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ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

Rochester, New Hampshire



Prepared For:

Rochester Economic
Development Commission

City of Rochester, NH
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Table of Contents

1. PLAN SUMMARY	1
Introduction and Purpose.....	1
Key Findings	2
Population.....	2
Education.....	2
Housing	3
Income and Values.....	3
Employment and Commuting.....	3
Real Estate Market Indicators.....	4
Economic Resources.....	6
2. DEMOGRAPHIC and ECONOMIC CONDITIONS	8
Introduction and Purpose.....	8
Demographic Profile.....	8
Population.....	8
Educational Attainment	10
Housing and Households	11
Household Income and Value	12
Economic Conditions	13
Economic Indicators.....	13
Unemployment.....	14
Commuting Patterns.....	15
Retail Sales.....	15
3. REAL ESTATE CONDITIONS	17
Introduction and Purpose.....	17
Residential.....	17
Building Permit Activity	17
Selected Sales Activity	18
Gross Rent Indicators.....	18

Office..... 19

Industrial 20

Downtown 20

 Absentee Ownership 21

Projected Employment and Space Needs..... 22

 Location Quotients 23

 Available Properties 24

4. LAND USE and TAX BASE METRICS27

 Introduction and Purpose27

 Baseline Metrics..... 27

5. VISION, GOALS and IMPLEMENTATION ACTIONS 31

 Introduction and Purpose 31

 Vision Statement31

 Goals of The Plan 32

 Implementation Actions 33

 Downtown Specific Action Items 40

6. APPENDIX 43

 CITY of ROCHESTER – ECONOMIC REVITALIZATION ZONES and TIF DISTRICTS..... 43

1. PLAN SUMMARY

INTRODUCTION AND PURPOSE

The City of Rochester, New Hampshire, through its Economic Development Commission, has retained RKG Associates, Inc. (RKG) to assist in preparing an update to their 2005 economic development strategy (2005 Plan). This current plan offers a continuation of the 2005 Plan, acknowledging its accomplishments and identifying remaining challenges, in consideration of the current and foreseeable economic and market opportunities that may present themselves to the City. This current plan, as with the 2005 Plan, is intended to serve as a guideline of goals and actionable implementation items that the City of Rochester may undertake to ensure its continued economic growth and business diversity while fostering a high quality of life for the City's residents and business communities.

Throughout this update, RKG has presented a summary of trends and market indicators from the last census decade (2000 to 2010) as generally prepared by the US Census Bureau. RKG considers this to be a reasonable baseline period reflecting where the City of Rochester “was” relative to the former 2005 Plan and reflective of the City's experiences during the recession of the last decade and subsequent recovery. In addition, RKG offers analysis and metrics for the 2010 to 2016 time-period and projections for the 2016 to 2021 time-period, as developed by Alteryx¹.

Additional resources for this quantitative analysis include, but are not necessarily limited to, the New Hampshire Department of Employment Security and the American Community Survey (ACS). Throughout this report, and where appropriate, these resources are either cited in the narrative and/or footnoted in the applicable tables.

Supplementing the quantitative analysis is a qualitative analysis as part of the Plan Update. This included in-field visits, inventories and street walks as well as phone and/or in-person interviews with a broad variety of Rochester stakeholders including City officials and department staff, property owners, local businesses and representatives of selected agencies and organizations. The qualitative analysis provides the appropriate context to the quantitative analysis.

This Plan Update first presents the summary Key Findings from the analysis, with RKG's assessment of implications and/or recommendations. This is then followed by the various chapters (demographic, economic, real estate conditions and land use/tax base metrics) which provide the baseline analysis, metrics and findings that are the basis of the Key Findings. After this, RKG offers a review of the 2005 Plan, noting completed actions and implementations as well as recommendations for the City to move forward from this point as part of the Plan Update.

¹ Alteryx is a leading national vendor of socio-economic data as developed through proprietary modeling. The company is based in Irvine, CA and additional information may found at www.alteryx.com.

KEY FINDINGS

This section presents the summary key findings from this plan update. The research and findings on which these are based are presented in greater detail throughout other sections of this report.

POPULATION

The current population of Rochester as of 2016 is 30,200. The population of Rochester increased by 1,250 persons during the last census decade (2000 to 2010), at a rate lagging both Strafford County and the state. All three areas experienced an increase in the population 65 and older, and this cohort is projected to continue to grow. Conversely, all three areas realized a loss of the 25- to 44-year cohort, although some growth is projected for each during the 2016 to 2021 time-period. Both Rochester and the state experienced a loss of population under the age of 20 during the last census decade and Strafford County realized a small increase. This trend is expected to continue for both geographies over the 2016 – 2021 time-period.



Photo 1 – Rochester, NH

Implications – The projected growth in the population aged 65 and older indicates a possible increase in demand for smaller homes, possible assisted living housing, and an increase in demand on supportive services (both City and private) for older residents. The loss of population among the 25- to 44-year cohort results in fewer family formations and potentially a diminished demand among first-time homebuyers, suggesting an opportunity for growth in the rental housing market. The loss of the young population has implications for the Rochester school system too, and although reflects a decline in the family formation population, may also relate to the inability to hold onto the City’s youth once they have graduated (as occurring throughout many New Hampshire communities).

EDUCATION

There was a near 40 percent increase in the population aged 25 and older with college degrees in Rochester during the last census decade, exceeding similar growth for either Strafford County or the state. Despite this growth, the percent of the total population aged 25 and older with a college degree remains around 30 percent for the City of Rochester, as compared to 40 percent for the county and the state

Implications – Continued growth in the college educated population results in an educated workforce available for employment in the City and throughout the county. While there is competitively priced housing in Rochester compared with other Seacoast communities, many of the amenities associated with modern urban living are less than competitive. Younger workers coming out of college are looking to live and work in environments that include urban amenities. This presents a disadvantage for Rochester in retaining and attracting residents with college degrees.

HOUSING

As of 2016 Rochester had 13,505 housing units. Rochester experienced an increase of 1,520 housing units over the last census decade (2000 to 2010) and nearly 930 households (i.e., occupied housing units), indicating an increase of nearly 600 vacant units. The increase in the number of vacant units in Rochester between 2000 and 2010 was nearly 148 percent, well ahead of the increase experienced across the county or statewide and may reflect a surplus of obsolete housing. At present, nearly 15 percent of the housing stock is vacant.



Photo 2 – Rochester, NH

Implications - Although all three geographies are projected to realize continued growth in households they are also projected to realize continued growth in vacancies (i.e., older housing units that may have become obsolete). For the City of Rochester this may manifest itself in a disinvestment in the housing stock, possibly creating opportunities for assembly of properties for other replacement development, for example in the downtown.

INCOME AND VALUES

The median household income in Rochester is \$53,079, but over the last census decade, the median household income in the City of Rochester increased but at a rate less than inflation. While incomes did increase overall, the fact is that they did not keep up with inflation resulting in no real growth. Median household income growth for the county and the state both exceeded 24 percent but also fell short of inflation (26.6 percent) as measured by the Consumer Price Index (CPI), Bureau of Labor Statistics. All three areas realized a decline in the number of households earning less than \$50,000 and are projected to continue to do so. The county and state are also projected to see a decline in households in a middle-income range of \$50,000 to \$100,000, while Rochester is projected to experience a modest increase.

Data from the City's Chief Assessor indicates that property values throughout the City, for all types of property, have risen since 2014 (the date of the last full revaluation) as reflected by sales activity and market appreciation. The median value (the mid-point of valuation) of a home in Rochester is \$174,686.

Implications – Recent residential sales data for the City of Rochester reflects an uptick in activity and median values (out-performing inflation over the 2014 to 2017) period. These trends should continue to be monitored with the City's next full revaluation (in 2019) and may speak to a continued opportunity for newer, modern housing, particularly in and near the downtown, to capture the changing demographics and to foster greater downtown non-residential economic activity/development.

EMPLOYMENT AND COMMUTING

Employment - Between 2015 and 2016 the unemployment rate for the City of Rochester declined from 4.4 percent to 2.2 percent, which was less than both the county and state average. Typically,

five percent unemployment is considered as full-employment. The City of Rochester makes up about one-fourth of the employment in Strafford County and one-fourth of the number of businesses. However, Rochester comprises 40 percent of the countywide retail employment.

Implications – Nearly one-third of the jobs in Rochester are in lower wage sectors of retail trade, accommodations, and food services. This compares with approximately 22 percent countywide. While this designates Rochester as a destination location for retail and other similar services, it also restricts job growth opportunities, spending power, and homeownership opportunities for many workers/residents.

Commuting – Slightly more than one-third of Rochester residents who are in the labor force worked in the City in 2010. Overall, Rochester was a net exporter of employment by nearly 2,700 workers. In 2010, approximately 40 percent of the 12,590 jobs in Rochester were held by Rochester residents. Conversely, around 60 percent of the jobs in Rochester were held by out-of-City commuters.



Photo 3 – Rochester, NH

Implications - The approximate 3,800 workers that commute into Rochester for employment may find the City a desirable alternative as a place of residence. This depends on whether properties are available, affordable, and complete with modern lifestyle amenities a diversity of shops, services, access to dining, and entertainment. Similarly, residents who currently leave the city to work can serve to augment business retention and attraction efforts.

REAL ESTATE MARKET INDICATORS

Selected market indicators and key findings for the residential, retail and other commercial real estate sectors are summarized next.

RESIDENTIAL SECTOR

Over the 2010 to 2015 time-period the number of residential permits in Rochester favored single-family units over multi-family units by an approximate 3:2 margin. The median selling price of single-family homes in Rochester increased by \$11,300 as compared to \$15,000 for the county and \$13,000 for the state over the same time-period. In 2016, per MLS (multiple listing service data for the real estate sector of the economy), approximately 80 percent of the single-family homes in Rochester sold in less than 60-days.

Implications – The changing demographics of the City suggest a need and opportunity for increased rental housing or smaller, empty-nester housing. Existing housing (three bedrooms are preferred) typically sell within two months of being placed on the market. The selling prices in Rochester represent a 20 to 25 percent discount relative to Strafford County, on one hand reflecting competitive prices, but also perhaps reflecting an older inventory ready for updating (for example, approximately 56 percent of the statewide housing stock was built prior to 1990, as compared with 78 percent of the housing stock in Rochester).

RETAIL SECTOR

Rochester is a net importer of more than \$180 million in consumer spending. Despite this, there are some sectors where the City does not meet local demand including furniture, furnishings, apparel and accessories.

Implications – Downtown Rochester has a strong base of restaurants, typically out-pacing local demand by \$9 million (indicating they are a net attractor of consumers), but there are a limited number of stores for everyday shopper’s goods, which help to generate multi-destination shopping. The unmet market demand for goods such as



Photo 4 – Rochester, NH

furnishings and apparel equate to opportunities for smaller downtown storefronts which increases occupancy and diversifies the retail mix. However, retail development generally follows residential development and an increase in downtown population is required to accommodate an increase in downtown retail. Another caveat is that an increase in downtown retail (and a broader mix of store types) would likely be led by home-grown entrepreneurs as opposed to regional or national chains.

OFFICE AND INDUSTRIAL SECTORS

CB Richard Ellis (CBRE) reported a near 32 percent vacancy in the Rochester office market (base of 577,600 SF) in 2015 which is more than three times the vacancy rate for the overall Seacoast market and for the state, despite very competitive asking rents. The Rochester industrial marketplace is comprised of about 2.1 million square feet of space, of which around eight percent is vacant. This is slightly more than the Seacoast, but less than the state. Like the office market, industrial asking rents for Rochester are very competitive at less than \$10 per square foot (SF).



