



ECONOMIC DEVELOPMENT

City of Portsmouth, NH

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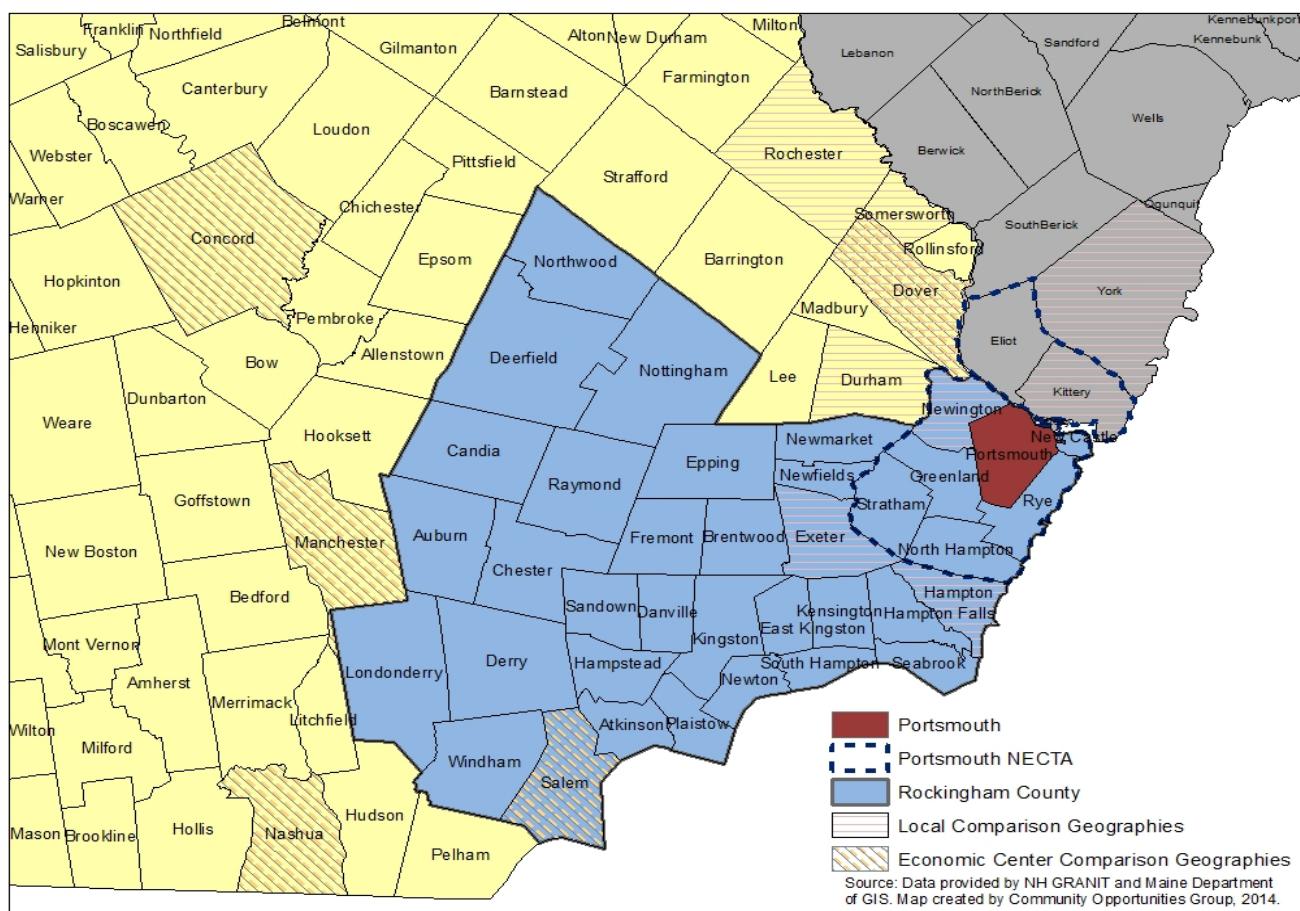
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Introduction

The City of Portsmouth serves as the economic center of northeastern Rockingham County and provides a large share of employment in the region. Portsmouth has excellent accessibility via ground, water, and air transportation. Situated on Interstate 95, U.S. Route 1, and NH Route 16, Portsmouth serves as a gateway into New Hampshire from Maine while also providing easy access to Manchester, Nashua, Concord, and Boston. The city is also home to the Port of New Hampshire, one of the oldest working waterfronts in the country, as well as the Pease International Tradeport and airport.

Map 1: Portsmouth Regional Context



Due to the presence of the seaport, the Tradeport, and the downtown area, Portsmouth has an unusually diverse economy for a city of its size. In addition, because of Portsmouth's accessible location, the area is served by a laborshed that covers three states and easily attracts skilled workers from as far north as Portland, Maine to as far south as Boston, Massachusetts. The availability of developable land at Pease, the proximity to skilled workers, and access to

infrastructure such as water and sewer gives Portsmouth a competitive advantage both within and beyond the region. Consequently, the city enjoys lower unemployment rates and higher incomes than found in nearly all surrounding communities with the city hosting 2.24 jobs per each member of the civilian resident labor force.¹

Portsmouth has a thriving downtown area that hosts an eclectic mix of artistic and cultural offerings including museums, historic properties, galleries, theatres, and other entertainment venues, as well as civic organizations, cafes and restaurants, retail stores, and professional offices. Radiating outward from downtown are the Islington Street and Market Street corridors. Islington Street houses businesses which primarily cater to servicing local needs, while the Market Street corridor within the downtown primarily offers hospitality and tourism related businesses as well as some professional offices. Pease International Tradeport, which has land in both Portsmouth and Newington, sits on the western edge of the city. The Route 1/Lafayette Corridor is positioned on the southern end of Portsmouth and is home to industrial and office parks, strip malls, nonprofit and charitable organizations, and some stand-alone restaurants and retailers.

Comparison Geographies and Data Sources

In this assessment of Portsmouth's economy, the city is compared to two different types of geographic areas: cities and towns within the immediate vicinity of Portsmouth, and cities and towns that are economic engines for the state as a whole. The former is used where it is important to understand Portsmouth's position in the region as a center for labor and culture, and the latter is used when it is important to understand Portsmouth's relationship to the economy of the entire state. In some instances, both local and economic comparison geographies are used to show Portsmouth's position relative to its neighbors as well as to similar cities and towns in New Hampshire.²

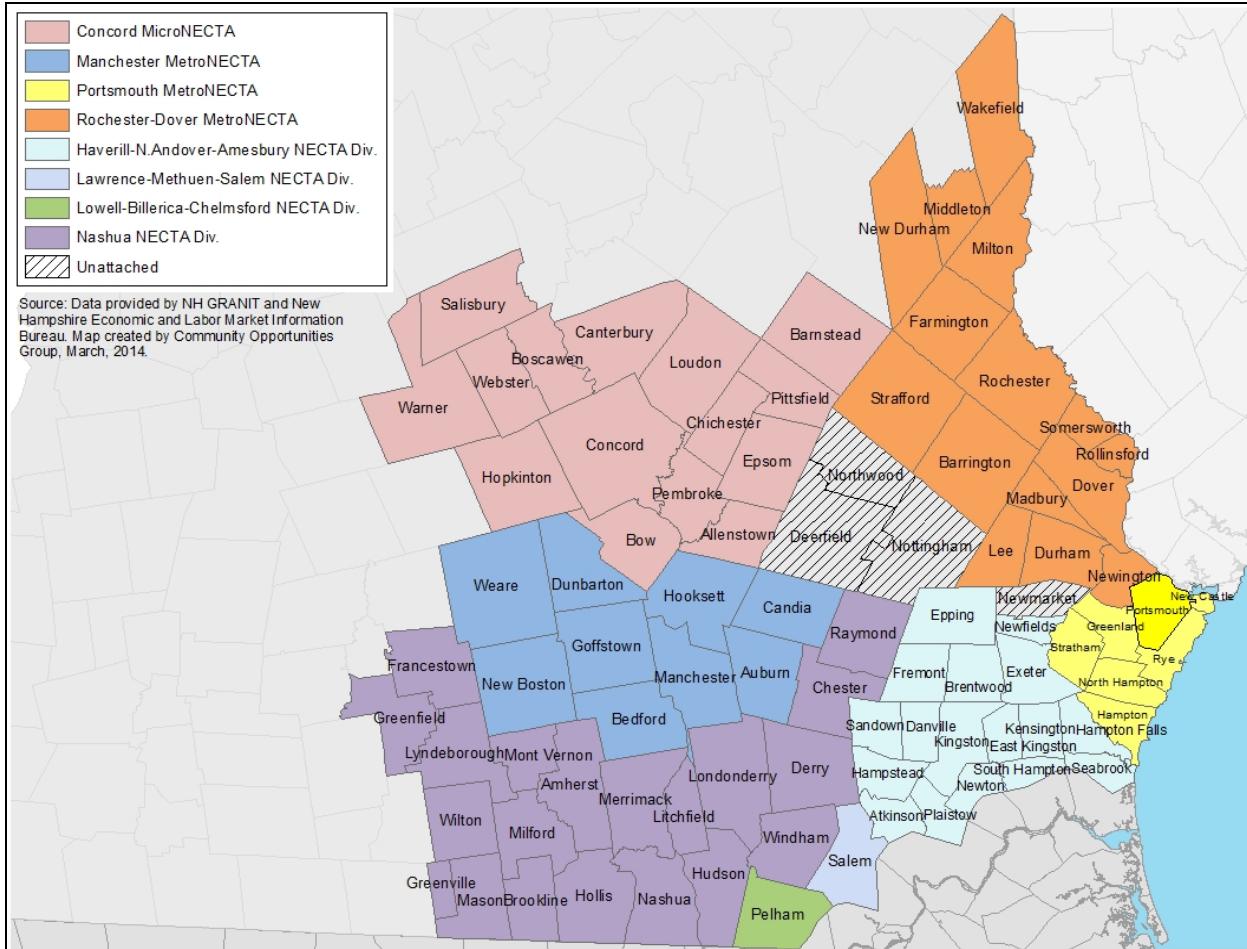
In addition to comparisons to specific cities and towns, comparisons are also made between New England Cities and Town Areas (NECTAs), counties, and Labor Market Areas (LMAs). The Portsmouth NECTA includes Portsmouth, New Castle, North Hampton, Rye, Stratham, and Greenland in New Hampshire, as well as Eliot and Kittery in Maine (See Map 1). Neighboring NECTAs include the Rochester-Dover NH-ME and Boston-Quincy-Cambridge MA-NH NECTAs and the Haverhill-North Andover-Amesbury MA-NH and Nashua NH-MA

¹ American Community Survey, 2008-2012, Five Year Estimates, DP03 & New Hampshire Economic + Labor Market Information Bureau, 2013.

² Rockingham County is also used as a comparison geography, although some of the significant towns in Portsmouth's vicinity are located in Hillsborough, Merrimack, Strafford and York (ME) Counties.

NECTA divisions. Portsmouth is also included in the Portsmouth LMA which includes Newington, Greenland, Stratham, North Hampton, Rye, New Castle and Portsmouth (see Map 2).

Map 2: Economic Area in New Hampshire



The data presented is obtained from local, state, and federal sources. The New Hampshire Economic and Labor Market Information Bureau (NH ELM) provides data on wages, employment, and occupational and industrial activity and projections on an annual or quarterly basis. The United States Census Bureau administers the decennial census and the American Community Survey (ACS). The census and ACS utilize different sampling methodologies and collect different demographic information so they are used differently. The ACS uses smaller sample sizes and averages the results over 1, 3, and 5 year periods to create more accurate results. The ACS data presented in this chapter are "Five-Year Estimates" that were collected between 2008 and 2012. Although they are updated annually, they are based on the averages of yearly samples that were conducted over the preceding 5-year period.

Labor Force Characteristics

Table 1: Labor Force and Jobs (2012)			
	Civilian Labor Force	Number of Jobs	Jobs per Worker
Concord	23,243	39,575	1.70
Dover	18,157	16,773	0.92
Manchester	62,572	64,449	1.03
Nashua	50,332	49,873	0.99
PORTSMOUTH	13,048	29,274	2.24
Salem	17,018	21,148	1.24
Rockingham County	172,286	135,396	0.79
New Hampshire	743,662	612,432	0.82

Source: ACS 2008-2012, NH ELM, 2013.

The economic health of an area largely depends on the composition of its **labor force**.³ Location decisions of major employers are impacted by the availability of workers to meet their needs, whether those workers are skilled or unskilled. According to the American Community Survey (ACS), Portsmouth has a labor force of 13,048 people.⁴

When compared to other economic centers in New Hampshire, Portsmouth has a significantly higher ratio of jobs to workers. As

shown in Table 1, Portsmouth offers 2.24 jobs per worker. This ratio has increased from 2.02 since 2002, as the region gained 1,921 jobs while the labor force shrunk by 389 members. Although it stands to reason the ratio would be higher with a larger number of jobs and fewer workers competing for them, it is somewhat unusual for a labor force to contract during periods of population growth, particularly as the number of available jobs also increases. As Portsmouth's labor force declined while the population grew during the past decade, this shift is likely attributable to a number of different factors, ranging from a higher percentage of discouraged workers leaving the labor force (but not the area) when they are unable to attain suitable employment to an influx of new residents who have selected Portsmouth as a retirement destination.

Having more than twice as many jobs as workers indicates that Portsmouth's employers depend on a regional labor force to fill their positions. While 51 percent of Portsmouth residents also work in Portsmouth (a relatively high share), 77 percent of people working in Portsmouth live in other communities.⁵ The US Bureau of Labor Statistics estimates that the civilian labor force in the Portsmouth metropolitan area⁶ comprised approximately 55,000 people in 2013, but the actual labor shed is much larger as many workers reside in more affordable communities

³ A community's **labor force** refers to all residents aged 16 or older who are either working or looking for work. Members of the armed forces or those who are unemployed but not actively seeking unemployment are excluded from labor counts.

⁴ ACS 2008-2012, Five Year Estimates, DP03.

