increase are Arts, Design and other creative occupations; Professional/Managerial, Information Technology and Engineers, Scientists and Technicians

Category	Increase	Stay Same	Decrease	Total
Arts, Design and other Creative Occupations	41.03%	58.97%	0.00%	39
Professional/Managerial (managers, accountants, HR professionals etc.)	31.67%	68.33%	0.00%	60
Information Technology	25.00%	75.00%	0.00%	40
Engineers, Scientists and Technicians	24.32%	75.68%	0.00%	37
Unskilled Service Workers (food prep., retail sales, housekeeping, etc.)	21.21%	78.79%	0.00%	33
Office and Administrative (secretaries, office clerks, receptionists, etc.)	20.83%	77.08%	2.08%	48
Repair and Skilled Maintenance (not janitorial)	17.24%	82.76%	0.00%	29
Unskilled Manufacturing (assembly, production helpers, etc.)	15.38%	84.62%	0.00%	26
Healthcare Related	8.00%	92.00%	0.00%	25
Skilled Manufacturing (welders, machinists, etc.)	7.14%	92.86%	0.00%	28
Construction	4.35%	95.65%	0.00%	23
Agricultural	0.00%	100.00%	0.00%	21
Transportation	0.00%	100.00%	0.00%	23

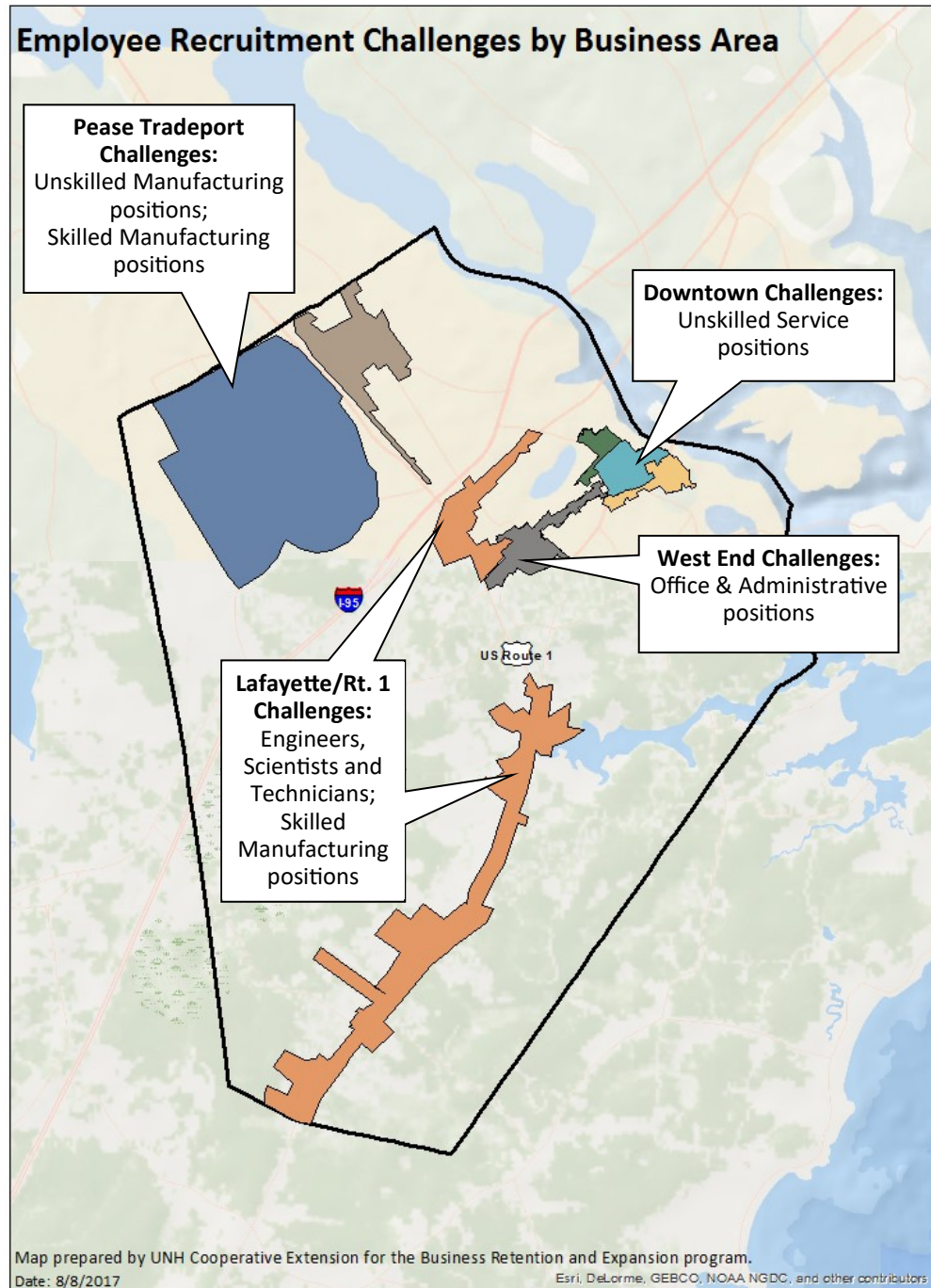
Employee Training

Do you need training for either workers or managers?



Employee Recruitment

- In general, employee recruitment is not a challenge but can be for unskilled service workers, skilled manufacturing and unskilled. Only about a quarter of respondents report recruitment as a challenge.
- Due to the small number of respondents in some of the business areas, it is difficult to differentiate challenges by area. The following are the top challenges in each area:



Note: No pronounced recruitment challenges were reported in the North End, South End, and Woodbury area.

Identify up to 3 of the most important reasons for your recruiting problem.

Answer	%	Count
Competition for employees	24.70%	21
Inadequate labor skills	20.00%	17
High cost of housing	12.90%	11
High wage rates for labor	8.98%	8
Workers will not commute into the area	8.23%	7
Workers will not relocate into the area	8.23%	7
Poor work attitudes	7.05%	6
Lack of child care	2.35%	2
Workers cannot pass screening (drug, criminal record check, etc.) please specify	2.35%	2
High cost of training employees	1.17%	1
Workers lack documentation of legal work status	1.17%	1
Positions are not appealing	1.17%	1
Town/Region not attractive or appealing for relocation	1.17%	1
Total		85

What resources are you currently using to locate new employees? (multiple answers selected).

- Businesses use a variety of methods to locate new employees. Many businesses are using internet advertising through job boards, social media, and on their own website. A great number of businesses are also advertising through word of mouth and referrals from existing employees.

