



# ECONOMIC DEVELOPMENT

City of Portsmouth, NH

## DRAFT REPORT

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for the 2015 Master Plan Update.

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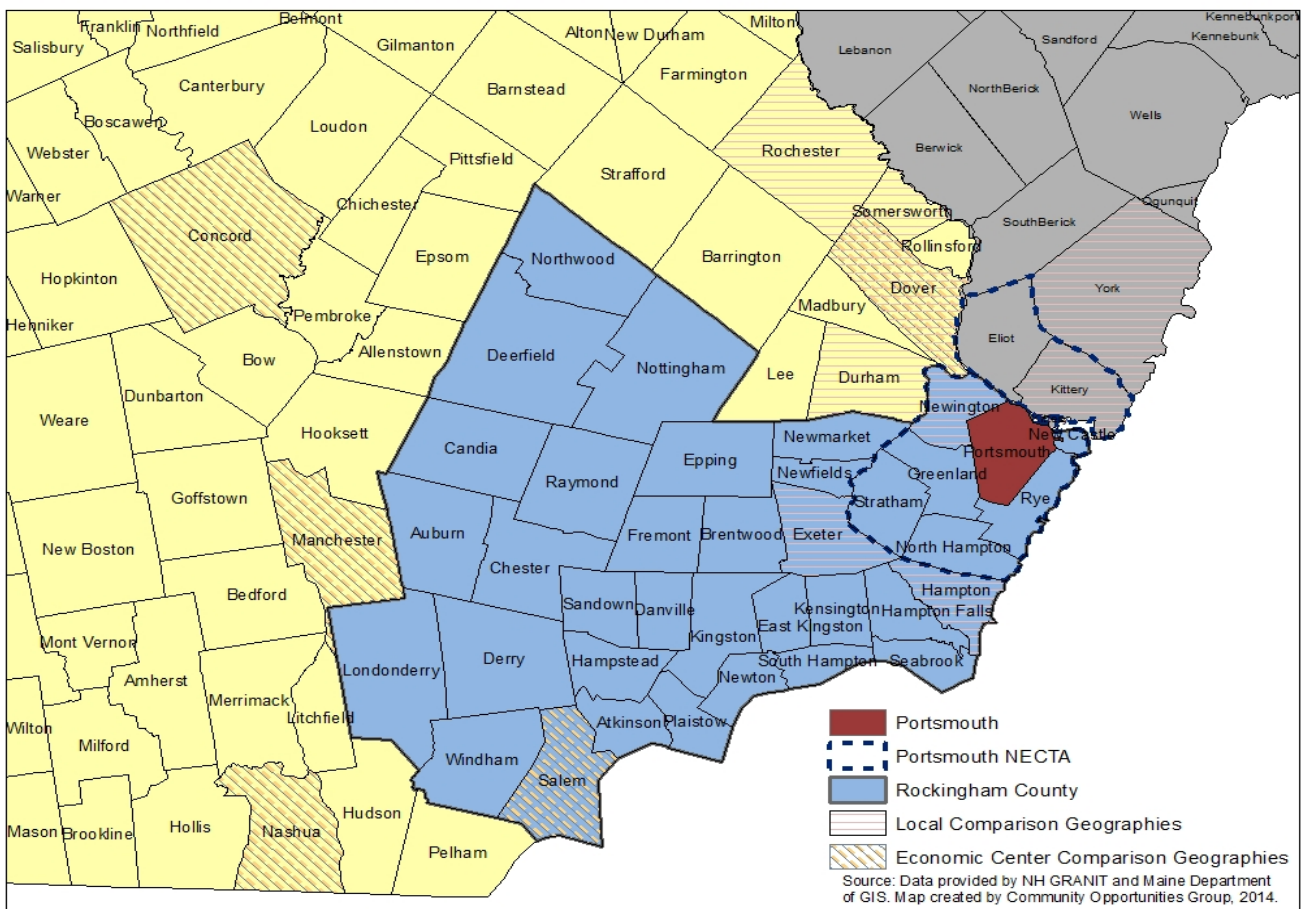
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## Introduction

