

INDUSTRY SECTORS STUDY AND STRATEGIC PLAN

Coos County, New Hampshire



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INTRODUCTION

Coos County is the northernmost county in the State of New Hampshire. It is bordered to the south by Carroll and Grafton Counties in New Hampshire, to the west by Essex County in Vermont, to the east by Oxford County in Maine, and to the north by the Estrie Administrative Region in the Province of Quebec, Canada. Physically, the area is characterized by mountainous terrain and it is heavily forested. This is a very scenic landscape that draws visitors, but also results in a remoteness that makes access and business development difficult.

Whether for tourism or for wood products, the area's forests have been the dominant force in shaping its industries and employment opportunities. The region boasts a number of quality resorts, ski areas, and recreational opportunities in the White Mountains National Forest.

Since the late 1800's the forest has also provided lumber and wood pulp used to manufacture paper. Coos County once had several paper mills, but the industry went into decline in the late 1990's. This is not localized but rather a general industry decline seen throughout the United States and Canada, caused by a drop in demand and competition from overseas. Following the recent closure of mills in Groveton (2006 and 2008) and Berlin (2006), there is only one remaining working paper mill in the county. The Fraser Mill in Gorham experienced a layoff in 2008 and in June 2009 filed for creditor protection. It continues to operate.

Prior to the paper mills, the region's textile industry went through a similar wave of closures. More recently there have been work force reductions in other sectors that can be attributed to the current recession, rather than any structural change in a specific industry or the regional economy.

The intent of this study is to determine those industries that may have the greatest potential for future attraction to Coos County. Target industries are identified through an analysis of regional and national industry trends, along with an assessment of the industry base, work force, and resources of Coos County and the surrounding counties. In performing the analysis, only a subset comprised of industries that tend to export goods and services from a region were considered. The reasoning behind this selection is that the county will benefit most from these industries, which bring new money (in the form of goods and purchased materials and services) into the region. This money will then circulate through the local economy to those businesses serving a primarily local clientele.



This mirrors the “Buy Local and Sell Global” opportunity identified in the North Country Council’s *Comprehensive Economic Development Strategy*:

The “Go Local Movement” to produce and purchase locally is premised on better customer service, better and healthier products, higher local economic multipliers, and reduced energy consumption. Selling globally or exporting products and/or services can help a regional economy or nation build wealth.

Examples of industry sectors tending to export goods and services include forestry, manufacturing, and some transportation, financial services, information, and professional, scientific and technical services. Sectors that are not typically classified as export industries include retail, personal services, education, public administration, and health care and social services.

The report provides a description of each of the targeted industries including:

- an overview of the targeted industry and specific niches to pursue;
- reasons for targeting the industry; and
- key site selection criteria

Several potential industries were identified in the process of determining the recommended targets. Some of those that were not selected are briefly discussed in the report, as they may yet provide opportunities for development. Finally, the report includes a recommended approach to recruitment of businesses within the targeted sectors.

BACKGROUND

This element of the study documents existing trends and conditions within the region that will be considered in determining target industries. In addition to profiling the region, it provides a summary of the responses already taken with regard to economic conditions in Coos County and neighboring areas.

Demographic and Economic Trends

Alone among the region's counties, Coos County has lost population during most of the past few decades. The State of New Hampshire does project this decline to end, and the county is expected to gain population through 2030. It is worth noting the U.S. Department of Agriculture has identified neighboring Carroll County as a retirement county attracting a significant number of older migrants. There is a high rate of entrepreneurship and business formation among this cohort.

Population Change within Coos County and the Region										
	1950	1960	1970	1980	1990	2000	2008	2010	2020	2030
Coos County, NH	35,932	37,140	34,291	35,147	34,828	33,112	31,971	33,170	33,369	35,839
Carroll County, NH	15,868	15,829	18,548	27,931	35,410	43,666	47,408	50,369	57,036	61,818
Grafton County, NH	47,923	48,857	54,917	65,806	74,929	81,742	85,921	88,862	95,109	100,630
Essex County, VT	6,257	6,083	5,416	6,313	6,405	6,459	6,500	6,711	6,981	
Oxford County, ME	44,221	44,345	43,457	48,968	52,602	54,755	56,741	58,712	64,046	67,899
Estrie Region, QC					274,610	285,613	302,161	311,175	323,806	

Sources: US Bureau of the Census (1950-2008 US Counties); US County Projections – State of New Hampshire, State of Maine, State of Vermont; Statistics Canada (Estrie - 1991, 2001, 2001, 2011, 2021)

Unemployment in the region has increased substantially from the low rates that had been common in recent years. While a share of this is related to an overall worsening of the economy, these numbers also reflect a restructuring of the paper industry that has seen several mills close. The closing of the mills has also impacted jobs in industries such as logging and trucking. The national slump in housing construction has impacted the region's logging industry and related products made from wood, including furniture.

Unemployment Trends within Coos County and the Region				
	2006	2007	2008	Apr 2009
Coos County, NH	4.2%	4.6%	5.2%	9.5%
Carroll County, NH	3.3%	3.4%	3.6%	6.8%
Grafton County, NH	2.9%	3.0%	3.1%	5.6%
Essex County, VT	4.3%	5.4%	6.3%	10.4%
Oxford County, ME	5.7%	5.8%	7.1%	11.9%
Estrie Region, QC	8.2%	7.0%	5.9%	9.4%

Sources: US Counties – State of New Hampshire, State of Maine, State of Vermont; Estrie – Statistics Canada

Dun & Bradstreet has recently made available its National Establishments Time Series (NETS) database. Unlike most Census products, this data is collected annually for individual establishments, allowing Dun & Bradstreet to monitor changes within establishments over time, as they open, close, move, expand, or contract. Additionally, this dataset includes non-employer businesses (generally sole proprietorships) that are excluded from most Census data, providing a more complete picture of the local economy. The data include subsets for non-commercial establishments (education, government and non-profit), non-resident establishments (those headquartered out-of-state) and resident establishments (headquartered in the state).

The largest numbers of firms within Coos County are found in the accommodation and food services, retail trade, other services, health care and social assistance, and construction sectors. A similar pattern is true of the multi-county region, although in comparison, the region has a greater percentage of firms in professional, scientific, and professional services.

In terms of employment, the most important sectors to the county are accommodation and food services, health care and social assistance, retail trade, manufacturing, and educational services. The region has a similar profile.

Firms and Employment by Sector as a Percentage of the Total				
	Coos County		Five County Region	
	Firms	Employees	Firms	Employees
Agriculture, Forestry, Fishing and Hunting	2.0%	1.4%	1.5%	0.7%
Mining, Quarrying, and Oil and Gas Extraction	0.1%	0.1%	0.1%	0.0%
Utilities	0.5%	0.2%	0.4%	0.3%
Construction	7.2%	3.7%	9.3%	3.9%
Manufacturing	3.0%	9.0%	3.3%	10.1%
Wholesale Trade	4.1%	3.7%	3.7%	2.4%
Retail Trade	16.4%	14.1%	16.8%	13.4%
Transportation and Warehousing	2.7%	3.0%	2.2%	1.4%
Information	2.2%	0.8%	2.4%	1.9%
Finance and Insurance	2.5%	1.3%	3.1%	1.5%
Real Estate and Rental and Leasing	3.0%	1.0%	4.3%	1.8%
Professional, Scientific, and Technical Services	3.9%	1.0%	6.5%	2.4%
Management of Companies and Enterprises	0.1%	0.7%	0.0%	0.2%
Administrative and Support and Waste Mgmt.	1.6%	1.1%	2.5%	1.5%
Educational Services	3.4%	7.8%	2.9%	8.1%
Health Care and Social Assistance	7.2%	14.7%	8.8%	19.6%
Arts, Entertainment, and Recreation	2.5%	4.6%	2.0%	2.8%
Accommodation and Food Services	12.4%	22.0%	10.0%	16.5%
Other Services (except Public Administration)	13.2%	3.9%	11.9%	6.8%
Public Administration	9.6%	6.0%	6.4%	4.4%
Unclassified	2.5%	0.1%	1.9%	0.3%

Sources: Info USA (as of June 2009) and Place Dynamics

Within Coos County, the growth in the number of firms over the past decade has been largely the result of the opening of new establishments based in New Hampshire. The net change in establishments with out-of-state ownership has been negative, with one moving in, one moving out, and seven closing. It is of some concern that the balance of moves concerning establishments with a New Hampshire headquarters has also been negative, with seven more moving out than moved in.

At the regional level, the growth in the number of establishments has been positive overall, including growth through the opening of new establishments and through those moving to the region. The State of New Hampshire more closely reflects the pattern observed in Coos County, with more out-of-state headquartered establishments closing than opening, and a net loss of New Hampshire-based firms through moves.

Components of Change in Firm Composition Over Ten Years through 2007							
Coos County							
Establishments	Opened	Closed	Net Opened	Moved In	Moved Out	Net Moved	Net New
Non-Commercial	151	118	33	3	4	-1	32
Non-Resident	48	55	-7	1	1	0	-7
Resident	1,252	1,074	178	44	51	-7	171
Total	1,451	1,247	204	48	56	-8	196
Five-County Region							
Non-Commercial	1,057	716	341	24	29	-5	336
Non-Resident	502	432	70	17	14	3	73
Resident	10,349	8,623	1,726	542	527	15	1,741
Total	11,908	9,771	2,137	583	570	13	2,150
New Hampshire							
Non-Commercial	4,559	3,136	1,423	38	38	0	1,423
Non-Resident	3,067	3,305	-238	122	84	38	-200
Resident	70,872	57,757	13,115	1,708	1,827	-119	12,996
Total	78,498	64,198	14,300	1,868	1,949	-81	14,219

Source: Dun & Bradstreet National Establishment Time Series (NETS) Data
Definitions: Non-commercial – education, government, and nonprofit; Non-resident – establishment with out-of-state headquarters; Resident – establishment with in-state headquarters

The impact of establishment births, deaths, migration, and expansion or contraction has been much different in terms of employment. In Coos County, more jobs have been lost from establishments closing than were created by new ones opening. Similarly, migration has resulted in a net loss of jobs. These losses were mostly within the resident firm category (those establishments whose owner is headquartered within New Hampshire). Expansion of existing establishments more than made up from these losses, but particularly the expansion of establishments headquartered outside of New Hampshire.

Regional and statewide numbers reflect a somewhat different picture. Like Coos County, losses have been realized through the net result of openings and closings, as well as migration. Expansion of non-resident

firms, however, has not been sufficient to make up for losses. Employment growth has resulted from the expansion of resident firms.