Answer	%	Count
Internet advertising on job boards (e.g. Monster, Craig's List, etc.)	57.35%	39
Word of mouth	50.00%	34
Internet advertising through social media (e.g. Facebook, LinkedIn, etc.)	48.53%	33
Referrals from existing employees	48.53%	33
Internet advertising on our own website	39.71%	27
Promote from within	36.76%	25
Professional associations	26.47%	18
Hire our own apprentices	23.53%	16
Ad in local community papers	20.59%	14
Placement office of four-year, community and / or technical colleges	19.12%	13
Private search firm	19.12%	13
Hire people who were initially temporary employees	16.18%	11
Temporary agency / staffing service business	16.18%	11
Walk-in	13.24%	9
Ad in metro / state-wide papers	11.76%	8
Sign in the window	8.82%	6
Job Fair	7.35%	5
New Hampshire Office of Workforce Opportunity	1.47%	1
Union	0.00%	0
Other – interns, usajobs.gov, paid online, fliers, craigslist, vocational schools	26.47%	18
Total		68

How do you currently train your employees? (Check all that apply)

Answer	%	Count
In-house training (one-on-one by supervisor or co-worker, training department classes, etc.)	82.61%	57
Send employees to training offsite	52.17%	36
Self-taught (manuals, videos, training materials)	50.72%	35
Contract with private vendors for on-site training	39.13%	27
Contract with private vendors for online training	33.33%	23
Other (see below)	11.59%	8
Apprenticeships	10.14%	7
Do not provide any employee training	8.70%	6
A government supported program (e.g. NHWorks or similar program)	4.35%	3
Contract with public vendors (technical colleges, etc.) for online training	4.35%	3
Contract with public vendors (technical colleges, etc.) for on-site training	4.35%	3
Secondary/High School training	1.45%	1
Total		69

Other:

- Corporate training resources & trade association resources
- Lynda.com
- Trade shows (often cited)
- Vendor of software and equipment provide training at no cost.
- Webinars
- Workshops

What level of training is needed for the majority of entry level employees?

Answer	%	Count
4-Years College Degree	40.63%	26
High School/GED	37.50%	24
Professional Degree	12.50%	8
Technical/Community College	9.38%	6
Total	100%	64

What level of training is needed for the majority of entry level employees by industry?

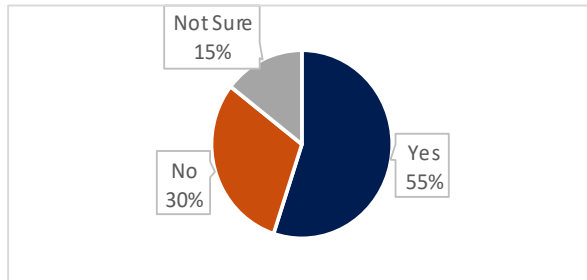
- Industries requiring the majority of their employees to have a high school diploma or GED include accommodation/food services, health care services/social assistance, manufacturing, retail trade, and transportation and warehousing.
- Industries requiring most of their employees to have a 4-year college degree or professional degree include: arts/entertainment/recreation, educational services, finance/insurance, information, professional/scientific/technical, public administration, and real estate/rental and leasing

	High School/GED	Technical/Community College	4-Year College Degree	Professional Degree	Total
Accommodation/Food Services (n=3)	100%				
Arts/Entertainment/Recreation (n=5)		20%	80%		
Construction (n=4)	25%	25%	50%		
Educational Services (n=2)			50%	50%	
Finance/Insurance (n=4)	25%		50%	25%	
Health Care Services/ Social Assistance (n=5)	80%	20%			
Information (n=1)			100%		
Manufacturing (n=4)	75%	25%			
Professional/Scientific/ Technical Services (n=16)	6.25%	6.25%	56.25%	31.25%	
Public Administration (n=1)			100%		
Real Estate/Rental and Leasing (n=3)			66.6%	33.3.%	
Retail Trade (n=8)	87.5%		12.5%		
Transportation and Warehousing (n=2)	100%				

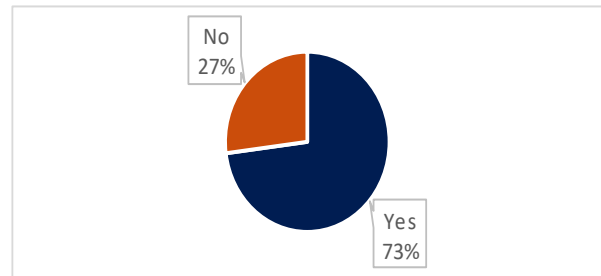
Training in Technology

It is important in business retention and expansion to be aware of business changes as they may impact expansion, location decisions, staffing etc. Portsmouth survey respondents expect technological innovations which will require training.

Are there any major technological innovations on the horizon in your industry that might affect your company? (Check one answer)



If yes, will these new technologies require retraining of your labor force?



If yes, what are these?

- 3-D printing
- Any data driven technical innovation affects them
- Artificial intelligence
- Building information modeling (BIM)
- Bringing passport renewal application process online by 2018 (estimated)
- Change to led lighting, scenic projections
- Changes in materials being used
- Changing healthcare reimbursement and regulation
- Credit Cards - Chip Cards
- Design related interactive and electronic technologies
- Digital technology advances
- Electronic Health Records
- Equipment software and hardware continually change with technology
- Financial technology
- Immunotherapy, new drugs, drug development w/ fewer side effects
- Information technology constantly changing
- Innovation in education and exhibition
- Internet based software
- Internet travel sites Orbitz, Travelocity, ExpediaKey less access
- Online media and advertising channels
- Online sales
- Pool accessories
- Robo advisors: automated computer software advising on investments
- Software
- Technology used for education & tourism
- Telemedicine
- Virtual reality technology

Exporting

The majority of businesses surveyed are not exporting. This is largely due to the nature of the business and the area they serve (i.e. restaurants). Some respondents who are not exporting now might benefit from learning more about it. The International Trade Resource Center (ITRC) is not known or used by those surveyed and might be a resource to consider.

Is your business currently exporting internationally? (Check one answer)

Answer	%	Count
No	85.51%	59
Yes, we export directly from our business	13.04%	9
Yes, but we sell our product internationally through another company that exports it (ex: US parent company, etc.)	1.45%	1
Total	100%	69

If no, what prevents you from exporting your product? (Check all that apply)

Answer	%	Count
Business designed to serve specific area	48.94%	23
Business is too small	21.28%	10
Concerns about receiving payment	2.13%	1
Costs risks are too high	6.38%	3
Lack of knowledge of foreign countries/markets	6.38%	3
Lack of specific export knowledge	4.26%	2
Language barrier	4.26%	2
Never fully considered it before- but I would like to consider it	4.26%	2
Restrictive state and or federal regulations	10.64%	5
Starting plans to export	0.00%	0
Tough competition	4.26%	2
Other	34.04%	16
Total		47