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

**Map 1: Portsmouth Regional Context**



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

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

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

### **Comparison Geographies and Data Sources**

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

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

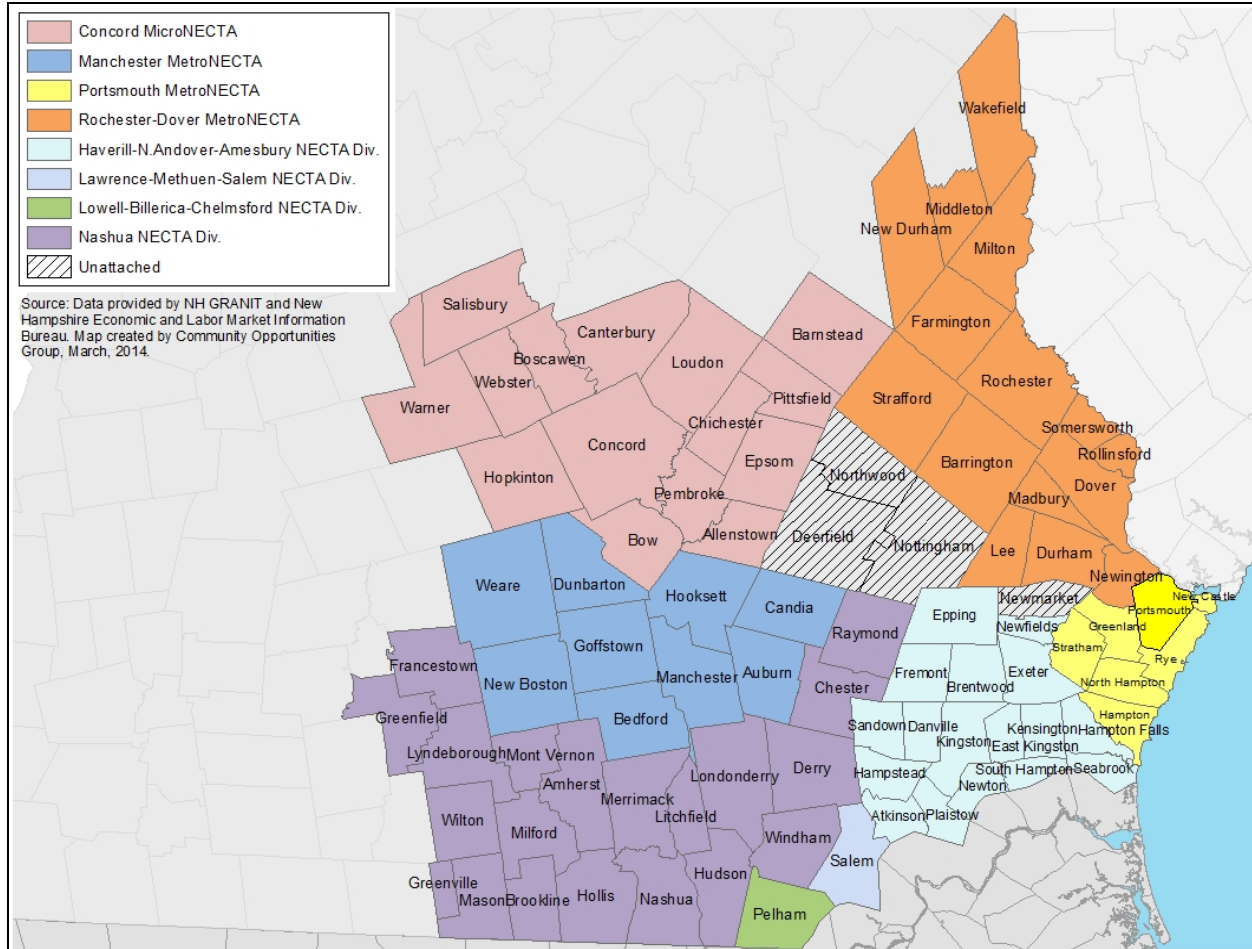
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<sup>1</sup> American Community Survey, 2008-2012, Five Year Estimates, DP03 & New Hampshire Economic + Labor Market Information Bureau, 2013.

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

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

**Map 2: Economic Area in New Hampshire**



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



## Labor Force Characteristics

**Table 1: Labor Force and Jobs (2012)**

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

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

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

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

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

Having more than twice as many jobs as workers indicates that Portsmouth's employers depend on a regional labor force to fill their positions. While 51 percent of Portsmouth residents also work in Portsmouth (a relatively high share), 77 percent of people working in Portsmouth live in other communities.<sup>5</sup> The US Bureau of Labor Statistics estimates that the civilian labor force in the Portsmouth metropolitan area<sup>6</sup> comprised approximately 55,000 people in 2013, but the actual labor shed is much larger as many workers reside in more affordable communities

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

<sup>4</sup> ACS 2008-2012, Five Year Estimates, DP03.