Photo 5 – Rochester, NH

Implications – While the City continues to “land bank” for future office and industrial development (primarily the latter) it may also need to revisit the existing inventory of available space with property owners, and identify any inadequacies or inefficiencies that may be hindering marketability.

ECONOMIC RESOURCES

A brief overview of some of the tools and resources the City has available to encourage and foster economic development are presented next. Included with this overview are RKG suggestions and recommendations for the City’s consideration.

FINANCIAL TOOLS AND INCENTIVES

The City of Rochester has several economic revitalization zones (ERZs) established throughout the City (refer to the Appendix). The ERZ is a tax credit program whereby short-term business tax credits are available for development projects that meet specific criteria and are located within designated areas (with a summary overview of ERZs presented at the end of this section)². The City also has two (2) designated TIF (tax increment financing) districts, whereby the incremental property taxes occurring as the result of new growth/development within a designated area (or district) may be retained and used to fund the necessary public and/or infrastructure improvements required to encourage the new development in the first place³. To date these have met with much success in Rochester, as noted elsewhere in this report.

MARKETING AND OUTREACH

There are several websites that offer an ongoing review of events, success stories, and opportunities within the City of Rochester.

Recommendations – RKG recommends that each of these informative websites be linked to further enhance their usefulness in economic development overall, and for the downtown.

CITY OF ROCHESTER ECONOMIC DEVELOPMENT

The Economic Development Department has recently re-launched its website which presents an overview of site selection and market characteristics, available properties and financial/development incentives, along with other resources (such as prior documents and studies).

Recommendations – In addition to the previously mentioned “linkages and inter-connectivity” with other websites, RKG suggests that a “success” story/testimonial be included of recently (re)developed property (perhaps updated every other month or as appropriate); and, a single property that is available be highlighted (perhaps quarterly) for development potential and how it may fit in with the surrounding environment. This latter point will require coordination/cooperation with the local real estate community so no one firm believes that they are being disadvantaged. Further, to the extent applicable, any of the offered properties or sites that are tied into the City development zones or other financial/economic incentives, should so be flagged.

² Summary provided by the City of Rochester, for additional information refer to State of NH RSA 162-N

³ For additional information, refer to State of NH RSA 162-K

CITY OF ROCHESTER MAIN STREET PROGRAM

Information about downtown Rochester is well represented by the Main Street Program’s website, offering news; current activities; opportunities to invest/donate; links to downtown businesses; and, a weekly newsletter, as examples. Rochester Main Street’s vision, as stated on their website, is “*devoted to restoring, preserving, enhancing and promoting the beauty, vitality and historic heritage of downtown Rochester.*” While Rochester Main Street does not serve as a development entity, it does act as a facilitator through engagement of businesses, property owners and other agencies.

Recommendations – RKG’s review of their website did not reveal a direct link to the City’s economic development department, but perhaps a link is warranted particularly for available downtown properties, particularly where financial and other incentives are noted (e.g., Economic Development website).

GREATER ROCHESTER CHAMBER OF COMMERCE

The Chamber maintains a comprehensive website with a great deal of information about the City and local events with a calendar, local business listings, city information and links to the previously noted websites for information on downtown and economic development.

2. DEMOGRAPHIC and ECONOMIC CONDITIONS

INTRODUCTION AND PURPOSE

The purpose of this study is to review and update the 2005 economic development strategy considering the market and demographic changes that have occurred since that Plan was first adopted. Like the previous strategy, the objective is to identify new and future economic opportunities in Rochester and to refine the steps the City can take to make the most of existing opportunities. Since this plan will be incorporated into the City’s Master Plan, it will serve as the primary tool for guiding and implementing positive economic development change across the City over the next several years.

The following presents selected sociodemographic and economic metrics for the City of Rochester; Strafford County and the state, to provide an overview of existing and projected characteristics to assist in understanding the market (and comparative) opportunities for enhancing economic development opportunities within the City and Downtown in particular. Rochester is situated in Strafford County along the Spaulding Turnpike (Route 16) corridor within the New Hampshire and Maine Seacoast region. Rochester is easily accessible from the Spaulding Turnpike (a toll road at points) and provides access to/from its “sister” communities of Dover, Somersworth and Portsmouth, each with some economic influence on one another. Rochester, independently, has a draw and economic influence on several communities to the north in the Lakes region; to western communities such as Northwood and Deerfield; and, eastward to many communities in neighboring Maine.

DEMOGRAPHIC PROFILE

Selected trends and projections in population, educational attainment, housing/households and income are presented for the city, the county and the state.

POPULATION

The population of Rochester increased by 4.4 percent from 2000 to 2010, or by 1,252 persons (refer to Table 1). This rate of growth lags that of Strafford County (9.7 percent) and the state (6.5 percent) over the same time. In comparison, the 2016 to 2021 projected population growth for all three areas varies more closely from 3.1 percent to 3.5 percent. All three areas experienced an increase in the population aged 65 and older from 2000 to 2010, ranging from a 15 percent increase for Rochester to a 20.2 percent increase for the state. The projected growth in this cohort, for all areas, is around 20 percent. Typically, those aged 65 and older have (or will be) downsizing their housing needs and as the enter retirement years could potentially seek assisted care facilities, representing an opportunity for downtown residential development.

All three geographies experienced a decline in their population aged 25 to 45 years (2000 to 2010). Persons in this cohort are typically considered to be in their family formation, home buying, and peak consumer consumption years. Despite population declines among this cohort in the last census decade, all three regions are projected to realize modest increases over the 2016 to 2021 time-period. Nonetheless, these modest increases do not offset the general aging of the resident population as witnessed by an increasing median age for the city, county and state.

Additionally, Rochester, as well as the state, lost population under the age of 20 during the last census decade, while there was a meager increase for Strafford County. All three areas are projected to experience a continued decline in this age cohort, following a decline in the family formation cohort and perhaps indicating an inability to retain the youth once they have graduated.

Table I – Selected Population Metrics

Selected Summary Demographics - Population	Census 2000	Census 2010	Change		Estimated 2016	Projected 2021	% Δ 2016 to 2021
			#	%			
Rochester, NH							
Total Population	28,500	29,752	1,252	4.4%	30,205	31,152	3.1%
Population > 65 years	3,822	4,397	575	15.0%	5,192	6,284	21.0%
Population 25 to 44 years	8,991	7,803	(1,188)	-13.2%	7,451	7,853	5.4%
Population < 20 years	7,905	7,189	(716)	-9.1%	6,868	6,805	-0.9%
Median Age	36.8	40.8	4.0	10.8%	42.0	42.6	1.5%
Strafford County, NH							
Total Population	112,252	123,143	10,891	9.7%	126,318	130,745	3.5%
Population > 65 years	12,620	14,645	2,025	16.0%	17,307	20,884	20.7%
Population 25 to 44 years	34,219	30,795	(3,424)	-10.0%	29,702	31,809	7.1%
Population < 20 years	31,658	31,677	19	0.1%	30,840	30,770	-0.2%
Median Age	34.4	36.8	2.4	6.9%	37.1	37.9	1.9%
New Hampshire							
Total Population	1,235,771	1,316,469	80,698	6.5%	1,330,946	1,374,630	3.3%
Population > 65 years	148,317	178,268	29,951	20.2%	210,566	253,511	20.4%
Population 25 to 44 years	381,557	323,650	(57,908)	-15.2%	313,917	325,910	3.8%
Population < 20 years	342,495	325,802	(16,693)	-4.9%	307,139	301,946	-1.7%
Median Age	37.2	41.2	4.0	10.7%	42.5	43.2	1.7%
Rochester as % of County							
Total Population	25.4%	24.2%	(0.012)	-4.8%	23.9%	23.8%	-0.4%
Population > 65 years	30.3%	30.0%	(0.003)	-0.9%	30.0%	30.1%	0.3%
Population 25 to 44 years	26.3%	25.3%	(0.009)	-3.6%	25.1%	24.7%	-1.6%
Population < 20 years	25.0%	22.7%	(0.023)	-9.1%	22.3%	22.1%	-0.7%
Median Age	107.0%	110.8%	0.039	3.6%	113.0%	112.5%	-0.5%
County as % of State							
Total Population	9.1%	9.4%	0.003	3.0%	9.5%	9.5%	0.2%
Population > 65 years	8.5%	8.2%	(0.003)	-3.5%	8.2%	8.2%	0.2%
Population 25 to 44 years	9.0%	9.5%	0.005	6.1%	9.5%	9.8%	3.2%
Population < 20 years	9.2%	9.7%	0.005	5.2%	10.0%	10.2%	1.5%
Median Age	92.5%	89.4%	(0.031)	-3.4%	87.5%	87.7%	0.2%

Source: US Census; Alteryx & RKG Associates, Inc.

EDUCATIONAL ATTAINMENT

Between 2000 and 2010, the City of Rochester realized a near 40 percent increase in the population aged 25 and older with college degrees (refer to Table 2), exceeding the 31 percent growth countywide and the 26 percent growth statewide. The projected growth rates for 2016 to 2021, across all three areas, are more in line with one another. However, as a percent of the population aged 25 and older, the percent of Rochester residents with college degrees was (and is projected to remain) about ten percentage points less than for the county or the state. During the last census decade, the percentage of the population aged 25 and older that did not complete high school declined for all three areas by 25+ percent. Still, the percentage of the same cohort not completing high school is projected to increase in the 2016 to 2021 period. More importantly, the percentage of this population cohort with no schooling has increased over the last census decade for all three areas, and is projected to continue to do so. In the City of Rochester these residents accounted for 0.1 percent of the population cohort in 2000 and is projected to account for 0.7 percent in 2021, representing the greatest percent increase for all three areas.

Table 2 – Selected Educational Attainment Metrics

Selected Summary							
Demographics	Census 2000	Census 2010	Change		Estimated 2016	Projected 2021	% Δ 2016 to 2021
Educational Attainment (pop 25+)			#	%			
Rochester, NH	19,145	20,914	1,769	9.2%	21,367	22,540	5.5%
Grades K - 11	3,254	2,391	(863)	-26.5%	2,253	2,343	4.0%
High School Graduate	7,272	7,409	137	1.9%	7,666	8,086	5.5%
Some College - no degree	4,010	4,659	649	16.2%	4,671	4,905	5.0%
College Degree(s)	4,583	6,366	1,783	38.9%	6,632	7,047	6.3%
<i>No Schooling</i>	26	89	63	242.3%	145	159	9.7%
Strafford County, NH	70,322	78,993	8,671	12.3%	81,120	86,569	6.7%
Grades K - 11	9,367	6,953	(2,414)	-25.8%	6,729	7,113	5.7%
High School Graduate	21,422	23,619	2,197	10.3%	23,796	25,264	6.2%
Some College - no degree	14,412	15,391	979	6.8%	15,692	16,725	6.6%
College Degree(s)	24,899	32,568	7,669	30.8%	34,347	36,862	7.3%
<i>No Schooling</i>	222	462	240	108.1%	556	605	8.8%
New Hampshire	823,999	906,121	82,122	10.0%	933,663	982,636	5.2%
Grades K - 11	100,666	72,074	(28,592)	-28.4%	71,223	74,099	4.0%
High School Graduate	70,322	78,993	8,671	12.3%	81,120	86,569	6.7%
Some College - no degree	164,647	171,201	6,554	4.0%	176,099	185,398	5.3%
College Degree(s)	307,882	387,749	79,867	25.9%	406,625	429,972	5.7%
<i>No Schooling</i>	3,081	5,183	2,102	68.2%	5,407	5,646	4.4%
Rochester as % of County	27.2%	26.5%	(0.0075)	-2.8%	26.3%	26.0%	-1.2%
Grades K - 11	34.7%	34.4%	(0.0035)	-1.0%	33.5%	32.9%	-1.6%
High School Graduate	33.9%	31.4%	(0.0258)	-7.6%	32.2%	32.0%	-0.7%
Some College - no degree	27.8%	30.3%	0.0245	8.8%	29.8%	29.3%	-1.5%
College Degree(s)	18.4%	19.5%	0.0114	6.2%	19.3%	19.1%	-1.0%
<i>No Schooling</i>	11.7%	19.3%	0.0755	64.5%	26.1%	26.3%	0.8%
County as % of State	8.5%	8.7%	0.0018	2.1%	8.7%	8.8%	1.4%
Grades K - 11	9.3%	9.6%	0.0034	3.7%	9.4%	9.6%	1.6%
High School Graduate	30.5%	29.9%	(0.0056)	-1.8%	29.3%	29.2%	-0.5%
Some College - no degree	8.8%	9.0%	0.0024	2.7%	8.9%	9.0%	1.2%
College Degree(s)	8.1%	8.4%	0.0031	3.9%	8.4%	8.6%	1.5%
<i>No Schooling</i>	7.2%	8.9%	0.0171	23.7%	10.3%	10.7%	4.2%

Source: US Census; Alteryx & RKG Associates, Inc.