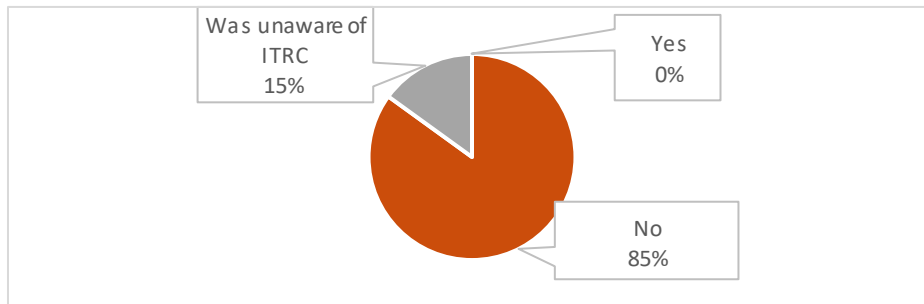
Other:

- Costs are too high to ship
- Distance/logistics
- Don't make a product
- Locally serviced product
- More than enough work locally
- Nature of business- need for personal meetings
- Never considered it and business is too small
- No demand
- No interest/desire
- Not profitable to do business
- Past experience in China and Middle East
- Pool company, it wouldn't make sense

If you export now, or previously exported, please identify problems. (Check all that apply)

Answer	%	Count
I do not have problems exporting my product(s)	52.94%	9
Inadequate knowledge of foreign countries/markets	23.53%	4
Lack of export financing	5.88%	1
Transportation of product	0.00%	0
Restrictive state and/or federal regulations	0.00%	0
Other includes customs, resources, travel, marketing	29.41%	5
Total		17

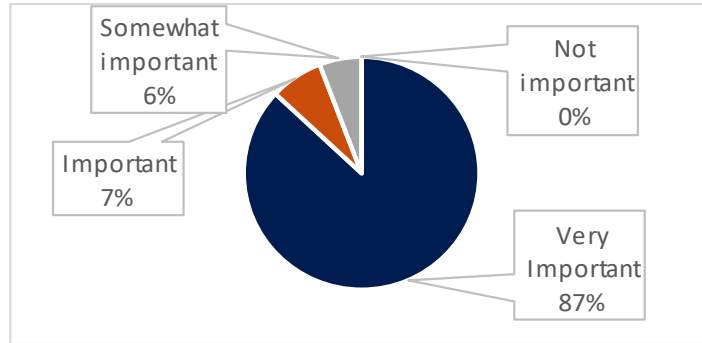
If you export now, or previously exported, have you used the services of the International Trade Resource Center (ITRC)?



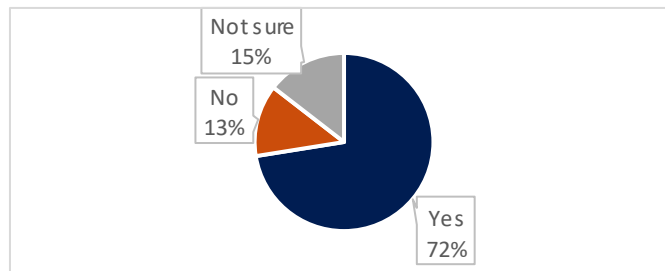
Broadband

Broadband is an important factor to businesses and in economic development. Businesses in Portsmouth indicate it is very important and use it for a wide variety of business tasks.

How important is broadband (high speed internet) to your business?



Is your internet upload and download speed connectivity sufficient for your business needs?

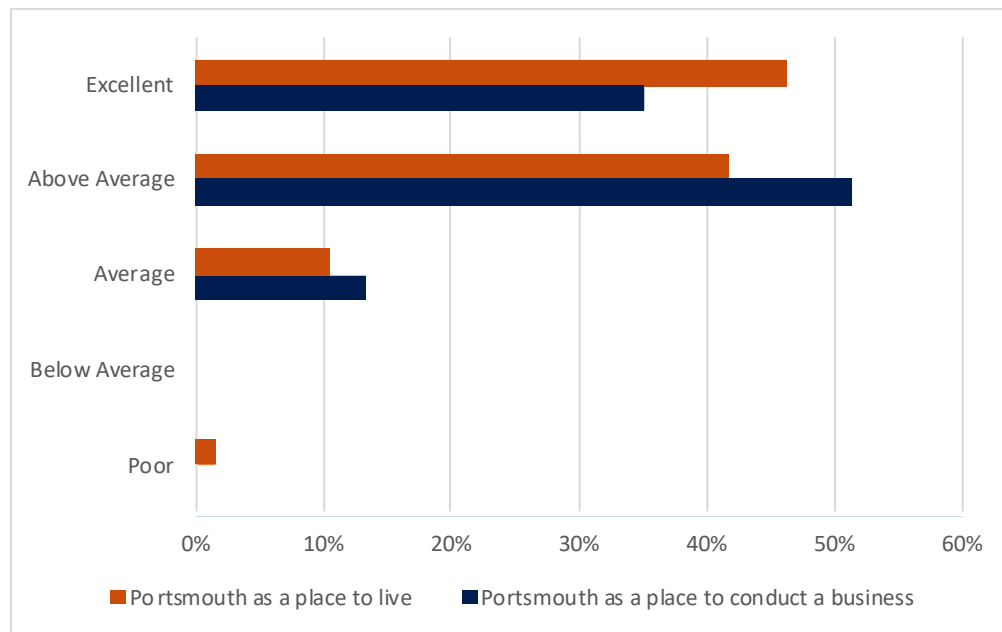


What does your business currently use the internet for (check all that apply).



Portsmouth

What is your overall opinion of Portsmouth (i.e. where your business is) as a place to conduct business and as a place to live?



- 88% of respondents rated Portsmouth as above average or excellent as a place to live
- 87% of respondents rated Portsmouth as above average or excellent as a place to conduct business

Respondents were asked to rate factors based on their current satisfaction with Portsmouth as their business location.

Education and Training:

- K-12 is seen as very important and ranked higher than higher education and technical training programs.
- Respondents were very satisfied with K-12 education.

Healthcare:

- Healthcare costs are very important to the majority of locations. Employee healthcare costs are rated as less important by businesses in the downtown. In comparison to other areas, businesses in the downtown rated employee health care costs as not very important.

Land, Building and Credit:

- More than half of the respondents were not satisfied with the cost of land.
- The availability of buildings was seen as very important. Half were not satisfied with the availability and cost of buildings.
- 90% were satisfied with the availability of loans.

Local Business Support:

- Respondents rated community attitude toward the business community as the most important factor and 95% said they were very satisfied with this. This was more important than community promotion, economic development organization, incentives and the Chamber of Commerce. While the Chamber ranked last in this list, 80% were satisfied with the Chamber.

Quality of Life:

- The features in quality of life which were most important were cultural opportunities (98% were satisfied with this) and housing cost and supply. 74% are not satisfied with housing cost and 60% are not satisfied with housing options.
- Respondents are satisfied with police, fire, planning & zoning, and master plan. They were split on their satisfaction with property taxes.