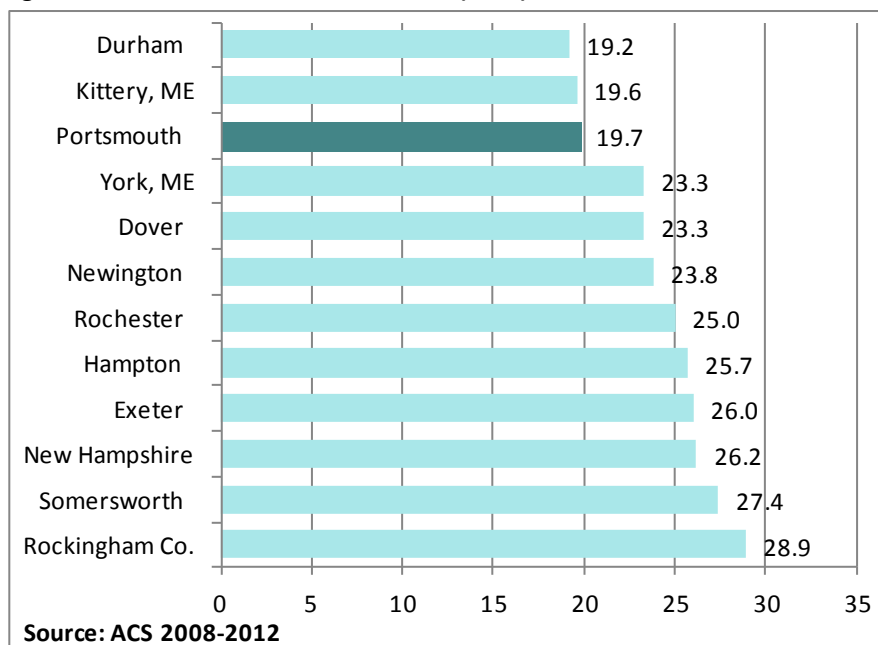
<sup>5</sup> ACS 2006-2010, Five Year Estimates, Commuter Adjusted Daytime Population Data.

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

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

## Commuting Patterns

**Figure 1: Mean Commute Times to Work (2012)**



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

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

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

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

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

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

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

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

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

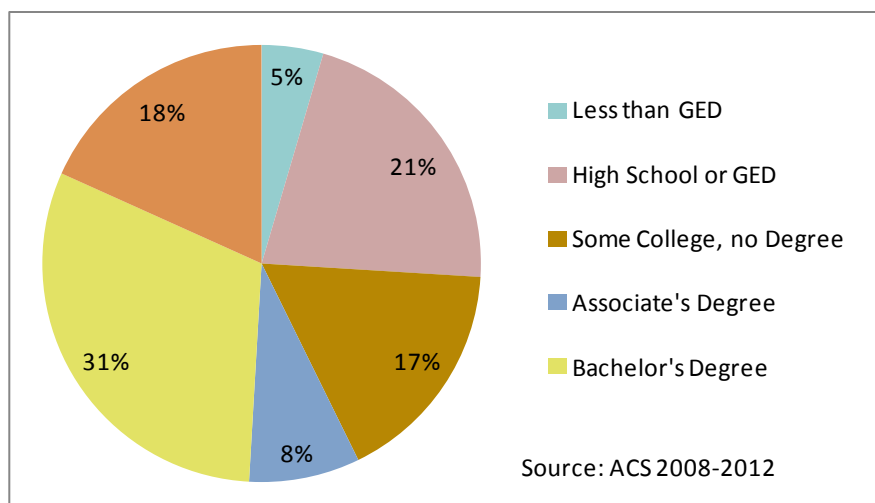


19.7 minutes. Commute times in Portsmouth were shorter than they were in the county and the state (28.9 and 26.2 minutes, respectively), and are indicative of the high percentage of Portsmouth residents who both live and work in the city. As shown in Table 2, more than half of residents in Portsmouth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

## Educational Attainment and Incomes

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

**Figure 2: Educational Attainment of Portsmouth Residents (2012)**



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

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

<sup>9</sup> US Census, 2010

<sup>10</sup> ACS 2008-2012, Five Year Estimates, DP03.