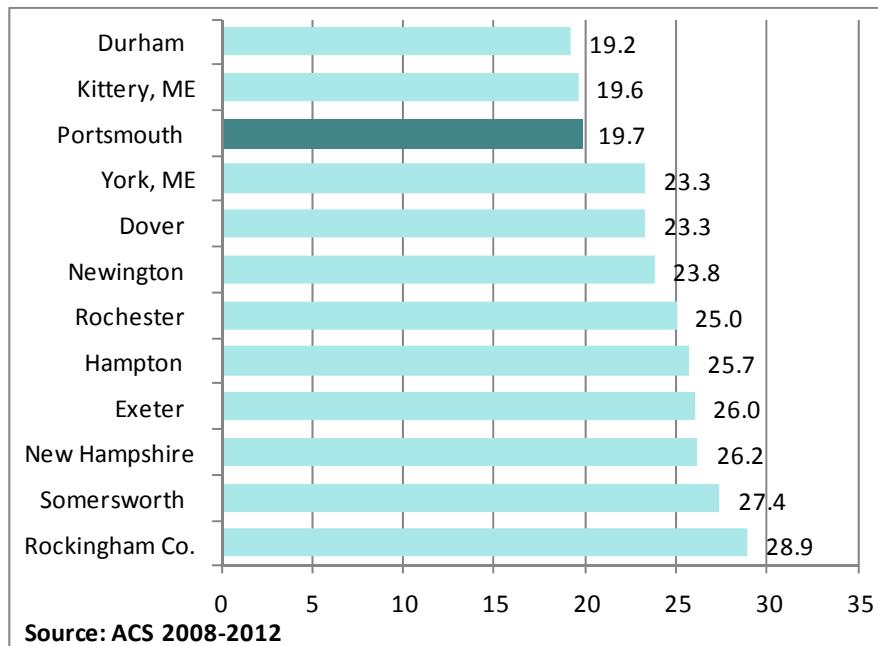
⁵ ACS 2006-2010, Five Year Estimates, Commuter Adjusted Daytime Population Data.

⁶ The Bureau of Labor Statistics defines Portsmouth's metropolitan area as Eliot and Kittery, ME, and Greenland, Hampton, New Castle, North Hampton, Portsmouth, Rye, and Stratham, NH.

like Dover and Rochester, and the **labor shed**⁷ is known to extend as far south as Boston and as far north as Portland.

Commuting Patterns

Figure 1: Mean Commute Times to Work (2012)



commuting data is available is 2000. Recent commuting data is only provided on a county-to-county basis rather than a town-to-town basis. The New Hampshire Economic and Labor Market Information Bureau reports that in 2010, of the 142,547 people who work in Rockingham County, about 59 percent lived and worked in Rockingham County, 25 percent lived in another New Hampshire County (mostly Hillsborough and Stafford Counties), and 16 percent lived out of state.⁸ In addition, 71,694 residents of Rockingham County commute to jobs either in a

different New Hampshire County (17 percent) or out of state (29 percent). Although Rockingham County abuts both Massachusetts and Maine, 91 percent of Rockingham County workers who commute out of state, commute to jobs in Massachusetts.

As shown on Figure 1, Portsmouth residents had among the shortest commutes, with an average of just

Portsmouth attracts employees from a broad region. Most of Portsmouth employees live within the New Hampshire Seacoast region, but a significant proportion commute to Portsmouth from Maine, as well as other New Hampshire communities outside of the immediate region.

The most recent year for which place-to-place

Table 2: Travel Time to Work for Portsmouth Resident Workers (2000-2012)

Duration of Commute	2000	2012
Under 15 minutes	52%	52%
15-30 minutes	28%	29%
30-60 minutes	12%	12%
more than 60 minutes	8%	7%

Source: US Census (2000), ACS 2008-2012.

⁷ The **labor shed** refers to the area from which most employees commute to work in Portsmouth.

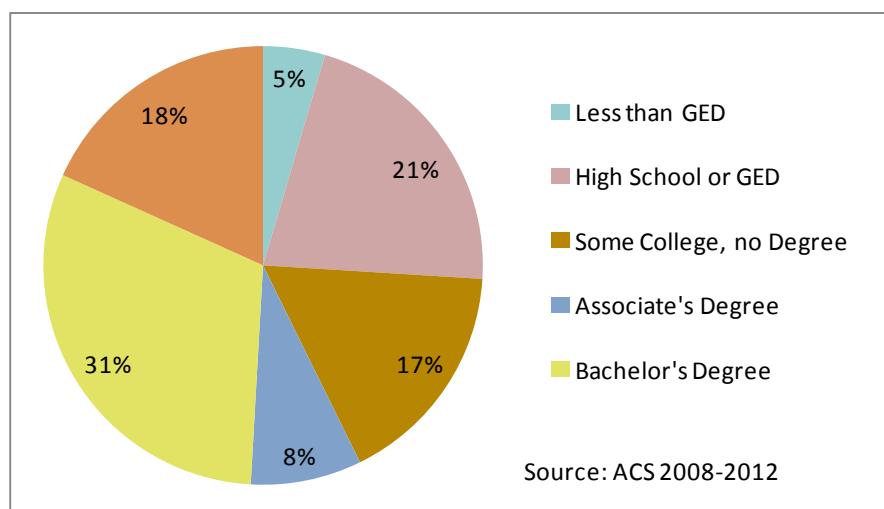
⁸ Rockingham County includes communities along the I-93 corridor and towns that border Massachusetts.

19.7 minutes. Commute times in Portsmouth were shorter than they were in the county and the state (28.9 and 26.2 minutes, respectively), and are indicative of the high percentage of Portsmouth residents who both live and work in the city. As shown in Table 2, more than half of residents in Portsmouth have commutes of less than 15 minutes, and a full 82 percent commute less than 30 minutes. The national average for commute time is 25.5 minutes each way.⁹

Educational Attainment and Incomes

As shown on Figure 2, Portsmouth has a highly educated population, making Portsmouth very attractive to potential employers who are seeking a highly skilled workforce. As of 2010, an estimated 95 percent of Portsmouth residents aged 18 and over were high school graduates, and nearly half had attained a bachelor's

Figure 2: Educational Attainment of Portsmouth Residents (2012)



degree or higher. Further, 18 percent have received a graduate or professional degree.¹⁰ Over the past 20 years, the population has shifted toward higher levels of education. The 2005 Master Plan reported that the proportion of the population with a bachelor's degree or higher grew from 24 percent in 1990 to 42 percent in 2000. Previously, Portsmouth's education levels had been fairly comparable to the region, but since 1990, the level of Portsmouth residents' educational attainment has increased relative to the county and the state. By comparison, attainment rates for bachelor's degrees or higher are 36 percent for Rockingham County and 33 percent for the state overall.

In spite of the large number of jobs and high rates of educational attainment, median household incomes in Portsmouth are on par with the state but below Rockingham County (Table 3). This is largely due to the high proportion of non-family households in Portsmouth (who are primarily individuals living alone). Portsmouth had higher median incomes in 2012 amongst

⁹ US Census, 2010

¹⁰ ACS 2008-2012, Five Year Estimates, DP03.

both family and nonfamily households than any of the comparison communities, although Portsmouth family households fall below the median family income for Rockingham County.

Table 3: Median Incomes (1999-2012)					
Geography	2012 Income			1999 Family Income	1999-2012 % change Family Income
	Household	Family	Non-Family		
Concord	\$53,567	\$72,879	\$34,593	\$52,418	39%
Manchester	\$54,320	\$65,725	\$38,284	\$50,039	31%
Nashua	\$65,671	\$81,938	\$39,322	\$61,102	34%
Salem	\$76,779	\$87,108	\$40,322	\$62,278	40%
Dover	\$55,890	\$72,797	\$36,797	\$57,050	28%
Kittery, ME	\$53,420	\$74,563	\$30,764	\$53,343	40%
PORTSMOUTH	\$65,347	\$89,740	\$49,592	\$59,630	50%
Rockingham Co.	\$77,939	\$93,432	\$43,726	\$66,345	41%
New Hampshire	\$64,925	\$79,488	\$37,167	\$57,575	38%

Source: ACS 2008-2012, US Census 2000

The 2005 Master Plan noted that family incomes had increased faster in Portsmouth than the state, Rockingham County, and comparison communities between 1989 and 1999. This trend has continued over the past decade, with family incomes having grown by 50 percent in Portsmouth compared with 38 percent, state-wide.

Class, Occupations, and Industry of Workers

Table 4: Occupation of Portsmouth Residents, 2000-2012		
Occupations	2000	2012
Civilian Labor Force	11,877	13,048
Management, Business, Arts, and Sciences Occupations	43%	46%
Service Occupations	14%	13%
Sales and Office Occupations	27%	26%
Natural Resources, Construction, & Maintenance Occupations	7%	6%
Transportation, Production, and Material Moving Occupations	9%	9%

Source: US Census 2000, ACS 2008-2012

According to the ACS, 80 percent of workers in Portsmouth are private wage and salary workers. Nearly 13 percent are government workers, 6.8 percent are self-employed, and less than 1 percent is unpaid family workers. Most neighboring communities are similar, with 75-80 percent of their labor forces working as private wage and salary workers, 12-15 percent working as government

employees, and 6-10 percent self-employed workers.¹¹ Portsmouth generally has more private wage and salary workers and fewer government employees and self-employed workers than neighboring communities, but there is little significant variation amongst communities in the

¹¹ ACS 2008-2012, Five Year Estimates, DP03.

region in terms of class of workers, with the exception of New Castle, where nearly one-third of workers are self-employed.

As shown in Table 5, 81 percent of Portsmouth residents are employed in management, business, arts, and science occupations; sales and office occupations; or service occupations. The remaining 19 percent are employed in natural resources, construction, and maintenance occupations or production, transportation, and material moving occupations. (Occupation definitions are provided in the Appendix.) As Portsmouth's workforce has grown over the past decade, an increasing proportion of the city's residents are employed in the Management, Business, Arts, and Sciences occupations. The Portsmouth Labor Market Area (which is the same geographic area as the New Hampshire-only portion of the Portsmouth NH-ME NECTA) has a higher share of residents engaged in these occupations than the state or comparable Labor Market Areas and a lower share of residents occupied in Education, Healthcare, and Other Services.

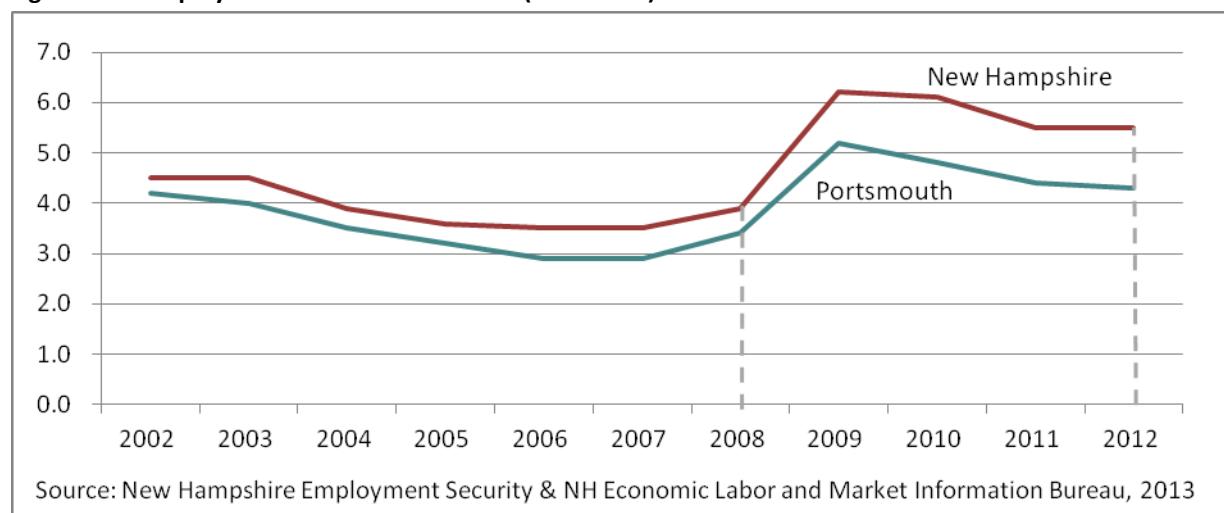
Table 5: Occupations of Residents in Comparison Regions (2012)						
Geography (Labor Market Area)	Civilian Labor Force	Management, Business, Arts, and Sciences	Education, Healthcare, Other Services	Sales and Office	Natural Resources, Construction, & Maintenance	Transportation, Production, and Material Moving
Nashua-Derry Area	126,920	21%	26%	29%	9%	15%
Manchester Area	100,870	19%	29%	29%	11%	12%
Concord Area	75,590	16%	35%	27%	11%	11%
Rochester-Dover Area	50,670	17%	32%	30%	9%	12%
PORTSMOUTH Area	45,370	23%	26%	32%	9%	10%
Exeter Seabrook Area	33,400	11%	33%	32%	11%	13%
Salem Town	19,750	15%	22%	45%	8%	10%
Rockingham County	138,900	16%	28%	33%	10%	13%
New Hampshire	612,710	17%	30%	29%	11%	12%

Source: New Hampshire Employment Security & NH Economic Labor and Market Information Bureau, 2013

Unemployment

Portsmouth has generally lower unemployment rates than other cities and towns in the region as well as than other economic centers in New Hampshire. Unemployment rates rose sharply as a major recession affected the New England region and the nation in 2009. As shown in Figure 3, Portsmouth's unemployment rate was consistently below the state average between 2002 and 2012, and the gap has widened since the recession.