Transportation:

- Highway accessibility ranks higher than proximity to major markets service suppliers or public transportation. Respondents were satisfied with highway access.

Utilities:

- Telecommunications and broadband reliability were seen as more important than speed and cost.
- More than half – 65% were satisfied with energy costs.

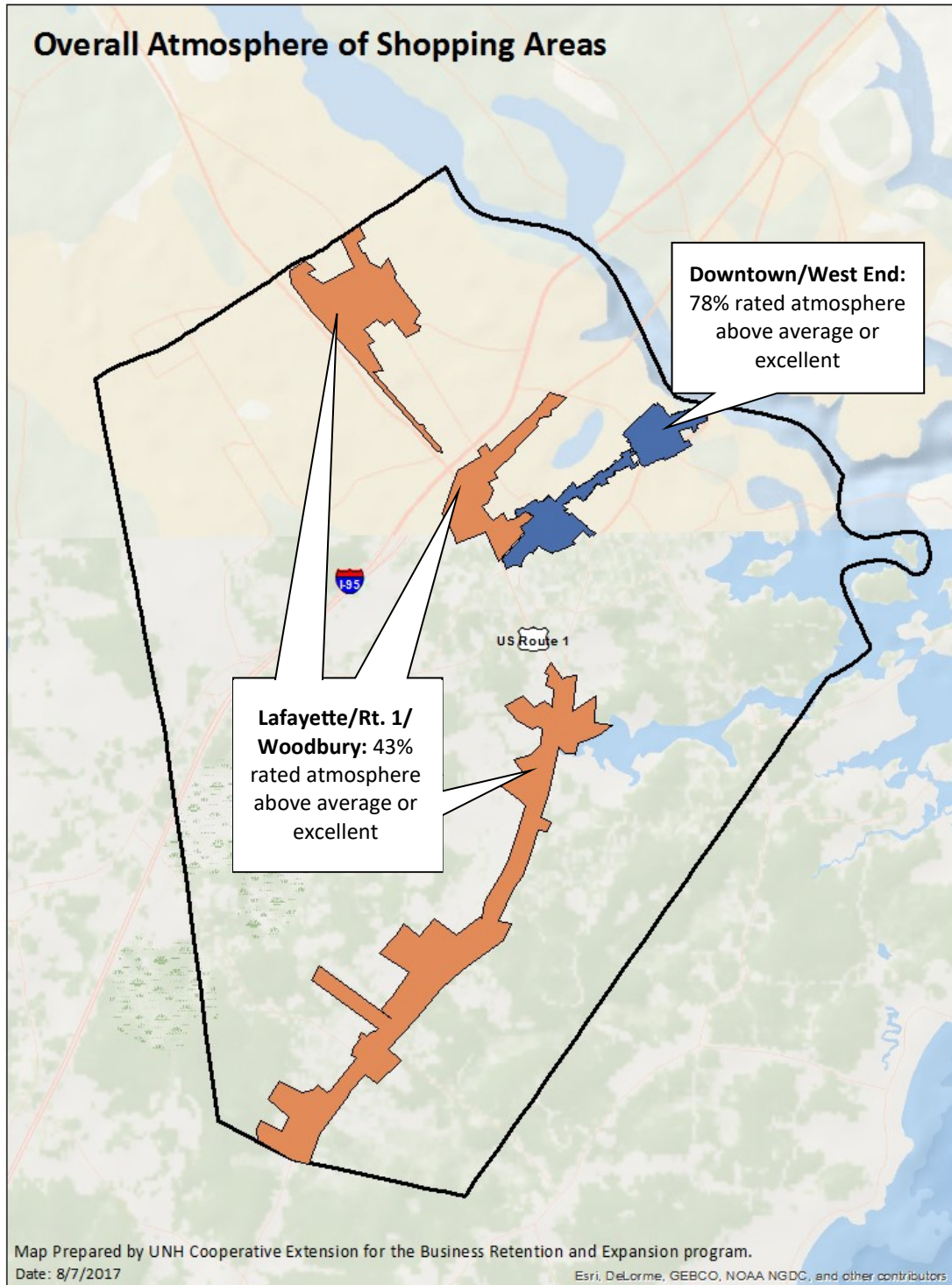
Workforce:

- While the availability of skilled and unskilled workforce is very important, skilled workforce ranked higher.