Components of Change in Employment Over Ten Years through 2007

Establishments	Coos County										
	Opened	Closed	Net Opened	Moved In	Moved Out	Net Moved	Net New	Expanded	Contracted	Change	Net Change
Non-Commercial	2,053	1,963	90	23	8	15	105	1,679	1,118	561	666
Non-Resident	1,810	1,823	-13	5	94	-89	-102	3,241	2,605	1,889	1,787
Resident	4,078	4,928	-850	149	159	-10	-860	3,309	2,605	704	-156
Total	7,941	8,714	-773	177	261	-84	-857	8,229	5,075	3,154	2,297
Five-County Region											
Non-Commercial	8,458	7,345	1,113	158	367	-209	904	8,505	6,806	1,699	2,603
Non-Resident	8,234	12,284	-4,050	1,001	326	675	-3,375	7,119	4,533	2,586	-789
Resident	29,346	37,513	-8,167	2,467	2,963	-496	-8,663	31,218	19,521	11,697	3,034
Total	46,038	57,142	-11,104	3,626	3,656	-30	-11,134	46,842	30,860	15,982	4,848
New Hampshire											
Non-Commercial	42,267	31,159	11,108	338	1,108	-770	10,338	42,062	30,735	11,327	21,665
Non-Resident	77,166	104,563	-27,397	12,266	1,942	11,424	-15,973	61,252	51,888	9,364	-6,609
Resident	201,442	232,934	-31,492	14,456	13,979	486	-31,006	159,314	96,314	63,067	32,061
Total	320,875	368,656	-47,781	28,169	17,029	11,140	-36,641	262,695	178,937	83,758	47,117

Source: Dun & Bradstreet National Establishment Time Series (NETS) Data
Definitions: Non-commercial – education, government, and nonprofit; Non-resident – establishment with out-of-state headquarters; Resident – establishment with in-state headquarters

The NETS data also show a change in the relative size of establishments as measured by employment. Within the dataset, companies are placed in size categories from 1 to 9 employees, 10 to 99 employees, 100 to 499 employees, and over 500 employees. Employment has increased in the middle categories, but decreased among the largest firms. This is thought to be a reflection of the changes in the paper industry as mills have recently closed. The lower levels of employment among the smallest firms may be attributed to a general weakening of the local economy.

At both the regional and state level, there was an increase in establishments with fewer than 100 employees, along with a decline in the number of large employers. Employment growth occurred in all three size classes except the largest establishments, where there was a decline.

Change in Employment and Establishments by Number of Employees, 1998-2007

Change in Establishments by Number of Employees

	Coos County			Region	New Hampshire
	<u>1998</u>	<u>2007</u>	<u>Change</u>		
1 to 9 Employees	1,420	1,593	41	1,829	12,268
10 to 99 Employees	195	193	-4	17	587
100 to 499 Employees	17	17	0	0	0
500+ Employees	1	0	-1	-5	-4

Change in Employment by Establishment Size

	Coos County			Region	New Hampshire
	<u>1998</u>	<u>2007</u>	<u>Change</u>		
1 to 9 Employees	3,775	3,760	-15	1,351	10,152
10 to 99 Employees	4,216	4,500	284	676	16,423
100 to 499 Employees	2,970	3,345	375	2,187	7,312
500+ Employees	800	0	-800	-1,180	-1,856

Source: Dun & Bradstreet National Establishment Time Series (NETS) Data

Coos County, New Hampshire

The *Coos Economic Action Plan* was prepared in 2008. That plan addresses 17 priority actions identified through technical review committees focused on energy, wood, the creative economy, tourism, and health care. Without listing all 17 actions, those having a direct bearing on the observations in this report include ubiquitous wireless broadband access, forest products center development, and a series of recommendations related to supporting creative industries.

A *Comprehensive Economic Development Strategy* was prepared for the North Country Council in 2009. This study notes that the “resurgence of growth in Coos County is coming not from the traditional manufacturing sector but from the same service sector that has come to dominate the other North Country Counties.” Although it is true that manufacturing employment has been decreasing, the county’s work force has a skill set more closely aligned with manufacturing jobs, which frequently offer better wages than found in the service sector. This will be a challenge for the county. Outside of the county’s manufacturing sector, there are few export services other than tourism.

The strategy notes two major clusters that revolve around the forest and the tourism industries. These are comprised of agriculture, forestry, fishing and hunting; wood products manufacturing; arts, entertainment, recreation; and accommodation and food services. Related to the management of forests, the report is critical of past management techniques that have favored production of wood pulp, and raises concern over the future wood supply. It observes that “in the future high-grade wood will be scarce and will be used for high-grade high priced products. Wood for the building trades will be replaced in part with substitute products and engineered wood products.”

The region's forest is currently comprised of spruce/fir (14 percent), spruce hardwoods (17 percent), northern hardwoods (63 percent), and paper birch (6 percent). These have supported industries such as paper and furniture, but also a wide range of other products from shoe trees to log cabins. Bio-energy has been an industry frequently mentioned as a future prospect for the county. A new study on the availability of low grade timber in Coos County finds that the annual supply would approximate 640,000 green tons annually, while proposed projects would consume about two million tons per year.

Regional Economic Environment

In order to understand the economic opportunities within Coos County, a broader set of five counties is used throughout the analysis. In addition to Coos County, these are Carroll and Grafton Counties in New Hampshire, Oxford County in Maine, and Essex County in Vermont. These neighboring counties share many similarities with Coos County, in addition to a regional work force.

New Hampshire

New Hampshire Employment Security has prepared an assessment of the state's manufacturing economy, finding that the state has maintained a concentration in manufacturing overall, although services now offer a greater number of jobs. Over time, sectors with a decreasing concentration of employment have included furniture and fixtures, industrial machinery and equipment, instruments and related products, paper and allied products, and rubber and miscellaneous products. Sectors with an increasing concentration of employment have included primary metal industries, fabricated metal products, electronic and other electrical equipment, and leather and leather products. The state was projected to lose manufacturing employment concentration in most sectors.

Growth is expected within New Hampshire's knowledge-based economy. A report on professional, scientific, and technical services notes that there has been steady growth within this industry, while 84 percent of these businesses have fewer than ten employees. Most sectors within the industry group are expected to grow at a pace faster than the state, led by management, scientific, and technical consulting services. Other growing sectors include advertising and related services, specialized design services (which includes graphic designers, interior designers, and others), computer systems design and related services, and scientific research and development services.

A report from the New Hampshire Economic and Labor Market Information Bureau, *Agricultural Trends in New Hampshire*, discusses the relative importance as well as changes within farm products produced in the state. Nursery and greenhouse crops, and poultry and dairy have been important farm products. In recent years nursery and greenhouse crops and floriculture have been increasing.

Carroll and Grafton Counties, New Hampshire

Parts of Carroll and Grafton Counties are included within the North Country Council territory, and issues of the area have been discussed along with Coos County. Like Coos County, these counties are closely tied to the forest for both manufacturing and tourism.

These counties are located immediately south of Coos County. While their northern regions are similar in character to Coos County, the southern parts of these counties are more urban or suburban in character, and are closer to regional population centers. Southern Carroll County is included in the Lakes Region, where a large recreation and retirement concentration had developed.

Grafton County has put considerable effort into promoting local business development. The County has one business incubator, and plans for two more. The Dartmouth Regional Technology Center is a 35,000 square foot incubator located in Lebanon, with services provided through the Dartmouth Entrepreneurial Network. The proposed Business Enterprise Center will be affiliated with Plymouth State University and will be located in Plymouth. A second incubator is planned in Littleton.

The Women's Rural Enterprise Network, located in Bethlehem, has assisted more than 1,600 business owners through programs including a retail store (Local Works) featuring the products of nearly 200 vendors, the Gallery at WREN, a farmers market and outdoor marketplace, an incubator office, and a public access technology center. A variety of business types have been served, however, a review of the member business directory reveals a concentration in business and professional services, graphic designers, artists and craftspersons, and wellness-related businesses.

Both Carroll and Grafton Counties have active programs to promote tourism through chamber of commerce and other organizations.

Essex County, Vermont

Essex County is a largely rural county. Manufacturing is the largest employment sector in the county, and as in Coos County, it has suffered a decline in recent years. The Northeastern Vermont Development Association points to the regional importance of furniture manufacturing and a history of precision metal fabrication. Northern Enterprises, Inc., has recognized a growing food industry cluster in northern Vermont, which it hopes to grow through a 10,000 square foot food incubator in the Hardwick Industrial Park. Food processing employment has been increasing.

At the end of May 2009, the leading occupations sought by jobseekers in Essex County included office and administrative support, production, transportation, construction, and management jobs. More than half of all jobseekers, however, did not specify a preferred occupational title. (This may be an indication of frustration with the limited opportunities available.) Listed positions within the county paid between \$9.00 and \$14.28 per hour, with an average of \$12.29.

Oxford County, Maine

Oxford County is a large county, stretching along the New Hampshire border from Canada well south into Maine. It has a geography and resource base very similar to Coos County. Population within the country has grown at a slow but steady pace. Analysis of the components of change show that the increase is due to net in-migration. As in Coos County, income levels trail those of the state as a whole.

Maine has identified a large set of industry concentrations within the state. These include call centers and direct marketing response firms, financial services and insurance, industrial equipment, plastics and molded rubber, precision tool manufacturing, semiconductors, software development, and wireless communication devices. These accompany traditional sectors including aquaculture and marine science, boat building, paper products, sawmills, and wood products. Recent plant expansion and siting activity in the state has reflected this set of industries, with a particular concentration in contact centers or back office operations related to financial and medical services.

Within northern Maine, including Oxford County, the state has identified the growth potential of several industries. Notably, growth is expected to occur in publishing, machinery manufacturing, warehousing and storage, and heavy and civil engineering construction. Declining industries identified by the state include paper manufacturing, animal production, miscellaneous manufacturing, food manufacturing, wood product manufacturing, furniture and related product manufacturing, transportation equipment manufacturing, fabricated metal product manufacturing, printing, and forestry and logging.

Even prior to the official start of the current recession, Oxford County was significantly impacted by job losses in the manufacturing sector, with an overall 20 percent decrease in the number of jobs between 2000 and 2007. Agriculture and forestry, and construction also posted significant job losses during this period.

Maine has outpaced the region in science and technology investment, yet a report to the state, *Maine Comprehensive R&D Evaluation 2008*, has found that this investment has not produced correspondingly high levels of technology commercialization. A review of patent data for the state indicates that the major areas of innovation have been in chemistry, communications, electronics, packaging, materials, shoes, animal husbandry, and medical fields.

One strategy widely used in Maine to promote the food products industry has been to provide shared-use commercial kitchens. An incubator facility, space in the kitchen is made available to food entrepreneurs to prepare value-added food products. These facilities tend to focus on specialty food production, which is the fastest-growing segment of the Maine food products market. These facilities may also help to support emerging niches in craft or organic foods and buy-local or origin-sensitive food production. There is even a proposal by Threshold to Maine to create a mobile commercial kitchen within western Maine. This same organization has led an initiative to produce goat meat marketed to ethnic populations in southern Maine.

As in Vermont, Maine has developed a “Maine Made” program to market products crafted in the state. This statewide marketing and branding effort seeks to add value to Maine consumer products while offering promotional and educational assistance to the state’s small manufacturers and crafters.

Estrie Administrative Region, Quebec

The Estrie Administrative Region in the Province of Quebec lies immediately north of Coos County as well as the neighboring counties in Vermont and Maine. In many ways, the principle industries and economic conditions in Estrie are similar to Coos County. At the end of April, 2009, the region had an unemployment rate of 9.4 percent, which was identical to the province as a whole, but a significant increase from the 5.9 percent average in 2008. Earnings in Quebec trail those of Canada as a whole.

While a number of industries in the province have seen recent growth, there are two significant groupings that are experiencing decline. These are industries related to forest products, and clothing and textiles. Wood products, paper, furniture, and printing have all seen a five-year decline in manufacturing sales, by as much as 31 percent. This echoes national trends. Declines in the textile and clothing sector have been even more profound, reaching 51 percent for textile mills and 50 percent in the clothing sector.