Figure 3: Unemployment Rates in Portsmouth (2002-2012)



Employment Base

The employment base in Portsmouth includes all payroll reported positions for non-profit, for-profit and public employment. According to the ACS, Portsmouth has an estimated daytime population of 37,893 people; meaning the population grows by approximately 17,000 people during daytime hours due to people commuting into Portsmouth for work.¹² Portsmouth has a higher growth rate in daytime population than any other city in New Hampshire.¹³

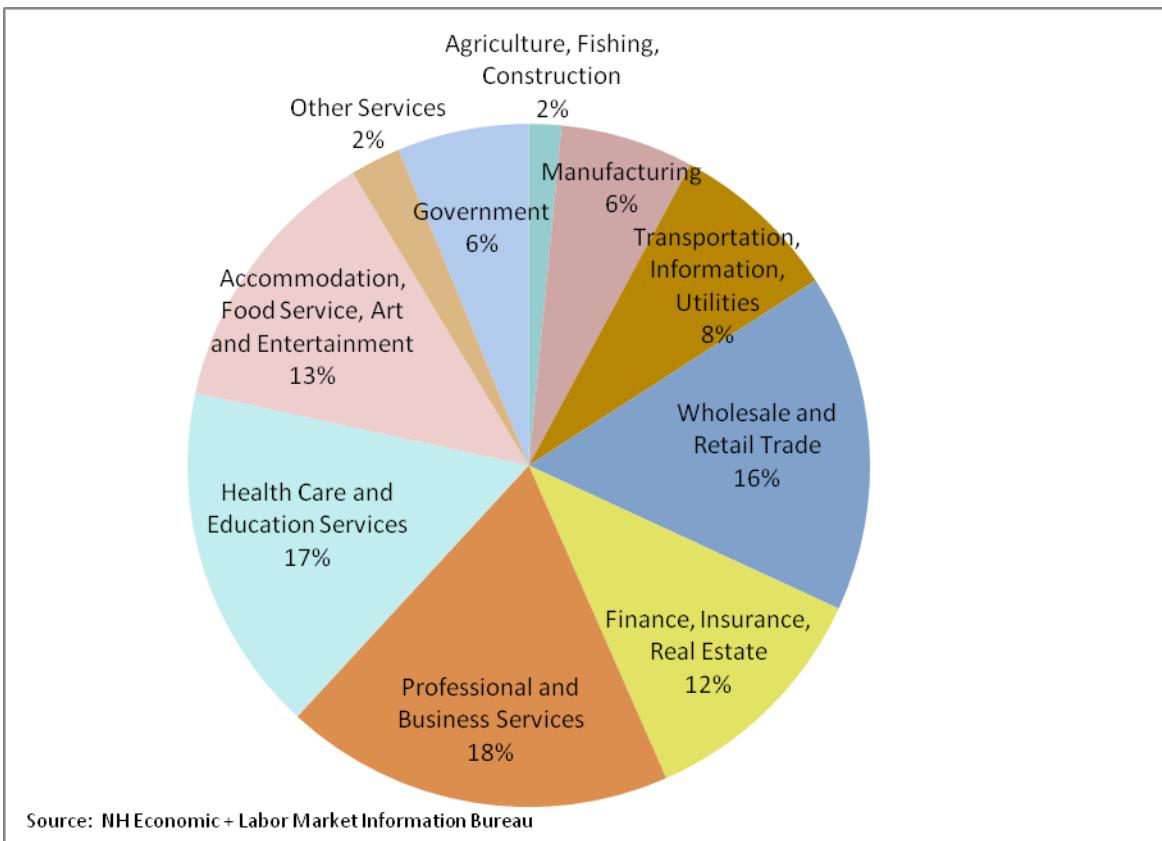
Employers, Jobs, and Wages

Portsmouth has a diverse employment base, with an array of establishments offering jobs in a full range of industries. As indicated in Figure 4, the industry sectors with the strongest presence in Portsmouth are professional and business services, health care and education services, and wholesale and retail trade. Within these sectors, the subcategories of retail trade and health care and social assistance are most dominant, while accommodation and food service and finance and insurance also contribute a significant share of the city's jobs.

¹² ACS 2006-2010, Five Year Estimates, Commuter Adjusted Daytime Population Data.

¹³ Note: ACS collects daytime population data for all Places with 2,500 employees or more.

Figure 4: Employment by Industry in Portsmouth, 2012



The 2005 Master Plan noted that the manufacturing sector represented 10 percent of the city's employment base, while 27 percent of jobs were in the retail sector. Industry categories for retail and service sector jobs have significantly changed since then so, that it is not possible to provide an exact comparison. However, in general the overall number of establishments providing employment has decreased in Portsmouth over the past decade, particularly in goods-producing industries, resulting in a relative shift toward service-related industries in the city.

Table 7 shows the most recent data on the number of business establishments, jobs, and average wages by sector, as well as impact of the 2008 recession on Portsmouth. Like many communities, Portsmouth has emerged from the recession with fewer business establishments than were previously located within the city, although overall employment increased over this time. Industries that were particularly hit by the recession both in terms of the number of establishments and employees include manufacturing, wholesale trade, real estate, and arts and entertainment. Industries such as information, finance and insurance, and transportation added employees over the past five years, even as the number of establishments contracted. The retail and management sectors have lost jobs over this time, despite an expansion in establishments.

By contrast, administrative services, education, health care, and accommodation and food services experienced growth in both establishments and employees since 2008.

In most sectors, Portsmouth companies offer higher average wages compared to the state as a whole. A substantial portion of the city's jobs are in industries which provide relatively high average wages, including finance and insurance, professional and technical services, information, and manufacturing. Wages have generally increased in every industry in Portsmouth over the past five years, with the exception of retail trade, and real estate. As retail trade represents a significant portion of Portsmouth's economy and provides low skill jobs, decreases in average retail wages disproportionately impact a vulnerable population. In addition, those employed in arts, entertainment, and recreation, as well as health care and social assistance, saw only very marginal increases in wages. The US Bureau of Labor Statistics estimates that the cost of living, as measured by the Consumer Price Index for the Boston-Brockton-Nashua region has increased by 5.3 percent during the same time period, but wages have not kept pace for many of the lowest paying jobs.

Table 6: Businesses, Jobs, and Wages in Portsmouth

Industry	Establishments in 2012	Change 2008-2012	Workers in 2012	Change 2008-2012	Average Wages 2012	Change 2008-2012	Average Portsmouth Wages as % of State
Total Private	1,711	-1.5%	27,452	4.0%	\$55,921	6.7%	1.15
Goods-Producing Industries	114	-17.4%	2,300	-17.5%	\$72,785	17.4%	1.21
Agriculture/Forestry/Fishing/ Mining/Construction	n	n	n	n	n	n	n
Manufacturing	46	-11.5%	1,851	-15.0%	\$75,480	19.4%	1.19
Service-Providing Industries	1,598	-0.1%	25,151	6.5%	\$54,379	6.0%	1.17
Utilities	n	n	n	n	n	n	n
Wholesale Trade	134	-14.6%	883	-19.0%	\$88,442	18.0%	1.10
Retail Trade	254	1.2%	3,798	-1.5%	\$29,489	-3.4%	1.06
Transportation and Warehousing	33	-15.4%	483	12.1%	\$50,472	17.4%	1.31
Information	33	-8.3%	1,708	9.7%	\$82,583	22.2%	1.09
Finance and Insurance	122	-9.0%	3,109	19.7%	\$92,787	2.6%	1.10
Real Estate and Rental and Leasing	61	-15.3%	266	-53.2%	\$51,523	-4.5%	1.15
Professional and Technical Service	300	2.4%	2,999	0.7%	\$72,453	6.3%	0.91
Management of Companies	19	11.8%	392	-34.0%	\$126,898	15.5%	1.30
Administrative and Waste Services	113	15.3%	2,012	11.2%	\$44,712	22.2%	1.05
Educational Services	26	36.8%	323	14.5%	\$32,257	8.0%	0.66
Health Care and Social Assistance	186	3.3%	4,522	29.8%	\$49,733	1.2%	1.02
Arts, Entertainment, and Recreation	32	-3.0%	400	-13.2%	\$17,405	1.3%	0.89
Accommodation and Food Services	159	10.4%	3,393	14.9%	\$20,994	8.4%	1.19
Other Services Except Public Admin.	121	0.8%	704	-8.5%	\$36,070	2.5%	1.13
Total Government	52	6.1%	1,823	-1.7%	\$48,638	-1.6%	1.08
Federal Government	14	16.7%	250	-46.2%	\$77,114	16.9%	1.06
State Government	28	3.7%	593	45.7%	\$36,430	5.0%	0.77
Local Government	10	0.0%	979	-0.4%	\$48,748	2.2%	1.19
Total, Private plus Government	1,763	-1.3%	29,274	3.6%	\$55,468	6.2%	1.15

Note: n indicates the data does not meet disclosure standards.

Source: NH Economic + Labor Market Information Bureau (2013)

Location Quotients

Location quotients (LQ) are used to compare a local economy to a larger reference economy. The purpose of a LQ is to measure the degree of specialization a local economy has in specific occupations. The LQ is a comparison of the proportion of Portsmouth's jobs in each industry to

the proportion of jobs within the larger region. A location quotient of 1.0 or higher indicates that Portsmouth has a higher concentration of jobs in that industrial sector than the region to which it is being compared. A higher concentration of jobs in a particular industry and geographic area indicates a level of regional or local specialization within that industry. Typically, this also means that those industries with LQs above 1.0 also indirectly support additional jobs in a region. This means that for each job provided in an industrial sector where a specialization is noted, that job will support an additional number of jobs in the area.¹⁴

While the first column of Table 8 indicates the relative size of each industry sector within Portsmouth, the following three columns indicate how Portsmouth's share of jobs in each sector compares with each of the larger regions defined.

As the relatively small Portsmouth NH-ME NECTA region is focused closely around Portsmouth (where two-thirds of the jobs in the New Hampshire portion of the Portsmouth NECTA are located), Portsmouth's areas of concentration closely align with the NECTA region in most industry sectors. Among the nearby towns reflected in the NECTA region, Portsmouth has a higher concentration of finance, insurance, information, and health care.

More pronounced industry specialization can be seen in comparing Portsmouth with the broader regions of Rockingham County and the state of New Hampshire. Portsmouth is most strongly concentrated in the areas of finance, insurance, information, and professional and technical services. Portsmouth has a comparatively smaller share of jobs in goods producing industries, including construction and manufacturing (employment in agriculture and mining was too small to be reported for Portsmouth).

On the public sector side, the LQ data indicates that Portsmouth has a relatively high concentration of federal and state government employees for the seacoast region (i.e., the NECTA and Rockingham County).

¹⁴ For example, if an area has a specialization in home construction, it is reasonable to believe that every employed construction worker will contribute to the employment of other individuals because of the services they use (retail, professional services, food services, etc.).

Table 7: Portsmouth Industrial Concentrations (2012)

Industry	Share of Portsmouth Jobs	City to NECTA LQs	City to Rockingham County LQs	City to State LQs
Total Private	94%	1.02	1.05	1.09
Goods-Producing Industries	8%	0.82	0.56	0.53
Agriculture/Forestry/Fishing	n	n	n	n
Mining	n	n	n	n
Construction	1%	0.66	0.38	0.41
Manufacturing	6%	0.88	0.65	0.59
Service-Providing Industries	86%	1.05	1.14	1.20
Utilities	n	n	n	n
Wholesale Trade	3%	0.83	0.64	0.69
Retail Trade	13%	0.91	0.69	0.84
Transportation and Warehousing	2%	0.86	0.54	0.83
Information	6%	1.38	2.58	2.97
Finance and Insurance	11%	1.38	2.88	2.37
Real Estate and Rental and Leasing	1%	0.88	0.80	0.85
Professional and Technical Service	10%	1.22	1.97	2.07
Management of Companies/Enterprises	1%	0.53	0.98	1.01
Administrative and Waste Services	7%	0.95	1.10	1.42
Educational Services	1%	1.10	0.57	0.38
Health Care and Social Assistance	15%	1.24	1.37	1.12
Arts, Entertainment, and Recreation	1%	0.62	0.61	0.75
Accommodation and Food Services	12%	0.95	1.19	1.33
Other Services Except Public Admin	2%	0.89	0.82	0.75
Unclassified Establishments	n	n	n	n
Total Government	6%	0.74	0.59	0.45
Federal Government	1%	1.18	1.17	0.71
State Government	2%	1.04	2.20	0.61
Local Government	3%	0.58	0.38	0.36
Total Employment	29,274	44,173	135,396	612,432

Source: New Hampshire Employment Security, Economic and Labor Market Information Bureau, Community Opportunities Group

The 2005 Master Plan found that Portsmouth had a relatively high concentration in the, finance, insurance and real estate, retail, business services, health services, and engineering and management sectors. Because of significant changes to the industrial classification system during the past decade it is not possible to directly compare the changes in relative concentration for many of these industry sectors. The most significant changes have been in

manufacturing and transportation, communications and utilities and manufacturing, where Portsmouth had relative gains.

Table 8: Change in Portsmouth Industrial Concentrations (2002-2012)						
Industry	Share of Jobs in Industry				Location Quotient	
	Portsmouth 2002	State 2002	Portsmouth 2012	State 2012	City to State 2002	City to State 2012
Agriculture/Forestry/Fishing/Mining/ Construction	5.8%	5.9%	3.3%	4.0%	0.99	0.81
Manufacturing	4.6%	13.3%	9.6%	10.8%	0.34	0.89
Transportation, Communications, Utilities	3.3%	3.9%	6.7%	4.4%	0.85	1.54
Finance, Insurance, and Real Estate	8.3%	5.4%	6.7%	5.5%	1.54	1.21
Wholesale	3.6%	4.5%	3.2%	4.4%	0.81	0.73
Retail and Services	71.3%	60.2%	66.7%	57.1%	1.18	1.17
Government	3.0%	6.7%	3.9%	13.9%	0.45	0.28

Source: 2005 Portsmouth Master Plan, New Hampshire Employment Security, Economic and Labor Market Information Bureau, Community Opportunities Group

Employment Growth Forecasts

The New Hampshire Economic and Labor Market Information Bureau has prepared employment projections by Planning Commission Area for 2010-2020 (prepared in 2013). As shown in Table 10, according to their projections, employment growth should be strong at 10.8 percent for the Rockingham Planning Commission area overall, with the most significant gains seen in health care and social assistance, which is projected to contribute over 2,500 new jobs by 2020, while retail contributes just under 2,000 additional jobs. The highest proportional growth is in construction jobs, which are projected to grow by 35 percent. Also showing strong gains are professional, scientific, and technical services, administrative support and waste management.