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

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

Source: ACS 2008-2012, US Census 2000

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

### Class, Occupations, and Industry of Workers

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

Source: US Census 2000, ACS 2008-2012

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

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

<sup>11</sup> ACS 2008-2012, Five Year Estimates, DP03.

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

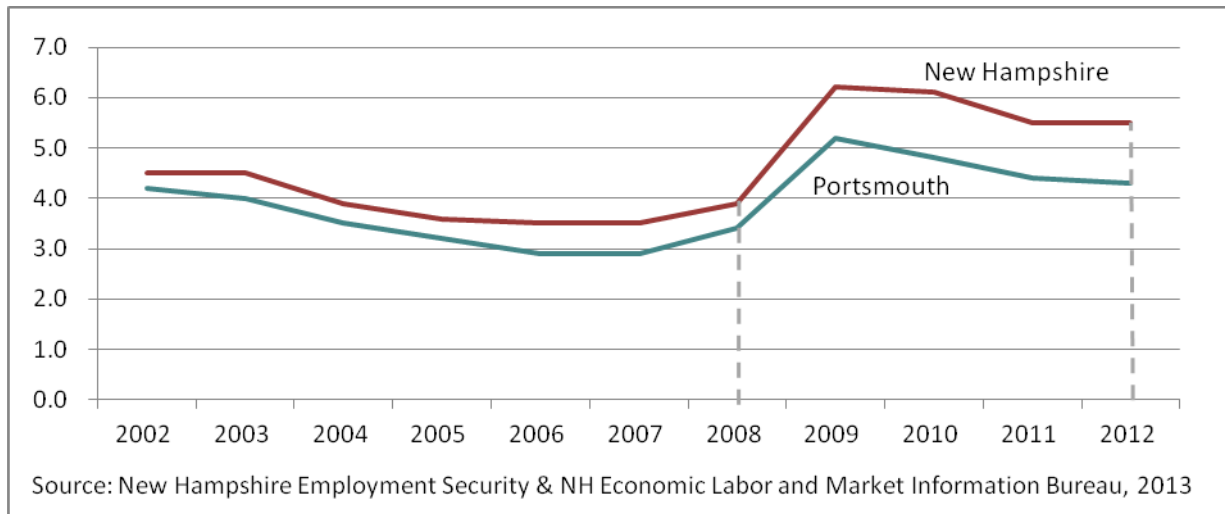
As shown in Table 5, 81 percent of Portsmouth residents are employed in management, business, arts, and science occupations; sales and office occupations; or service occupations. The remaining 19 percent are employed in natural resources, construction, and maintenance occupations or production, transportation,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