The Quebec Ministry of Employment has projected future growth in major employment sectors. Among these, textile and textile product mills, wood product manufacturing, paper manufacturing, plastics and rubber product manufacturing, furniture and related product manufacturing, and retail trade are all expected to have negative annual growth. Sectors with the highest annual rates of growth include fabricated metal product manufacturing, transportation equipment manufacturing, finance, insurance, real estate and rental, health care and social assistance, information, culture and recreation, and accommodation and food services. The Estrie region leads Quebec in production of transportation material and rubber products, which has seen moderate growth, and in finished lumber.

Looking more broadly, southern Quebec has identified growth niches related to its natural resource base such as suppliers and equipment manufacturers for commercial and special vehicles and recreational products, furniture and lumber, recovery and use of residual material, technical textile materials, bio-food products, technology for transforming ferrous metal products and new associated materials, transportation and logistics material, production of value-added micro-electronic components, and chemistry and polymers associated with advanced flexible structures.

Quebec’s agricultural sector has been relatively stable. Animal production makes up the largest part of this sector, with 22.6 percent of all farms being in dairy cattle and milk production, followed by beef cattle (15.3 percent), hog and pig farming (6.3 percent), and fruit and tree nut farming (4.3 percent). The overall number of farms declined by 4.6 percent between 2001 and 2006, however, the number of organic farms grew by 105.6 percent. Leading organic crops included hay or field crops, maple products, fruits and vegetables, and animals or animal products.

Quebec has a large forestry resource comprised of 42 percent hardwood, 40 percent mixed, and 16 percent softwood. As noted earlier, production has dropped significantly in recent years partly as a function of overseas competition, and partly due to an overall drop in demand. Several Quebec paper mills have been closed at the same time, although the five mills located in the Estrie region have all remained open.

Targeted Industries in the Region

Studies by neighboring states and regional economic development entities have identified targeted industries for their respective regions. A brief examination of these may be helpful for understanding potential overlaps or competition with Coos County.

Targeted Industries in the Broader Region			
Carroll and Grafton Counties, New Hampshire	Oxford County, Maine	Essex County, Vermont	Estrie Region, Quebec, Canada
retail	environmental technologies	environmental products and services	fabricated metal product manufacturing
health care	biotechnology	aviation and aerospace	transportation equipment manufacturing
diversified manufacturing (primary metals, misc. manufacturing, nonmetallic mineral products)	composites and advanced materials	financial services	finance, insurance, real estate and rental
information industries (motion picture and sound recording, telecommunications, search portals and data processing, other)	information technology	information technology and software design	information
entertainment and tourism	precision manufacturing	microelectronics	micro-electronic components
construction	forest products and agriculture	value-added agriculture and natural resources	furniture and lumber, recovery and use of residual material
finance, insurance, and real estate	marine technology and aquaculture	specialty foods	transportation and logistics material
	Clean Tech: bioenergy and biomaterials, wind power, solar energy, green buildings, personal transportation, the smart grid, mobile applications, and water filtration	Green Economy: management systems, technologies, equipment, and services for waste management, natural resource protection, energy conservation, and non-fossil fuel energy systems	suppliers and equipment manufacturers for commercial and special vehicles and recreational products
		tourism	culture and recreation
			accommodation and food services
			technical textile materials
			bio-food products
			technology for transforming ferrous metal products and new associated materials
			health care and social assistance
			chemistry and polymers associated with advanced flexible structures

Source: Compiled by Place Dynamics

A handful of industries appear consistently through the region. These include environmental products and services, information or information technology, tourism, specialty food products, and forest products. The “green industries” and “bio” industry targeting trends are apparent in the list as well. These industries have gained a great deal of national attention due to their potential for growth and the amount of government research funding they are receiving. While a great many areas are pursuing these industries, the reality is that only a few will actually see any benefit. Along the route to commercialization and development there will be many failures, such as are now being seen in the corn-based ethanol market. Economic developers should exercise caution in supporting emerging technologies in these fields.

ECONOMIC BASE ANALYSIS

This section of the study provides a summary of data and analysis from which will be drawn conclusions related to targeted industries.

Existing Industry Base

The composition and changes within an economy are among the most reliable indicators of future growth potential. In addition to examining the local economic base, this element of the project considers national industry trends that may be linked back to resources or an available work force within the county.

Measuring Local Industry Specialization

Location quotients are a technique used to determine the relative importance of a particular industry within an area. A location quotient is determined by comparing the area's percentage of employees or firms within an industry to a larger reference region. Because data on employment is not disclosed for most industries (at the three-digit NAICS level, all employment data for Coos County is suppressed), this analysis is based on the number of firms. Additionally, sectors producing goods for generally local consumption (for example, personal services or transit services) were excluded from the analysis. Industries such as shipbuilding, that are closely tied to a specific resource not found in Coos County, were also excluded.

Comparisons were made to national industry distributions for Coos County, the five county region, and New Hampshire. Industries (at the four-digit NAICS level) having a greater concentration than found at the national level were grouped into six clusters:

- industries related to forest products;
- industries related to textile and apparel manufacturing;
- various manufacturing industries;
- transportation-related industries;
- information-related industries; and
- arts and recreation-related industries.

Not all industries within the cluster were significant within each of the study areas. Their distribution reflects the localization of the specialty. Data for each of the clusters and industries is presented in the following tables, along with a brief discussion of the cluster.

Industries Related to Forest Products

The Northern Forest region includes Coos County along with adjacent parts of New Hampshire, Vermont, Maine, New York, and Quebec. Extensive forests in this region have been a resource for numerous wood-related industries, from raw lumber to finished products. The forest resource is about evenly split between hardwood and mixed forest, with a smaller percentage of softwood. As ownership changes there has been a growing concern that land will be taken out of forestry.

Paper products and furniture have traditionally been the more important of value-added industries within the region. The status of these industries is mixed. Paper-making is certainly in a precipitous decline. Although furniture is also declining at present, it is more difficult to determine if this is a general trend or mostly a function of the poor national economy led by a crisis in the housing market.

Both a reduction in demand and foreign competition have impacted the paper industry, leading to the closure of mills throughout the region. Maine has been a national leader in paper production, at one point second only to Wisconsin in output. Eastern Fine Paper closed its Brewer mill in 2004. This site has now

been redeveloped for Cainbro Eastern Manufacturing, employing 500 people and manufacturing modular steel buildings. The mill in Lincoln also closed in 2004. The closure was short-lived, however, as a new venture, Lincoln Paper and Tissue, was formed to purchase the mill and continue operations. Two years later, Georgia-Pacific closed its Old Town Mill. When the state was unable to find a buyer and Georgia-Pacific imposed a non-compete clause on the facility, there was a subsequent attempt to market the facility with inexpensive energy sourced through on-site generation. While this venture continues, the management company filed for bankruptcy protection in 2009 to allow it to attempt reorganization in hopes of becoming profitable. Several other Maine paper mills have closed or reduced production, including New Page in Rumford (2008), Fraser Paper in Millinocket (2008), and Wausau Papers in Otis (2009). Vermont’s Dirigo Paper Mill was closed in 2007. Coos County has seen the closure of mills in Groveton and Berlin, and the announced bankruptcy of the Fraser Mill in Gorham.

Industries Related to Forest Products				
NAICS	Industry Description	Coos County	Region	New Hampshire
1131	Timber Tract Operations	X	X	X
1133	Logging	X	X	X
1153	Support Activities for Forestry		X	X
3211	Sawmills and Wood Preservation	X	X	X
3212	Veneer, Plywood, and Engineered Wood Product Manufacturing	X	X	
3219	Other Wood Product Manufacturing		X	X
3221	Pulp, Paper, and Paperboard Mills	X	X	X
3371	Household and Institutional Furniture and Kitchen Cabinet Mfg.		X	

Source: US Census Bureau County Business Patterns, Place Dynamics

The market for furniture products began to decline in 2006 in synch with the faltering housing market. This has led to a reduction in employment within the industry. Ethan Allen is the largest furniture manufacturer in the region. Its plant in Orleans, Vermont laid off 110 workers in February of 2009. Prior to that announcement, Ethan Allen had been planning a new furniture line that will continue to be made at the plant. The company stated that the reduction in employment was a factor of the overall economic climate, however, Ethan Allen closed other plants in the state in 2001 and 2002.

In general, manufacturing of lower-end furniture products has been more susceptible to international competition, while higher-quality pieces have continued to be made within the country. Vermont has had extraordinary success in developing a strong brand image that carries through many of its products. A recent study has found that “individuals who have already purchased from the Northern Forest region are 2.5 times more likely to choose a Vermont brand over other Northern Forest origin labels”, and Vermont branded furniture may command up to a six percent premium. Customers are more than twice as likely to associate quality and craftsmanship with the “Made in Vermont” label than with other labels.

Many parts of the country with a large timber industry have sought to develop a new industry around wood-based bio-energy or bio-product industries. Maine offers a very thoughtful analysis of this potential, noting that much of the technology is unproven at a commercial scale if at all, that these facilities will have a very high capital cost, that the cost and availability of feedstock fluctuates and may not be competitive with other regions in the country, and that production would be miniscule in relations to just one typical petroleum-

based refinery. (Although not discussed in the report, it can be added that the recent turmoil in the ethanol sector points to the dangers of moving too quickly and speculating in these emerging technologies.)

Proven techniques include the manufacture of wood pellets and burning of scrap to produce co-generated power. Wood pellets are typically made from sawdust and scrap, and are therefore closely tied to sawmills. Cogeneration has been widely employed in the region, often with the paper mills.

The region has seen widespread application of energy production from biomass in the form of cogeneration often associated with its paper or sawmills. Emerging technologies take this a step further to produce fuels such as ethanol or biodiesel. More advanced technologies can produce biomaterials such as biochemicals, biopolymers, bioplastics, bioenzymes, and composites. These technologies are more advanced and have been commercialized with crop-based feedstocks such as corn, where the component starch and proteins have been converted to numerous commercial products.

Industries Related to Textile and Apparel Manufacturing

Textiles and apparel are industries that have had a long history in this region, including Quebec. The industry has been in decline for more than two decades as it has faced competition from lower-cost locations outside of the United States.

Industries Related to Textile and Apparel Manufacturing				
NAICS	Industry Description	Coos County	Region	New Hampshire
3131	Fiber, Yarn, and Thread Mills			X
3132	Fabric Mills		X	X
3141	Textile Furnishings Mills		X	X
3149	Other Textile Product Mills	X	X	X
3152	Cut and Sew Apparel Manufacturing	X	X	
3161	Leather and Hide Tanning and Finishing			X
3162	Footwear Manufacturing		X	X
3169	Other Leather and Allied Product Manufacturing		X	X

Source: US Census Bureau County Business Patterns, Place Dynamics

While there are no identified economic development efforts focused on maintaining this industry on the U.S. side of the border, Quebec is now in the middle of a three-year, \$82 million effort to enhance the competitiveness of its fashion and clothing industry. At the center of this effort is a strategy to brand Montreal as an international fashion center. The program will also seek to foster adoption of new business models, employ new technology, promote exports, improve the business climate, and provide worker training. If these efforts see some success, it may be possible for Coos County to realize a benefit due to its proximity to Montreal. However, the causes behind the long-term trend in this industry suggest that it is not a viable target for recruitment.