Table 9: Employment Projections for Rockingham Planning Commission Area

Industry	Estimated 2010	Projected 2020	Change 2010-2020	
			Number	Percent
Total Employment	112,612	124,819	12,207	10.8%
Goods-Producing Industries	12,532	13,911	1,379	11.0%
Agriculture, Forestry, Fishing and Hunting	395	417	22	5.6%
Mining	18	17	-1	-5.6%
Construction	3,181	4,302	1,121	35.2%
Manufacturing	8,938	9,175	237	2.7%
Service-Providing Industries	91,208	101,768	10,560	11.6%
Utilities	1,008	943	-65	-6.4%
Wholesale Trade	4,410	4,877	467	10.6%
Retail Trade	20,798	22,610	1,812	8.7%
Transportation and Warehousing	2,475	2,621	146	5.9%
Information	2,449	2,628	179	7.3%
Finance and Insurance	4,639	4,991	352	7.6%
Real Estate and Rental and Leasing	1,215	1,378	163	13.4%
Professional, Scientific, and Technical Services	6,138	7,512	1,374	22.4%
Management of Companies and Enterprises	1,812	1,912	100	5.5%
Admin. Support and Waste Mgmt.	6,706	7,951	1,245	18.6%
Educational Services	7,736	8,276	540	7.0%
Health Care and Social Assistance	11,172	13,842	2,670	23.9%
Arts, Entertainment, and Recreation	2,599	2,865	266	10.2%
Accommodation and Food Services	10,136	10,884	748	7.4%
Other Services (Except Government)	3,128	3,420	292	9.3%
Government	4,787	5,058	271	5.7%
Self-employed and Unpaid Family Workers	8,872	9,140	268	3.0%

Source: New Hampshire Economic and Labor Market Information Bureau

The 2005 Master Plan cited state-wide growth projections by the New Hampshire Economic and Labor Market Information Bureau of 18.1 percent between 2000 and 2010. As a consequence of the unanticipated recession, the state lost 0.9 percent of its jobs over that period. The number of jobs in Rockingham County, alone, fell by 18 percent between 2006 and 2010. According to the 2000 projections, the strongest growth was expected to occur in the business services, engineering and management, and health services sectors. Data is not available to compare the actual rate of growth by subsector of the service industry since 2000, but overall, job losses occurred in most industries across the state.

Tax Base

Table 10: Comparison of Property Tax Rates (FY 2013)

Town Name	County Tax	Local Tax	Education Tax	Total Tax Rate
Concord	2.99	9.04	13.82	25.58
Manchester	1.20	11.22	10.25	22.67
Nashua	1.22	9.01	13.27	23.50
Pease Tradeport	1.14	8.72	8.05	17.91
Pease Tradeport (Airport District)	1.14	8.72	-	9.86
PORTSMOUTH	1.14	8.72	8.05	17.91
Salem	1.04	7.02	12.40	20.46

Source: NH Department of Revenue, 2013

Table 11: Largest Tax Payers in Portsmouth (FY2014)

Tax Payer	Industry	Assessed Value
Public Service Co. of NH	Utility	\$171,965,017
HCA Health Services of NH	Medical/Office	\$80,374,800
TGM Beechstone LLC	Apartments	\$42,722,200
Service Credit Union	Bank	\$39,575,360
Liberty Mutual Insurance Co.	Office	\$35,443,700
Northern Utilities	Utility	\$32,251,478
Inishmaan Assoc. Ltd. Ptnshp.	Apartments	\$23,578,000
Bromley Portsmouth LLC	Retail	\$21,644,000
DSQ Holding LLC	Retail	\$20,976,100
Harborside Associates	Hotel	\$19,485,600
Kanerd Development LLC	Industrial	\$11,011,200
OCW Retail Portsmouth LLC	Retail	\$16,749,000
Fairpoint Communications	Communications	\$16,604,900
Parade Residence Hotel LLC	Hotel	\$15,601,800
Wal-Mart RE Business Trust	Retail	\$15,442,100
Bed Bath & Beyond Inc.	Retail	\$15,318,200
Cole BJ Portfolio II LLC	Retail	\$13,647,600
Pease Rehab LLC	Hospital	\$13,637,100
Parade Hotel LLC	Hotel	\$13,471,900
Patriots Park Assn.	Apartments	\$12,670,600
2422 Lafayette Road Assoc. LLC	Office	\$12,515,900
222 International LP	Office	\$12,200,500
Pioneer International Development LLC	Office	\$11,343,900
Demoulas Super Markets Inc.	Retail	\$10,774,100
325 Corporate Drive II LLC	Office	\$10,714,800

Source: City of Portsmouth, Annual Report FY 2014

A municipality's tax base is composed of the total amount of taxable property. As the city depends on its tax base to function and provide services, the health, composition, and structure of the tax base must be considered as part of economic development. The ability to provide needed services such as adequate infrastructure and transportation and the rates at which businesses pay to offset residential services vary by community. Communities with higher tax rates and fewer services are less competitive than communities with lower taxes and better business services. Unlike in many other states, New Hampshire municipalities do not tax commercial and industrial properties at a different rate than residential property.

As shown in Table 11, The City of Portsmouth and Pease Tradeport offer lower property tax rates than any other comparable economic center in New Hampshire. The local and state education tax rates in Portsmouth are significantly lower than they are elsewhere, lending to a much lower overall tax rate.

In addition to property taxes, businesses in New Hampshire pay two forms of business taxes to the state: a Business Profits Tax and a Business Enterprise Tax. Business profits taxes are similar to corporate income taxes in other states and any company that meets a minimum threshold of business activity is subject to the tax. The business enterprise tax is similar to a value added tax and is based on the total amount of wages, salaries, interest, and dividends paid by an individual company. Businesses are not required to pay capital gains, sales, use, inventory, or income taxes.

According to the City of Portsmouth's Assessor, the total assessed value of Portsmouth's residential and commercial property in FY 2014 totals \$4.1 billion dollars. Of this, 40 percent, or \$1.7 billion was commercial property (including Pease), and \$200 million was for utilities. Table 12 shows the largest tax payers in Portsmouth in FY 2014.

The Public Service Company of New Hampshire, the largest electrical company in New Hampshire, is the largest tax payer in the city, and pays twice as much in taxes as the next largest tax payer. The largest commercial taxpayer, HCA Health Services of NH, has nearly doubled in its assessed valuation since the 2005 Master Plan.

Collectively the top 15 taxpayers represent 14 percent of the city's total valuation, and 30 percent of all commercial and utility valuation. The 2005 Master Plan reported that the top 15 taxpayers in 2002 comprised 13 percent of the city's total valuation.

Market

Rental and Vacancy Rates

Rental rates are very strong in Portsmouth due to high land values and limited supply. Table 13 indicates a range of market rates for retail, office, and industrial space in Portsmouth. First floor retail is least expensive near the rotary and on Lafayette Road, increases in price on Islington and Market Streets, and is highest in the downtown, climbing with proximity to Market Square. Of the three property types, the office market remains the weakest. The majority of Portsmouth's office space would be considered **Class B** space.¹⁵ Demand is the highest for finished office space of 3,000-5,000 square feet, with parking, and preferably with a desirable

¹⁵ Building classifications (**Classes A, B, and C**) differentiate quality among office and commercial buildings within a market area, with Class A space being the highest rated. The classifications are based on quoted rents, construction methods and building infrastructure, property management services, tenant and building finish, and location, among other factors.

Table 12: 2013 Market Rents (Per Square Foot)			
	Low	High	Vacancy Rate
First Floor Retail	\$15	\$45	Est. 5.0%
Office	\$15	\$30	12.8%
Industrial	\$4	\$12	3.4%

Sources: Community Opportunities Group & Colliers Int.¹⁷

view.¹⁶ However, vacancy rates for office space remains high as current economic conditions do not dictate significant demand. The industrial market has been fairly volatile during the recession with significant changes in vacancy rates from year to year.

Development Pipeline

Table 13: Development Activity in Portsmouth 2004-2013		
Year	Building Permits	Declared Construction Value (in Millions)
FY 2004	726	\$38.4
FY 2005	886	\$83.8
FY 2006	913	\$89.4
FY 2007	917	\$64.1
FY 2008	962	\$89.8
FY 2009	833	\$69.1
FY 2010	845	\$51.2
FY 2011	853	\$40.9
FY 2012	866	\$105.0
FY 2013	882	\$54.0

Source: City of Portsmouth Annual Reports (2005-2014)

As shown in Table 14, the number of building permits issued and declared construction values have generally declined in Portsmouth following a peak in 2008. While those figures are not indicative of all development activity and construction values are self-reported and may underrepresent the total value, these figures serve as a reasonable indicator of development activity. Although development slowed markedly during the recession, there has been a significant recent uptick in development activity,

particularly along Lafayette Road, in the downtown, and at Pease. Currently, approximately 45,000 square feet of retail/restaurant space are under construction, along with approximately 60,000 square feet of hotel space. In addition, approximately 24,000 square feet of additional retail/restaurant space and 37,000 square feet of office space have received all local approvals. Finally, several major projects are currently in the development pipeline undergoing local review at this time.¹⁸

Recently completed projects include the Service Credit Union Headquarters, which consists of approximately 100,000 square feet of LEED-certified office space, and is estimated to have provided 100 jobs during the build out period. The Salvation Army completed a 33,000 square

¹⁶ David Lefebvre (Prudential Realty Commercial Services Division), Interview by Community Opportunities Group, November 15, 2013.

¹⁷ Office & industrial vacancy rates provided by Colliers International include only properties with 10,000 square feet or more and exclude medical office space and office condominiums.

¹⁸ City of Portsmouth Planning Department

foot building for its retail store, and the Army Reserve Medical Corps also constructed a new facility. In addition, Portsmouth Chevrolet recently completed a 40,000 square foot expansion at the dealership. Water Country and Cross Roads House have also recently completed expansion projects. Nearly all of this activity occurred on or near Lafayette Road.

Within the Pease Tradeport area, there has also been significant growth. Lonza Biologics recently completed an expansion project. Sig Sauer relocated from Exeter into the former 200,000 square foot space on the Newington side of Pease, bringing 600 jobs with it. Lighthouse Manufacturing also relocated to Portsmouth from bringing 55 advanced manufacturing jobs.

Redevelopment continues in the Central Business District downtown. The second phase of the Portwalk project, which included 10,000 square feet of ground floor retail and restaurant and 36 apartments, was completed in 2013. The third phase of construction, which is expected to be completed in 2014, consists of a 124 room hotel, 98 apartments, and 19,000 square feet of retail/restaurant space. Other mixed-use projects currently under construction (on Vaughan Street and Maplewood Avenue) are anticipated to add another 40,000 square feet in ground floor retail/restaurant space and 39 housing units when all phases are completed.

Economic Sectors

Portsmouth's economy has evolved in the past decade. In 2002, Liberty Mutual Insurance was the City's largest employer with 1,800 employees. With a current workforce that is 57 percent of its 2002 size, Liberty Mutual is now the second largest employer, after shifting many of its operations to a new campus facility in Dover and converting its Portsmouth offices into a data center. Although the job relocations at Liberty Mutual were significant, employment has grown at other major businesses including the hospital, Lonza Biologics, and Bottomline Technologies.

In 2002, the ten largest employers accounted for approximately 15 percent of the total employment in Portsmouth. In 2014, the ten largest employers account for approximately 22 percent of the total employment in Portsmouth. Five of the top ten employers listed in 2002 remain on this list in 2014.

Table 14: Ten Largest Employers in Portsmouth (2014)

Name	Portsmouth Employees	Notes
Portsmouth Consular Center, US Dept. of State • Passport Service NE Regional Office • National Passport Center • National VISA Center	1,459	Includes contract and Department of Defense Employees
Liberty Mutual	1,013 (2012 figure)	Insurance
HCA Portsmouth Regional Hospital	980	Health Facility
City of Portsmouth	975	Includes full time and part time employees
Lonza Biologics	792	Contract Pharmaceuticals
John Hancock	400	Financial
Bottomline Technologies	365	Software
Newmarket International	305	Event software for hospitality industry
Thermo Fischer	274	Lab products
Direct Capital	250	Mortgage services

Source: City of Portsmouth, Economic Development Department 2014

Office and Professional Services

Office space is distributed throughout the city, but concentrated primarily in the downtown and at the Pease Tradeport, with several smaller office parks. According to the City Assessor's database, there are 620 parcels in Portsmouth that are used for office space (including mixed use parcels). These have a combined total value of \$645,581,400.

Professional services and health care alone account for 486 business establishments and 7,521 jobs in Portsmouth. If office users are extended to include finance, insurance, real estate (FIRE), and information services, those numbers grow to 702 business establishments and 13,804 employees, representing 47 percent of all local jobs.¹⁹ Finance and insurance employment is particularly well represented due to the presence of major employers like Liberty Mutual, John Hancock and Service Credit Union. It also includes smaller offices for Edward Jones, MetLife and Sun Life Financial, as well as a number of independent service providers.

Estimates by Colliers International indicate that demand for office space has grown stronger over the past year. The supply of office space, estimated at 3,680,000 square feet in the third quarter of 2013, grew by 11 percent from the third quarter of 2012, while the office vacancy rate

¹⁹ NH Economic and Labor Market Information Bureau, 2013.

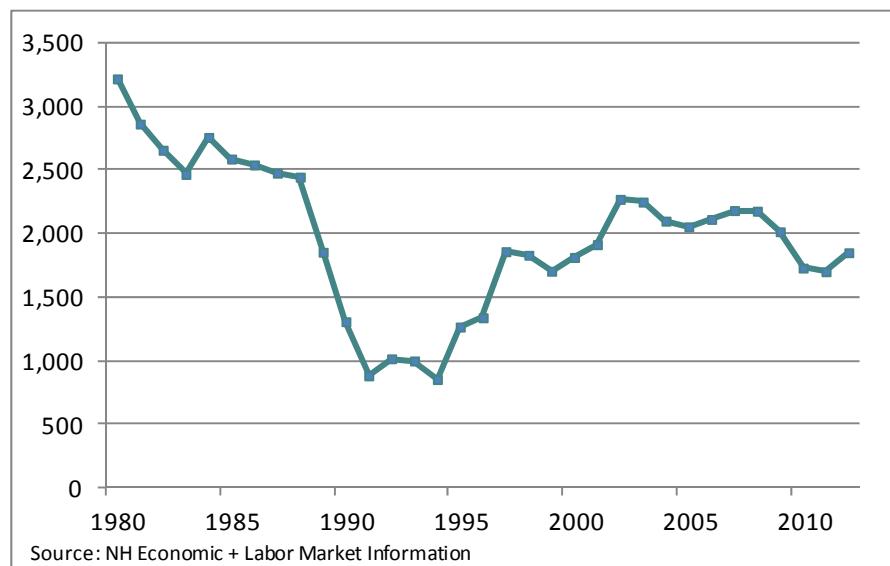
dropped from 15.5 percent to 12.8 percent during the same period.²⁰ (Colliers figures exclude medical office space, office space under 10,000 square feet, and office condominiums.)