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

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

## Unemployment

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

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

## Employment Base

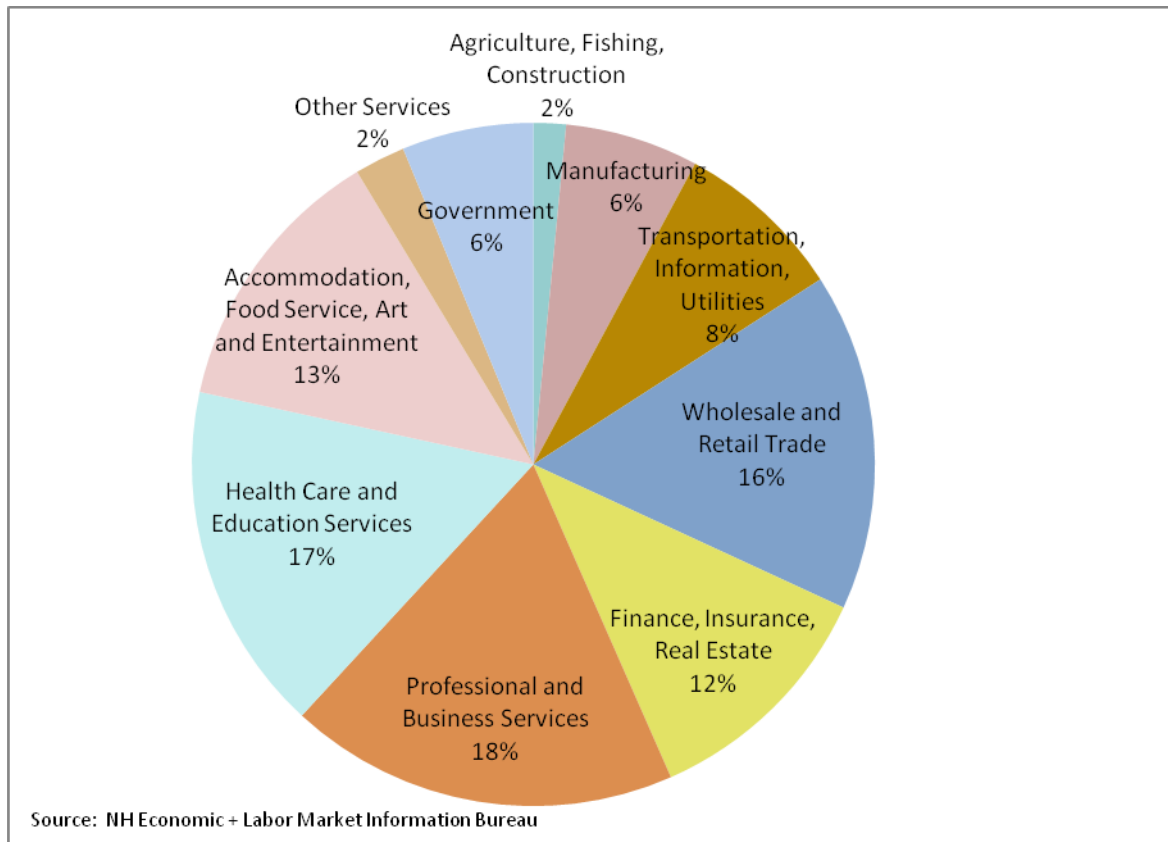
The employment base in Portsmouth includes all payroll reported positions for non-profit, for-profit and public employment. According to the ACS, Portsmouth has an estimated daytime population of 37,893 people; meaning the population grows by approximately 17,000 people during daytime hours due to people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

## Employers, Jobs, and Wages

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

<sup>12</sup> ACS 2006-2010, Five Year Estimates, Commuter Adjusted Daytime Population Data.

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

**Figure 4: Employment by Industry in Portsmouth, 2012**

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

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

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

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

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

Note: n indicates the data does not meet disclosure standards.  
Source: NH Economic + Labor Market Information Bureau (2013)

## Location Quotients

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



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

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

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

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

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

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

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

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

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

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

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

## Employment Growth Forecasts

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

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

Source: New Hampshire Economic and Labor Market Information Bureau

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

## Tax Base

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

Source: NH Department of Revenue, 2013

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

Source: City of Portsmouth, *Annual Report FY 2014*

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

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

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

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

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

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

## Market

### Rental and Vacancy Rates

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

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

	Low	High	Vacancy Rate
First Floor Retail	\$15	\$45	Est. 5.0%
Office	\$15	\$30	12.8%
Industrial	\$4	\$12	3.4%

Sources: Community Opportunities Group & Colliers Int.<sup>17</sup>

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

## Development Pipeline

Year	Building Permits	Declared Construction Value (in Millions)
FY 2004	726	\$38.4
FY2005	886	\$83.8
FY 2006	913	\$89.4
FY 2007	917	\$64.1
FY 2008	962	\$89.8
FY 2009	833	\$69.1
FY 2010	845	\$51.2
FY 2011	853	\$40.9
FY 2012	866	\$105.0
FY 2013	882	\$54.0

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

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

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

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

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

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

<sup>18</sup> City of Portsmouth Planning Department



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

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

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

## **Economic Sectors**

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

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

<b>Name</b>	<b>Portsmouth Employees</b>	<b>Notes</b>
Portsmouth Consular Center, US Dept. of State <ul style="list-style-type: none"> <li>• Passport Service NE Regional Office</li> <li>• National Passport Center</li> <li>• National VISA Center</li> </ul>	1,459	Includes contract and Department of Defense Employees
Liberty Mutual	1,013 (2012 figure)	Insurance
HCA Portsmouth Regional Hospital	980	Health Facility
City of Portsmouth	975	Includes full time and part time employees
Lonza Biologics	792	Contract Pharmaceuticals
John Hancock	400	Financial
Bottomline Technologies	365	Software
Newmarket International	305	Event software for hospitality industry
Thermo Fischer	274	Lab products
Direct Capital	250	Mortgage services

Source: City of Portsmouth, Economic Development Department 2014

## Office and Professional Services

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

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

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

<sup>19</sup> NH Economic and Labor Market Information Bureau, 2013.