HOUSING AND HOUSEHOLDS

From 2000 to 2010, there was a near 13 percent growth in the number of Rochester housing units, from 11,852 to 13,372 – led by a near 600-unit increase in vacancies (refer to Table 3). Nonetheless, both renter-occupied and owner-occupied housing units (households) increased, too. The citywide increase in occupied households, for both tenure types, as well as for vacant units, is projected to increase through 2021. The county and the state also both experienced housing/household growth over the last census decade and are projected to continue to do so through 2021. All three areas are predominately owner-occupied households with approximately two-thirds of the housing as owner-occupied and around one-third as renter-occupied. The 2000 to 2010 rate of growth for renter-occupied households was similar for the city, the county, and the state; while owner-occupied housing increased at a slightly greater percent for the county compared to the state, and for both compared to the city. The increase in vacancies in Rochester (at nearly 600-units) was the greatest percent increase across all three areas. As a result, in 2000 the Rochester vacant units accounted for 14 percent of those in Strafford County but accounted for nearly 22 percent by 2010.

Table 3 – Selected Housing Metrics

Selected Summary	Census	Census	Change		% of Total Units		Estimated	Projected	% Δ 2016
			#	%	2000	2010			
Rochester, NH									
Total Housing Units	11,852	13,372	1,520	12.8%	100.0%	100.0%	13,505	14,097	4.4%
Occupied Units	11,449	12,378	929	8.1%	96.6%	92.6%	12,591	13,081	3.9%
Owner Households (<i>% of Occ</i>)	7,674	8,359	685	8.9%	67.0%	67.5%	8,267	8,563	3.6%
Renter Households (<i>% of Occ</i>)	3,775	4,019	244	6.5%	33.0%	32.5%	4,324	4,518	4.5%
Vacant Units	403	994	591	146.7%	3.4%	7.4%	914	1,016	11.2%
Average HH Size	2.49	2.40	(0.09)	-3.4%			2.40	2.38	-0.7%
Strafford County, NH									
Total Housing Units	45,547	51,697	6,150	13.5%	100.0%	100.0%	52,799	55,171	4.5%
Occupied Units	42,589	47,100	4,511	10.6%	93.5%	91.1%	48,469	50,535	4.3%
Owner Households (<i>% of Occ</i>)	27,483	31,242	3,759	13.7%	64.5%	66.3%	31,239	32,614	4.4%
Renter Household (<i>% of Occ</i>)	15,106	15,858	752	5.0%	35.5%	33.7%	17,230	17,921	4.0%
Vacant Units	2,958	4,597	1,639	55.4%	6.5%	8.9%	4,330	4,636	7.1%
Average HH Size	2.64	2.61	(0.02)	-0.8%			2.61	2.59	-0.7%
New Hampshire									
Total Housing Units	547,030	614,760	67,730	12.4%	100.0%	100.0%	620,033	646,544	4.3%
Occupied Units	474,607	518,977	44,370	9.3%	86.8%	84.4%	524,236	544,608	3.9%
Owner Households (<i>% of Occ</i>)	331,086	368,319	37,233	11.2%	69.8%	71.0%	366,484	380,976	4.0%
Renter Household (<i>% of Occ</i>)	143,521	150,658	7,137	5.0%	30.2%	29.0%	157,752	163,632	3.7%
Vacant Units	72,424	95,783	23,359	32.3%	13.2%	15.6%	95,797	101,936	6.4%
Average HH Size	2.60	2.54	(0.07)	-2.6%			2.54	2.52	-0.6%
Rochester as % of County									
Total Housing Units	26.02%	25.87%	(0.0016)	-0.6%	100.0%	100.0%	25.58%	25.55%	-0.1%
Occupied Units	26.88%	26.28%	(0.0060)	-2.2%	103.3%	101.6%	25.98%	25.89%	-0.4%
Owner Households (<i>% of Occ</i>)	27.92%	26.76%	(0.0117)	-4.2%	103.9%	101.8%	26.46%	26.26%	-0.8%
Renter Household (<i>% of Occ</i>)	24.99%	25.34%	0.0035	1.4%	93.0%	96.4%	25.10%	25.21%	0.5%
Vacant Units	13.62%	21.62%	0.0800	58.7%	52.4%	83.6%	21.11%	21.92%	3.8%
Average HH Size	94.45%	91.93%	(0.0251)	-2.7%			92.05%	92.05%	0.0%
County as % of State									
Total Housing Units	8.33%	8.41%	0.0008	1.0%	100.0%	100.0%	8.52%	8.53%	0.2%
Occupied Units	8.97%	9.08%	0.0010	1.1%	34.5%	35.1%	9.25%	9.28%	0.4%
Owner Households (<i>% of Occ</i>)	8.30%	8.48%	0.0018	2.2%	92.5%	93.5%	8.52%	8.56%	0.4%
Renter Household (<i>% of Occ</i>)	10.53%	10.53%	0.0000	0.0%	117.3%	116.0%	10.92%	10.95%	0.3%
Vacant Units	4.08%	4.80%	0.0072	17.5%	15.7%	18.6%	4.52%	4.55%	0.6%
Average HH Size	101.23%	103.07%	0.0184	1.8%			102.65%	102.50%	-0.1%

Source: US Census; Alteryx & RKG Associates, Inc.

HOUSEHOLD INCOME AND VALUE

The median household income in Rochester is about \$53,000 per year. The median household income for all three geographies increased over the period between 2000 and 2010, and is projected to continue increasing through 2021 (refer to Table 4). However, from 2000 to 2010 the growth in median household income for all three areas fell short of the estimated inflation of 26.6 percent indicating that there was no real growth in income. The 24.4 percent growth statewide was the closest to achieving real growth. The number of households earning less than \$50,000 declined for all areas between 2000 and 2010 and are projected to continue to do so for the 2016 to 2021 timeframe. The percent decline among these households, at about 12 percent, was similar for all three areas between 2000 and 2010. All three areas also noted an increase in households earning \$50,000 to \$100,00 in the last census decade and a continuation of growth is projected (2016 to 2021) for the city, although at a nominal rate of less than one percent. Growth continues for households earning \$100,000 or more for all three areas.

Table 4 – Selected Income and Value Metrics

Demographics -	Census	Census	Change		% of Total Units		Estimated	Projected	% Δ 2016
Income and Values	2000	2010	#	%	2000	2010	2016	2021	to 2021
Rochester, NH									
Households by Income									
earning less than \$50,000	7,227	6,381	(846)	-11.7%	63.1%	51.6%	6,000	5,364	-10.6%
earning \$50,000 - \$100,000	3,473	4,087	614	17.7%	30.3%	33.0%	4,250	4,278	0.7%
earning more than \$100,000	711	1,910	1,199	168.6%	6.2%	15.4%	2,341	3,439	46.9%
Median Household Income	\$40,643	\$48,213	\$7,570	18.6%	(inflation 26.6%)		\$53,079	\$64,770	22.0%
Median Housing Value	\$89,454	\$175,942	\$86,488	96.7%			\$174,686	\$173,338	-0.8%
Strafford County, NH									
Households by Income									
earning less than \$50,000	24,044	21,249	(2,795)	-11.6%	56.5%	45.1%	19,823	17,286	-12.8%
earning \$50,000 - \$100,000	14,521	16,093	1,572	10.8%	34.1%	34.2%	16,616	16,469	-0.9%
earning more than \$100,000	3,970	9,758	5,788	145.8%	9.3%	20.7%	12,030	16,780	39.5%
Median Household Income	\$44,831	\$55,695	\$10,864	24.2%	(inflation 26.6%)		\$62,402	\$75,610	21.2%
Median Housing Value	\$111,161	\$219,058	\$107,897	97.1%			\$224,369	\$231,435	3.1%
New Hampshire									
Households by Income									
earning less than \$50,000	239,850	209,435	(30,415)	-12.7%	50.5%	40.4%	198,274	177,432	-10.5%
earning \$50,000 - \$100,000	169,472	179,346	9,874	5.8%	35.7%	34.6%	175,107	169,745	-3.1%
earning more than \$100,000	65,457	130,196	64,738	98.9%	13.8%	25.1%	150,855	197,431	30.9%
Median Household Income	\$49,514	\$61,607	\$12,093	24.4%	(inflation 26.6%)		\$66,115	\$77,213	16.8%
Median Housing Value	\$127,392	\$243,028	\$115,635	90.8%			\$256,035	\$288,459	12.7%
Rochester as % of County									
Households by Income									
earning less than \$50,000	30.06%	30.03%	(0.0003)	-0.1%	111.8%	114.3%	30.27%	31.03%	2.5%
earning \$50,000 - \$100,000	23.92%	25.40%	0.0148	6.2%	89.0%	96.6%	25.58%	25.98%	1.6%
earning more than \$100,000	17.91%	19.57%	0.0166	9.3%	66.6%	74.5%	19.46%	20.49%	5.3%
Median Household Income	90.66%	86.57%	(0.0409)	-4.5%	(inflation 26.6%)		85.06%	85.66%	0.7%
Median Housing Value	87.26%	80.32%	(0.0694)	-8.0%			77.86%	74.90%	-3.8%
County as % of State									
Households by Income									
earning less than \$50,000	10.02%	10.15%	0.0012	1.2%	111.7%	111.8%	10.00%	9.74%	-2.6%
earning \$50,000 - \$100,000	8.57%	8.97%	0.0040	4.7%	95.5%	98.9%	9.49%	9.70%	2.2%
earning more than \$100,000	6.06%	7.49%	0.0143	23.6%	67.6%	82.6%	7.97%	8.50%	6.6%
Median Household Income	90.54%	90.40%	(0.0014)	-0.2%	(inflation 26.6%)		94.38%	97.92%	3.8%
Median Housing Value	87.26%	90.14%	0.0288	3.3%			87.63%	80.23%	-8.4%

Source: US Census; Alteryx & RKG Associates, Inc.

In terms of median housing values, all three areas realized an increase in the median housing value during the last census decade and at a rate that far exceeded the estimated inflation rate of 26.6 percent. For the City of Rochester, the median housing value is projected to decline from

approximately \$175,900/unit in 2010 to a projected \$173,300/unit in 2021. However, on this latter point, it should be noted that the 2010 and the projected 2021 median housing values for the City of Rochester were developed by proprietary modeling from a secondary market/data vendor, Alteryx. Subsequent data from the City’s Chief Assessor⁴ indicate that property values throughout the City, for all types of property, have risen since 2014 (the date of the last full revaluation) as reflected by sales activity and market appreciation. As a result, the projected 2021 median housing value, developed from a static model, likely understates the median housing value as it does not reflect the recent trends/activity as measured by the City’s Assessor. The recent updated citywide assessed value (all properties) reflects an approximate nine percent increase over the values prior to the update.