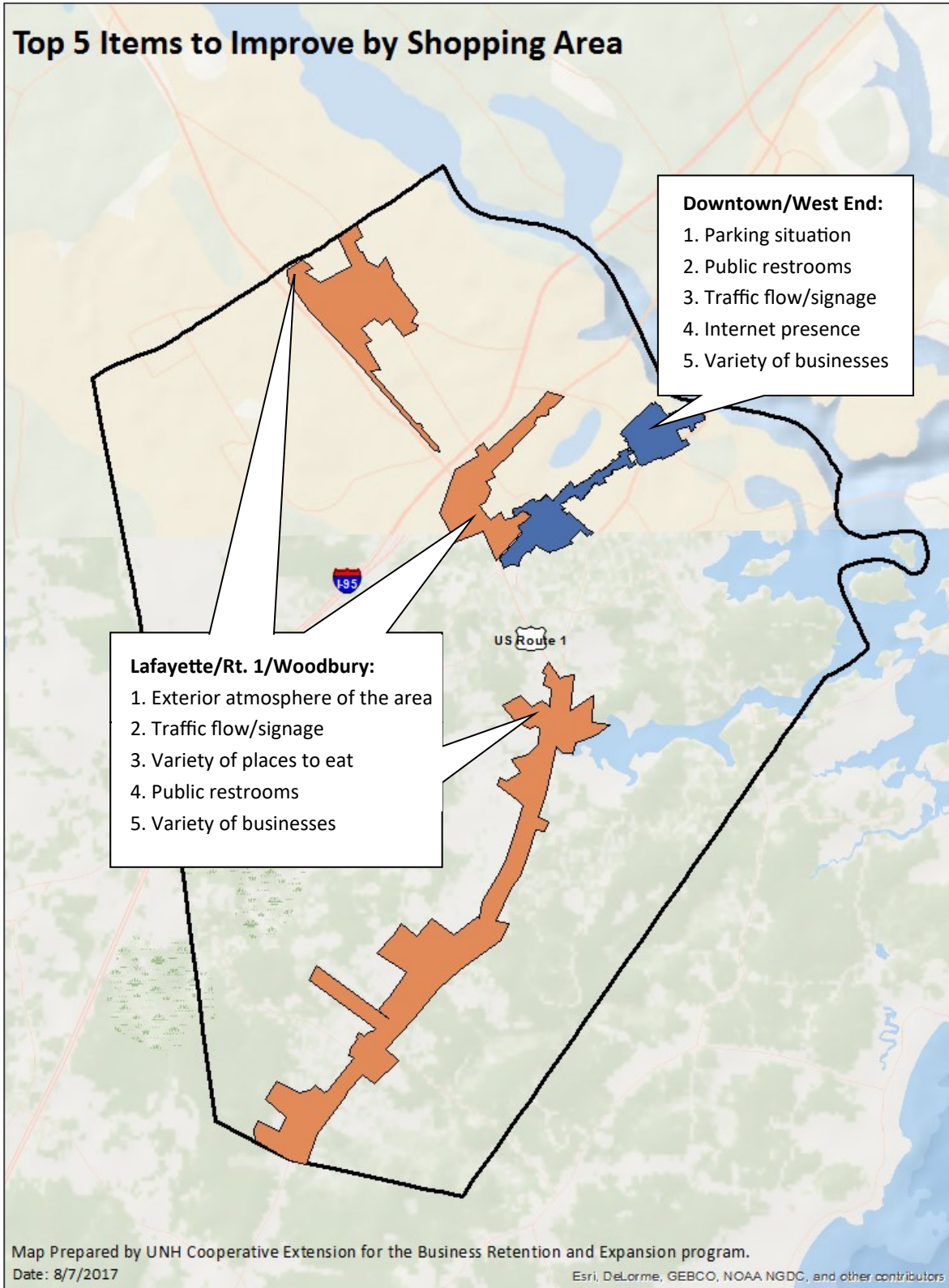
Portsmouth By Shopping Area

The following questions in the survey asked respondents to consider two different shopping areas in Portsmouth:

- Downtown and West End
- Lafayette/Route 1 and Woodbury



Top 5 Items to Improve by Shopping Area



What state and local policies are of greatest significance to your company?

Education & Training

Education & Training was also mentioned as an important policy topic by survey respondents. Comments included workforce education and the need to connect higher education to local community programs.

Energy & Utilities

Survey respondents commented on affordable utilities, the availability of utilities, the need to increase energy supplies and reduce cost.

Environment

Respondents also commented about environmental policies, including water quality, wastewater and drinking water, environmental regulations and policies, and access to natural amenities.

Healthcare

Healthcare was another topic commented on frequently by survey respondents. Comments included health insurance, cost of healthcare, affordable healthcare, Medicaid and Medicare, lack of competition in insurance, and limited healthcare providers.

Housing

Another frequently mentioned topic was housing. Survey respondents discussed affordable housing, workforce housing, and the need for more affordable housing policies to retain young people and grow the workforce.

Infrastructure

Survey respondents commented on infrastructure. Specifically, infrastructure costs, the need to ensure roads and sidewalks are maintained, local construction affecting utilities, signage, street improvements, parking and traffic.

Municipal

Municipal policies were also highlighted as being significant to respondents. Comments were specifically about the Master Plan, zoning, code enforcement, municipal approval and permitting process, economic development, and public services, including police and fire. Respondents also commented on the need to support historic preservation and local businesses.

Taxes

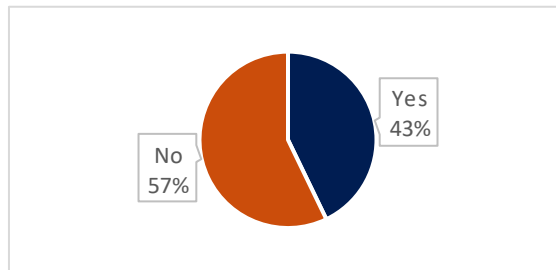
Tax policy was mentioned by respondents the most frequently, and included comments about property tax, business taxes, non-profit exemption taxes, and no sales tax and income tax.

Other Topics

Other policy topics that survey respondents commented on include tourism (state and local), art, land use, workforce, insurance, immigration, real estate, social services and equality.

Potential Expansion

Do you have any plans to modernize or expand your present building(s) or equipment?



If yes, what is planned?

These comments are for expanding at current building and/or modernizing equipment.

Expanding

- Buildout additional 20% in Portsmouth.
- Buying new building, upgrading.
- Expand physical space.
- Expanded warehouse and service center. Added office space and dining.
- Expansion- find appropriate space to house learning center site to complement boat experience.

Modernizing Equipment

- Always upgrading production facility equipment.
- Delivery trucks; woodshed equipment; sales trucks; new IT system.
- Digital Equipment.
- Improved space, better equipment and more furnishings.
- New manufacturing equipment.
- Ongoing systems upgrades.
- Renovating current building.
- Restoration and renovation of historic buildings for residential and commercial use.
- Setting up current building to better utilize space.
- Technology and equipment is always evolving.
- Upgrading feeders and stack (mainly equipment) going wireless, bar code scanning.
- Upgrading office.

Are you currently considering? (Check all that apply)

- 50% are not planning any expansion.
- 18 businesses are considering expanding at their current location.
- 12 businesses are considering expanding at another location.
- 8 businesses are considering merging with or acquiring another business.
- 3 businesses are considering downsizing.
- 2 businesses are considering moving and 2 are considering selling and one is considering closing.
- Availability of Buildings and Cost of Buildings are rated as important or very important for the majority of businesses regardless of location.
- Most businesses, regardless of location currently own or rent/lease sufficient property to allow for expansion.
- The majority of businesses in Downtown do not have plans to modernize or expand buildings and equipment. More businesses in the Downtown area are considering expanding and adding another location.
- The majority of businesses in the West End, South End, Lafayette/Rt. 1 area, Woodbury area and Pease Tradeport have plans to modernize or expand buildings or equipment.
- More businesses in Pease Tradeport are considering expanding at their current location.
- The West End and South End had the largest proportion of businesses that do not have sufficient property to expand.

If you said that you are considering downsizing, selling, moving or closing, what are the reasons? (Check all that apply)

Answer	%	Count
Other – more skilled workforce, increase in sales	50.00%	4
Changing market conditions	37.50%	3
Overcrowded building	12.50%	1
Rigid code enforcement (including ordinances and building codes)	12.50%	1
Lease expiration	12.50%	1
Retiring	12.50%	1
Another business opportunity	12.50%	1

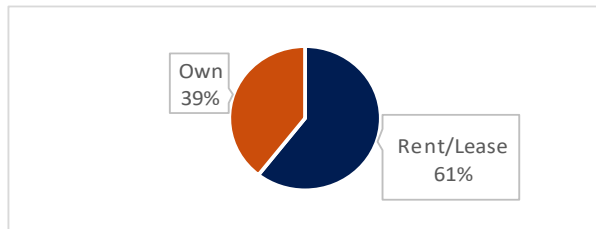
If moving or expanding at another location, where are you considering? (Check all that apply)

Answer	%	Count
Portsmouth	60.00%	12
Another state (specify city/town and state)	40.00%	8
Another city/town in this county (specify city/town)	15.00%	3
Another county in the state (specify county and city/town)	15.00%	3
Outside of the United States (specify city/town and country)	5.00%	1
Undecided	5.00%	1
Total	100%	20