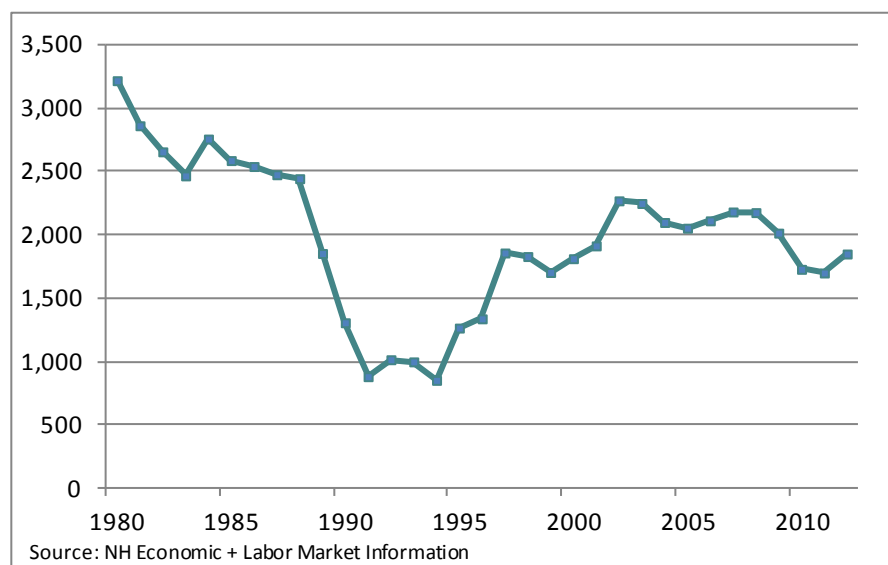
dropped from 15.5 percent to 12.8 percent during the same period.<sup>20</sup> (Colliers figures exclude medical office space, office space under 10,000 square feet, and office condominiums.)

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

## Manufacturing and Biotechnology

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

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



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

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

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

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

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

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

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

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

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

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

## Hospitality, Entertainment, and Retail

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

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

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

## Hotels and Lodging

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

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

<sup>25</sup> City of Portsmouth, Assessor's Database, 2013.

## Restaurant and Retail

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

## Arts, Culture, and Tourism

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

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

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<sup>26</sup> City of Portsmouth, *Annual Report*, 2014.

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

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

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

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

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

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

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

<sup>29</sup> Art-Speak, "State of the Arts 2013" report.

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

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

<sup>32</sup> [http://www.themusichall.org/about\\_us](http://www.themusichall.org/about_us)



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

## **Marine and Air Transportation Facilities**

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

### ***Port of New Hampshire***

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

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

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

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<sup>33</sup> <http://www.3sarts.org/>

<sup>34</sup> Matthew Magnusson, Charles Colgan, and Ross Gittel; *The Economic Impact of the Piscataqua River and the Ports of Portsmouth and Newington*; June, 2012.

<sup>35</sup> *Ibid.*

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

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

### ***Pease International Airport***

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

## **Public Sector, Health Care, and Education**

### ***Government and Military***

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

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

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

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

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

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

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

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

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

### **Health Care**

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

### **Education**

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

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<sup>38</sup> ACS 2008-2012, Five Year Estimates, DPO3.

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

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

## Creative, Entrepreneurial, and Home Occupations

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

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

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

## Opportunity Areas

### Pease International Tradeport, Airport, and Seaport

Pease International Tradeport and Airport is a 3,000 acre area with 40 percent of its land in Portsmouth and 60 percent of its land in Newington. There are currently over 250 companies operating out of Pease that employ nearly 8,400 workers, and Pease International Tradeport contributes \$5-\$6 million dollars in **PILOT**<sup>42</sup> fees to the City annually.<sup>43</sup> The Tradeport and Airport are overseen by the Pease Development Authority, which also oversees an 11 acre area in the Port of New Hampshire. The Pease Development Authority operates independently from the City of Portsmouth and administers its own zoning regulations, which are controlled by an agreement with the federal government.