Various Manufacturing Industries

Several manufacturing industries exhibit strength at the local, regional, or statewide level. There is no readily apparent pattern among them that would help to define a particular cluster, rather, it appears that the industries grew from a more random pattern. Most are small firms that have a limited product or serve a relatively local market (comprised of neighboring states).

A greater number of industries are important at the regional or state level, while they may be less important or not present within Coos County. Examples are several industries in the electrical equipment and machinery manufacturing sectors. Plastics products and rubber products manufacturing appear at only the county and state level, suggesting a strength of New Hampshire, and possibly not the region (including parts of neighboring states).

Various Manufacturing Industries				
NAICS	Industry Description	Coos County	Region	New Hampshire
3119	Other Food Manufacturing		X	
3231	Printing and Related Support Activities		X	
3252	Resin, Synth. Rubber, and Artificial Synth. Fibers and Filaments Mfg.			X
3254	Pharmaceutical and Medicine Manufacturing	X	X	
3255	Paint, Coating, and Abrasive Manufacturing			X
3256	Soap, Cleaning Compound, and Toilet Preparation Manufacturing	X		
3261	Plastics Products Manufacturing	X		X
3262	Rubber Product Manufacturing	X		X
3272	Glass and Glass Product Manufacturing		X	
3312	Steel Product Manufacturing from Purchased Steel		X	
3327	Machine Shops, Turned Product, and Screw, Nut, and Bolt Mfg.		X	X
3332	Industrial Machinery Manufacturing			X
3333	Commercial and Service Industry Machinery Manufacturing			X
3334	Ventilation, Heating, Air-Cond., and Commercial Refrig. Equip. Mfg.		X	
3335	Metalworking Machinery Manufacturing	X		
3336	Engine, Turbine, and Power Transmission Equipment Manufacturing		X	
3339	Other General Purpose Machinery Manufacturing	X	X	X
3341	Computer and Peripheral Equipment Manufacturing			X
3342	Communications Equipment Manufacturing			X
3343	Audio and Video Equipment Manufacturing		X	X
3344	Semiconductor and Other Electronic Component Manufacturing	X	X	X
3345	Navigational, Measuring, Electromedical, and Control Instruments Mfg.			X
3346	Manufacturing and Reproducing Magnetic and Optical Media			X
3353	Electrical Equipment Manufacturing			X
3359	Other Electrical Equipment and Component Manufacturing		X	X

Source: US Census Bureau County Business Patterns, Place Dynamics

Transportation-Related Industries

General freight trucking and specialized freight trucking are significant contributors to the county and regional economy. During the period between 2001 and 2006 there was a notable shift occurring, as the number of general freight trucking establishments increased while the number of specialized freight trucking

establishments decreased. This most likely represents a shift in markets among these firms, perhaps due to decreased logging.

Transportation-Related Industries				
NAICS	Industry Description	Coos County	Region	New Hampshire
4841	General Freight Trucking	X	X	
4842	Specialized Freight Trucking	X	X	

Source: US Census Bureau County Business Patterns, Place Dynamics

Information-Related Industries

A small number of information industry sectors appear to have a greater concentration within the region and state. Upon examination, many of these are publishers of local newspapers or regional magazines. These are not considered “exporters” of product from the region. Many of the remaining establishments appear to be related to Dartmouth College. This industry grouping does not appear to have much merit for attraction to the county.

Information-Related Industries				
NAICS	Industry Description	Coos County	Region	New Hampshire
5111	Newspaper, Periodical, Book, and Directory Publishers	X	X	
5112	Software Publishers		X	X

Source: US Census Bureau County Business Patterns, Place Dynamics

Arts and Recreation-Related Industries				
NAICS	Industry Description	Coos County	Region	New Hampshire
4871	Scenic and Sightseeing Transportation, Land	X		
4879	Scenic and Sightseeing Transportation, Other		X	X
7111	Performing Arts Companies		X	
7112	Spectator Sports	X	X	
7113	Promoters of Performing Arts, Sports, and Similar Events	X	X	X
7121	Museums, Historical Sites, and Similar Institutions	X	X	X
7131	Amusement Parks and Arcades	X	X	X
7139	Other Amusement and Recreation Industries	X	X	X

Source: US Census Bureau County Business Patterns, Place Dynamics

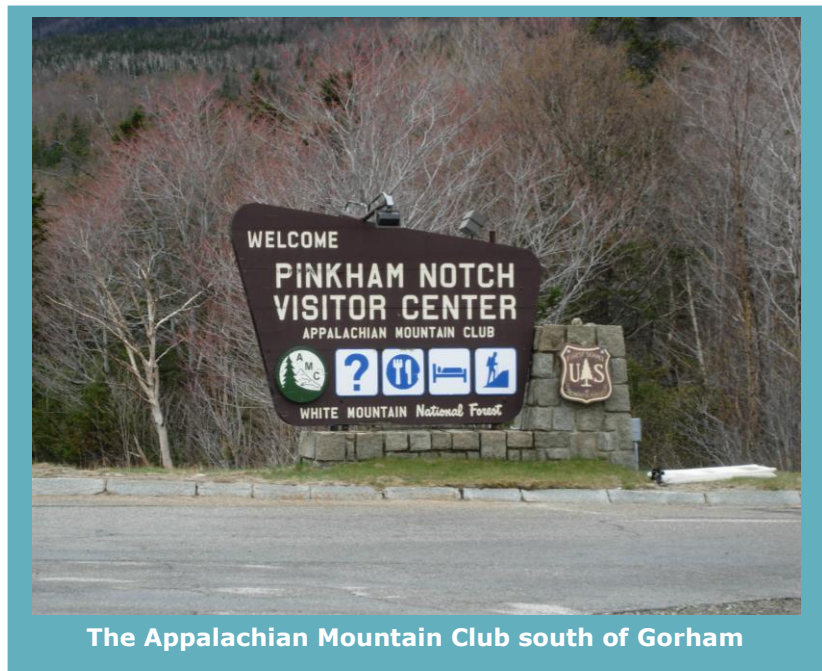
Arts and Recreation-Based Industries

The region's scenic qualities can be credited for the relatively strong performance of industries in arts and recreation. Tourism has been an important part of the local economy since the 1800's. Concentration within this industry is found within Coos County, the region, and the state.

Aggregate industry data often fails to reveal product niches. Such may be the case with recreational equipment, which is not covered through its own NAICS definition. In reviewing actual lists of establishments within the region, there appears to be a concentration of small and large establishments related to recreational equipment. These include companies like Ragged Mountain, Limmer Boot, and Row Works Clothing within the region. Other companies include Burton Snowboards, Vermont Bicycle Tour (the largest provider of bicycle touring vacations to destinations around the world), DiNotte Lighting, Jetboil, and Nemo Equipment. Additionally, L.L. Bean is located in Maine and Timberland is one of the largest companies in New Hampshire. These companies are joined by numerous outdoor product retailers throughout the state.

Recreational opportunities are diverse. Low-impact activities such as hiking, backpacking, and camping are abundant and are supported by organizations such as the Appalachian Mountain Club, America's oldest nonprofit conservation and recreation organization, with 90,000 members and two of its largest facilities in the White Mountains. Organizations such as this can be a powerful partner in helping to attract the businesses catering to their members.

Skiing and other winter sports activities are available at several ski facilities within the region. Motorized activities also cover the seasons, with snowmobiling in winter and ATV use in the warmer months. A new state park has opened near Berlin to expand opportunities for this activity.



The Appalachian Mountain Club south of Gorham

Measuring Change within Industries

Shift-share analysis is a more advanced technique that disassembles change within a region's industry into components of growth attributable to national economic conditions, to changes within the industry itself, and to regional competitiveness within the industry. Because of limitations in the availability of data, this technique was used to examine the five-county region. Change in a five-year period between 2001 and 2006 was examined. The following is a list of all identified industries that are growing and have a competitive advantage within the region.

- Beverage Manufacturing
- Other Nonmetallic Mineral Product Manufacturing
- Architectural and Structural Metals Manufacturing
- General Freight Trucking
- Nondepository Credit Intermediation
- Activities Related to Credit Intermediation

- Insurance Carriers
- Architectural, Engineering, and Related Services
- Specialized Design Services
- Computer Systems Design and Related Services
- Promoters of Performing Arts, Sports, and Similar Events
- Museums, Historical Sites, and Similar Institutions
- Other Amusement and Recreation Industries

The following industries that are represented in the area are among those that are growing, but for which there is no apparent regional competitive advantage.

- Scenic and Sightseeing Transportation
- Freight Transportation Arrangement
- Warehousing and Storage
- Insurance Carriers
- Accounting, Tax Preparation, Bookkeeping, and Payroll Services
- Management, Scientific, and Technical Consulting Services
- Scientific Research and Development Services
- Other Professional, Scientific, and Technical Services
- Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
- Independent Artists, Writes, and Performers

Lastly, there may be a regional advantage for the following industries, which were in a state of decline between 2001 and 2006.

- Fabric Mills
- Textile Furnishings Mills
- Other Textile Product Mills
- Cut and Sew Apparel Manufacturing
- Footwear Manufacturing
- Veneer, Plywood, and Engineered Wood Product Manufacturing
- Converted Paper Product Manufacturing
- Printing and Related Support Activities
- Soap, Cleaning Compound, and Toilet Preparation Manufacturing
- Plastics Products Manufacturing
- Rubber Product Manufacturing
- Glass and Glass Product Manufacturing
- Spring and Wire Product Manufacturing
- Machine Shops, Turned Product, and Screw, Nut, and Bolt Manufacturing

- Coating, Engraving, Heat Treating, and Allied Activities
- Other General Purpose Machinery Manufacturing
- Computer and Peripheral Equipment Manufacturing
- Communications Equipment Manufacturing
- Audio and Video Equipment Manufacturing
- Semiconductor and Other Electronic Component Manufacturing
- Electrical Equipment Manufacturing
- Aerospace Product and Parts Manufacturing
- Medical Equipment and Supplies Manufacturing
- Newspaper, Periodical, Book, and Directory Publishers
- Software Publishers
- Performing Arts Companies
- Amusement Parks and Arcades

National Industry Trends

Examining national trends, the Census Bureau compiles statistics on the value of shipments for manufacturing industries. By examining these industries, it may be possible to identify growing sectors with resource or work force needs similar to those available in Coos County. Manufacturing sectors with an increasing value of shipments include:

- Rubber Products Manufacturing
- Other General Purpose Machinery Manufacturing
- Machine Shops; Turned Product; and Screw, Nut, and Bolt Mfg.
- Office Furniture (including fixtures) Manufacturing
- Spring and Wire Product Manufacturing
- HVAC / Commercial Refrigeration Equipment Manufacturing
- Aerospace Product and Parts Manufacturing
- Other Fabricated Metal Manufacturing
- Engine, Turbine, and Power Transmission Equipment Mfg.
- Fruit and Vegetable Preserving / Specialty Food Manufacturing
- Boiler, Tank, and Shipping Container Manufacturing
- Audio and Video Equipment Manufacturing
- Navigational, Measuring, Electromedical, and Control Instruments
- Sugar and Confectionary Product Manufacturing
- Household and Institutional Furniture and Kitchen Cabinet Mfg.

The following industries are experiencing growth in their value of shipments at a faster pace than the manufacturing sector overall.