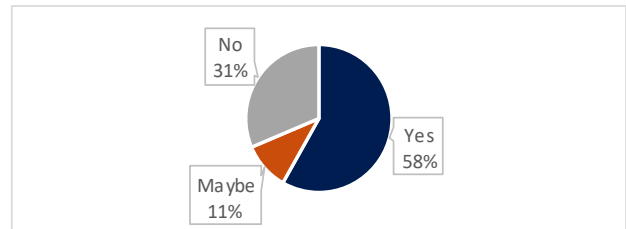
Another state (specify city/town and state) :

- Boston, MA
- Greater Boston Area, Portland Area
- Jacksonville, FL
- Portland, ME
- Sag Harbor, NY
- San Francisco, CA

Do you rent / lease or does this business own this facility? (Check one answer)



Does your company currently own or rent / lease sufficient property in Portsmouth to allow for expansion if necessary? (Check one answer)



If you do not currently own or rent/lease sufficient property, what type of land, buildings, and space needs do you foresee?

Larger Space

- Leasing larger existing office space within Portsmouth
- Need a bigger location
- Potentially larger space
- 5-10,000 square feet of new space in 5-10 years

Manufacturing Space

- 50,000 sq ft manufacturing space

Office Space

- Cool open concept office
- Might be constrained for office space depending on future acquisition
- Need for an office plan; big open space for the culture and collaboration training.
- Zoning within Portsmouth does not allow for additional or reaction of a lumberyard

Final comments from businesses:

Business survey respondents were asked to set some priorities on how the BR&E Task Force can help all existing businesses grow and expand. (Comments are organized alphabetically and not by priority.)

Amenities

- Public gathering space.
- Access to pharmacy, grocery, hardware store.
- Greater variety on restaurants and businesses in the area. Downtown Portsmouth has variety but it is hard to park. At least more healthy lunch options.
- More hotel, lodging, conference space.
- Maintaining waterfront.

Arts, Culture and Historic

- Investment in arts & culture has direct and indirect economic impact.
- Be groundbreakers, especially with regard to arts and culture.
- Support cultural/arts events to attract employees.
- Maintain cultural vitality and attractiveness of our community.
- As downtown gets pricier with tourism how do you maintain art/culture base?
- Importance of vibrant cultural downtown Portsmouth.
- Go beyond recognizing that arts/culture are an economic driver - take real actions like invest and creating conditions to ensure sustainability of arts and culture.
- Continued historic development.

Business Costs

- Availability and affordability of work spaces.
- Lowering of energy costs.
- Water and sewer Costs are going up.
- Health Insurance cost increases - burden on employer.
- Lower taxes.

City Government

- Stronger support from Pease Development Authority and City of Portsmouth regarding maintenance and repair of roads and sidewalks.
- City government is not business friendly.
- Lower city overhead.
- Be more business friendly in land use department.
- City website- periodically send out updates on important changes to businesses.
- Stay actively engaged with businesses- BRE is a good idea.
- City should have focused efforts to inform families of charitable services.
- Never heard from anyone in Portsmouth, including Chamber of Commerce. The focus of these organizations is on retail, not manufacturing.
- Focus more on attracting business and moving them to area.
- Chamber is good.
- Encourage involvement in community (i.e. Chamber of Commerce).

Employee Recruitment and Training

- Link skilled worker needs with employer needs increase access to government contracts.
- Employers need assistance in being able to attract and retain staff.
- Workforce availability.
- Connecting employers with training opportunities (increase options at Great Bay).
- Connect employers with skilled programs at community colleges.

Housing Affordability

- Need affordable housing.
- Other communities are having an easier time staffing and they believe it is a direct link to affordable housing.
- People cannot afford to live in Portsmouth, thus it reduces the available labor force.

Infrastructure

- Better infrastructure- roads, parking, sidewalks.
- Road facility in Corporate Dr. and Pease is very poor.
- Emergency evacuation is lacking need for our continuity plan.
- Need better signage in West End.
- Consistent street and snow maintenance.
- Inconsistency with broadband availability.

Parking Availability

- The availability of parking is a concern for clients and staff.
- Improve parking; more parking options = more customers.
- During tourist season clients have hard time parking; parking is a huge issue; hard to park.
- Suggested McIntyre building for new parking garage.

Parking Cost

- Parking - downtown business district expand.
- Parking meters - concerns about inconsistencies in pricing and time and concerned about going to all cards - not everyone carries cards.
- Focus on affordable parking.

Pedestrian Safety

- Pedestrian safety needs improvement.
- Each transportation corridor could have more independent business to attract more customers walking outside downtown more pedestrian accommodation.
- Lighted crosswalk (similar to what UNH has) on State Rt 4.

Positivity about Portsmouth

- I like the community here.
- Portsmouth is great.

Promotion and Recruitment

- Provide live/work quality of life - more of live/work downtown model desired by millennials.
- Promoting state and region for quality of life and business, have more to sell.
- Advertising Portsmouth's downtown community.
- Exploration of making Portsmouth a destination as a cruise ship port.
- Maintain Portsmouth as a nice place to live to help draw employees and keep employees.
- Position the city to attract young people (affordable housing, transportation and branding).
- Cost of living comparable to Boston but not the salaries; high cost of living in the city.

Traffic

- Traffic coordination during events.
- Traffic and circulation is very difficult.
- Access and egress is difficult.
- Spaulding Turnpike is a nightmare.
- Traffic congestion - for employees commutes are longer (Rochester/Somersworth), losing productive hours, I-95 congested/parking lot.

Transportation

- Public transportation.
- Bike lanes.
- No rental car service from C&J.
- Focus on virtual economy- people can work for a company but live far away- telecommuting.
- Industrial businesses rely on road transportation. River is primary mode of transportation - no other place to duplicate this.

Workforce Housing

- City needs to be a lot more up front about workforce housing.
- Workforce housing is lacking - difficult to attract staff; internship workers are difficult to house therefore reaching out to other communities.

Zoning and Regulations

- Relaxed zoning, less regulations, easier building processes.
- Flexibility in zoning to allow growth while keeping unique nature of city.
- Land use regulating scheme needs to be improved.
- Hard to make capital improvements due to cost (zoning etc.).
- Zoning changes to promote taller and larger buildings.
- Change land use restrictions at Pease to include ability to create open space, recreational venues, and or musical/arts venues. Possibly change charter with Pease to address use for non-buildable land.
- Need to put brakes on regulation. Affecting contractors. Commissions holding up projects, code enforcement is not common sense.