The estimated rate of inflation from 2014-2017 is slightly more than four percent, indicating that the observed citywide increase represents “real” growth (the next full revaluation is in 2019). Many communities across the state are witnessing an increase in home-ownership as young professionals (mid-late 30’s) are forming families and purchasing housing thereby impacting prices and values, as is suggested for the City by the experiences of local realtors.

ECONOMIC CONDITIONS

This section presents a discussion of economic indicators including employment, wages and businesses, by industry sector, comparing the City and the county. Similarly, unemployment trends for the City, county and state are presented. Commuting patterns, for 2010, for Rochester are summarized, as is a summary overview of the retail demand and sales (2016) for the City of Rochester among selected merchandise lines.

ECONOMIC INDICATORS

Total employment in the City of Rochester was slightly more than 11,500 in 2015 (refer to Table 5) representing nearly 25 percent of the employment in Strafford County. Employment in the retail sector accounted for nearly 23 percent of the City employment and 14 percent of the county employment. Overall, the City represented nearly 41 percent of the countywide retail employment. The average weekly wage for city retail employment, at \$608, was 72 percent of the all City average weekly wage of \$843. In other words, the highest concentration of City employment was among one of the lower paying industry sectors. Nonetheless, the average weekly retail wage in Rochester was marginally greater than the countywide average of \$595.

⁴ In a memorandum from the Chief Assessor to Members of the City Council, dated September 13, 2017.

Table 5 – Selected Economic Metrics – Rochester, NH and Strafford County, NH (2015)

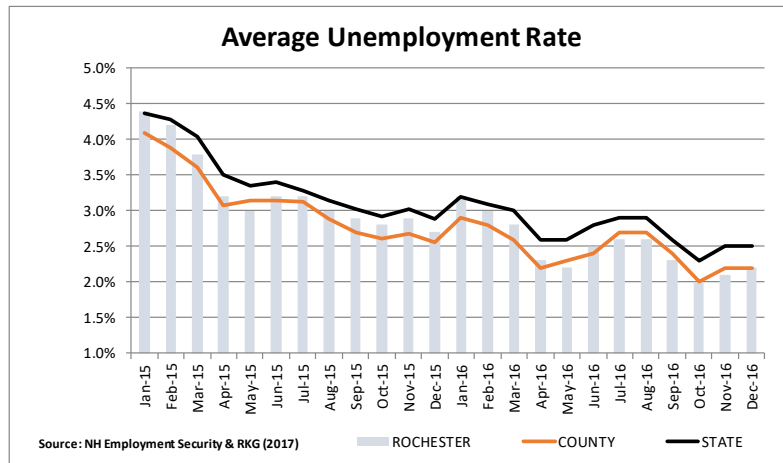
Selected Economic Indicators - 2015 for City of Rochester and Strafford County, NH	City of Rochester, NH			Strafford County, NH			City as % of County		
	2015	2015 Avg.	2015	2015	2015 Avg.	2015	% of	% of Avg.	% of
	Employment	Weekly \$	Businesses	Employment	Weekly \$	Businesses	Employment	Weekly \$	Businesses
Total, All Industries	11,523	\$843	680	46,826	\$954	2,704	24.6%	88.3%	25.1%
23 - Construction	na	na	na	1,238	\$1,033	246	na	na	na
31-33 - Manufacturing	1,560	\$1,339	39	5,255	\$1,158	150	29.7%	115.6%	26.0%
42 - Wholesale Trade	134	\$1,851	24	1,087	\$1,358	156	12.3%	136.3%	15.4%
44-45 - Retail Trade	2,622	\$608	133	6,476	\$595	384	40.5%	102.2%	34.6%
48-49 - Transportation and Warehousing	160	\$486	9	837	\$775	43	19.1%	62.7%	20.9%
51 - Information	na	na	na	993	\$1,019	28	na	na	na
52 - Finance and Insurance	303	\$1,116	40	3,753	\$1,788	130	8.1%	62.4%	30.8%
53 - Real Estate and Rental and Leasing	92	\$818	29	335	\$784	92	27.5%	104.4%	31.5%
54 - Professional and Technical Services	342	\$882	38	1,391	\$1,191	246	24.6%	74.0%	15.4%
56 - Administrative and Waste Services	583	\$908	43	2,152	\$836	189	27.1%	108.7%	22.8%
62 - Health Care and Social Assistance	1,842	\$1,008	75	6,892	\$1,013	310	26.7%	99.5%	24.2%
71 - Arts, Entertainment, and Recreation	47	\$311	6	574	\$344	39	8.2%	90.6%	15.4%
72 - Accommodation and Food Services	1,162	\$290	77	4,053	\$322	266	28.7%	89.8%	28.9%
81 - Other Services, Ex. Public Admin	502	\$587	67	1,515	\$653	227	33.1%	90.0%	29.5%

Source : US Census Bureau, NH Department of Employment Security and RKG Associates, Inc. (2016)

Across all industry sectors the average weekly wage in Rochester, at \$843, represented 88 percent of the county average of \$954. However, there are several industry sectors where the City wage exceeds the county wage, notably including manufacturing, wholesale trade and administrative services. Except for transportation, finance and professional/technical services the average wages in the City are on par with the county. Like employment, the approximate 680 businesses in the City of Rochester represent 25 percent of the approximate 2,700 businesses countywide. Also, like employment, the highest concentration of businesses in Rochester are retail related, again indicating better than average employment at less than average wages.

UNEMPLOYMENT

Between January 2015 through December 2016, the unemployment rate for the City of Rochester has generally declined (refer to **Error! Reference source not found.**), falling from 4.4 percent to 2.2 percent. Over much of this time the unemployment rate for the City was marginally greater than that for the county, which declined from 4.1 percent to 2.2 percent.



Graph I – Comparative Unemployment Rates

In nearly all monthly measures, the unemployment rates for the City and county were slightly less than the state, which declined from 4.4 percent in January 2015 to 2.5 percent in December 2016. For all three areas and across the time-period, the unemployment rates were less than the five percent unemployment rate which the Federal Reserve generally acknowledges as full employment.

COMMUTING PATTERNS

In 2010 there were 15,262 workers residing in Rochester (refer to Table 6) and approximately 34 percent (5,144) also worked in Rochester. Another 42 percent of the Rochester workforce commuted to neighboring communities as their place of work. In 2010 there were approximately 12,585 jobs in Rochester and approximately 41 percent (5,144) were held by Rochester residents. Slightly less than 30 percent of the Rochester employment commuted from neighboring communities, while another 30 percent of the workers commuted from elsewhere. These 3,800 workers may find Rochester as an alternative for residence, and thereby be closer to work, providing appropriate residential properties are available and affordable. As with office employment, downtown Rochester may offer such an alternative “home” again noting the desirability for proximity to other services, entertainment, hospitality and quality of life venues. Overall, Rochester was a net exporter of employment by nearly 2,700 workers.

Table 6 – Commuting Metrics 2010 – Rochester, NH

WORKERS IN RESIDENCE & PLACE WHERE THEY WORK				JOBS IN PLACE & PLACE WHERE WORKERS RESIDE			
Workers in Residence	#	Workplace of Rochester, NH - Working Residents	% of Residents	Local Jobs	#	Jobs in Rochester, NH Held by Workers from	% of Jobs
Rochester, NH	15,262	Rochester, NH	5,144	Rochester, NH	12,585	Rochester, NH	5,144
			33.7%				40.9%
		Top Tier	6,341			Top Tier	3,685
		Dover city	2,232			Dover city	929
		Portsmouth city	1,665			Farmington town	831
		Somersworth city	973			Lebanon town	559
		Durham town	607			Somersworth city	521
		Newington town	501			Milton town	502
		Kittery town	363			Barrington town	343
		Remainder	3,777			Remainder	3,756
			24.7%				29.8%

Source: American Community Survey (2006-2010); & RKG Associates, Inc.

RETAIL SALES

The estimated 2016 household demand for a broad variety of retail goods is estimated at nearly \$326.4 million for the City of Rochester (Table 7) or about \$25,900 per household, annually. This household consumer demand is led by food and beverage demand (\$5,900 per household); followed by general merchandise demand (\$5,400 per household); and, the food and drink (\$3,400 per household). The estimated sales among stores in Rochester in 2016 was \$506.4 million, indicating that on the whole Rochester was an importer of retail sales by \$180 million. In other words, the retailers in the City sold to a customer base much broader than the City residents.



Photo 6 – Rochester, NH

However, not all retail categories resulted in a surplus of sales, notably the City under-performed within the furniture/furnishings sector, apparel, sporting goods, books and hobby shops. Each of these retail sectors could present an opportunity for new store development in Rochester. Conversely, retail segments where Rochester could further capitalize on its over-performance, or destination draw, include restaurants. From the data (Table 7), there are more than 200 retail outlets in Rochester comprising nearly 1.2 million SF of development. This equates to an estimated retail density of 39.8 SF/capita, slight less than the national average of nearly 45.0 SF/capita.

Table 7 – Retail Indicators for Rochester, NH (2016)

Estimated Retail Demand & Sales - City of Rochester, New Hampshire (2016 dollars)	NAICS Code	City of Rochester, New Hampshire						
		Demand/HH for City	Demand	Sales	(Under) /Over	Store Count	Estimated SF of Retail	Estimated SF per Capita
Total		\$25,923	\$326,391,745	\$506,398,951	\$180,007,206	223	1,192,126	39.78
Furniture & Home Furnishings Stores	442	\$912	\$11,477,533	\$3,052,585	(\$8,424,948)	7	13,642	0.45
Furniture Stores	4421	\$521	\$6,556,619	\$1,120,929	(\$5,435,690)	3	3,736	0.12
Home Furnishings Stores	4422	\$390.83	\$4,920,914	\$1,931,656	(\$2,989,258)	4	9,906	0.33
Electronics & Appliance Stores	443	\$1,597	\$20,113,562	\$27,064,990	\$6,951,428	4	91,746	3.04
Bldg Materials, Garden Equip. & Supply Stores	444	\$2,095	\$26,376,347	\$54,221,655	\$27,845,308	17	141,901	4.70
Bldg Material & Supplies Dealers	4441	\$1,907	\$24,008,643	\$51,415,756	\$27,407,113	12	128,539	4.26
Lawn & Garden Equip & Supply Stores	4442	\$188	\$2,367,704	\$2,805,899	\$438,195	5	13,361	0.44
Food & Beverage Stores	445	\$5,931	\$74,678,003	\$166,673,580	\$91,995,577	19	302,504	10.02
Grocery Stores	4451	\$5,335	\$67,177,692	\$160,999,524	\$93,821,832	14	292,726	9.69
Specialty Food Stores	4452	\$351	\$4,414,724	\$4,268,058	(\$146,666)	4	8,452	0.28
Beer, Wine & Liquor Stores	4453	\$245	\$3,085,587	\$1,405,998	(\$1,679,589)	1	1,326	0.04
Health & Personal Care Stores	446,4461	\$1,888	\$23,773,630	\$42,077,286	\$18,303,656	15	109,292	3.62
Clothing & Clothing Accessories Stores	448	\$1,757	\$22,118,495	\$14,499,648	(\$7,618,847)	15	42,779	1.42
Clothing Stores	4481	\$1,221	\$15,368,409	\$3,177,305	(\$12,191,104)	5	11,554	0.38
Shoe Stores	4482	\$228	\$2,876,210	\$9,837,804	\$6,961,594	8	29,812	0.99
Jewelry, Luggage & Leather Goods Stores	4483	\$308	\$3,873,876	\$1,484,539	(\$2,389,337)	2	1,414	0.05
Sporting Goods, Hobby, Book & Music Stores	451	\$1,289	\$16,223,967	\$12,723,850	(\$3,500,117)	19	56,211	1.86
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,115	\$14,035,497	\$12,401,577	(\$1,633,920)	17	55,118	1.82
Book, Periodical & Music Stores	4512	\$174	\$2,188,470	\$322,273	(\$1,866,197)	2	1,092	0.04
General Merchandise Stores	452	\$5,373	\$67,648,987	\$115,363,028	\$47,714,041	17	265,998	8.81
Department Stores Excluding Leased Depts.	4521	\$4,304	\$54,186,608	\$87,608,092	\$33,421,484	5	173,481	5.74
Other General Merchandise Stores	4529	\$1,069	\$13,462,379	\$27,754,936	\$14,292,557	12	92,516	3.06
Miscellaneous Store Retailers	453	\$1,710	\$21,526,050	\$20,856,333	(\$669,717)	34	76,948	2.86
Florists	4531	\$61	\$772,737	\$1,150,146	\$377,409	3	3,834	0.13
Office Supplies, Stationery & Gift Stores	4532	\$288	\$3,620,805	\$3,534,812	(\$85,993)	6	16,067	0.53
Used Merchandise Stores	4533	\$147	\$1,849,488	\$2,480,036	\$630,548	12	9,359	0.31
Other Miscellaneous Store Retailers	4539	\$1,214	\$15,283,020	\$13,691,339	(\$1,591,681)	13	57,047	1.89
Food Services & Drinking Places	722	\$3,372	\$42,455,171	\$49,865,996	\$7,410,825	76	91,105	3.02
Special Food Services	7223	\$111	\$1,396,715	\$210,301	(\$1,186,414)	2	657	0.02
Drinking Places - Alcoholic Beverages	7224	\$53	\$662,713	\$241,916	(\$420,797)	1	605	0.02
Restaurants and Other Eating	7225	\$3,208	\$40,395,743	\$49,413,779	\$9,018,036	73	89,843	2.97