<b>Table17: Pease International Tradeport and Airport</b>	
<b>Industrial Space</b>	
Total Square Feet	2,070,316
Total Vacant Square Feet	53,753
Vacancy Rate	2.6%
<b>Office Space</b>	
Total Square Feet	1,203,085
Total Vacant Square Feet	188,045
Vacancy Rate	7.4%
<b>Developable Land Remaining</b>	
Tradeport	60 Acres
Airport	230 Acres
Source: Colliers International & Pease Development Authority, 2013.	

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

<sup>42</sup> Payment In Lieu of Taxes (**PILOT**)

<sup>43</sup> Pease Development Authority, 2013.

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

## **Downtown**

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

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

## **Route 1/Lafayette Road**

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

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

## **Islington Street Corridor**

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

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

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

### **Market Street/Commerce Way**

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

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

### **Borthwick Avenue**

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





## Appendices

### Resources/Initiatives

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

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

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

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

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

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

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

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

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

## **Economic Planning Reports and Analysis**

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

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

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

### **City of Portsmouth: Economic Conditions Report for FY12**

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

### **2013 Action Plan, Economic Development Commission**

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

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

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

Long-term goals are:

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

### **State of the Arts Report 2013, Art-Speak**

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

### **Office and Industrial Market Survey: Portsmouth Submarket<sup>45</sup>**

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

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

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

Office Market Trends:

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

Industrial Market Trends:

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

**Portsmouth Naval Shipyard – Economic Impact FY2012, Seacoast Shipyard Association**

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

**Islington Street Corridor Improvement Action Plan – December 2009**

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



## Issues and Constraints

### Parking

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

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

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

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



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

### **Regulatory Constraints**

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

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

### **Spatial Constraints**

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

## Competition

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

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

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



## US Census Bureau 2010 Occupation Code List

### US Census Bureau 2010 Occupation Code List

*last updated: August 12, 2011*

#### Occupation 2010 Description

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

#### **Management, Business, Science, and Arts Occupations:**

##### ***Management, Business, and Financial Occupations:***

##### Management Occupations:

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

##### Business and Financial Operations Occupations:

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

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

***Computer, Engineering, and Science Occupations:***

Computer and mathematical occupations:  
 Computer and information research scientists  
 Computer systems analysts  
 Information security analysts  
 Computer programmers  
 Software developers, applications and systems software  
 Web developers  
 Computer support specialists  
 Database administrators  
 Network and computer systems administrators  
 Computer network architects  
 Computer occupations, all other  
 Actuaries  
 Mathematicians  
 Operations research analysts  
 Statisticians  
 Miscellaneous mathematical science occupations  
 Architecture and Engineering Occupations:  
 Architects, except naval  
 Surveyors, cartographers, and photogrammetrists  
 Aerospace engineers  
 Agricultural engineers  
 Biomedical engineers  
 Chemical engineers  
 Civil engineers  
 Computer hardware engineers  
 Electrical and electronics engineers

Environmental engineers  
 Industrial engineers, including health and safety  
 Marine engineers and naval architects  
 Materials engineers  
 Mechanical engineers  
 Mining and geological engineers, including mining safety engineers  
 Nuclear engineers  
 Petroleum engineers  
 Engineers, all other  
 Drafters  
 Engineering technicians, except drafters  
 Surveying and mapping technicians  
 Life, Physical, and Social Science Occupations:  
 Agricultural and food scientists  
 Biological scientists  
 Conservation scientists and foresters  
 Medical scientists  
 Life scientists, all other  
 Astronomers and physicists  
 Atmospheric and space scientists  
 Chemists and materials scientists  
 Environmental scientists and geoscientists  
 Physical scientists, all other  
 Economists  
 Survey researchers  
 Psychologists  
 Sociologists  
 Urban and regional planners  
 Miscellaneous social scientists and related workers  
 Agricultural and food science technicians  
 Biological technicians  
 Chemical technicians  
 Geological and petroleum technicians  
 Nuclear technicians  
 Social science research assistants  
 Miscellaneous life, physical, and social science technicians  
***Education, Legal, Community Service, Arts, and Media Occupations:***  
 Community and Social Service Occupations:  
 Counselors  
 Social workers  
 Probation officers and correctional treatment specialists  
 Social and human service assistants  
 Miscellaneous community and social service specialists, including health educators and  
 community health workers  
 Clergy  
 Directors, religious activities and education  
 Religious workers, all other  
 Legal Occupations:  
 Lawyers  
 Judicial law clerks