Appendix

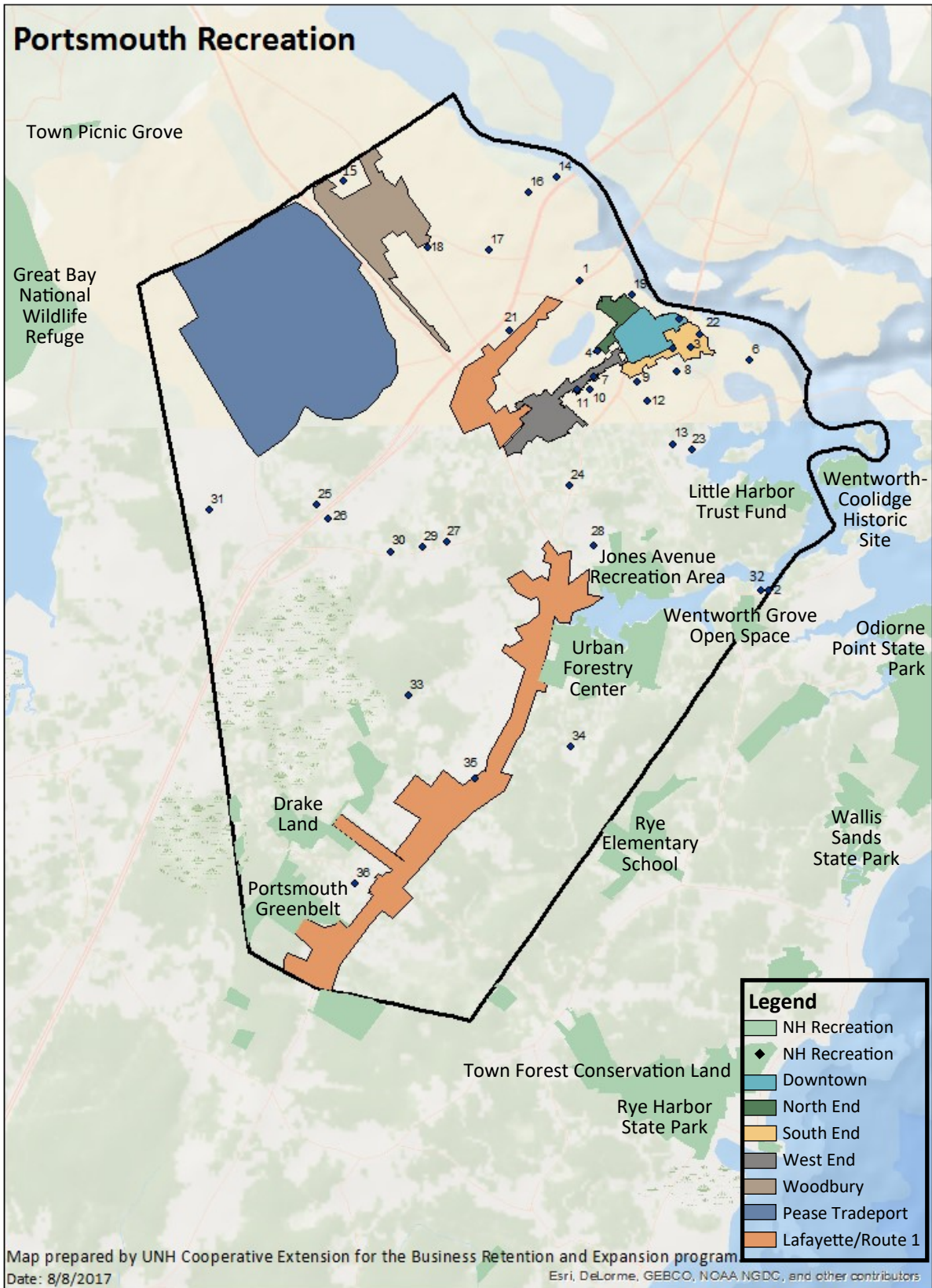
- List of businesses who participated in survey
- Recreation information is provided as part of the Faculty Review discussion on the importance of recreation to quality of life
- Basic demographics data for reference

Portsmouth Business List

The following businesses participated in the business survey as part of the Business Retention and Expansion program.

3S Artspace, Inc.	Market Street Talent
Allegra	McLane Graf Raulerson
Alpha Loft	The Music Hall
Ancient Traditions Natural Medicine	Nahcotta
Bavarian Autosport	National Gypsum Company
Bosen and Associates	New England Printing
Breaking New Grounds	New Museum of Portsmouth
Brown & Company Design	NH Theatre Project
Bull Moose Music	Northeast Rehab Hospital
Calypso Communications	Novocure
Cambridge Trust Company	The Old Ferry Landing
Ceres Bakery	One Commercial Real Estate
CJ Architects	Pax World Management
Clear Advantage Windows & Doors	Portsmouth Music and Arts Center
Cohen & Gear Associates	Prime Buchholz & Associates
Colliers International	Ricci Lumber
Cross Current Communications	RiverRun Bookstore
Cross Roads House	Robert A. Lenahan Architect
Custom Pools	Seacoast Asset Management
Darci Creative	Seacoast Media Group
Donahue, Tucker & Ciandella	Seaport Travel
Edgewood Centre	Selectwood
FlexEnergy	Shaines & McEachorn, PA
Gold & Partners	Sheraton Harborside Hotel
Granite State Minerals	Signature Escrow & Title Services
Gundalow Company	Singularity Electronic Systems
High Liner Foods	SIS Bank
International Association of Privacy Professionals	Southend Yacht Club
Isles of Shoals Steamship Company	Sprague Resources, LP
JSA, Inc	Strawberry Banke Museum
Kilwins	Thiel & Associates
Lighthouse Manufacturing	TMS Architects
Lighthouse Physical Therapy	United Automation
Loftware	US Department of State National Passport Center
Maher Mediation	Vital Design

Thank you to the businesses for the time and sharing information.
Note: The data is presented in the aggregate in this report.



The Recreation data set was compiled in 2009 by the NH Office of Energy and Planning, and contains points and polygons representing recreation sites (parks, playing fields, water recreation, etc.).

Key to Portsmouth Recreation Points

1	Albacore Park	19	New Hampshire Cruise Center
2	BG's Boat House	20	Harbourplace
3	Strawberry Banke	21	New Franklin School
4	McDonough Street Neighborhood Park	22	Prescott Park
5	Court Street Park	23	Little Harbour School
6	Peirce Island	24	Lafayette School
7	Goodwin Park	25	Pannaway Playground
8	Haven Park	26	Sherburne School
9	Junior High	27	The Plains
10	Langdon Park	28	Portsmouth Senior High School
11	Cater Park	29	Piscataqua Rifle Revolver Club
12	Leary Park	30	Greenland Road Skating Rink
13	Clough Park	31	Pease Golf Course
14	Hislop Park	32	Witch Cove Marina
15	Gossling Meadows	33	Camp Seawood
16	Atlantic Heights Park	34	Dondero School
17	Mariners Village Playground	35	Water Country
18	Wentworth School	36	Maple Haven

In addition to recreation, Portsmouth also has a variety of arts, cultural, and historical amenities that contribute to the high quality of life.