- Bakeries and Tortilla Manufacturing

- Textile Furnishings Mills
- Other Miscellaneous Manufacturing
- Steel Product Manufacturing from Purchased Steel
- Plastics Product Manufacturing
- Architectural and Structural Metals Manufacturing
- Sawmills and Wood Preservation
- Other Wood Product Manufacturing
- Other Furniture Related Product Manufacturing
- Other Food Manufacturing
- Veneer, Plywood, and Engineered Wood Product Manufacturing
- Beverage Manufacturing
- Resin, Synthetic Rubber, and Artificial Fibers and Filaments Mfg.
- Pharmaceutical and Medicine Manufacturing
- Soap, Cleaning Compound, and Toilet Preparation Manufacturing
- Medical Equipment and Supplies Manufacturing
- Basic Chemical Manufacturing

Regional Resource Base

Target industries may also be suggested through a review of regional resources to support business development, whether this may be infrastructure or raw materials that are inputs for manufacturing. Basic resources of the region are explored in this section of the study.

Agricultural Production

Between 2002 and 2007 Coos County and the region ran counter to the national trend, posting a 26 percent increase in the number of farms and a 15 percent increase in land in farms. Nursery and greenhouse products, dairy, and cattle were the leading products in Coos County. Within the region, the most common commodities included these along with layers, fruit, nuts and berries, and potatoes.

Organics have been one of the fastest-growing food industry segments. Examples include the Littleton Grist Mill (producing organically-grown stone ground flours) and Christie’s Maple Farm in Lancaster. While organic farming has had significant growth during the past decade, New Hampshire has lagged the rest of the country, especially in comparison to its neighbor, Vermont. New Hampshire does have some concentration in organic layer hens. Fruit and vegetables are the dominant organic crops in Maine and Vermont, although Maine also has the second-largest number of organic cut flower producers.

The U.S. Food and Drug Administration recently adopted rules for Country of Origin Labeling (COOL). This action follows a string of human and pet food contamination scares and underscores a growing interest among consumers to know where their food is originating, and what it may contain. Coupled with this is a movement on the part of some consumers to buy local, whether to support local growers, reduce their environmental impact, or simply to have fresher foods. These trends may help to create opportunities for local growers to serve a regional market including the major population centers to the south.

Forest Resources

The region's forests have been the traditional input for manufacturing, whether for lumber, paper, or secondary wood product manufacturing. The North Country Council's Comprehensive Economic Development Strategy indicates that because of the dominance of paper, the region has not developed a strong set of secondary industries related to forest resources. This is based on a review of data that uses NAICS industry classifications. While it still appears to be an accurate claim, it may be overstated to some extent. Wood is consumed in a variety of regionally-produced products across the manufacturing spectrum, from shoe trees and clothespins to birdhouses and toys.

As noted earlier, there is growing interest in using wood chips for energy production. Conventional approaches that have already been implemented include wood pellet production or the burning of biomass to generate electricity or cogeneration power. Most of the existing efforts in this area have been to serve a local consumer, such as cogeneration facilities at the former paper mills. Attempts to produce electricity for external markets may be hampered by both the limited feedstock supply and limited transmission capabilities.

Several companies are attempting to commercialize technology that can convert biomass to energy and other co-products. None of these processes has yet proven to be economically viable, although attempts are continuing in both the United States and Canada, where federal grants, loans, and other incentives are encouraging research. New Hampshire is competing with other wood-producing regions in the Northeast, Midwest, Southeast, and Northwest. Competition is also provided by cellulosic technology based on other plant materials such as switchgrass and algae.

Infrastructure

Transmission is a significant hurdle for potential electricity generation plants, which may include wind or biomass. The transmission line currently serving the region has a maximum capacity of about 100 megawatts. This is insufficient to carry the load of wind or biomass plants proposed in the area. In addition to cost, there are environmental barriers that may hamper attempts to upgrade capacity in the short term.

Highway transportation to and through much of the county is adequate. U.S. Highways 2 and 3, and State Highways 16 and 26 are the major routes traversing Coos County. Interstate 93 provides access to population centers north and south. The highway system within the county is designed to handle truck traffic as well as a greater volume of traffic than observed. Given the quality and capacity of these roadways, the fact that there is no four-lane highway system within the county is not an impediment to business development.

Several of the communities within Coos County are served by municipal water and sewer systems. None of these are particularly large. Still, they will be adequate for most users that do not have high demand or unique treatment requirements. Although the paper mills consumed large quantities of water from the region's rivers, any future user with similarly high demands will have to obtain permits from the state.

Perhaps the greatest infrastructure challenge for the county is in the area of telecommunications. Coos County is typical of rural parts of the country which have sporadic cell phone coverage and limited broadband access. These telecommunications services have become indispensable for business development. This may be the region's greatest limitation and the local economic development community will need to address service coverage as a high priority objective.

Industrial Sites and Buildings

Several vacant industrial buildings are located within Coos County, particularly on the east side of the county in Groveton and Colebrook, where large facilities are available. Despite their age, these buildings meet modern industrial criteria including high ceiling heights, large open spaces, and good truck access. Furthermore, the buildings can be divided to accommodate multiple smaller users. This will be important, as the existing spaces are too large for most of the users likely to consider the county. Some thought should be given to how these facilities may be divided to continue to provide both a prominent "front door" and truck access.

Industrial sites in the larger communities are good, offering large and small lots, existing infrastructure, and good access. Some sites may be served by rail. Several existing or planned industrial parks are located in the communities of Berlin, Colebrook, Gorham, Lancaster, and Whitefield. Including the Groveton Mill, these are:

- Berlin
 - Maynesboro Industrial Park, with two remaining lots
 - a planned 300-acre industrial park
- Colebrook
 - Colebrook Business Village, with available space (180,000 square foot building)
- Groveton
 - Groveton Mill, 107 acres, 565,000 square foot former paper manufacturing facility, 7.2 megawatt natural gas cogeneration system, wastewater treatment plant
- Lancaster
 - Lancaster Business Village, a minimally-developed park without sewer
- Whitefield
 - Whitefield Industrial Park, approximately 30 acres adjacent to airport, without sewer



Available space in Colebrook, New Hampshire

Work Force

The total civilian labor force in Coos County for April 2009 was 16,238, of which 14,695 were employed and 1,543 were unemployed. The unemployment rate was 9.5 percent. The average weekly wage for Coos County in Annual 2007 was \$584. This would be equivalent to \$14.60 per hour or \$30,368 per year, assuming a 40-hour week worked the year around. The work force within Coos County has remained relatively stable over time, increasing by just 175 workers between 1990 and 2000. Census commuting pattern data shows that an increasing number of workers are traveling out of the county to work. The net balance of commuting trips changed from roughly even in 1990 to a net of about 700 workers commuting out of the county in 2000. Most of these commutes were to jobs in Grafton County.

In terms of employment, education services, health care, and social assistance was the largest sector. This was followed by manufacturing. Retail trade; arts, entertainment, and recreation; and accommodation and food services followed, representing to some extent the importance of tourism in the economy. Coos County's employment in information; finance and insurance, and real estate and rental and leasing; and professional, scientific, and management, and administrative and waste management services is significantly less than average for New Hampshire.

Coos County Employment by Industry, 2000

	Number	Coos County Percent	New Hampshire Percent
Agriculture, forestry, fishing and hunting, and mining	546	3.4%	0.8%
Construction	1,499	9.4%	8.1%
Manufacturing	2,361	14.7%	13.5%
Wholesale trade	266	1.7%	3.7%
Retail trade	2,256	14.1%	13.5%
Transportation and warehousing, and utilities	571	3.6%	4.0%
Information	238	1.5%	2.5%
Finance and insurance, and real estate and rental and leasing	711	4.4%	6.5%
Professional, scientific, and management, and administrative and waste management services	633	3.9%	9.4%
Educational services, and health care and social assistance	3,675	22.9%	21.9%
Arts, entertainment, and recreation, and accommodation, and food services	1,938	12.1%	7.7%
Other services, except public administration	665	4.1%	4.4%
Public administration	669	4.2%	3.9%

Source: U.S Census of the Population, 2000

Compared to the state, Coos County has a higher percentage of its workforce in service occupations and production, transportation, and material moving occupations. A much smaller portion of the workforce is employed in management, professional, and related occupations, and in sales and office occupations.

These employment characteristics are reflected in the educational background of the county's population. The county has a higher percentage of persons whose formal education has stopped at or before the high school level. The percentage of persons with a bachelor's degree or graduate degree is approximately half that of the state. This may lead to a lack of local talent to support emerging high technology and information industries that are growing elsewhere in the region.

Occupation of Coos County Residents 16 and Over, 2000

	Number	Coos County Percent	New Hampshire Percent
Management, professional, and related occupations	4,443	27.7%	36.5%
Service occupations	2,977	18.6%	14.9%
Sales and office occupations	3,576	22.3%	26.2%
Farming, fishing, and forestry occupations	279	1.7%	0.4%
Construction, extraction, maintenance and repair occupations	1,892	11.8%	10.1%
Production, transportation, and material moving occupations	2,861	17.9%	11.9%

Source: U.S Census of the Population, 2000

The talents of the local production workforce should not be ignored. Many individuals in manufacturing positions have had extensive formal or on-the-job training in skilled trades. Elsewhere in the country, occupations such as tool and die makers, machinists, and welders are in high demand. As traditional manufacturing jobs leave the region due to structural changes in industries such as paper, however, it will become increasingly imperative to transfer the talents of the skilled production workforce to new industries.

Educational Attainment of Coos County Residents 25 and Over, 2000			
	Number	Coos County Percent	New Hampshire Percent
Less than 9th grade	1,124	4.7%	3.1%
9th to 12th grade, no diploma	2,619	10.9%	7.0%
High school graduate (includes equivalency)	9,745	40.5%	30.9%
Some college, no degree	4,268	17.8%	18.1%
Associate's degree	2,289	9.5%	9.1%
Bachelor's degree	2,614	10.9%	20.4%
Graduate or professional degree	1,378	5.7%	11.3%
Percent high school graduate or higher		84.4%	89.9%
Percent bachelor's degree or higher		16.6%	31.8%

Source: U.S Census of the Population, 2000

The job market in Coos County is influenced by the nationwide increase in unemployment. The NHWorks JobMatch system provides data on both persons seeking employment in the county, and jobs listed through the agency. It is important to note that job seekers in the county do not necessarily live in the county, but have indicated that they are interested in potential job opportunities there. The prevalence of job seekers from urban locations such as Nashua and Manchester, who are willing to consider work in Coos County, can help to expand the pool of available talent for Coos County employers. This pool also appears to include recent college graduates who may have originated in Coos County and are interested in returning to work and live.