Source: US Census, ESRI, Dun & Bradstreet, ULI and RKG Associates, Inc. (2017)

3. REAL ESTATE CONDITIONS

INTRODUCTION AND PURPOSE

This section discusses trends in the residential and non-residential real estate markets for the City of Rochester, including a comparison of real estate indicators with the county and the state. Additionally, an examination of the commercial sector (office and industrial) is undertaken, and an analysis of future employment growth and resulting demand for additional SF of non-residential space by selected industry sector is presented.

RESIDENTIAL

Trends in residential building permit activity, sales, and gross rents are presented next for the City of Rochester and contrasted, where appropriate, to Strafford County and the state.

BUILDING PERMIT ACTIVITY

As reported by the New Hampshire Office of Energy and Planning, between 2010 and 2015 there were 151 building permits issued for single-family construction in Rochester (refer to Table 8), resulting in a 2.3 percent increase from 2010. In comparison, over the same time, there was a 3.1 percent increase in Strafford County representing 908 units. Over the 2010 to 2015 time-period, the single-family permits in Rochester, as a percent of the county, declined nominally but still accounted for about one-fifth of the countywide permit activity.

Strafford County's representation of the state held constant at 7.6 percent despite a faster growth rate in the county. In terms of multi-family permit activity Rochester realized an increase of 2.4 percent, like that for single family permits. The growth rate in the City for multi-family permits lagged that of the county, at 4.2 percent, and the state, at 3.4 percent. Over the time, the representation of multi-family permits in the City relative to the county, and in the county relative to the state, remained constant. Preliminary information provided by the City of Rochester Planning Department indicates that approvals have been granted (since 2013) for slightly more than 400 additional residential units.

Table 8 – Residential Permit Activity

Residential Permit Activity (units)	Rochester		Strafford County		New Hampshire		City as % of County		County as % of State	
	Single Family Units	Multi Family Units	Single Family Units	Multi Family Units	Single Family Units	Multi Family Units	Single Family	Multi Family	Single Family	Multi Family
2010 Base	6,622	4,349	29,485	17,127	389,662	188,724	22.5%	25.4%	7.6%	9.1%
2010	20	31	159	63	1,546	740	12.6%	49.2%	10.3%	8.5%
2011	20	-	164	133	1,307	765	12.2%	0.0%	12.5%	17.4%
2012	39	-	144	41	1,368	1,174	27.1%	0.0%	10.5%	3.5%
2013	-	-	116	190	1,579	794	0.0%	0.0%	7.3%	23.9%
2014	27	24	151	200	1,828	1,457	17.9%	12.0%	8.3%	13.7%
2015	45	51	174	99	1,877	1,490	25.9%	51.5%	9.3%	6.6%
2015 Base	6,773	4,455	30,393	17,853	399,167	195,144	22.3%	25.0%	7.6%	9.1%
# Δ 2010 to 2015	151	106	908	726	9,505	6,420	16.6%	14.6%	9.6%	11.3%
% Δ 2010 to 2015	2.3%	2.4%	3.1%	4.2%	2.4%	3.4%	na	na	na	na

Source : NH Office of Energy and Planning (OEP) and RKG Associates (2017)

SELECTED SALES ACTIVITY

From 2010 through the 3rd quarter of 2016, the median selling price of Rochester homes increased from \$165,000 to \$176,300, or by \$11,300 (6.8 percent) as indicated in Table 9. During the same period the median selling price of homes across all of Strafford County increased by 7.7 percent or \$15,000; and by six percent or \$13,000 statewide. The median selling price in Rochester is typically about 75 to 85 percent of the county median price, indicating Rochester is price competitive, but also may reflect an older housing stock.

Table 9 – Median Selling Price for Residential

ALL Homes by Year	Rochester		Strafford County		New Hampshire		City as % of County	County as % of State
	Median Sales Price	% Δ Sales Price (prior)	Median Sales Price	% Δ Sales Price (prior)	Median Sales Price	% Δ Sales Price (prior)	Sales Price	Median Sales Price
2010	\$ 165,000	na	\$ 195,000	na	\$ 215,000	na	84.6%	90.7%
2011	\$ 150,000	-9.1%	\$ 186,000	-4.6%	\$ 207,000	-3.7%	80.6%	89.9%
2012	\$ 145,000	-3.3%	\$ 187,900	1.0%	\$ 205,000	-1.0%	77.2%	91.7%
2013	\$ 150,000	3.4%	\$ 200,000	6.4%	\$ 220,000	7.3%	75.0%	90.9%
2014	\$ 148,700	-0.9%	\$ 210,000	5.0%	\$ 219,000	-0.5%	70.8%	95.9%
2015	\$ 155,000	4.2%	\$ 205,000	-2.4%	\$ 221,000	0.9%	75.6%	92.8%
2016 (1)	\$ 176,300	13.7%	\$ 210,000	2.4%	\$ 228,000	3.2%	84.0%	92.1%
Average Annual % Δ in Sales Price 2010 - 2016		1.1%			1.2%			1.0%

Source : NHHFA Purchase Price Database and RKG Associates (2017)

(1) Reflects data for January through August of 2016

MLS (Multiple Listing Service) data provided by the City of Rochester (refer to Table 10) indicates that in 2016 there were 661 listings of single-family residential properties for sale and that 521 (or 79 percent) sold within an average 72-days on the market. The average selling price was \$161,700 for all units (regardless of bedroom count). Of the units unsold, the average asking price was \$205,900 or 27 percent greater than the average selling price.

Table 10 – MLS Data for 2016 – City of Rochester, NH

Residential Sales Activity - City of Rochester, NH (2016)	Total Listings	Total Sold	% Sold	Avg \$ Sold	Days on Market	Avg List \$ of Unsold	Unsold \$ / Sold \$
Single Family Units							
1 BR Units	13	7	53.8%	\$ 77,214	38	\$ 103,104	133.5%
2 BR Units	173	125	72.3%	\$ 92,824	55	\$ 121,388	130.8%
3 BR Units	351	300	85.5%	\$ 175,438	68	\$ 212,818	121.3%
4 BR Units	99	74	74.7%	\$ 217,585	108	\$ 261,271	120.1%
5+ BR Units	25	14	56.0%	\$ 231,716	158	\$ 276,122	119.2%
TOTAL	661	521	78.8%	\$ 161,699	72	\$ 205,946	127.4%

Source : City of Rochester, NH and RKG Associates, Inc. (2017)

GROSS RENT INDICATORS

The median gross rent in Rochester increased by 6.6 percent, or \$61, over the 2010 to 2016 time-period (refer to Table 11) from \$929 to \$990. The estimated average annual increase was 1.1 percent. This is less than the estimated annual average increase in Strafford County, at 1.8 percent, and well below that estimated for the state at 2.4 percent. In general, the median gross rent in the City mirrors that for the county.

Table 11 – Median Gross Rent for Residential

Median Gross Rent - ALL Units by Year	Rochester		Strafford County		New Hampshire		City as % of County	County as % of State
	Median Rent	% Δ Median Rent (prior)	Median Rent	% Δ Median Rent (prior)	Median Rent	% Δ Median Rent (prior)	Median Rent	Median Rent
2010	\$ 929	na	937	na	\$ 980	na	99.1%	95.6%
2011	\$ 932	0.3%	\$ 935	-0.2%	\$ 984	0.4%	99.7%	95.0%
2012	\$ 969	4.0%	\$ 950	1.6%	\$ 1,005	2.1%	102.0%	94.5%
2013	\$ 959	-1.0%	\$ 942	-0.8%	\$ 1,018	1.3%	101.8%	92.5%
2014	\$ 1,000	4.3%	\$ 974	3.4%	\$ 1,037	1.9%	102.7%	93.9%
2015	\$ 982	-1.8%	\$ 992	1.8%	\$ 1,069	3.1%	99.0%	92.8%
2016	\$ 990	0.8%	\$ 1,043	5.1%	\$ 1,133	6.0%	94.9%	92.1%
Average Annual % Δ in Median Rent 2010 - 2016		1.1%		1.8%		2.4%		

Source : NHHFA Residential Rental Cost Survey and RKG Associates (2017)

OFFICE

From 2010 to 2015, the office SF in Rochester increased by nearly 100,000 SF or by 20.4 percent (refer to Table 12) as compared with a 5.8 percent increase in the Seacoast market and a 5.3 percent increase statewide. Over the same time the vacancy in Rochester declined by less than 7,000 SF declining from a 2010 vacancy rate of 39.9 percent to a 2015 vacancy rate of 31.9 percent. This contrasts to a near 646,300 SF drop in office vacancies across the Seacoast market and a resulting drop in the vacancy rate from 18.3 percent in 2010 to 9.8 percent in 2015. The vacant SF across the state declined by more than 1.5 million SF over the same time declining from 17.1 percent to 11.3 percent. However, during the same time the average asking rent in Rochester increased by \$1/SF or 15.4 percent as compared with a decline of nearly \$1/SF (or an eight percent drop) in the Seacoast, possibly indicating that increased occupancy across all the Seacoast came about, in part, from declining rents. As a result, the average rent for office space in Rochester represented 55 percent of that for the Seacoast in 2010 and 61 percent that of the Seacoast in 2015, indicating overall competitive Rochester rents for office space when compared with the Seacoast.