- 3S Artspace
- Act One
- Celtic Crossing
- Ceres Gallery
- Coombs Art Gallery
- Discover Portsmouth
- Governor John Langdon House/
Historic New England
- Gundalow Company
- Jay Schadler Studio
- John Paul Jones House
- Kennedy Gallery and Custom Framing
- Moffatt-Ladd House and Garden
- The Music Hall
- Nahcotta
- Pinwick's Ghost & Trolley Tours
- Piscataqua Fine Arts Studio & Gallery
- Pontine Theatre
- Portsmouth Athenaeum
- Portsmouth Black Heritage Trails
- Portsmouth Historic House Association
- Portsmouth Music and Arts Center
- Portsmouth Symphony Orchestra
- Prescott Park Arts Festival
- Robert Lincoln Levy Gallery
- Rundlet-May House
- Seacoast African American Cultural Center
- Seacoast Repertory Theatre
- Strawberry Banke
- Studio 51 Ceres
- Todd Bonita Gallery
- Valerie's Gallery
- Warner House
- USS Albacore Museum

Current Efforts to Consider:

Bike/Pedestrian Plan

<https://www.cityofportsmouth.com/planportsmouth/bike-pedestrian>

Bike/Walk Policies

http://www.planportsmouth.com/bfc_policy.pdf

http://www.planportsmouth.com/wfc_policy.pdf

Comprehensive Recreation Plan

<http://files.cityofportsmouth.com/recreation/FinalRecNeedsStudyReportMay2010.pdf>

Master Plan (with transportation and recreation chapters/goals)

<https://view.publitas.com/city-of-portsmouth/portsmouth-master-plan-adopted-2-16-2017/page/1>

Demographics

Location

The City of Portsmouth is located in Rockingham County and is in the Portsmouth, NH-ME Metropolitan NECTA Division Labor Market. Portsmouth is located about **46** miles from New Hampshire's largest city, Manchester. In addition, Portsmouth is close to several cities in the region: **57** miles to Boston, Massachusetts; **52** miles to Portland, Maine; **268** miles to New York, New York; and **302** miles to Montreal, Quebec.

Portsmouth has a City Manager and City Council. The city contains 15.7 square miles of land area and 1.1 square miles of inland water area. Population density is about 1,363 persons per square miles of land area, the third highest among New Hampshire cities and towns. Adjacent communities include Newington, New Castle, Greenland, Rye and Kittery, Maine.

Largest Businesses in Portsmouth (NH Employment Security)

Largest Businesses	Product/Service	Employees
Portsmouth Consular Center, US Department of State	Passport, visa services	1,459
Liberty Mutual Insurance	Insurance services	1,013
HCA Portsmouth Regional Hospital	Health care services	980
City of Portsmouth	Municipal services	975
Lonza Biologies	Contract pharmaceuticals	792
John Hancock	Financial services	400
Bottomline Technologies	Finance software	365
Newmarket International	Event software	305
Thermo Fisher	Analytical instruments & laboratory equipment	274
Teledyne D.G. O'Brien	High Pressure connector/transmitted systems	260

Employer Information Supplied by Municipality

Transportation (ACS 2010-2014)

About half (50.4%) of Portsmouth residents work in Portsmouth. A third (34.6%) commute to another NH community, while the remainder (15%) commute to work out-of-state. The City of Portsmouth is served by the COAST bus service, UNH Wildcat Transit, C&J Transportation and Vermont Trail Ways.

Population Trends (US Census Bureau & ACS 2010-2014)

According to the American Community Survey, there are approximately **21,266** people residing in Portsmouth (2014). The overall population trend for Portsmouth's population from 2000 to 2014 is positive. Population growth is increasing more quickly in Rockingham County, while population growth is slower in the state of New Hampshire.

Area	Population (2000)	Population (2010)	Population (2014)	Percent Change
Portsmouth	20,822	20,779	21,266	2.13%
Rockingham County	278,748	295,223	297,702	6.8%
New Hampshire	1,316,470	1,316,470	1,321,069	.35%

Population by Age (ACS 2010-2014)

According to the American Community Survey, Portsmouth’s median age is **41.5**; this is slightly lower than Rockingham County (**43.5**) and the state of New Hampshire (**42.2**). Generally, Portsmouth’s age distribution is similar to that of Rockingham County and the state, with the exception of the greater percentage of people aged 20-34. The population is 89.2% white in Portsmouth.

Area	Total	Under 5 years	5-19	20-34	35-54	55-64	65+
Portsmouth	21,266	4.9%	12.7%	23.8%	28.9%	13.3%	16.7%
Rockingham County	297,702	4.7%	18.8%	16.2%	30.7%	15.2%	14.6%
New Hampshire	1,321,069	5.0%	18.8%	17.8%	29.3%	14.4%	14.6%

Projected Population Growth (OEP 2016)

The population of Portsmouth is expected to grow from 2015-2040. By the year 2040, Portsmouth is expected to grow by 5.64%. Rockingham County and the state of New Hampshire are also predicted to continue to increase their population at a faster rate in comparison to Portsmouth.

Area	Population (2015)	Population (2030)	Population (2040)	Percent Change
Portsmouth	21,496	22,374	22,708	5.64%
Rockingham County	300,575	321,441	326,238	8.54%
New Hampshire	1,330,501	1,402,878	1,432,730	7.68%

Unemployment (NH Employment Security) Portsmouth’s unemployment rate has held mostly steady from January 2017 to August 2017. On average, during this time, the unemployment rate was **2.2%**. Compared to the state of New Hampshire, where the average unemployment rate during this time period was **2.89%**, Portsmouth’s rate of employment is significantly lower.

Median Family Income (ACS 2011-2015) Based on American Community Survey 5-Year Estimates (2011-2015), Portsmouth’s median family income is **\$96,858**. This is much greater than the state of New Hampshire’s median family income, **\$66,779**, and comparable to Rockingham County’s median family income of **\$96,200**.

Poverty Rate (ACS 2011-2015) Based on American Community Survey 5-Year Estimates (2011-2015), **6.6** percent of individuals are living below the poverty level in Portsmouth. This percentage is comparable to that of Rockingham County (**5.5%**) and lower than the state of New Hampshire (**8.9%**).

Education Levels (ACS 2011-2015; ACS 2016) Based on American Community Survey 5-Year Estimates (2011-2015), **95.8** percent of Portsmouth’s population aged 25 years or older is a high school graduate or higher. This rate is similar to Rockingham County (**94.7%**) and greater than the state of New Hampshire (**92.3%**). Per the 2016 American Community Survey, 56% of Portsmouth have a bachelor’s degree and 24% have a master’s degree.

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