The U.S. Bureau of Labor Statistics provides information useful in assessing the transferability of skills between occupations. The following are some comparable occupations for commonly-sought job titles:

- office clerks – bookkeepers, data entry clerks
- customer service representatives - information and record clerks, financial clerks, insurance sales agents, financial services sales agents
- machinists - tool and die makers, machine setters, operators, and tenders, and computer control programmers and operators
- millwrights - industrial machinery mechanics and maintenance workers, tool and die makers, and structural and reinforcing iron and metal workers
- assemblers and fabricators - welding, soldering, and brazing workers and machine setters, operators, and tenders—metal and plastic

Work Force Availability in Coos County

Occupational Grouping	Jobs Listed	Workers	Worker Concentrations
Management occupations	22	130	Marketing, administrative services, human resources, general managers
Office and administrative support	9	126	Office clerks, customer service representatives, couriers, receptionists, shipping clerks
Production occupations	6	86	First-line supervisors, machinists, assemblers and fabricators, general production workers
Construction and extraction occupations	3	85	Carpenters, electricians, helpers
Computer and mathematical occupations	12	73	Network administrators, software engineers, programmers, computer support specialists
Business and financial operations occupations	4	67	Accountants, logistics, business operations
Sales and related occupations	10	67	Sales representatives, cashiers, first-line managers of retail workers
Architecture and engineering occupations	4	64	Electrical, mechanical, computer hardware engineers
Installation, maintenance, and repair occupations	2	64	Maintenance and repair, millwrights, industrial machinery mechanics
Transportation and material moving occupations	17	59	Truck drivers, laborers
Arts, design, entertainment, sports, and media occupations	1	38	Designers and writers
Food preparation and serving related occupations	19	35	Cooks, bartenders, wait staff
Education, training, and library occupations	2	23	Teachers and assistants
Protective service occupations	4	22	Police officers, private investigators, security guards
Life, physical, and social science occupations	0	17	Chemical technicians, environmental scientists and technicians
Building and grounds cleaning and maintenance occupations	6	16	Janitors and groundskeepers
Healthcare support occupations	32	16	Nurses aides, orderlies, and attendants
Healthcare practitioners and technical occupations	293	15	Nurses
Legal occupations	0	12	Paralegal and legal assistant
Community and social services occupations	4	10	Counselors and social workers
Personal care and service occupations	17	4	Child care workers
Farming, fishing, and forestry occupations	3	3	Logging
Military specific occupations	0	3	Infantry
TOTAL	470	945	

Source: NHWorks JobMatch System, Place Dynamics

TARGETED INDUSTRIES

Based on an analysis of the existing strengths and trends within local industries, the regional infrastructure and natural resource base, and the county workforce, four industries have been targeted as priorities for recruitment. These industries are identified as groupings that may consist of multiple industry subgroups.

Prefabricated Buildings and Building Materials Manufacturing

This industry grouping is comprised of four sectors representing materials for building construction, along with prefabricated wood and metal buildings.

- Architectural and Structural Metals Manufacturing (NAICS 3323)

This industry group comprises establishments primarily engaged in plate work and fabricated structural products and/or ornamental and architectural metal products.

- Sawmills and Wood Preservation (3211)

Sawmills prepare dimension lumber and other wood products used in building construction.

- Veneer, Plywood, and Engineered Wood Product Manufacturing (3212)

This industry comprises establishments primarily engaged in manufacturing veneer and/or plywood; manufacturing engineered wood members; and manufacturing reconstituted wood products.

- Other Wood Product Manufacturing (NAICS 3219)

Other wood product manufacturing includes millwork and prefabricated building components, whether modular, section or panel, or kit.

Reasons for Targeting

There are several reasons to target this set of related industries.

- Industry growth and competitive advantage within the region

Architectural and structural metals manufacturing stands out as an industry that is growing locally, and for which the region has an apparent competitive advantage. There are existing concentrations in the targeted wood-related manufacturing industries, which are growing at a faster pace than manufacturing overall.

- Recent site selection activity

Cainbro Corporation recently sited its newest plant in Brewer, Maine, on the site of a former paper mill. The plant will fabricate and assemble large modules for industrial process plants in North America. The facility employs approximately 500 workers.

- Utilization of forest resources

This is an industry that can provide a market for diverse forest products including dimension lumber, engineered wood, trusses, millwork, and even finished products such as cabinetry.

- Availability of a large skilled work force

The region has a large work force with skills that can be transferred to these industries. Examples include workers in construction fields, electricians, assemblers, welders, and others.

Industry Trends

Prior to the slump in housing construction and subsequent drop in demand for commercial buildings, prefabricated wood buildings, wood construction components and materials, and metal building components were rapidly-growing industries. Factors of demand, cost, and workforce issues point to continued growth.

- Market demand has created conditions in which builders need to find ways to shorten the time it takes to construct buildings. Use of pre-assembled components (such as trusses) and prefabricated buildings can provide significant time savings.
- The rising cost of construction materials has forced builders and designers to seek alternative products. Engineered wood products, from strand board to engineered beams, provide the same or better quality at a reduced price, and have gained widespread acceptance.
- Rising labor costs and a scarcity of skilled construction workers in many markets is driving a need to adopt other construction techniques. Especially in rural areas, finding the skilled carpenters, electricians, plumbers, and other tradespersons may be difficult. Modular, panel, and kit building systems reduce the need for specialized labor.

Competitive Locations

While this industry is widely distributed throughout the United States and Canada, the largest concentration of prefabricated wood building manufacturing is found in the Upper Great Lakes Region. Northern New Hampshire has a similar profile in terms of its forest resources, workforce, and proximity to markets. While this industry can serve a worldwide clientele, especially when producing specialized buildings, most customers are found within a day's drive or less. For Coos County this would include major population centers such as the Boston and New York metropolitan areas. Growing companies in the Midwest and Southern regions may be suitable targets as they seek to expand their markets into the New England region.

Economic Impact

The average annual pay for all occupations in Coos County in 2007 was \$30,345, and in United States it was \$44,458. In non-metropolitan areas of the United States the average wage was \$35,095. Because local data is suppressed for most of the targeted industries, the following table uses the national average wages.

U.S. Average Industry Earnings	
Industry	2007 Average Annual Pay
Manufacturing	\$53,489
Sawmills and wood preservation (3211)	\$36,442
Veneer, plywood, and engineered wood product manufacturing (3212)	\$38,035
Other wood product mfg (3219) (includes prefabricated wood buildings)	\$33,873
Architectural & structural metals manufacturing (3323)	\$44,021

Source: Quarterly Census of Employment and Wages, 2007

Dominant occupations within these industries include:

- First-line supervisors/managers of production and operating workers;
- Sawing machine setters, operators, and tenders, wood;

- Woodworking machine setters, operators, and tenders, except sawing
- Helpers—production workers
- Laborers and freight, stock, and material movers, hand
- Machine feeders and offbearers
- Team assemblers
- Industrial truck and tractor operators
- Carpenters
- Sheet metal workers
- Structural metal fabricators and fitters
- Cutting, punching, and press machine setters, operators, and tenders, metal and plastic
- Welders, cutters, solderers, and brazers

While this set of industries pays less than average for all occupations and manufacturing, it is closely aligned with the existing industry base in the county. Expansion of these industries will help to stabilize the market for timber and wood products.

Development Needs

Site selection factors for these industries include the following:

- Raw material supply – This is comprised of timber for wood buildings and steel for metal buildings. The region’s forests can meet most needs for timber. The county should study cost differentials for wood products from competing counties within the Northern Forest. Steel must be shipped in. While some product moves by rail, the majority of inputs and finished products move by truck.
- Proximity to markets – Although some product may even be shipped overseas, the majority of wood and steel buildings and wood building materials are consumed regionally. Coos County is proximate to a very large population base, including growing metropolitan areas throughout the Northeastern United States.
- Available work force – Coos County has a large production workforce including both skilled workers (carpenters, electricians, etc.) and production/assembly workers. The positions available in these industries are well matched to those being sought among workers registered in the state’s database.
- Large buildings and/or sites – Space needs for these industries tend to be large, with a significant need for outdoor or covered storage. Existing buildings in Groveton and Colebrook, and large sites in Berlin can meet this need.

Furniture and Secondary Wood Products Manufacturing

This sector is difficult to define. It certainly includes household and institutional furniture and kitchen cabinet manufacturing. It also includes a range of products that are not defined by NAICS classifications. An examination of business lists reveals examples of regional products manufactured from wood in several different NAICS categories. These include toys, home furnishings, fine arts, shoe trees, clothes pins, and more. While many of these tend to be small “craft” businesses, some are quite large.

Reasons for Targeting

Furniture making has been an important part of the local economy. Nationally, the value of shipments of furniture products is growing at a pace faster than most other manufacturing sectors. Although there have

been several recent layoffs in the industry in recent years, it remains one in which the region has a higher concentration than found nationally. Coos County will benefit from a focus on higher-end and custom furniture crafted from wood taken from local forests.

Industry Trends

A large segment of the furniture industry is driven by a desire to reduce prices, resulting in assembled or unassembled pieces manufactured from particle board with a grain veneer. This inexpensive furniture, aimed at the mass market, has been increasingly imported from foreign locations.

Counter to this trend has been a smaller movement that focuses on quality through the use of solid hardwoods and craftsmanship. Fewer pieces are produced and are sold at considerably higher prices. These establishments typically have fewer employees than the larger manufacturers, and may source more of their wood from local forests. Examples range from the well-known Stickley Company (<http://www.stickley.com>) to companies such as Flat Rock Furniture (<http://www.flatrockhickory.com>). This trend is reinforced by perceptions of quality associated with wood products from the Northern Forest region. As noted earlier, research into the effectiveness of the “Vermont Made” brand has demonstrated a premium on furniture.

As with paper, the regional furniture industry will not be able to compete with Asian and other countries on low prices. Focusing on quality materials, craftsmanship, and unique products is one way to differentiate the local industry from high-volume, low-price competitors.

Competitive Locations

Several states have higher numbers of furniture manufacturing establishments, led by North Carolina, with 20 percent of all furniture manufacturing establishments in the country. Although states as diverse as Louisiana and Colorado have targeted this industry for attraction and expansion, there do not appear to be specific incentives developed for it. Models for local or state product promotion, already prevalent in New Hampshire, Vermont, and Maine, may be an effective platform for helping to develop the industry.

Economic Impact

The average annual pay for all occupations in Coos County in 2007 was \$30,345, and in the United States it was \$44,458. In non-metropolitan areas of the United States the average wage was \$35,095. Because local data is suppressed for most of the targeted industries, the following table uses the national average wages.

U.S. Average Industry Earnings	
Industry	2007 Average Annual Pay
Manufacturing	\$53,489
Household and institutional furniture manufacturing (3371)	\$33,086

Source: Quarterly Census of Employment and Wages, 2007

Common occupations found in this industry include:

- First-line supervisors/managers of production and operating workers
- Team assemblers
- Sewing machine operators
- Cabinetmakers and bench carpenters

- Woodworking machine setters, operators, and tenders, except sawing

This is also an industry that pays below national average, however, is already established within the region. By focusing on craftsmanship, it is possible that local wages may increase.

Development Needs

The typical firm targeted within this industry may range from a start-up to small employer (although the potential for large establishments should not be discounted). Site selection factors are not highly specific and include the following.

- Materials – The Northern Forest Region produces a substantial quantity of the hardwoods used to make better furniture.
- Work force – There is an existing furniture-making work force in the region, including many employees recently laid off from Ethan Allen.
- Sites and buildings – General purpose manufacturing buildings will meet the requirements of this industry.

Machine Shops and Machinery Manufacturing

This sector is comprised of three industry classifications:

- Machine shops; turned product; and screw, nut, and bolt manufacturing (NAICS 3327)

The primary focus for targeting are establishments engaged in machining metal parts on a job or order basis, using machine tools such as lathes (including computer numerically controlled); automatic screw machines; and machines for boring, grinding, and milling. The second part of the class is precision turned products or metal bolts, nuts, screws, rivets, and other industrial fasteners, including establishments engaged in manufacturing parts for machinery and equipment on a customized basis

- Metalworking Machinery Manufacturing (NAICS 3335)

This includes activities such as metal cutting and metal forming machine tools; cutting tools; and accessories for metalworking machinery; special dies, tools, jigs, and fixtures; industrial molds; rolling mill machinery; assembly machinery; coil handling, conversion, or straightening equipment; and wire drawing and fabricating machines.