Table 12 – Comparative Trends in the Office Market

MARKET TRENDS	City of Rochester	Seacoast and I-95 Market	New Hampshire	Rochester as % of Seacoast market
Office 2010				
Total SF	479,274	8,164,433	29,007,111	1.7%
Available SF	191,069	1,494,183	4,963,768	3.8%
Vacancy Rate	39.9%	18.3%	17.1%	na
Asking Rent / SF \$	6.50	\$ 12.38	\$ 11.76	55.3%
Office 2012				
Total SF	483,394	8,139,781	29,216,659	1.7%
Available SF	228,775	1,070,242	4,061,783	5.6%
Vacancy Rate	47.3%	13.1%	13.9%	na
Asking Rent / SF \$	6.00	\$ 10.24	\$ 10.88	55.1%
Office 2015				
Total SF	577,619	8,640,046	30,591,312	1.9%
Available SF	184,140	847,885	3,456,386	5.3%
Vacancy Rate	31.9%	9.8%	11.3%	na
Asking Rent / SF \$	7.50	\$ 11.42	\$ 12.25	61.2%
Δ 2012 to 2015				
Total SF (%)	20.5%	5.8%	5.5%	na
Available SF (%)	-3.6%	-43.3%	-30.4%	na
Vacancy Rate (abs)	(0.080)	(0.085)	(0.058)	na
Asking Rent / SF (%)	15.4%	-7.8%	4.2%	na

Source : CB Richard Ellis (CBRE) and RKG Associates, Inc. (2017)

INDUSTRIAL

Total industrial space in Rochester increased from 1.87 million SF in 2010 to 2.08 million SF in 2015, representing an 11.6 percent increase or nearly 216,100 SF (refer to Table 13). Nearly one-half of the 441,700 SF increase in industrial SF in the Seacoast market occurred in Rochester over the 2010 to 2015-time period. However, the vacancy in Rochester declined by 72,400 SF compared 1.15 million SF across the Seacoast. For the state, the inventory of industrial SF increased by 2.3 million SF and the vacancy declined by 2.7 million SF. All three areas experienced an increase in average rents, with the \$1/SF in Rochester well ahead of the \$0.17/SF increase in the Seacoast and the \$0.48/SF increase statewide. As a result, the average asking rent in Rochester increased from 66 percent of the Seacoast (2010) to 78 percent (2015), still indicating comparatively competitive rents for Rochester industrial space. As recently reported in the *Union Leader*, the City of Rochester has voted to acquire an additional 18-acres of land along Route 108, adjacent to the Granite State Business Park, to augment their inventory of available land for future development.

Table 13 – Comparative Trends in the Industrial Market

MARKET TRENDS	City of Rochester	Seacoast and I-95 Market	New Hampshire	Rochester as % of Seacoast market
Industrial 2010				
Total SF	1,867,462	16,223,057	57,536,083	3.2%
Available SF	237,129	2,091,850	7,975,607	3.0%
Vacancy Rate	12.7%	12.9%	13.9%	na
Asking Rent / SF \$	3.50	\$ 4.87	\$ 5.33	65.7%
Industrial 2012				
Total SF	1,897,462	16,396,281	57,886,277	3.3%
Available SF	86,429	1,454,230	6,462,143	1.3%
Vacancy Rate	4.6%	8.9%	11.2%	na
Asking Rent / SF \$	3.50	\$ 4.95	\$ 5.86	59.7%
Industrial 2015				
Total SF	2,083,531	16,664,740	59,864,166	3.5%
Available SF	164,791	940,059	5,225,532	3.2%
Vacancy Rate	7.9%	5.6%	8.7%	na
Asking Rent / SF \$	4.50	\$ 5.04	\$ 5.81	77.5%
Δ 2012 to 2015				
Total SF (%)	11.6%	2.7%	4.0%	na
Available SF (%)	-30.5%	-55.1%	-34.5%	na
Vacancy Rate (abs)	(0.048)	(0.073)	(0.051)	na
Asking Rent / SF (%)	28.6%	3.5%	9.0%	na

Source : CB Richard Ellis (CBRE) and RKG Associates, Inc. (2017)

DOWNTOWN

RKG completed an informal street walk survey of the core downtown of Rochester, noting that ground floor occupancy, for retail uses, has improved. Conversations with the Executive Director of Rochester Main Street indicated a 75 percent occupancy in 2009 and an improvement to nearly 85 percent for 2016. Upper floor vacancies remain problematic and there are several core downtown properties, some for sale, that are nearly 100 percent vacant. The mix of downtown properties includes several restaurants and specialty, niche retailers, reportedly with a strong and geographically diversified customer base.

RKG’s street walk indicated that there are a limited number of retailers engaged in everyday shopper’s goods, or the types of businesses that drive daily traffic and customer activity. As such, the downtown does not offer a mix of services that typically foster multi-destination shopping. Per conversations with Main Street, typical ground floor leases are \$7.50 to \$12.00 per SF (triple net). Also, since 2006 and through 2016 there was an investment of \$11.4 million in downtown properties (includes everything from redevelopment to electrical upgrades) representing 917 “projects”. This has picked up strongly since end of Great Recession, as “projects” totaled 475 from 2006 through 2012 with a value of \$6.1 million.

ABSENTEE OWNERSHIP

Conversations with a Rochester stakeholders indicated that a challenge in affecting greater downtown development, or a repositioning of the existing building stock and uses, is a result of absentee ownership. Working with the City assessment database, RKG identified 331 parcels in the downtown with approximately 60 percent (in terms of assessed value) owned by Rochester residents (refer to Table 14). The total assessed value of these downtown parcels is \$127.5 million, with nearly \$37.8 million accounted for other New Hampshire residents and nearly \$14.4 million by out-of-state residents.

Table 14 – Characteristics of Ownership for Downtown Rochester, NH Properties

Characteristics of Downtown Property Ownership - Rochester, NH	Property Count	Land Value	% of Total Land \$	Total Property Value	% of Total \$	Acreage	% of Acreage
Rochester resident	195	\$ 14,513,900	60.1%	\$ 76,392,700	59.9%	149.0	63.8%
Other NH resident	99	\$ 6,463,400	26.8%	\$ 37,776,700	29.6%	65.9	28.2%
Out-of-State resident	37	\$ 3,152,400	13.1%	\$ 13,361,500	10.5%	18.6	8.0%
TOTAL	331	\$ 24,129,700	100.0%	\$ 127,530,900	100.0%	233.5	100.0%

Source : RKG Associates, Inc. (2017)

Many of the downtown properties that are owned by out-of-state residents are clustered along primary arterials in the downtown (refer to Figure 1).



Figure 1 – Property Ownership for Downtown Rochester, NH

PROJECTED EMPLOYMENT AND SPACE NEEDS

RKG examined projected demand for additional development, or more appropriately, square footage (SF) needs across all of Strafford County. RKG applied the countywide projected employment growth rates, by selected industry sector, as presented by the New Hampshire Department of Employment Security, to Strafford County employment levels in 2015. These employment projections (2025) were converted into estimates of space or SF needs utilizing industry standards for the average SF per employee by specific industry sector. The estimated SF demands reflect the change in employment from 2015 to 2025 on an annual basis use (refer to Table 15).

RKG cautions that the projected demand for additional SF does not necessarily equate to a demand for newly built SF. Typically, much of the demand may be accommodated by existing vacancies in the market area or by a better utilization of existing space. Across all industry sectors there is a projected annual demand for nearly 70,300 SF needs, noting a decline in demand for manufacturing space. A portion of the projected demand may be captured through new development, or re-tenanting and repositioning existing vacant spaces.

Table 15 – Projected Employment, Space Needs and Location Quotient – Strafford County, NH

Estimated Employment and SF Needs by Selected Industry Sector Annual 2015 - 2025	Strafford County, NH				
	Avg/SF per Emp	2025 Employ	Change from 2015	Est. Gross Annual Demand - SF	LQ 2015 - County to State
OFFICE/FLEX					
Information	175	1,044	51	890	1.10
Finance/Insurance	200	4,166	413	8,264	1.78
Real Estate	200	352	17	343	0.68
Professional/Technical	175	1,705	314	5,504	0.57
Administration/Waste Services	200	2,666	514	10,284	0.85
Subtotal		9,934	1,310	25,284	1.01
INSTITUTIONAL					
Health Care/Social Assistance	150	8,358	1,466	21,986	1.06
Subtotal		8,358	1,466	21,986	1.06
COMMERCIAL					
Arts and Entertainment	150	604	30	443	0.69
Retail Trade	175	6,868	392	6,861	0.93
Accommodations/Food Services	175	4,473	420	7,345	0.96
Other exc. Public Administration	150	1,593	78	1,172	1.02
Subtotal		13,537	919	15,821	0.94
INDUSTRIAL					
Construction	150	1,460	222	3,327	0.69
Manufacturing	1,000	5,184	(71)	(7,136)	1.06
Wholesale Trade	750	1,177	90	6,722	0.54
Transportation/Warehousing	1,000	880	43	4,272	0.87
Subtotal		8,700	283	7,185	0.87
TOTAL		40,529	3,978	70,276	0.96

Source : US Census Bureau, NH Department of Employment Security and RKG Associates, Inc. (2016)

under performs

over performs

LOCATION QUOTIENTS

RKG reviewed the location quotients (LQ), by industry selected industry sector, for Strafford County. The LQ provides a comparative measurement of the relative health of a local economy (such as a county) by comparing the employment levels within each industry sector to a broader economy, such as the state. A LQ of 0.80 to 1.20 generally indicates that a local economy is performing on par with the state, for that industry sector. A LQ of less than 0.80 suggests an under performance while a LQ greater than 1.20 indicates an over performance in that sector. With a LQ of 1.78 the financial services sector in Strafford County performs well above that for the state and there is a projected annual demand of 8,300 SF countywide. As noted previously, employment in financial services sector in Rochester accounts for eight percent of the county and may represent a target industry sector for growth in Rochester.

Conversely, there are several industry sectors in Strafford County that underperform relative to the state, notably including real estate and professional services. The annual demand for additional professional services space is projected to be 5,500 SF, which along with the financial sector present opportunities for additional development in Rochester, which currently accounts for nearly 25 percent of the countywide employment. Both sectors are often represented by smaller, independent businesses that may find downtown Rochester as an attractive location for business growth or expansion given appropriate locations (buildings) and accompanied by accessible amenities such as restaurants and “like” businesses.

AVAILABLE PROPERTIES

As of February 2017, RKG sampled available for lease (refer to Table 16) and for sale properties in the City of Rochester, indicating more than 299,500 SF available on a basis of 1.45 million SF (overall vacancy of nearly 21 percent) and the following with respect to for lease properties:

- **Industrial** - This sample includes 175,636 SF of industrial/flex space available for lease with an average asking rent of \$5.37 per SF, ranging from \$3.50 per SF to \$11.00 per SF. Much of the available space is linked to the historic brick row landmark building, at 10 Main Street in downtown Rochester. Advertised available space ranges from 1,200 SF to as much as 99,000 SF. The total sample of industrial space, at 359,800 SF, indicates an overall vacancy rate of 48.8 percent for these properties. Most rent terms are modified gross, whereby a tenant typically pays base rent at the lease's inception but in subsequent years pays the base plus a proportional share of some of the other costs associated with the property, such as property taxes, utilities, insurance and maintenance.
- **Office** – The sample includes 77,920 SF of available office space on an inventory of 300,416 SF for a vacancy rate of nearly 26 percent for these properties. Available space ranges from around 1,300 SF to as much as 44,000 SF with an average asking rent of \$7.00 per SF. Asking rents range from \$5.50 per SF to \$16.00 per SF. Most rent terms are triple-net (NNN), whereby a tenant typically agrees to pay all real estate taxes, building insurance, and maintenance (the three “nets”) on the property in addition to any normal fees that are expected under the agreement (rent, utilities, etc.).
- **Retail** – Available and advertised retail space equates to 45,965 SF for a vacancy rate of 5.8 percent on the sampled 785,735 SF. Asking lease rates are typically NNN. Available space ranges from 2,070 SF to as much as nearly 12,700 SF.