As of the third quarter of 2013, Colliers estimated that **Class A** office space rents for an average \$20.13 per square foot, and **Class B** office space rents for an average \$17.50 per square foot. These rates reflect substantial increases from the previous year, when rents averaged \$18.46 per square foot for **Class A**, and \$13.89 per square foot for **Class B** space. These increases are another indicator of increased demand for office space of any variety. Actual market rates vary significantly by location, availability of parking, building quality and condition, lease terms, and other factors. Colliers predicts that with the decrease in office supply, office space for purchase will remain a popular option provided interest rates remain low. It also predicts that leases will have longer terms with fewer incentives in the upcoming years.

Manufacturing and Biotechnology

The nature of manufacturing has changed dramatically in the United States in the post-World War II period, having largely evolved from heavy manufacturing (typically the processing of raw materials for purchase by other industrial users) to light manufacturing (typically consumer products) and high-tech manufacturing (typically involving the production of high value-added products using modern technologies). The type and amount of manufacturing performed in Portsmouth has mirrored national trends. Following the closure of Pease Air

Figure 5: Number of Manufacturing Jobs (1980-2012)



Force Base (completed in 1991), the redevelopment of the base as the Tradeport has enabled Portsmouth to retain relevance as a manufacturing center.

Portsmouth hosts a number of businesses that operate in manufacturing and biotechnology. Lonza Biologics, Medtronic,

²⁰ Office and Industrial Market Survey: Portsmouth Submarket, David Choate, Executive Vice President/New Hampshire and Laura Nesmith, Research Manager/New Hampshire, Colliers International, PowerPoint presentation, November 1, 2013.

and Novacure represent some of the biotechnology companies located in Portsmouth. There are also a few major manufacturers, including High Liner Foods and the Red Hook Brewery.

As shown in Figure 6, the fewest number of manufacturing jobs were available in the mid-1990s, which coincided with the closure of Pease Air Force Base. Following the establishment of Pease Development Authority, steady growth in manufacturing employment occurred through the 2000s, with only a minor dip in 2005 followed by a more significant dip beginning with the 2008 Recession. According to the New Hampshire Economic and Labor Market Information Bureau, there were 33 manufacturing establishments in Portsmouth in 2012, down from 52 establishments in 2008, and 137 establishments in 2002. It should be noted that while the total number of establishments has declined by nearly 75 percent during the past decade, the number of manufacturing jobs has only declined by 18 percent during the same time. Although there have been dramatic differences in the manufacturing employment levels over the past three decades, the decline in overall jobs has occurred more slowly in Portsmouth than in many other areas due to Portsmouth's shift to light and high-tech manufacturing.

There are 163 industrial parcels (excluding Pease), with an assessed value of \$369,444,000 in land and building values. Colliers International estimates that Portsmouth had a total of 11,847,000 square feet of industrial space in the third quarter of 2013, a 3 percent decline over the previous year (a loss of nearly 400,000 square feet). A vacancy rate of 12.1 percent in 2012 (1.5 million square feet of vacant space) decreased to 3.4 percent in 2013 (400,000 square feet). A decrease of supply along with a marginal increase in demand has returned the industrial vacancy rates to reasonably healthy levels.²¹

While the overall vacancy rate for industrial space is healthy, there are variations by property size. Industrial spaces with more than 20,000 square feet of floor area are in short supply.²² Parcels in the Portsmouth Industrial Park off of Lafayette Road have limited capability for expansion under current zoning and infrastructure constraints, and the Pease Tradeport is nearing capacity, particularly in the 30,000 to 50,000 square foot market.²³ While renting remains a popular option at \$6-\$7 per square foot, there is also significant demand for manufacturing and biotechnology space for purchase. Purchase prices vary significantly.

²¹ Vacancy rates between 5% and 7% are considered healthy by real estate industry standards.

²² Office and Industrial Market Survey: Portsmouth Submarket, David Choate, Executive Vice President/New Hampshire and Laura Nesmith, Research Manager/New Hampshire, Colliers International, PowerPoint presentation, November 1, 2013.

²³ David Mullen (Executive Director of the Pease Development Authority), interview by Community Opportunities Group, November 18, 2013.

Hospitality, Entertainment, and Retail

Portsmouth is a hub for entertainment, dining, and shopping within the region, as well as a destination for cultural tourism. Table 16 shows the number of establishments and average employment in businesses related to hospitality, entertainment, and retail, and compares them to similar businesses in other economic centers. In Portsmouth, there is one hospitality, entertainment, or retail business per every 48 residents. In Concord, the figure is one business per every 101 residents, Manchester offers one per every 139 residents, and in Nashua the figure is one business per every 127 residents.²⁴

Table 15: Retail, Hospitality, and Arts, Entertainment and Sectors - Employment and Establishments (2012)					
Geography	Category	Arts, Entertainment, and Recreation	Accommodation and Food Services	Retail Trade	Total
Concord Pop. 42,695	Establishments	14	121	288	423
	Employment	254	2,522	5,313	8,089
Dover Pop. 29,987	Establishments	10	82	97	189
	Employment	109	1,476	1,335	2,920
Manchester Pop. 110,209	Establishments	42	293	457	792
	Employment	720	5,473	8,098	14,291
Nashua Pop. 86,494	Establishments	34	214	438	686
	Employment	623	4,129	9,670	14,422
PORTSMOUTH Pop. 21,233	Establishments	32	159	254	445
	Employment	400	3,393	3,798	7,591
Salem Pop. 28,776	Establishments	17	98	292	407
	Employment	830	1,816	6,735	9,381

Source: US Census, 2010. NH Employment + Labor Market Information Bureau, 2013.

Hotels and Lodging

Approximately 18 hotels and motels serve the city, offering approximately 1,300 rooms.²⁵ A substantial amount of new hotel space has been constructed in the past decade, particularly in downtown Portsmouth. In addition, a new 124 room hotel that is part of the Portwalk project is expected to be completed in Spring 2014, and another project at the Sheraton parking lot on Russell Street is under review. This project will provide 98 hotel rooms and a 142,000 square foot event center. The increases in the hospitality sector in part reflect recent efforts to promote Portsmouth as a destination for cultural tourism and as a viable conference market.

²⁴ ACS 2008-2012, Five Year Estimates, DP02, and NH Employment + Labor Market Information Bureau, 2013.

²⁵ City of Portsmouth, Assessor's Database, 2013.

Restaurant and Retail

Portsmouth has a robust restaurant trade, with a reputation as a regional dining destination. There are 301 licensed food establishments in Portsmouth, including 154 bars and restaurants offering 22,417 restaurant seats.²⁶ In addition, Portsmouth has an eclectic mix of independent and national retailers; the smaller independent retailers generally locate downtown, while national and regional chain retailers tend to locate in strip developments on larger parcels on Lafayette Road and Woodbury Avenue.

Arts, Culture, and Tourism

The financial impact that Portsmouth's historic museums, theaters, galleries, and cultural events have on the local economy has long been recognized. Through a series of organizational and patron surveys completed as part of an Americans for Art survey program, the City has been able to quantify the economic impact of the region's arts and culture over the past fifteen years. The most recent Arts & Economic Prosperity IV report completed in 2012 estimates that non-profit arts and cultural organizations in the Portsmouth region generate approximately \$10.5 million annually in direct revenues, with patrons spending close to three times that amount in meals, lodging, and retail sales. The result is a total economic impact of \$41.4 million, supporting an estimated 1,270 jobs. The 2012 report found that expenditures in this sector have increased by approximately 8 percent since the previous survey in 2007. An estimated one million visitors annually attend arts and cultural venues in the region. Of these, 60% are area residents and 40% are people who come from outside the region. The number of local attendees has doubled since the previous survey, reversing the proportion of resident versus visitors among the arts audiences.²⁷ Portsmouth's figures are even more significant when compared with other regions in New Hampshire - the Greater Concord Area estimates an economic impact of only \$17.7 million from its arts and cultural organizations, while art and cultural organizations in the Northern New Hampshire Region generate only \$15.1 million in revenue for that region's economy.

Local cultural organizations actively market Portsmouth as a destination for both residents and visitors alike. Art-Speak, Portsmouth's Cultural Commission, promotes local art and culture and is responsible for conducting the Arts & Economic Prosperity Survey; it also provides an annual report to the city highlighting the economic impact from the arts and cultural tourism. Discover Portsmouth Center operates a visitors' center and museum in the city's former Public

²⁶ City of Portsmouth, *Annual Report*, 2014.

²⁷ Americans for the Arts, *The Economic Impact of Nonprofit Arts and Culture Organizations and Their Audiences in the Greater Portsmouth Area, NH*, Arts & Economic Prosperity IV, Fiscal Years 2007 and 2010

Library, fulfilling a recommendation of the City's 2002 Cultural Plan to create a central cultural center.²⁸ In 2012, the organization reported 22,000 visitors to its center - more than triple previous attendance figures.²⁹

The nonprofit organization Pro Portsmouth is responsible for coordinating four successful destination events each year - First Night Portsmouth, Market Square Day, Children's Day, and Summer in the Street. These events attract more than 125,000 people each year, and contribute more than \$3.5 million annually to the city's economy.³⁰ Other major cultural events in Portsmouth include the Prescott Park Arts Festival in July and August, the New Hampshire Film Festival in October, and Vintage Christmas events every December. These are collaborative efforts between the City, Strawbery Banke, and other local venues, restaurants and businesses.

Portsmouth's concentration of historic sites contributes to its success as a historic and cultural destination. The city has ten historic house museums within a 2 mile radius, providing visitors with walkable access to some of the nation's most significant examples of Georgian- and Federal-period architecture. The independent organizations that operate these museums work together through the Portsmouth Historic House Association to foster communication cross-promotion. Of these museums, Strawbery Banke is perhaps the best known and most visited historic site, reporting record attendance (77,000) in 2012. In addition, Portsmouth's maritime tradition also lends itself to tourism, with the U.S.S. Albacore Museum and Park as a destination and public events such as tall ships festivals.³¹ Additional maritime tourism attractions include whale watching tours, dinner cruisers, excursions, boat rentals, and sailing lessons.

Performing arts venues attract local and regional residents as well as tourists. The Music Hall, New Hampshire's oldest operating theater (established in 1878), welcomes more than 100,000 patrons each year, and is one of downtown Portsmouth's largest employers.³² Other performing arts venues in Portsmouth include the Seacoast Repertory Theater, Act One, New Hampshire Theatre Project, Pontine Theatre, Player's Ring, and West End Studio Theatre (W.E.S.T.).

Portsmouth's cultural assets also include independent private and non-profit art galleries dispersed throughout the city, but with an emerging concentration along the Islington Street corridor. The Portsmouth Museum of Art, the Button Factory Artists' Studios, The Portsmouth

²⁸ Discover Portsmouth, <http://portsmouthhistory.org>

²⁹ Art-Speak, "State of the Arts 2013" report.

³⁰ "Pro Portsmouth by the numbers", <http://www.proportsmouth.org>

³¹ *Division of Ports and Harbors, Portsmouth New Hampshire Overview Presentation*, Captain Geno J. Marconi, Port Director

³² http://www.themusichall.org/about_us

Music and Art Center (PMAC) are all located on Islington Street. Additionally, other artistic ventures include 3S Artspace located on Vaughan Street outside the downtown core. This is being renovated to be a multi-faceted arts center with performance space, an art gallery, affordable artist studios, and a restaurant.³³

Marine and Air Transportation Facilities

Portsmouth's harbor and airport are both under the jurisdiction of Pease Development Authority. The Market Street Terminal and Pease International Tradeport, as well as the Portsmouth Industrial Park, are included within New Hampshire's only Foreign Trade Zone designated by the US Department of Commerce (FTZ #81, which also includes Portsmouth Industrial Park, as well as Manchester Airport and Dover Industrial Park). For the purpose of duty assessment, goods entered into the zone are considered to be outside the commerce of the United States and, therefore, no duty is paid while in the zone.

Port of New Hampshire

Marine facilities in Portsmouth include facilities for cargo ships, passenger ferry, commercial fishing and recreational vessels. The Market Street Terminal, managed by the New Hampshire Division of Ports and Harbors under the oversight of the Pease Development Authority, is the only public access general cargo marine terminal and the only deep water port in New Hampshire, and it has direct rail access. Close to 1,000 jobs are attributed directly to businesses utilizing the Port of Portsmouth or the Piscataqua River, on which the Port is located. The economic impact to the region of port activity is estimated at \$275 million, of which 90% is attributed to New Hampshire and 10% to Maine.³⁴

Generally, fossil fuel products such as oil, propane, and coal are the most common commodities that are shipped in on the Piscataqua River, and represents nearly 50 percent of the bulk that comes through the harbor. Road salt, gypsum, and scrap steel accounted for 40 percent of the bulk, and general and liquid cargo accounted for the remaining 10 percent of the bulk.³⁵ While inbound traffic is more common, general cargo, tallow, and steel scrap are the chief products shipped out of Portsmouth.

The difficulty of navigating the river and limitations of harbor infrastructure restrict the full potential for maritime commerce. Future reconstruction of the Sarah Mildred Long Bridge

³³ <http://www.3arts.org/>

³⁴ Matthew Magnusson, Charles Colgan, and Ross Gittell; The Economic Impact of the Piscataqua River and the Ports of Portsmouth and Newington; June, 2012.

³⁵ Ibid.

which is downriver from 5 of 7 cargo terminals on the Piscataqua River, will increase the width of the bridge span in order to accommodate larger cargo vessels.

Other marine entities include a commercial offshore lobstering fleet, boat repair yards, marinas, a marine laboratory, two marine construction companies, and aquaculture projects. There are 55 commercial fishing vessels based at Portsmouth's Commercial Fish Pier, which is one of 3 commercial piers in New Hampshire, and the only one to offer commercial berths and slips.

Pease International Airport

Pease International Airport is also a substantial contributor to the local economy. With a 54,000 square foot terminal equipped with a federal inspections facility and U.S. Customs and \$53 million in infrastructure improvements completed in the past 12 years, the airport is poised to handle increases in passenger and freight air travel without weight or cargo restrictions.³⁶ While passenger airlines such as PanAm and Skybus have offered flights from the airport in the past, that activity was not able to be sustained. Allegiant Airlines has recently begun offering flights out of Portsmouth. In addition, there are at least 15 aviation-related businesses located within the Pease Tradeport, with ample room for expansion.³⁷

Public Sector, Health Care, and Education

Government and Military

As shown in Table 17, an estimated 1,823 public employees work in Portsmouth. Of these, 250 are employed by the federal government, 593 are employed by state government, and 979 are employed by local government in a total of 52 establishments. On average, federal employees earn the highest wages while those working for the state government earn the lowest wages. The total number of government employees in 2012 was almost identical to the number of government employees in 2000 (1,825), as reported in the 2005 Master Plan.