Judges, magistrates, and other judicial workers  
Paralegals and legal assistants  
Miscellaneous legal support workers  
Education, Training, and Library Occupations:  
Postsecondary teachers  
Preschool and kindergarten teachers  
Elementary and middle school teachers  
Secondary school teachers  
Special education teachers  
Other teachers and instructors  
Archivists, curators, and museum technicians  
Librarians  
Library technicians  
Teacher assistants  
Other education, training, and library workers  
Arts, Design, Entertainment, Sports, and Media Occupations:  
Artists and related workers  
Designers  
Actors  
Producers and directors  
Athletes, coaches, umpires, and related workers  
Dancers and choreographers  
Musicians, singers, and related workers  
Entertainers and performers, sports and related workers, all other  
Announcers  
News analysts, reporters and correspondents  
Public relations specialists  
Editors  
Technical writers  
Writers and authors  
Miscellaneous media and communication workers  
Broadcast and sound engineering technicians and radio operators  
Photographers  
Television, video, and motion picture camera operators and editors  
Media and communication equipment workers, all other  
***Healthcare Practitioners and Technical Occupations:***  
Chiropractors  
Dentists  
Dietitians and nutritionists  
Optometrists  
Pharmacists  
Physicians and surgeons  
Physician assistants  
Podiatrists  
Audiologists  
Occupational therapists  
Physical therapists  
Radiation therapists  
Recreational therapists  
Respiratory therapists

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

**Service Occupations:**

Healthcare Support Occupations:

Nursing, psychiatric, and home health aides  
 Occupational therapy assistants and aides  
 Physical therapist assistants and aides  
 Massage therapists  
 Dental assistants  
 Medical assistants  
 Medical transcriptionists  
 Pharmacy aides  
 Veterinary assistants and laboratory animal caretakers  
 Phlebotomists

Healthcare support workers, all other, including medical equipment preparers

Protective Service Occupations:

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



Lifeguards and other recreational, and all other protective service workers

**Food Preparation and Serving Related Occupations:**

Chefs and head cooks  
First-line supervisors of food preparation and serving workers  
Cooks  
Food preparation workers  
Bartenders  
Combined food preparation and serving workers, including fast food  
Counter attendants, cafeteria, food concession, and coffee shop  
Waiters and waitresses  
Food servers, nonrestaurant  
Dining room and cafeteria attendants and bartender helpers  
Dishwashers  
Hosts and hostesses, restaurant, lounge, and coffee shop  
Food preparation and serving related workers, all other

**Building and Grounds Cleaning and Maintenance Occupations:**

First-line supervisors of housekeeping and janitorial workers  
First-line supervisors of landscaping, lawn service, and groundskeeping workers  
Janitors and building cleaners  
Maids and housekeeping cleaners  
Pest control workers  
Grounds maintenance workers

**Personal Care and Service Occupations:**

First-line supervisors of gaming workers  
First-line supervisors of personal service workers  
Animal trainers  
Nonfarm animal caretakers  
Gaming services workers  
Motion picture projectionists  
Ushers, lobby attendants, and ticket takers  
Miscellaneous entertainment attendants and related workers  
Embalmers and funeral attendants  
Morticians, undertakers, and funeral directors  
Barbers  
Hairdressers, hairstylists, and cosmetologists  
Miscellaneous personal appearance workers  
Baggage porters, bellhops, and concierges  
Tour and travel guides  
Childcare workers  
Personal care aides  
Recreation and fitness workers  
Residential advisors  
Personal care and service workers, all other

**Sales and Office Occupations:**

***Sales and Related Occupations:***

First-line supervisors of retail sales workers  
First-line supervisors of non-retail sales workers  
Cashiers  
Counter and rental clerks  
Parts salespersons

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

***Office and Administrative Support Occupations:***

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

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

**Natural Resources, Construction, and Maintenance Occupations:**

***Farming, Fishing, and Forestry Occupations:***

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

***Construction and Extraction Occupations:***

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

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

***Installation, Maintenance, and Repair Occupations:***

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

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

**Production, Transportation, and Material Moving Occupations:**

***Production Occupations:***

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

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

***Transportation and Material Moving Occupations:***

Transportation Occupations:

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

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

**Material Moving Occupations:**

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

**Military Specific Occupations:**

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

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