- Other General Purpose Machinery Manufacturing (NAICS 3339)

This sector includes pumps and compressors, material handling equipment, and all other general purpose machinery.

Reasons for Targeting

- Regional concentration – Location quotients for these industries are positive within Coos County, the region, and New Hampshire.
- Competitive advantage – There is an apparent competitive advantage to a Coos County location, likely due to the proximity to major metropolitan area markets and a skilled work force.
- Work force – There is an available work force with the skills necessary to perform the work.
- Economic impact – Wages within these industries are among the highest for any industries within the county.

While machine shops and other general purpose machinery manufacturing have been in decline nationally and within the region, they continue to be disproportionately represented in the local economic mix. The

strength of metalworking machinery may be related to the regional strength in architectural and structural metals manufacturing.

Industry Trends

As the U.S. economy has had to face competition from countries with very low labor costs, many industries have either shipped business overseas or invested in machinery that improves productivity. This has been a source of growth for the industry, but like the manufacturers it serves, it has also had to face overseas competition. The machinery manufacturing industry requires highly skilled workers and has frequent needs for retraining. In many parts of the country there is a concern that the workforce is aging, and that pending retirements will deplete the number of skilled workers available for these positions. Small companies tend to dominate parts of the industry. Such companies can compete effectively by specializing. Metalworking machinery manufacturing has a disproportionately large share of the establishments that make up the machinery manufacturing industry because many are small, averaging fewer than 20 workers.

Demand continued strong into 2008. Consumption of manufacturing technology in 2008 was up 15.5 percent compared with 2007, according to the Association for Manufacturing Technology (AMT) and the American Machine Tool Distributors' Association (AMTDA). With the general economic decline, there has been a corresponding drop-off in this industry. A concern in some sectors is that there will be an influx of used machinery into the market than may suppress demand for some time.

Machine shops also tend to be small operations. In recent years many have benefited from the outsourcing trend, as larger companies that have sought to reduce costs or boost production. Dies and molds account for about 50 percent of industry revenue, cutting tools for 20 percent, machining centers for 15 percent, and 15 percent for miscellaneous machine tools.

Competitive Locations

New York has a high concentration of these industries, as do many of the other Great Lakes regional states. These industries often located in close proximity to their markets, although globalization has diminished the need for proximity.

Economic Impact

The average annual pay for all occupations in Coos County in 2007 was \$30,345, and in United States it was \$44,458. In non-metropolitan areas of the United States the average wage was \$35,095. Because local data is suppressed for most of the targeted industries, the following table uses the national average wages.

U.S. Average Industry Earnings	
Industry	2007 Average Annual Pay
Manufacturing	\$53,489
Machine shops and threaded product manufacturing	\$44,878
Metalworking machinery manufacturing	\$50,887
Other general purpose machinery manufacturing	\$54,869

Source: Quarterly Census of Employment and Wages, 2007

Common occupations found in this industry include:

- Machinists

- Lathe and Turning Machine Tool Setters, Operators, and Tenders, Metal and Plastic
- Welders, Cutters, Solderers, and Brazers
- Grinding, Lapping, Polishing, and Buffing Machine Tool Setters, Operators, and Tenders, Metal and Plastic
- Tool and Die Makers
- Mechanical Engineers
- Team Assemblers

Development Needs

There are no unusual siting requirements associated with these industries. A handful of site selection factors may dominate.

- Proximity to clients – Establishments in these industries still tend to serve a nearby market. Only 40 percent of all machinery manufacturing is for an export market, and that percentage is lower for metalworking machinery. Coos County is within hours of potential markets in the southern part of the state, and New York, Connecticut, and Pennsylvania, among others.
- Sites and Buildings – Most machine shops and machinery manufacturing establishments are relatively small and will have need of spaces under about 20,000 square feet. General purpose manufacturing buildings will meet most facility needs. Suitable facilities can be found throughout the county.
- Work force – A highly-skilled work force is required. Some of the needed skills can already be found within the county. Former paper mill workers can be trained to work in these new positions.

Recreational Equipment Manufacturing

As with secondary wood products, this target does not fit neatly within one NAICS classification. Instead, it consists of multiple manufactured products targeted to a specific consumer. In this case the consumer may be an avid hiker, fly fisher, camper or backpacker, snowmobile enthusiast, or ATV rider. Representative companies mentioned earlier include Jetboil (backpacking stoves), Ragged Mountain (specialized outdoor equipment), Row Works Clothing (clothing and uniforms for team rowing), Burton Snowboards, and Di-Notte Lighting (headlamps and flashlights).

Reasons for Targeting

This industry is closely tied to the tourism industry that is so strong within the White Mountains. Specific reasons for targeting it include:

- Attractions for industry enthusiasts – The region draws dedicated participants who may already own or manage related businesses, may be a source of product innovation, or may provide an easily-captured market for locally-produced products.
- Presence of leading manufacturing/retail operations – Timberland is one of the largest employers in New Hampshire. L.L. Bean is located two hours away in Maine. These companies sell products manufactured under their own names as well as other related products. They may be a powerful conduit to product commercialization and marketing to a worldwide audience.
- Potential for alliances – Organizations such as the Appalachian Mountain Club and organizations related to activities like skiing and ATVs can be powerful allies to help make connections within the industry and develop programs that support it.

Industry Trends

According to the Outdoor Industry Association, participation in outdoor increased in 2007 to about half of the total population. This means that 138.4 million Americans took part in outdoor activities, getting outside for a total of 11.37 billion outdoor excursions. The most popular activities included fishing, running/jogging, bicycling, camping or RV-ing, and hiking. While sales in the industry declined with the downturn in the economy, some sectors have continued to perform well and there is evidence of a recent increase in sales.

Competitive Locations

Similar industry concentrations have developed in other regions that are attractive to outdoor recreation industries, including places like the Colorado Front Range, western Oregon, and California. Products made in these areas include backpacking foods, camping and hiking equipment, skiing products, and more. Because the areas draw residents and visitors who are among the most dedicated enthusiasts within their chosen activity, they tend to have a degree of product innovation leading to the launch of new product lines, if not the formation new companies.

Other Opportunities

A handful of industries might be considered as lower-priority opportunities that do not make a strong enough case to pursue, but still may have some local potential. These are mentioned here.

- Tourism promotion is an economic development strategy that has already been adopted by the North Country Council and local economic development organizations. This industry is mentioned as a targeting opportunity due to the fact that it is an exporting industry that has a strong local concentration and growth due to regional competitiveness.
- Related to tourism, there is the potential to develop an art-based cluster in the region. Analysis does indicate a growing presence of artists, and the definition could be expanded to include closely-related professional industries such as specialized design services. While not likely to be a significant generator of employment, this niche is most likely to have an impact in assisting to restore or maintain the vitality of the downtown districts in the county.
- Textile and apparel manufacturing continues to have a concentration within the region and New Hampshire, although to less of an extent within Coos County. This industry was not selected as a target due to the fact that it has been in continuous decline for decades and the underlying reasons for that decline have not changed.
- Specialty food manufacturing is a growing industry and one that has performed well in neighboring areas. Vermont, in particular, is known for a variety of specialty products. At this time Coos County and the region do not have a significant base of agriculture to support this industry. Recent growth in farming and an interest in organic and alternative crops may lead to future opportunities. Although these changes should be monitored, there is an insufficient base at present to warrant making this a target industry.
- Alternative energy generation is being pursued by countless states and local communities. Coos County has a very good wind resource and has some potential for biomass power generation. Logistical issues present a substantial challenge. Chief among these are the limited ability to export generated electricity from the county to metropolitan markets over existing transmission lines, and an insufficient and variable supply of source material for bio-energy projects. Other locations appear to have an implementation advantage.
- Floriculture and greenhouse crops have been a source of growth in the agricultural economy. This has been true statewide in New Hampshire and also in Coos County, although it is not apparent in what specific sectors the growth has occurred. This particular opportunity was not pursued due to the nature of

the jobs it provides. Most will be seasonal or temporary jobs offering low wages and poor benefits. For example, one recently-constructed 800,000 greenhouse has three year-round employees and hires temporary workers for short periods three or four times per year.

DEVELOPMENT PLAN

The analysis suggests several actions that Coos County economic developers can take to make the county more attractive to potential business recruitment targets. These actions should be considered in concert with a marketing program.

Sites and Buildings

Existing buildings and development sites in Coos County are comparable in condition and quality to competitive locations in the region. Coos County has a number of large industrial buildings that are unlikely to be filled by a single tenant. Some thought should be given to planning for the division of these buildings. This step can be important to help prospective tenants understand how the building may meet their needs. Considerations for a space plan include the provision of a front door and office space for each future tenant unit, individual and/or shared truck access, utility services and metering, restrooms, and common area maintenance.

Infrastructure

Conventional infrastructure (roads, water supply, sanitary sewers and treatment) is adequate to meet the needs of the targeted businesses. Industrial sites and buildings that have access to municipal water and sanitary services will have some advantage over sites that do not provide these services. The two-lane highway system is in excellent condition and the lack of four-lane highways is not an impediment to economic growth.

The lack of ubiquitous broadband and wireless telecommunication service is a problem that must be addressed. Cell phone coverage is frequently unavailable over large parts of the county, and even within some of the smaller communities. Broadband internet access is similarly unavailable in most locations. For visitors who are accustomed to using wireless devices, the lack of service creates an impression of "back woods" isolation that can be a barrier to investment in the county. Beyond this, the lack of services is likely an impediment for existing businesses in the area.

Coos County may consider adopting a goal to provide near-continuous cell phone coverage along the state and federal highways passing through the county, and to offer wireless internet access within the larger incorporated communities. Potential strategies for achieving this goal include forming a government-owned or non-profit utility, or entering into partnerships with for-profit service providers.

Entrepreneurship and Small Business Growth

Past trends indicate the strong potential for business and employment growth to come through business formation and the growth of existing or relocated small businesses. While support programs for entrepreneurial development in Carroll and Grafton Counties are well-established and successful, Coos County lacks a similar level of entrepreneurial support infrastructure. In addition, Coos County should expand upon entrepreneurship to add programs for small business growth acceleration.

Beyond entrepreneurs within the resident population, there is a high likelihood that Coos County can attract new residents who will start businesses. Two particular groups to consider are older professionals who may consider Coos County as a retirement destination, and people who are attracted to the recreational opportunities offered in Coos County.

Further study of the specific needs may be advisable, however, some ideas that appear worth exploring include:

- Provide early-stage entrepreneurial coaching to help in business concept formulation and goal setting.
- Provide professional assistance with various aspects of marketing and market development, such as branding, web presence development, and client identification.
- Provide technical assistance to growing small businesses in areas such as human resources management.
- Provide a location (not necessarily an incubator space) where businesses can have access to shared resources such as conference rooms and office equipment.

MARKETING PLAN

A good deal of research has been conducted on the effectiveness of alternative approaches to economic development marketing, and the sources of information used in making decisions about where to locate new facilities. The following table provides a summary of these.