Table 16: Public Employment (2012)

	Number of Establishments	Average Monthly Employment	Average Annual Wage
Total Government	52	1,823	\$9355
Federal Government	14	250	\$1,483
State Government	28	593	\$701
Local Government	10	979	\$937

Source: NH Economic + Labor Market Information Bureau, 2013.

Although the military presence used to be stronger in Portsmouth prior to the closure of Pease Air Force Base, some presence remains due to the operation of the 157th Air Refueling Wing for

³⁶ <http://www.flyportsmouthairport.com>

³⁷ <http://www.flyportsmouthairport.com>

the Air National Guard out of Portsmouth International Airport, the Army Reserves Medical Corps facility on Lafayette Road, and the Portsmouth Naval Shipyard.³⁸

Located in Kittery, Maine just across the Piscataqua River from Portsmouth, the Portsmouth Naval Shipyard is a major overhaul and refueling facility for all classes of submarines and has recently been strengthened by its position as one of only four U.S. Navy bases capable of housing nuclear submarines. The Shipyard has a military and civilian payroll of \$414 million, with approximately 2,000 civilian jobs held by New Hampshire residents. Additionally, the Shipyard accounts for tens of millions in purchases in the New England area and contracts for \$129 million in facility services.³⁹

The New Hampshire Air National Guard's 157th Air Refueling Wing (located within the Newington portion of Pease) is under consideration for expanded operations, which could add 100 or more full time jobs at Pease.⁴⁰

Health Care

Portsmouth Regional Hospital, which is part of the Health Centers of America (HCA) network, is one of Portsmouth's largest employers. Operating since 1884, the hospital has 209 beds and offers a comprehensive array of medical, surgical, and behavioral health services. Portsmouth Regional Hospital offers the only in-patient behavioral health care in the entire state of New Hampshire. In addition to the hospital, there is a significant presence of health care services, primarily in the form of private medical offices located along Borthwick Avenue and at the Pease Tradeport.

Education

Five colleges offer a variety of higher education programs in Portsmouth: Great Bay Community College, Granite State College, Mount Washington College (formerly Hesser College), Franklin Pierce University, and the University of Southern New Hampshire. All five campuses are located within the Pease Tradeport area. In addition to the colleges, there are also several trade schools including the Portsmouth School of Beauty Hair Design Incorporated and an Empire Beauty School. Most of the colleges have training programs that are specific to the needs of local businesses.

³⁸ ACS 2008-2012, Five Year Estimates, DPO3.

³⁹ Seacoast Shipyard Association, *Portsmouth Naval Shipyard Economic Impact CY 2013*. The civilian Seacoast Shipyard Association is an association of individuals, businesses and communities dedicated to the continued existence of the Portsmouth Naval Shipyard and maximizing opportunities for its growth in marine development.

⁴⁰ City of Portsmouth Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2013.

Creative, Entrepreneurial, and Home Occupations

Many small businesses in Portsmouth can be identified as members of the “creative” or “entrepreneurial” sector of the economy. The New Hampshire Business Committee for the Arts defines the Creative Economy as artists, cultural nonprofits, and creative businesses that produce and distribute cultural goods and services. The creative workforce may include individuals employed within creative or cultural establishments (for example visual and performing arts, design, publishing, media, or museums), or persons who may utilize applied arts skills outside of the creative cluster (for example a web designer employed in the finance industry). Due to the range of occupations, industries, and working arrangements that engage the creative workforce, it is difficult to provide statistics that quantify these activities. Some of the creative or entrepreneurial workforce may be reflected in the 851 residents who are self-employed, or 899 residents who report working from home, although these arrangements do not indicate the nature of work performed.⁴¹

Several resources have emerged in Portsmouth that provide support to this largely informal segment of Portsmouth’s economy, providing networking, marketing, and shared office space and business services. Alpha Loft, for example, provides co-working space for high tech start-ups, while abiHUB (formerly New Hampshire Innovation Commercialization Center) provides incubator and business accelerator services to spur entrepreneurship.

⁴¹ ACS 2008-2012. Also by ACS estimates, 1,420 persons reported self-employment income, although many of these persons likely have other primary jobs.

Opportunity Areas

Pease International Tradeport, Airport, and Seaport

Pease International Tradeport and Airport is a 3,000 acre area with 40 percent of its land in Portsmouth and 60 percent of its land in Newington. There are currently over 250 companies operating out of Pease that employ nearly 8,400 workers, and Pease International Tradeport contributes \$5-\$6 million dollars in PILOT⁴² fees to the City annually.⁴³ The Tradeport and Airport are overseen by the Pease Development Authority, which also oversees an 11 acre area in the Port of New Hampshire. The Pease Development Authority operates independently from the City of Portsmouth and administers its own zoning regulations, which are controlled by an agreement with the federal government.

Table17: Pease International Tradeport and Airport	
Industrial Space	
Total Square Feet	2,070,316
Total Vacant Square Feet	53,753
Vacancy Rate	2.6%
Office Space	
Total Square Feet	1,203,085
Total Vacant Square Feet	188,045
Vacancy Rate	7.4%
Developable Land Remaining	
Tradeport	60 Acres
Airport	230 Acres

Source: Colliers International & Pease Development Authority, 2013.

Pease is one of four zones in Portsmouth which have been designated as Economic Revitalization Zones (ERZ). Of the 530 acres dedicated for non-aviation uses, roughly 60 developable acres remain. In addition, the airport has 230 developable acres on or adjacent to the apron that are reserved for aviation-related uses. Between 2000 and 2004, Pease mostly attracted large manufacturing tenants. Demand for office space began to outstrip demand for industrial space in 2004 and the trend was to convert manufacturing to office space. Since the recession, demand has been shifting back to manufacturing.⁴⁴ With dwindling supply of remaining land, the Pease Development Authority is encouraging the reuse of existing space, but there is diminishing availability of space to accommodate prospective tenants.

⁴² Payment In Lieu of Taxes (PILOT)

⁴³ Pease Development Authority, 2013.

⁴⁴ David Mullen (Executive Director of the Pease Development Authority), interview by Community Opportunities Group, November 18, 2013.

Downtown

Downtown Portsmouth offers some opportunities for infill and redevelopment, but future development is limited by available land, parking, land costs, rental rates, and zoning controls. Maintaining a diversity of local businesses, as well as cultural institutions and entertainment venues, is seen as essential to maintaining foot traffic and a daytime population that will patronize downtown businesses. Downtown Portsmouth is currently a successful and vibrant downtown area and continues to be a desirable place for businesses to locate.

With the construction of new luxury apartments, particularly along the waterfront, the downtown has also become a residential destination for people seeking an urban lifestyle. A growing downtown population increases patronage to local businesses by providing more customers within a walkable radius. Since 2004, approximately 250 units of housing units have been constructed downtown through new multifamily and mixed use development, and through the conversion of upper story offices to residential space.

Route 1/Lafayette Road

The Lafayette Road Corridor continues to experience substantial development and redevelopment activity due to the availability of land and expansion opportunities relative to other areas of the city. The area is characterized by low-rise suburban style development along the sprawling U.S. Route 1 corridor. This area also includes Portsmouth Industrial Park, which has been designated the Heritage and Constitution Avenue ERZ.

Recent development includes the Service Credit Union headquarters, the Salvation Army store, and the U.S. Army Corps medical building. In addition the renovations of the Cross Roads House, and façade renovations and upgrades to several of the strip malls are other examples of investment in the area. In some locations, the area is undergoing a transition as the strip malls are being rehabilitated or redeveloped, which is causing a shift in the type of retail and dining offerings and creating a more mid- and upscale-market segment. Additionally, a few parcels near the intersection with Peverly Hill and Lafayette Roads are currently zoned Office Research and represent some of the last remaining vacant properties in the city. Due to the properties' proximity to the residential neighborhood of Elwyn Park, recent redevelopment proposals and proposals to rezone the land to increase land use options have met with some neighborhood resistance.

Islington Street Corridor

The Islington Street Corridor is a major artery running from the downtown to neighborhoods to the west. The area incorporates a combination of older and historic single-family and multi-family structures and factory buildings interspersed with modern shopping plazas, small-scale

office buildings, and apartment buildings. Arts-related development along the corridor, including the renovation of a 19th century factory for artists' studios and the recent relocation of the Portsmouth Museum of Art and PMAC, has fostered interest in designating the street as a creative arts corridor.

The City has identified the need for streetscape improvements for Islington Street, both to enhance economic opportunities along the corridor and to restore the area's historic character. Sidewalk and infrastructure improvements, traffic calming measures, installation of attractive street furniture and public art, and the creation of community spaces and landscaping are all recommendations made in prior planning efforts undertaken by the City. In addition to physical improvements, these planning studies also presented funding options for the city to consider, including sign and façade improvement programs and the creation of a Tax Increment Financing District. Recommendations to enhance the corridor's development potential and improve the appearance of the streetscape have also included potential zoning changes.

Market Street/Commerce Way

Located off of Exit 7 on Interstate 95 and a mile northwest of Portsmouth's downtown, the area comprising Market Street, Commerce Way, and Woodbury Avenue contains a substantial amount of office and, retail space, and as well as hospitality uses. The area of Woodbury Avenue between Market Street and Gosling Road at the Newington border is a concentration of commercial strips and big box retail stores.

The Portsmouth Office Park on Commerce Way, with a total of 535,000 square feet of Class A office space, is located behind the Marshall's shopping plaza on Woodbury Avenue. This area benefits from strong commercial rents, good parking and highway access. Major tenants include Liberty Mutual Insurance, Novocure, and a cluster of high tech companies. Rebranded "Portsmouth Office Park" in 2012, the City is undertaking revitalization of this area with roadway and utility improvements and streetscaping. The Office Park was designated as an Economic Revitalization Zone in 2010. There are 20 acres of vacant land within this ERZ available for future development.

Borthwick Avenue

Borthwick Avenue, located off the Route 1 Bypass near the Traffic Circle, is the locus of some of Portsmouth's largest employers, including Portsmouth Regional Hospital and the headquarters of High Liner Foods on High Liner Avenue. The area includes an Economic Revitalization Zone that incorporates the 15-acre property owned by High Liner Foods. In addition to the Portsmouth Regional Hospital, there are several medical offices, a tool manufacturing establishment, a financial institution, and a hotel. Being located parallel to Route I-95, many Borthwick Avenue sites offer high visibility from the highway.

Appendices

Resources/Initiatives

Numerous local and regional entities provide organizational support for economic development in Portsmouth.

The *Economic Development Commission* (EDC) functions as an advisory commission to the Portsmouth City Council, developing economic development policies, goals, and objectives. EDC members include the City Manager, the Mayor and residents who represent the local business community. The EDC also provides advocacy for economic development, and maintains a list of funding and other support resources available to businesses in the region.

Pease Development Authority (PDA) was created by the New Hampshire State Legislature to oversee implementation of the plan for redevelopment after closure of the Pease Air Force Base in 1990. PDA provides planning, design and construction of infrastructure for the Tradeport, and has taken an active role in securing more than \$30 million in Federal grants for roadway, water and wastewater infrastructure, airport improvements, renovation and/or demolition of existing facilities, and environmental projects.

The *Rockingham Economic Development Corporation* (REDC) is a non-profit economic development corporation that seeks to promote responsible, sustainable economic development activities throughout Rockingham County. REDC assists municipalities with strategic planning, economic development training, and assistance with infrastructure projects through the Comprehensive Economic Development Strategy (CEDS). REDC also provides financing and strategic support for companies in the region, and is presently constructing a business training center located in Raymond, NH.

The *eCoast Technology Roundtable* is a group of companies and business leaders dedicated to strengthening and supporting the business community, bringing together professionals from the technology sector in the Seacoast area to assist in starting, growing, and managing companies. eCoast offers opportunities for networking and sponsorship, and a forum for business knowledge and transfer.

The *Greater Portsmouth Chamber of Commerce* (CoC) promotes economic development and supports the business community in the Seacoast area. The CoC provides policy advocacy, and networking and marketing resources for member businesses. In addition, special initiatives focus on tourism, technology (through eCoast), and sustainability.

Various funding resources are also available, from state, local, and private sector institutions that aim to promote economic growth in New Hampshire or the Seacoast region, including several public sources for debt and equity and private venture capital firms. Financial assistance ranges from loan and line of credit guarantees, to tax exempt financing, tax credits, and job grants. Information about these resources is provided through the Portsmouth EDC and REDC.

In addition to these organizational and funding resources, Portsmouth takes advantage of the following state and federal programs that support economic development:

- A Foreign Trade Zone (FTZ) is a site within the United States where items may be imported, stored and processed with deferral or elimination of customs duties and excise taxes. Firms operating in an FTZ are thus able to operate more competitively in the international market. New Hampshire has one Foreign Trade Zone (FTZ No. 81, awarded by the federal government in 1982) consisting of five distinct sites, three of which are located in Portsmouth. Pease International Tradeport has 1,095 acres (including the airport), 10 acres are at the Port of New Hampshire, and 50 acres are at the Portsmouth Industrial Park on Lafayette Road.
- Portsmouth has four Economic Revitalization Zones (ERZs). These zones are an economic development tool that provides incentives for companies to expand or relocate into eligible areas. State approval of ER Zones qualifies businesses for tax credits as provided for under RSA 162-N:8, where they create new jobs and expand the economic base for the state. Under provisions of the statute, businesses in an approved ER Zone may be eligible for tax credits to be used against Business Profit Tax and Business Enterprise Tax, up to a maximum of \$40,000 annually for a five year period. Portsmouth's ERZ districts include the High Liner Avenue ERZ, Pease Tradeport ERZ, Heritage and Constitution Avenue ERZ, and Commerce Way ERZ.

Economic Planning Reports and Analysis

Portsmouth's enviable economic position is the product both a favorable location and of concentrated efforts. Below is a summary of key points, goals, or findings from previous planning and analysis studies and reports that have focused on the economy of Portsmouth and/or the region as a whole.