The currently advertised 77,620 SF of available office space, in Rochester, represents a three-year supply of the estimated annual demand for Strafford County (refer to Table 15). The advertised 179,636 SF of industrial/flex space represents a multi-year supply of the projected annual county demand countywide (refer to Table 15). The currently advertised 45,965 SF of retail spaces accounts for a three-year supply of estimated countywide demand (refer to Table 15) for other commercial uses.

Table 16 – Available Properties for Lease (February 2017)

TYPE of SPACE	Available SF	Total SF	% Available	Asking Rent/SF	Terms
Industrial/Flex					
7 Amarosa Drive	99,000	125,139	79.1%	\$ 4.75	NNN
7 Amarosa Drive	9,799		7.8%	\$ 4.75	NNN
10 Main Street A108	6,000	146,963	4.1%	\$ 9.00	ModGross
10 Main Street A114	2,000		1.4%	\$ 3.50	ModGross
10 Main Street A115	2,000		1.4%	\$ 3.50	ModGross
10 Main Street A117	1,200		0.8%	\$ 3.50	ModGross
10 Main Street M102	7,113		4.8%	\$ 11.00	ModGross
10 Main Street M113	5,600		3.8%	\$ 6.00	ModGross
10 Main Street M304	5,200		3.5%	\$ 8.00	ModGross
10 Main Street M401	5,800		3.9%	\$ 3.50	ModGross
10 Main Street M402	10,050		6.8%	\$ 3.50	ModGross
9 Great Falls Avenue	15,000	73,618	20.4%	\$ 6.50	ModGross
45 Allen Street	3,437	14,080	24.4%	\$ 7.00	NNN
45 Allen Street #5	1,937		13.8%	\$ 7.00	NNN
45 Allen Street #9	1,500		10.7%	\$ 7.00	NNN
subtotal	175,636	359,800	48.8%	\$ 5.37	
Office					
1 Old Dover Road #10C	93	14,916	0.6%	\$ 25.81	Gross
1 Old Dover Road #12	510		3.4%	\$ 14.12	NNN
1 Old Dover Road #3A	130		0.9%	\$ 18.46	Gross
1 Old Dover Road #4A	100		0.7%	\$ 24.00	Gross
1 Old Dover Road #6B	450		3.0%	\$ 16.00	Gross
1 Old Dover Road #8	1,000		6.7%	\$ 14.40	NNN
1 Old Dover Road #9	475		3.2%	\$ 12.63	NNN
35 E Industrial Way #1	1,291	210,000	0.6%	\$ 6.50	NNN
35 E Industrial Way #2	1,993		0.9%	\$ 6.50	NNN
35 E Industrial Way #3	3,233		1.5%	\$ 6.50	NNN
35 E Industrial Way #35E	7,500		3.6%	\$ 6.50	NNN
35 E Industrial Way #4	1,282		0.6%	\$ 6.50	NNN
35 E Industrial Way #5	1,889		0.9%	\$ 6.50	NNN
35 E Industrial Way #6	1,474		0.7%	\$ 6.50	NNN
Route 125, Suite #1	7,500	7,500	100.0%	\$ 8.00	NNN
120 Washington Place	5,000	5,000	100.0%	\$ 16.00	NNN
36 Industrial Way	44,000	63,000	69.8%	\$ 5.50	NNN
subtotal	77,920	300,416	25.9%	\$ 7.00	
Retail					
92 Farmington Road	12,671	307,396	4.1%	<i>neg</i>	NNN
160 Washington Street	9,600	304,500	3.2%	<i>neg</i>	NNN
306 N Main Street	10,794	40,200	26.9%	<i>neg</i>	NNN
38 Hanson Street	6,300	6,300	100.0%	\$ 6.00	NNN
7 Amarosa Drive	4,530	125,139	3.6%	\$ 10.00	NNN
323 Gonic Road	2,070	2,200	94.1%	\$ 0.97	ModGross
subtotal	45,965	785,735	5.8%	na	
TOTAL	299,521	1,445,951	20.7%	na	

Source : LoopNet services and RKG Associates, Inc. (2017)

For sale properties (refer to Table 17) in Rochester indicate nearly 85,100 SF of office space, in three separate properties, with an average asking price of \$42 per SF; nearly 34,350 SF of retail space in multiple properties with an average asking price of \$90 per SF; and, some land parcels, averaging \$64,200 per acre as an asking price, along with the former VFW Hall (\$70 per SF) and the Gonic Mill building (\$25 per SF).

Table 17 – Available Properties for Sale (February 2017)

TYPE of SPACE	Available	Asking	
Industrial/Flex and Specialty	SF/Acres	Price	\$/SF/Acre
43 Highland Street (VFW hall)	6,799	\$475,000	\$70
10 Main Street (Gonic Mill)	138,281	\$3,500,000	\$25
subtotal	145,080	\$3,975,000	\$27
Office			
10 South Main Street	4,231	\$249,900	\$59
22 South Main Street	18,360	\$450,000	\$25
36 Industrial Way	62,470	\$2,900,000	\$46
subtotal	85,061	\$3,599,900	\$42
Land			
181 Highland	6.46	\$325,000	\$50,310
4 Rochester Neck Road	12.06	\$649,000	\$53,814
13 Hanson Street	0.24	\$229,900	\$957,917
subtotal	18.76	\$1,203,900	\$64,174
Retail			
50 North Main Street	1,387	\$475,000	\$342
45 North Main Street	3,400	\$325,000	\$96
63 Milton Road	4,500	\$299,900	\$67
114 - 118 South Main Street	2,688	\$365,000	\$136
38 Hanson Street	6,300	\$339,000	\$54
1 Old Dover Road	14,216	\$1,050,000	\$74
682 Columbus Avenue	1,856	\$250,000	\$135
subtotal	34,347	\$3,103,900	\$90
TOTAL	na	na	na

Source : LoopNet services and RKG Associates, Inc. (2017)

4. LAND USE and TAX BASE METRICS

INTRODUCTION AND PURPOSE

The following reviews selected land use and tax base characteristics in the City of Rochester.

BASELINE METRICS

RKG received a copy of the City of Rochester Assessor's data for review and thematic analysis (refer to Table 18, Figure 2). Overall there are 12,891 parcels of land citywide totaling 26,506 acres and averaging 2.06 acres/parcel. The citywide land value, at \$584.6 million represents 23 percent of the citywide total assessed value of \$2.5 billion. The average acre of land is valued at \$22,050.

- Residential uses (1 to 3 units) account for 24.5 percent of the citywide land area (acreage) and slightly more than 52 percent of the total citywide value. At an average size of 0.63-acres, these residential properties are about 31 percent of the citywide average, but the average land value per acre, at \$46,700 is more than double the citywide average acreage value.
- Multifamily (and congregate) uses account for 256 parcels and 361-acres of land (1.4 percent of City) and 3.7 percent of the citywide assessed value, at \$92.7 million.
- Restaurant and retail uses represent 5.6 percent of the citywide value and total \$141.6 million. The average acre has a value of \$109,420 or nearly five times the citywide average.
- Industrial uses account for 976-acres of land and contribute \$98.1 million to the citywide assessed value, or nearly four percent.

Table 18 – City of Rochester, NH Selected Land Uses and Tax Base Metrics

Selected Land Uses	Parcel Count	Acres	% of City	Average Acreage	Land Assess	Avg. \$ per Acre	TOTAL Assess	% of City	Unit Count
Residential (1 -3 units)	10,252	6,490	24.5%	0.63	\$302,929,600	\$46,674	\$1,320,139,400	52.1%	11,059
Multifamily or Congregate	256	361	1.4%	1.41	\$13,354,300	\$37,032	\$92,720,200	3.7%	1,978
Mixed Use	318	7,643	28.8%	24.03	\$43,469,789	\$5,688	\$169,232,989	6.7%	816
Restaurant / Retail	120	326	1.2%	2.72	\$35,650,800	\$109,418	\$141,579,300	5.6%	370
Auto Centric	68	146	0.5%	2.14	\$15,089,700	\$103,617	\$35,511,200	1.4%	67
Office / Bank	108	74	0.3%	0.68	\$6,168,100	\$83,579	\$43,545,000	1.7%	159
Industrial	48	976	3.7%	20.34	\$51,231,052	\$52,478	\$98,055,452	3.9%	86
Subtotal these Uses	11,170	16,015	60.4%	1.43	\$467,893,341	\$29,216	\$1,900,783,541	75.0%	14,535
CITY Totals	12,891	26,506	na	2.06	\$584,551,943	\$22,054	\$2,534,414,443	na	16,294

Source : City of Rochester Assessor and RKG Associates, Inc. (2017)

As presented in Figure 2, the City's industrial land is generally clustered and on the peripherals of the City. However, there are numerous industrial uses in "smaller pockets" of the City and abutting residential and other non-industrial uses.

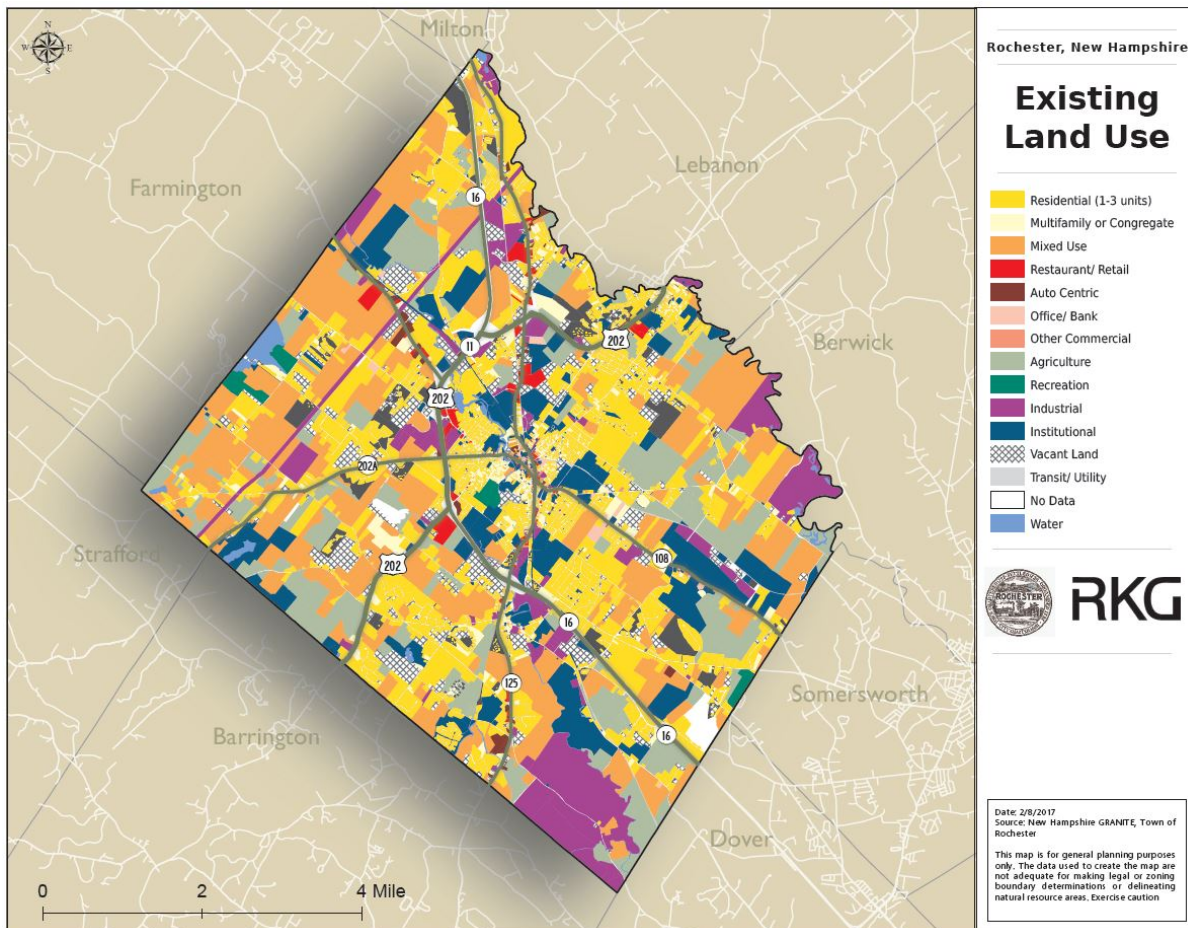


Figure 2 – Land Uses for the City of Rochester, New Hampshire

DOWNTOWN LAND USE AND TAX BASE

Approximately 347 parcels in downtown Rochester (refer to Table 19, Figure 3) comprise 245-acres of land, accounting for less than one-percent of the citywide total acreage, while the selected downtown land uses account for 86 percent of the downtown acreage. The assessed value of downtown institutional properties totals nearly \$45.3 million representing nearly 1.8 percent of the City total and slightly more than 35 percent of the downtown total. Put another way, slightly more than one-third of the downtown property value is represented by tax-exempt properties.