Effectiveness of Alternative Marketing Strategies		
Source of Information	Examples of Techniques	Effectiveness
Networking within industry	Involvement of local industry leaders in economic development	High
Public relations	Placement within general and industry-specific media	High
Travel	Business travel and tourism	High to Moderate
Meetings / direct contact	Call trips, trade shows	Moderate
Internet	Web sites, e-mail, social networking	Moderate
Advertising	Print, TV, radio, web	Low
Direct Mail	Mailings to prospects	Low

Source: Place Dynamics, compiled from various sources

The greatest number of businesses are influenced by information and opinions shared by other persons within the industry. These people are a “trusted source” for information, however, a mere testimonial letter is rarely enough to sway the location decision. An effective program must will have active participation from businesses located in the area and/or be carried out with the close collaboration of respected industry organizations.

Legitimate news coverage, along with some other forms of public relations, has also proven to be an effective means of building location awareness. Coverage may be targeted to the general media as well as to industry-specific publications.

Travel is one way in which business decision-makers may become familiar with a region. Business travel is typically more important in this regard than leisure travel, when the traveler may not be as focused on work thoughts. Economic development marketing should be closely tied to a region’s tourism effort.

Many economic development marketing programs include an element of direct contact. This may occur through scheduled meetings with specifically-targeted businesses, or more generally through participation in industry events. The latter can also have the benefit of helping to build locational familiarity within the industry, through exposure to numerous attendees.

The internet is used as a source of information in an overwhelming majority of business siting decisions. This is true for site searches conducted by the business itself, and even more so for site searches conducted by site consultants. The area’s web site is often the first exposure for the business to the area. As such, it needs to be comprehensive and provide information that is difficult to obtain, or not available through other sources. The site user can easily obtain Census tables or similar information elsewhere, and may be frustrated if the local site offers nothing more.

Advertising and direct mail have been staples of economic development marketing for decades. Unfortunately, these techniques have usually proven to be among the most expensive and least effective. Results will vary depending on the publication. Some organizations have found that advertising in regional business

real estate publications may yield results. The advertisement's effectiveness can tend to increase with repetition – one ad may be missed while an ad in every edition is likely to receive more hits.

General Marketing Recommendations

The following are general recommendations meant to form the core of an economic development marketing strategy for Coos County. At the heart of this strategy is a need to provide enough convincing information, through a variety of approaches, to allow the business to include Coos County in an initial cut during its site search. Fewer than $\frac{1}{3}$ of businesses or site consultants will contact a local organization during the initial search phase.

- It is vitally important for information regarding available sites and buildings to be available to businesses and individuals conducting a site search. Very little of any such information is available on local and regional economic development web sites, or even within the State of New Hampshire's site and building inventory (<http://newnedds.nheconomy.com>). Only the Groveton Mill and Colebrook Industrial Park are returned from a search on LoopNet (www.loopnet.com), a widely-used national search engine. It must be a priority of local economic developers to ensure that complete information regarding sites and buildings is provided on as many of these sites as possible, and it is maintained over time.
- Coos County should have a prominent economic development presence on the internet. The site should provide access to detailed information related to business site selection, including current-year demographic information, work force assessments, lists of leading businesses, local incentive programs, and site or building information. Most importantly – and often overlooked – a phone number, address, e-mail link, and name of a contact person should be provided on every page of the web site.
- Coos County must capitalize on the strength of its tourism industry. There are certainly business decision-makers among the tens of thousands of annual visitors to the area. Tourism can be an effective means of acquainting them with the county and the resources it has to offer. Strategies include promoting local facilities for business and organizational meetings, addressing economic development within tourism publications, placing economic development literature in area hotel rooms, and training tourism staff to serve as economic development ambassadors.
- When adopted as a marketing approach, trade show attendance should serve to: 1) generating industry awareness about Coos County as both a tourist destination and as a business location; 2) identify companies that may have an interest in locating facilities in the county; and 3) help to promote existing area businesses in the industry.
- Coos County should prepare high-quality economic development literature for use in its marketing efforts. Care should be taken to not include information that will soon become dated in any professionally-printed literature. Current data should be provided through inserts printed in-house, and data should be updated at least quarterly.

Prefabricated Buildings and Building Materials Manufacturing

Furniture and Secondary Wood Products Manufacturing

Due to the similar markets, media outlets, events, and other marketing venues for these industries, they are discussed together. It should be noted that the current economic slump, in which residential and commercial construction has been especially hard-hit, may make this an unproductive target in the short term. Nevertheless, actions to begin creating recognition with the industry should begin now in order to pay off when the industry begins to grow again.

It is a fair generalization to suggest that the ideal target will be a specialty or higher-end product manufacturer. As noted earlier, the large-scale commodity and lower-value segments of these industries are migrating to overseas locations with cheaper material and labor costs. This targeting approach is equally valid for the prefabricated building segment as it is for industries like furniture manufacturing. The following should be considered:

- The greatest opportunities for prefabricated wood building manufacturing are in the residential sector, where panel or modular construction is replacing stick-built construction due to cost savings. These homes are indistinguishable from stick-built homes and are often values above \$250,000. Potential targets include major residential developers (for example; <http://www.saddlebrookfarms.net>) who are located in the nearby metropolitan areas, as well as companies that only manufacture the homes. The targets should be companies that are currently operating within the northeastern states, with a secondary target of large manufacturing operations that may look to expand from neighboring regions.
- The metal building segment that appears to be strongest within the region is focused on larger office/industrial, and specialty metal buildings. Regional companies serve a market that includes the northeastern states, and in the case of Cainbro, an international market extending into South America. The most likely prospect is a branch facility of a larger company that has a growing presence in the New England market.
- The furniture manufacturing most likely to be successful over the long term, in Coos County, will focus on high-end and custom pieces. The regional supply of hardwood will be important to this niche. Numerous examples (Lyndon Furniture, Vermont Folk Rocker, etc.) can be found in Vermont. That state's support for the industry, directly and through efforts such as the "Vermont Made" campaign, can be a model for New Hampshire.

The industries within this sector tend to be represented by trade associations including the National Association of Home Builders, the Metal Building Manufacturers Association, and the Wood Component Manufacturers Association. The furniture industry is represented by organizations including the National Home Furnishings Alliance, the National Home Furnishings Association, the Business and Institutional Furniture Manufacturers Association, the Kitchen Cabinet Manufacturers Association, and the Wood Products Manufacturers Association, among others. Based on comments from other states targeting this sector, the best outcomes have come from participation in the International Woodworkers Association, which hosts the International Woodworking Fair every two years in Atlanta, Georgia.

In addition to participating in trade industry events, a second strategy to be considered is to partner with the primary suppliers located in the region. Local companies (sawmills, etc.) can help by identifying existing and potential customers for the wood products they produce. These customers would comprise a list of targets that might be marketed to as potential prospects for recruitment to the area, based on supplier linkages.

Machine Shops and Machinery Manufacturing

Coos County should target small companies in this sector, that are located within about a 2-4 hour driving distance. The primary reasons for a company to expand or relocate to Coos County are believed to be either the availability of a skilled work force, or changes within the company. Previous research has shown that those manufacturing companies making a move tend to have about 20 employees, and have tended to experience recent employment change. Other factors that can influence a location decision are the personal preferences of the owner, or transfer of ownership.

The strategies considered to be most effective in reaching these targeted companies are those that create direct contact between the company ownership or management, and local economic development professionals. Call trips and trade show attendance should be the main focus, backed up by the general promotional efforts identified above.

The initial set of targets should include companies with about 25 or fewer employees, located in the metropolitan areas to the south of New Hampshire. Prospecting can later be expanded to larger companies. In most cases, contact within the smaller companies will be made with the company owner. Work force availability, cost advantages for building space and labor, proximity to markets, and quality of life will be the leading talking points. Contact with prospects may take several forms:

- an initial letter to the prospect, followed up periodically with news concerning Coos County (press coverage, testimonials from existing area businesses, or other third-party sources are preferred);
- call trips to meet with prospects at their location, to qualify the lead and gain an understanding of particular needs the business may have;
- contact at trade shows and other events, particularly where local economic development staff may be accompanied by area business leaders who can attest to the advantages of doing business in Coos County, or state political leaders who can demonstrate commitment to recruiting the business; and
- a site visit activity (such as a golf outing, fishing trip, or other activity) in which the prospect is invited to Coos County and is exposed to both its business opportunities and quality of life.

Industry organizations representing this sector include the National Association of Manufacturers, the National Tooling and Machining Association, the Precision Machined Products Association, the Tooling and Manufacturing Association, and the American Machine Tool Distributors Association. The Society of Manufacturing Engineers hosts an annual exposition for different regions of the United States and abroad. The EASTEC APEX (Advanced Productivity Exposition) is targeted to the eastern United States. Other events, such as the Contract Manufacturing Purchasing Fair (put on by the National Tooling and Machining Association) can serve more of a role in helping area businesses to expand their market.

Recreational Equipment Manufacturing

Small and start-up businesses represent the most likely targets for this sector. In particular, Coos County should seek to attract entrepreneur or small business owner who would prefer to have their business near an outstanding location for their preferred activity. Coos County makes a valid argument to be that destination whether the person enjoys hiking, skiing, fly fishing, or ATV riding. The recommended approach revolves around building an industry cluster initiative addressing entrepreneurial development, small business growth (through market expansion, product development, and other forms of assistance), and marketing through industry events and tourism. Public relations should follow.

- The tourism industry will initially be the strongest aspect of a marketing program. Coos County is known as a preferred destination in the Northeastern States for outdoor recreational pursuits. This recognition helps to establish credibility when touting the county as a good location for recreational equipment manufacturing. Economic development marketing should seek to tie into tourism efforts and build off of tourism messages.
- A number of area companies and organizations have the potential to be powerful allies in promoting this industry within Coos County. Companies like Timberland and L.L. Bean may have an interest in new products developed in the area, and may be a source of technical, marketing, or financial assistance in endeavors such as entrepreneurial programs aimed at recreational equipment start-ups. Organizations such as the Appalachian Mountain Club provide a conduit to a dedicated core of outdoor enthusiasts who may be prime candidates to launch a business venture related to outdoor products, and who may also have a strong interest in living in Coos County. An industry cluster initiative including components of entrepreneurial and small business development can be a powerful inducement to bringing that business to Coos County.

- Trade show exposure to this industry segment, whether passive or motorized activities, can fill a dual role of promoting tourism along with economic development. The Outdoor Industry Association is the largest organization representing activities such as hiking, camping, fishing, and paddling. It holds several events throughout the year. Outdoor Retailer hosts a summer and winter market that brings together manufacturers, retailers, and other interests within the industry. SnowSports Industries America (SIA) is oriented to skiing, snowboarding, and similar activities. The Off-Road Business Association represents motorized outdoor activities. Attendance at these events can also be used to promote local businesses to retailers. Attendees from these businesses may also be coached to act as ambassadors to other businesses in attendance, to promote the advantages to doing business in Coos County.
- Coos County is somewhat unique in pursuing recreational equipment manufacturing. The story may have interest because of the unusual target, for potential noteworthy alliances (for example, the Appalachian Mountain Club, Timberland, etc.), and for ties to underlying concepts such as sustainable economic development approaches. Coos County should exploit these and other themes to gain press coverage in regional media outlets and in industry publications.