2013 Comprehensive Economic Development Strategy Update, Regional Economic Development Center of Southern New Hampshire

This comprehensive economic development strategy (CEDS) update provided both a general review of work undertaken over the past thirteen years as well as a summary of activities completed during the past twelve months. The report established goals on a five year cycle for the thirty-seven municipalities of Rockingham County and five communities in eastern Hillsborough County. These goals focused on economic development; infrastructure development; regional cooperation; workforce development; workforce housing; and environmental preservation. For economic development, the strategy identified the goal to create high-skill, higher-wage jobs within innovative clusters. The report also provided statistics for the region's unemployment rate, labor force, and household income. It identified changes in the region, most notably the shrinking of most industry clusters between 2007 and 2010, except for the biomedical/biotechnical/life sciences sectors and the arts, entertainment, recreation, and visitor industries.

City of Portsmouth: Economic Conditions Report for FY12

This annual report provided by the City's Economic Development (ED) Manager provided a summary of Portsmouth's employment statistics, construction activity, business development, and real estate market over the past year. The ED Manager noted an overall increase in the number of jobs in Portsmouth, with the Professional and Business sector experiencing the largest growth in jobs (+400). Construction activity in Portsmouth was strong in 2012, with a focus on renovations and repairs over new construction. The value of construction permits was \$54 million. The report also discussed the city's vacancy rates for office space (12.8%) and industrial space (3.4%), and ongoing development activity in the Central Business District.

2013 Action Plan, Economic Development Commission

In its 2013 Action Plan, the City's Economic Development Commission established a broad set of goals to be supported by both long- and short-term initiatives. The EDC's short-term goals are:

- 1) Maintain and enhance city's value and vitality through infrastructure improvements
- 2) Create and sustain public/private partnerships that foster economic vitality

- 3) Undertake targeted business retention/atraction/job creation activities
- 4) Create/maintain business alliances
- 5) Develop a strategy for McIntyre Block Redevelopment Project

Long-term goals are:

- 1) Promote local businesses and workforce
- 2) Promote infrastructure improvements
- 3) Promote projects that maintain high environmental quality and sustainability
- 4) Improve business diversity
- 5) Provide business development and assistance programs
- 6) Promote economic development fiscal responsibility
- 7) Maintain economic development alliances

State of the Arts Report 2013, Art-Speak

This report by the city's Cultural Commission provided a review of the community's cultural offerings as well as an analysis of the economic value generated by the city's arts and cultural organizations. Events such as the Prescott Park Arts Festival and the NH Film Festival and historic sites such as Discover Portsmouth and Strawbery Banke were cited as significant value generators both for the participating organizations and for the larger community. As attendance has grown for these events and museums, so has direct and indirect spending at local businesses both by the organizations and their audiences. The Annual State of the Arts report concludes with a brief synopsis of Art-Speak's activities over the past year and recognition of the City's continued support for the Arts.

Office and Industrial Market Survey: Portsmouth Submarket⁴⁵

This presentation focused on research conducted on office and industrial space in ten communities in the Portsmouth submarket: Brentwood, Exeter, Greenland, Hampton, Newfields, Newington, North Hampton, Portsmouth, Seabrook and Stratham. In a review of the area's multi-tenant and single tenant buildings with at least 10,000 square feet, consultants from Colliers International identified existing conditions and emerging trends in both the office and industrial markets. The area's office market experienced an increase in availability of total square footage; simultaneously, the overall vacancy rate declined from 15.5% in 2012 to 12.8% in 2013. In contrast, available industrial space decreased by almost a one-half million square feet, from 12.2 million square feet in 2012 to 11.8 million square feet in 2013. The vacancy rate for

⁴⁵ Office and Industrial Market Survey: Portsmouth Submarket, David Choate, Executive Vice President/New Hampshire and Laura Nesmith, Research Manager/New Hampshire, Colliers International, PowerPoint presentation, November 1, 2013.

industrial space decreased significantly, from 12.1% in 2012 to 3.4% in 2013. The consultants presented the following trends:

Office Market Trends:

- 1) Increase in office purchases due to low interest rates and stable inventory
- 2) Landlord incentives will diminish as supply decreases
- 3) Longer leases will increase in frequency
- 4) Fewer fixed rates will continue to be offered by landlords
- 5) Increases in base rent will remain low at the lesser of 3% or CPI

Industrial Market Trends:

- 1) Lease and purchase demands continues to outstrip inventory, especially for spaces and buildings over 20,000 square feet
- 2) Rental rates continue to be stable in \$6 - \$7 PSF range
- 3) Lease terms continue to be shorter (less than five years)
- 4) Although still very limited due to cost, new construction north of Portsmouth will outpace new construction in Portsmouth submarket because of availability of land and labor in other submarkets within the tri-city (Portsmouth-Dover-Rochester) area.

Portsmouth Naval Shipyard – Economic Impact FY2012, Seacoast Shipyard Association

This report examined the economic impact of the Portsmouth Naval Shipyard in terms of the number of employed military and civilian personnel, payroll figures, purchased goods and services, and contracted services, as well as a breakdown of employment numbers and payroll figures by community. The report also identified economic trends at the shipyard, noting that while employment numbers, payroll, and contracts have risen over the past decade, the number of personnel employed at the yard in 2012 (5,313 employees) is significantly lower than the 8,700 employed in 1989.

Islington Street Corridor Improvement Action Plan – December 2009

This action plan culminated a two year planning study for the Islington Street Corridor, envisioned by the city to be a creative arts corridor. “A Mile of Opportunity: Reimagining the Islington Corridor” study was commissioned by the City in 2007 to consolidate past recommendations from previous corridor studies into a single document and to identify further investment opportunities for the corridor. The action plan presented specific goals to: improve corridor image; calm traffic, increase transit opportunities and improve pedestrian safety; create gateways with community space; and highlight and enhance creative economy.

Issues and Constraints

Parking

Parking is a major constraint to economic development, particularly in the downtown, and is a serious hindrance to future development. Parking affects many different aspects of economic development and ranges from influencing locational decisions of business owners, determining development potential and economic value of the land, as well as factoring into market rents where parking costs must be offset. The first issue to consider is the actual cost of providing parking. In New England, a surface parking space, on average, costs between \$5,000 and \$10,000 to construct, depending on topographical conditions; a structured parking space costs between \$20,000 and \$40,000 to construct; and underground parking starts at \$40,000 per space to construct, with prices escalating very quickly depending on soil conditions.

In an area of the city like downtown, which is very densely developed, parking is most economically provided in structures or underground as the highest and best use for most lots is an income producing structure with some associated parking. Unfortunately, it is very difficult to build any type of structure and rent or sell space at affordable rates when the cost of constructing structured or underground parking must be added. Typically, at market rate, user fees are not enough to offset the cost of providing parking. However, raising parking rates (which are user fees) could negatively impact retailers, restaurateurs, and cultural and entertainment businesses as potential patrons may decide to go elsewhere to avoid paying for parking or experiencing difficulty finding parking.

Parking constraints impact the size of the daytime population on which Portsmouth's downtown economy depends. While many businesses depend on the presence of downtown residents, the housing market is impacted by the availability of parking as many people will not consider living where they do not have convenient access to parking. In addition, many businesses who are not dependent upon foot traffic, but whose employees would likely patronize downtown shops and restaurants at lunch and support the local economy, choose not to locate downtown because their employees lack access to parking.

This creates a situation of internal competition between downtown Portsmouth, Pease and other areas in the city, in addition to external competition from neighboring communities. The lack of available and/or affordable downtown parking gives Pease a competitive advantage for businesses with larger numbers of employees or lower wage workers who are unable to afford the additional expense of paid parking. This issue was repeatedly identified in focus groups and interviews. There is a clear dilemma facing many business owners, particularly those in the office market: when making location decisions, they must choose between working in a vibrant cultural center or having an easy place to park when they arrive at work.

The parking issues in Portsmouth are especially pronounced on evenings, weekends, and during events. Difficulties experienced in accessing parking impact tourism, entertainment, dining, and the arts because potential customers may avoid patronizing these establishments if there is a perception that finding a parking space will be more trouble than the excursion is worth. While walking is an option from some residents, there are not enough residents within walking distance (or within the entire city) to support all of the existing retail, cultural, and entertainment establishments. In response to this situation, there is an uptick in restaurant development (particularly in more upscale restaurants typical of what one would find in Downtown Portsmouth) on Lafayette Road, and in places outside of Portsmouth, like Dover, where parking is more plentiful.

Regulatory Constraints

Regulatory constraints are also another major issue impacting economic development in Portsmouth. As zoning controls the maximum development potential and use for any given piece of land, it is important for zoning to maintain a certain amount of flexibility so that reasonable development can occur – but not be so flexible that it is subject to change with every wave of public opinion. While every community is subject to waves of pro- or anti-development sentiment, a lack of certainty in permitting is a strong factor in locational decision making for developers or business owners.

Examples of regulatory constraints on the downtown, in particular, that were repeatedly noted in interviews and focus groups are parking requirements and the design review process with the Historic District Commission. While it is important for buildings to be attractive, it is equally important to offer some level of predictability in permitting as the prospect to a developer of losing a year in permitting while paying debt service and tens of thousands of dollars in design fees will affect Portsmouth's competitiveness in the region.

Spatial Constraints

Although spatial constraints affect each industry differently, it is generally accepted that to live or work in Portsmouth, also means to accept that space is frequently smaller, older, and highly regulated, and at substantially more costly than elsewhere. For some, Portsmouth's caché is likely enough to overcome these issues. For others, available floor plate sizes are too limiting, opportunity costs are too prohibitive and Portsmouth is simply not competitive or economically viable. While Portsmouth is not going to be able to produce any more land and its downtown is largely built, consideration should be given to zoning controls for lot coverage and density in commercial areas to help address the need for providing a greater supply of commercial space.

Competition

Portsmouth has enjoyed a renaissance over the past twenty to thirty years for several reasons. First, for decades the city faced disinvestment which allowed the historical buildings that contribute so strongly to Portsmouth's character to remain largely intact, rather than being demolished to make way for modern uses. Although the North End was subject to urban renewal, other areas were generally left untouched and have been preserved by a Historic District. As a result, Portsmouth's unique character has contributed to the City's overall economic prosperity.

Unfortunately, character is not necessarily an essential commodity. Downtown Portsmouth faces competition from Pease for office uses, both because of parking and also because there is very limited ability for existing downtown businesses to expand within their spaces unless other tenants move out. As already discussed, Downtown Portsmouth faces increasing internal competition from Lafayette Road, and external competition from other communities in the region in the restaurant and entertainment sectors.

In addition, with the greater availability of industrial lands outside of Portsmouth, the lack of available land locally to construct adequately sized structures, the limited ability to expand existing structures in the industrial park, and the diminishing supply of land at Pease, there is growing external competition for industrial users. In almost every market sector, Portsmouth now faces much greater competition than it had two decades ago. As Portsmouth grapples with the relatively new need to compete within its own region, addressing some of the regulatory constraints and parking issues will become all the more important.

US Census Bureau 2010 Occupation Code List

US Census Bureau 2010 Occupation Code List

last updated: August 12, 2011

Occupation 2010 Description

The 2010 census occupation classification list has 539 codes including 4 military codes.

Management, Business, Science, and Arts Occupations:

Management, Business, and Financial Occupations:

Management Occupations:

- Chief executives
- General and operations managers
- Legislators
- Advertising and promotions managers
- Marketing and sales managers
- Public relations and fundraising managers
- Administrative services managers
- Computer and information systems managers
- Financial managers
- Compensation and benefits managers
- Human resources managers
- Training and development managers
- Industrial production managers
- Purchasing managers
- Transportation, storage, and distribution managers
- Farmers, ranchers, and other agricultural managers
- Construction managers
- Education administrators
- Architectural and engineering managers
- Food service managers
- Funeral service managers
- Gaming managers
- Lodging managers
- Medical and health services managers
- Natural sciences managers
- Postmasters and mail superintendents
- Property, real estate, and community association managers
- Social and community service managers
- Emergency management directors
- Managers, all other

Business and Financial Operations Occupations:

- Agents and business managers of artists, performers, and athletes
- Buyers and purchasing agents, farm products
- Wholesale and retail buyers, except farm products
- Purchasing agents, except wholesale, retail, and farm products
- Claims adjusters, appraisers, examiners, and investigators
- Compliance officers

Cost estimators
Human resources workers
Compensation, benefits, and job analysis specialists
Training and development specialists
Logisticians
Management analysts
Meeting, convention, and event planners
Fundraisers
Market research analysts and marketing specialists
Business operations specialists, all other
Accountants and auditors
Appraisers and assessors of real estate
Budget analysts
Credit analysts
Financial analysts
Personal financial advisors
Insurance underwriters
Financial examiners
Credit counselors and loan officers
Tax examiners and collectors, and revenue agents
Tax preparers
Financial specialists, all other

Computer, Engineering, and Science Occupations:

Computer and mathematical occupations:
Computer and information research scientists
Computer systems analysts
Information security analysts
Computer programmers
Software developers, applications and systems software
Web developers
Computer support specialists
Database administrators
Network and computer systems administrators
Computer network architects
Computer occupations, all other
Actuaries
Mathematicians
Operations research analysts
Statisticians
Miscellaneous mathematical science occupations

Architecture and Engineering Occupations:

Architects, except naval
Surveyors, cartographers, and photogrammetrists
Aerospace engineers
Agricultural engineers
Biomedical engineers
Chemical engineers
Civil engineers
Computer hardware engineers
Electrical and electronics engineers

Environmental engineers
Industrial engineers, including health and safety
Marine engineers and naval architects
Materials engineers
Mechanical engineers
Mining and geological engineers, including mining safety engineers
Nuclear engineers
Petroleum engineers
Engineers, all other
Drafters
Engineering technicians, except drafters
Surveying and mapping technicians

Life, Physical, and Social Science Occupations:

Agricultural and food scientists
Biological scientists
Conservation scientists and foresters
Medical scientists
Life scientists, all other
Astronomers and physicists
Atmospheric and space scientists
Chemists and materials scientists
Environmental scientists and geoscientists
Physical scientists, all other
Economists
Survey researchers
Psychologists
Sociologists
Urban and regional planners
Miscellaneous social scientists and related workers
Agricultural and food science technicians
Biological technicians
Chemical technicians
Geological and petroleum technicians
Nuclear technicians
Social science research assistants
Miscellaneous life, physical, and social science technicians

Education, Legal, Community Service, Arts, and Media Occupations:

Community and Social Service Occupations:

Counselors
Social workers
Probation officers and correctional treatment specialists
Social and human service assistants
Miscellaneous community and social service specialists, including health educators and community health workers
Clergy
Directors, religious activities and education
Religious workers, all other

Legal Occupations:

Lawyers
Judicial law clerks

Judges, magistrates, and other judicial workers

Paralegals and legal assistants

Miscellaneous legal support workers

Education, Training, and Library Occupations:

Postsecondary teachers

Preschool and kindergarten teachers

Elementary and middle school teachers

Secondary school teachers

Special education teachers

Other teachers and instructors

Archivists, curators, and museum technicians

Librarians

Library technicians

Teacher assistants

Other education, training, and library workers

Arts, Design, Entertainment, Sports, and Media Occupations:

Artists and related workers

Designers

Actors

Producers and directors

Athletes, coaches, umpires, and related workers

Dancers and choreographers

Musicians, singers, and related workers

Entertainers and performers, sports and related workers, all other

Announcers

News analysts, reporters and correspondents

Public relations specialists

Editors

Technical writers

Writers and authors

Miscellaneous media and communication workers

Broadcast and sound engineering technicians and radio operators

Photographers

Television, video, and motion picture camera operators and editors

Media and communication equipment workers, all other

Healthcare Practitioners and Technical Occupations:

Chiropractors

Dentists

Dietitians and nutritionists

Optometrists

Pharmacists

Physicians and surgeons

Physician assistants

Podiatrists

Audiologists

Occupational therapists

Physical therapists

Radiation therapists

Recreational therapists

Respiratory therapists

Speech-language pathologists
Exercise physiologists
Therapists, all other
Veterinarians
Registered nurses
Nurse anesthetists
Nurse midwives
Nurse practitioners
Health diagnosing and treating practitioners, all other
Clinical laboratory technologists and technicians
Dental hygienists
Diagnostic related technologists and technicians
Emergency medical technicians and paramedics
Health practitioner support technologists and technicians
Licensed practical and licensed vocational nurses
Medical records and health information technicians
Opticians, dispensing
Miscellaneous health technologists and technicians
Other healthcare practitioners and technical occupations

Service Occupations:

Healthcare Support Occupations:

Nursing, psychiatric, and home health aides
Occupational therapy assistants and aides
Physical therapist assistants and aides
Massage therapists
Dental assistants
Medical assistants
Medical transcriptionists
Pharmacy aides
Veterinary assistants and laboratory animal caretakers
Phlebotomists
Healthcare support workers, all other, including medical equipment preparers

Protective Service Occupations:

First-line supervisors of correctional officers
First-line supervisors of police and detectives
First-line supervisors of fire fighting and prevention workers
First-line supervisors of protective service workers, all other
Firefighters
Fire inspectors
Bailiffs, correctional officers, and jailers
Detectives and criminal investigators
Fish and game wardens
Parking enforcement workers
Police and sheriff's patrol officers
Transit and railroad police
Animal control workers
Private detectives and investigators
Security guards and gaming surveillance officers
Crossing guards
Transportation security screeners

Lifeguards and other recreational, and all other protective service workers

Food Preparation and Serving Related Occupations:

Chefs and head cooks

First-line supervisors of food preparation and serving workers

Cooks

Food preparation workers

Bartenders

Combined food preparation and serving workers, including fast food

Counter attendants, cafeteria, food concession, and coffee shop

Waiters and waitresses

Food servers, nonrestaurant

Dining room and cafeteria attendants and bartender helpers

Dishwashers

Hosts and hostesses, restaurant, lounge, and coffee shop

Food preparation and serving related workers, all other

Building and Grounds Cleaning and Maintenance Occupations:

First-line supervisors of housekeeping and janitorial workers

First-line supervisors of landscaping, lawn service, and groundskeeping workers

Janitors and building cleaners

Maids and housekeeping cleaners

Pest control workers

Grounds maintenance workers

Personal Care and Service Occupations:

First-line supervisors of gaming workers

First-line supervisors of personal service workers

Animal trainers

Nonfarm animal caretakers

Gaming services workers

Motion picture projectionists

Ushers, lobby attendants, and ticket takers

Miscellaneous entertainment attendants and related workers

Embalmers and funeral attendants

Morticians, undertakers, and funeral directors

Barbers

Hairdressers, hairstylists, and cosmetologists

Miscellaneous personal appearance workers

Baggage porters, bellhops, and concierges

Tour and travel guides

Childcare workers

Personal care aides

Recreation and fitness workers

Residential advisors

Personal care and service workers, all other

Sales and Office Occupations:

Sales and Related Occupations:

First-line supervisors of retail sales workers

First-line supervisors of non-retail sales workers

Cashiers

Counter and rental clerks

Parts salespersons

Retail salespersons
Advertising sales agents
Insurance sales agents
Securities, commodities, and financial services sales agents
Travel agents
Sales representatives, services, all other
Sales representatives, wholesale and manufacturing
Models, demonstrators, and product promoters
Real estate brokers and sales agents
Sales engineers
Telemarketers
Door-to-door sales workers, news and street vendors, and related workers
Sales and related workers, all other

Office and Administrative Support Occupations:

First-line supervisors of office and administrative support workers
Switchboard operators, including answering service
Telephone operators
Communications equipment operators, all other
Bill and account collectors
Billing and posting clerks
Bookkeeping, accounting, and auditing clerks
Gaming cage workers
Payroll and timekeeping clerks
Procurement clerks
Tellers
Financial clerks, all other
Brokerage clerks
Correspondence clerks
Court, municipal, and license clerks
Credit authorizers, checkers, and clerks
Customer service representatives
Eligibility interviewers, government programs
File clerks
Hotel, motel, and resort desk clerks
Interviewers, except eligibility and loan
Library assistants, clerical
Loan interviewers and clerks
New accounts clerks
Order clerks
Human resources assistants, except payroll and timekeeping
Receptionists and information clerks
Reservation and transportation ticket agents and travel clerks
Information and record clerks, all other
Cargo and freight agents
Couriers and messengers
Dispatchers
Meter readers, utilities
Postal service clerks
Postal service mail carriers
Postal service mail sorters, processors, and processing machine operators
Production, planning, and expediting clerks

Shipping, receiving, and traffic clerks
Stock clerks and order fillers
Weighers, measurers, checkers, and samplers, recordkeeping
Secretaries and administrative assistants
Computer operators
Data entry keyers
Word processors and typists
Desktop publishers
Insurance claims and policy processing clerks
Mail clerks and mail machine operators, except postal service
Office clerks, general
Office machine operators, except computer
Proofreaders and copy markers
Statistical assistants
Office and administrative support workers, all other

Natural Resources, Construction, and Maintenance Occupations:

Farming, Fishing, and Forestry Occupations:

First-line supervisors of farming, fishing, and forestry workers
Agricultural inspectors
Animal breeders
Graders and sorters, agricultural products
Miscellaneous agricultural workers
Fishers and related fishing workers
Hunters and trappers
Forest and conservation workers
Logging workers

Construction and Extraction Occupations:

First-line supervisors of construction trades and extraction workers
Boilermakers
Brickmasons, blockmasons, and stonemasons
Carpenters
Carpet, floor, and tile installers and finishers
Cement masons, concrete finishers, and terrazzo workers
Construction laborers
Paving, surfacing, and tamping equipment operators
Pile-driver operators
Operating engineers and other construction equipment operators
Drywall installers, ceiling tile installers, and tapers
Electricians
Glaziers
Insulation workers
Painters, construction and maintenance
Paperhangers
Pipelayers, plumbers, pipefitters, and steamfitters
Plasterers and stucco masons
Reinforcing iron and rebar workers
Roofers
Sheet metal workers
Structural iron and steel workers
Solar photovoltaic installers

Helpers, construction trades
Construction and building inspectors
Elevator installers and repairers
Fence erectors
Hazardous materials removal workers
Highway maintenance workers
Rail-track laying and maintenance equipment operators
Septic tank servicers and sewer pipe cleaners
Miscellaneous construction and related workers
Derrick, rotary drill, and service unit operators, oil, gas, and mining
Earth drillers, except oil and gas
Explosives workers, ordnance handling experts, and blasters
Mining machine operators
Roof bolters, mining
Roustabouts, oil and gas
Helpers--extraction workers
Other extraction workers

Installation, Maintenance, and Repair Occupations:

First-line supervisors of mechanics, installers, and repairers
Computer, automated teller, and office machine repairers
Radio and telecommunications equipment installers and repairers
Avionics technicians
Electric motor, power tool, and related repairers
Electrical and electronics installers and repairers, transportation equipment
Electrical and electronics repairers, industrial and utility
Electronic equipment installers and repairers, motor vehicles
Electronic home entertainment equipment installers and repairers
Security and fire alarm systems installers
Aircraft mechanics and service technicians
Automotive body and related repairers
Automotive glass installers and repairers
Automotive service technicians and mechanics
Bus and truck mechanics and diesel engine specialists
Heavy vehicle and mobile equipment service technicians and mechanics
Small engine mechanics
Miscellaneous vehicle and mobile equipment mechanics, installers, and repairers
Control and valve installers and repairers
Heating, air conditioning, and refrigeration mechanics and installers
Home appliance repairers
Industrial and refractory machinery mechanics
Maintenance and repair workers, general
Maintenance workers, machinery
Millwrights
Electrical power-line installers and repairers
Telecommunications line installers and repairers
Precision instrument and equipment repairers
Wind turbine service technicians
Coin, vending, and amusement machine servicers and repairers
Commercial divers
Locksmiths and safe repairers

Manufactured building and mobile home installers
Riggers
Signal and track switch repairers
Helpers--installation, maintenance, and repair workers
Other installation, maintenance, and repair workers

Production, Transportation, and Material Moving Occupations:

Production Occupations:

First-line supervisors of production and operating workers
Aircraft structure, surfaces, rigging, and systems assemblers
Electrical, electronics, and electromechanical assemblers
Engine and other machine assemblers
Structural metal fabricators and fitters
Miscellaneous assemblers and fabricators
Bakers
Butchers and other meat, poultry, and fish processing workers
Food and tobacco roasting, baking, and drying machine operators and tenders
Food batchmakers
Food cooking machine operators and tenders
Food processing workers, all other
Computer control programmers and operators
Extruding and drawing machine setters, operators, and tenders, metal and plastic
Forging machine setters, operators, and tenders, metal and plastic
Rolling machine setters, operators, and tenders, metal and plastic
Cutting, punching, and press machine setters, operators, and tenders, metal and plastic
Drilling and boring machine tool setters, operators, and tenders, metal and plastic
Grinding, lapping, polishing, and buffing machine tool setters, operators, and tenders, metal and plastic
Lathe and turning machine tool setters, operators, and tenders, metal and plastic
Milling and planing machine setters, operators, and tenders, metal and plastic
Machinists
Metal furnace operators, tenders, pourers, and casters
Model makers and patternmakers, metal and plastic
Molders and molding machine setters, operators, and tenders, metal and plastic
Multiple machine tool setters, operators, and tenders, metal and plastic
Tool and die makers
Welding, soldering, and brazing workers
Heat treating equipment setters, operators, and tenders, metal and plastic
Layout workers, metal and plastic
Plating and coating machine setters, operators, and tenders, metal and plastic
Tool grinders, filers, and sharpeners
Metal workers and plastic workers, all other
Prepress technicians and workers
Printing press operators
Print binding and finishing workers
Laundry and dry-cleaning workers
Pressers, textile, garment, and related materials
Sewing machine operators
Shoe and leather workers and repairers
Shoe machine operators and tenders
Tailors, dressmakers, and sewers

Textile bleaching and dyeing machine operators and tenders
Textile cutting machine setters, operators, and tenders
Textile knitting and weaving machine setters, operators, and tenders
Textile winding, twisting, and drawing out machine setters, operators, and tenders
Extruding and forming machine setters, operators, and tenders, synthetic and glass fibers
Fabric and apparel patternmakers
Upholsterers
Textile, apparel, and furnishings workers, all other
Cabinetmakers and bench carpenters
Furniture finishers
Model makers and patternmakers, wood
Sawing machine setters, operators, and tenders, wood
Woodworking machine setters, operators, and tenders, except sawing
Woodworkers, all other
Power plant operators, distributors, and dispatchers
Stationary engineers and boiler operators
Water and wastewater treatment plant and system operators
Miscellaneous plant and system operators
Chemical processing machine setters, operators, and tenders
Crushing, grinding, polishing, mixing, and blending workers
Cutting workers
Extruding, forming, pressing, and compacting machine setters, operators, and tenders
Furnace, kiln, oven, drier, and kettle operators and tenders
Inspectors, testers, sorters, samplers, and weighers
Jewelers and precious stone and metal workers
Medical, dental, and ophthalmic laboratory technicians
Packaging and filling machine operators and tenders
Painting workers
Photographic process workers and processing machine operators
Semiconductor processors
Adhesive bonding machine operators and tenders
Cleaning, washing, and metal pickling equipment operators and tenders
Cooling and freezing equipment operators and tenders
Etchers and engravers
Molders, shapers, and casters, except metal and plastic
Paper goods machine setters, operators, and tenders
Tire builders
Helpers--production workers
Production workers, all other

Transportation and Material Moving Occupations:

Transportation Occupations:
Supervisors of transportation and material moving workers
Aircraft pilots and flight engineers
Air traffic controllers and airfield operations specialists
Flight attendants
Ambulance drivers and attendants, except emergency medical technicians
Bus drivers
Driver/sales workers and truck drivers
Taxi drivers and chauffeurs
Motor vehicle operators, all other

Locomotive engineers and operators
Railroad brake, signal, and switch operators
Railroad conductors and yardmasters
Subway, streetcar, and other rail transportation workers
Sailors and marine oilers
Ship and boat captains and operators
Ship engineers
Bridge and lock tenders
Parking lot attendants
Automotive and watercraft service attendants
Transportation inspectors
Transportation attendants, except flight attendants
Other transportation workers

Material Moving Occupations:

Conveyor operators and tenders
Crane and tower operators
Dredge, excavating, and loading machine operators
Hoist and winch operators
Industrial truck and tractor operators
Cleaners of vehicles and equipment
Laborers and freight, stock, and material movers, hand
Machine feeders and offbearers
Packers and packagers, hand
Pumping station operators
Refuse and recyclable material collectors
Mine shuttle car operators
Tank car, truck, and ship loaders
Material moving workers, all other

Military Specific Occupations:

Military officer special and tactical operations leaders
First-line enlisted military supervisors
Military enlisted tactical operations and air/weapons specialists and crew members
Military, rank not specified

Unemployed, with no work experience in the last 5 years or earlier or never worked