The 162-units of residential use (1 to 3 units) in the downtown account for 1.6 percent of the citywide residential units. Multifamily units in downtown account for a little more than eight percent of the citywide multifamily units. Multifamily acreage in the downtown has an average assessed value of nearly \$170,200 per acre, widely exceeding the citywide average of \$37,000 for the same uses. Restaurant and retail uses in downtown represent 17 percent of such uses citywide.

Table 19 – Downtown Rochester, NH Selected Land Uses and Tax Base Metrics

Selected Land Uses - Downtown Rochester	Parcel Count	Acres	% of City	Average Acreage	Land Assess	Avg. \$ per Acre	TOTAL Assess	% of City	Unit Count
Residential (1 -3 units)	114	23	0.09%	0.21	\$4,459,600	\$190,337	\$13,840,600	0.55%	178
Multifamily or Congregate	33	7	0.03%	0.21	\$1,169,200	\$170,189	\$6,492,600	0.26%	162
Mixed Use	41	11	0.04%	0.26	\$3,005,100	\$277,121	\$12,203,900	0.48%	205
Restaurant / Retail	34	16	0.06%	0.46	\$3,661,900	\$232,605	\$13,051,200	0.51%	63
Auto Centric	10	8	0.03%	0.78	\$1,176,400	\$151,794	\$2,675,600	0.11%	9
Office / Bank	37	15	0.06%	0.41	\$2,708,900	\$179,279	\$14,781,500	0.58%	64
Institutional	37	131	0.49%	3.54	\$5,237,700	\$39,995	\$45,299,100	1.79%	45
Subtotal these Uses	306	211	0.79%	0.69	\$21,418,800	\$101,652	\$108,344,500	4.27%	726
ALL of Downtown	347	245	0.9%	0.71	\$24,990,900	\$102,022	\$128,392,100	5.1%	1,311
Selected Uses as % of Downtown	88.2%	86.0%	na	68.9%	\$584,551,943	\$22,054	\$2,534,414,443	84.4%	55.4%
CITY Totals	12,891	26,506	na	2.06	\$584,551,943	\$22,054	\$2,534,414,443	na	16,294

Source : City of Rochester Assessor and RKG Associates, Inc. (2017)

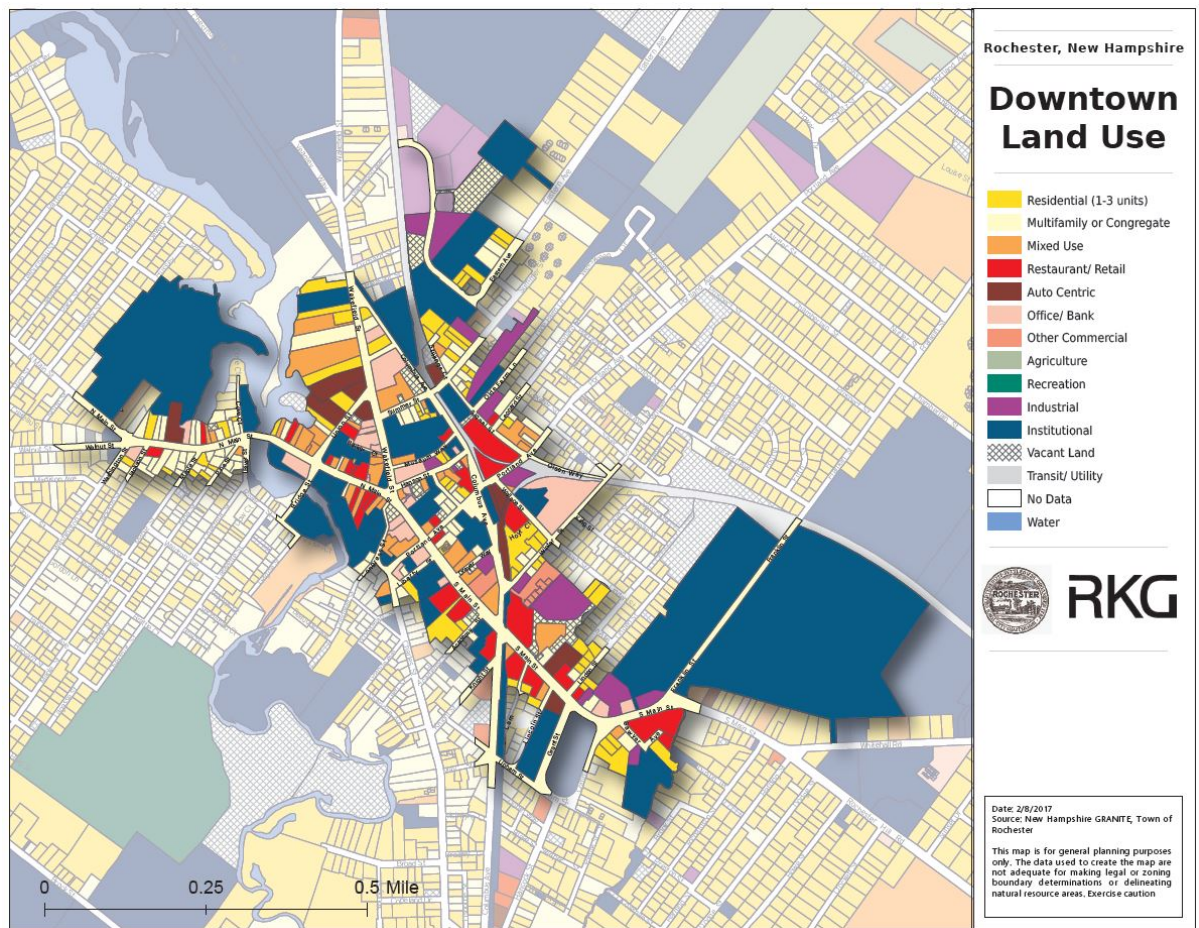


Figure 3 – Land Uses for Downtown Rochester, New Hampshire

LAND INVENTORIES

Per the Rochester Assessor files, there are approximately 1,206 acres of developable land, 144 acres of potentially developable land and 165 acres of undevelopable land in Rochester (refer to Table 20). Slightly more than 800 acres of the developable land is classified as residential with another approximate 200 acres, each, classified as commercial and as industrial. This land represents a potential land bank inventory for future development in the City. RKG recommends that the City undertake a cursory evaluation of these parcels for their suitability of future development and recognize that changes or more flexible zoning may be required to stimulate such development.

Table 20 – Selected Land Inventories – City of Rochester, NH

Selected Land Uses	Acreage			Total Assessed Value \$			Average \$ per Acre			TOTALS		
	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Residential	Commercial	Industrial	Acres	Assess \$	\$/Acre
Developable	803	195	209	\$13,770,300	\$9,360,400	\$4,657,800	\$17,156	\$47,990	\$22,314	1,206	\$27,788,500	\$23,033
% of Total	75.0%	88.3%	93.3%	95.9%	98.1%	97.6%	128.0%	111.1%	104.7%	79.6%	96.9%	121.8%
Potentially Developable	135	1	8	\$460,200	\$3,300	\$77,600	\$3,403	\$3,929	\$9,316	144	\$541,100	\$3,747
% of Total	12.6%	0.4%	3.7%	3.2%	0.03%	1.6%	25.4%	9.1%	43.7%	9.5%	1.9%	19.8%
Undevelopable	133	25	7	\$127,000	\$178,100	\$35,300	\$955	\$7,104	\$5,237	165	\$340,400	\$2,066
% of Total	12.4%	11.3%	3.0%	0.9%	1.9%	0.7%	7.1%	16.5%	24.6%	10.9%	1.2%	10.9%
CITY Totals	1,071	221	224	\$14,357,500	\$9,541,800	\$4,770,700	\$13,408	\$43,183	\$21,316	1,516	\$28,670,000	\$18,916

Source : City of Rochester Assessor and RKG Associates, Inc. (2017)

5. VISION, GOALS and IMPLEMENTATION ACTIONS

INTRODUCTION AND PURPOSE

In general, the goals of a coherent and realistic economic development strategic plan are simple, namely to increase employment and incomes for Rochester residents, enhance the City's tax base, and positively add to the City's economic vitality and quality of life. By working to achieve many of the goals set out in the 2005 plan, the City has made great strides in these critical areas. By partnering with the private sector and encouraging investment, Rochester has grown in both size and fiscal strength. Looking ahead, the City needs to continue what it is doing and focus on achieving balanced growth that benefits all its citizens. Rochester is a great place to live and work, and the vision and goals presented here intend to improve the City for all its residents.

VISION STATEMENT

The 2005 Plan stated the following as the primary guiding vision for economic development:

Rochester is a thriving and vibrant micropolitan City, with an entrepreneurial and innovative spirit. We are a business-friendly community, eager to foster growth and economic diversity, and provide new opportunities. We aspire to be a destination for development due to our high Quality of Life, including easy access to excellent health care, outstanding educational opportunities, available skilled workforce and environmental appreciation and respect. We strive to have a diverse economy with stable taxes, with an accessible and responsible local government providing high quality services and professional support.

Discussions with representatives of the City of Rochester indicate that the 2005 Vision statement still rings true for this current analysis. However, as based on the findings of this analysis and a continuing discussion with those representatives and other local stakeholders, RKG suggests that the statement be modestly expanded to include the following:

Rochester also realizes that integral to maintaining its high Quality of Life is offering a broad mix of residential opportunities, owner and renter, at price points attractive to existing and new residents, to sustain and stimulate consumer spending potential and local economic activity. Further, that this ongoing economic potential represents development opportunities throughout the City including its downtown core.

GOALS OF THE PLAN

The 2005 Economic Development Strategic Plan laid out seven goals. These goals have been updated to better reflect current and near-term economic, demographic, and fiscal circumstances.

1. **Provide direct support and professional services to commercial, retail, and industrial development that exists today or is seeking to locate in Rochester.**
 - Over the past decade, Rochester has successfully captured a large share of the regional supply of retail establishments, along with several strong industrial companies. Route 16 has served as a growth corridor for these businesses due to availability of land and regional access for consumers and employees.
 - *In moving forward from 2017*, the focus should turn toward the downtown, with efforts to strengthen the existing business base and encourage new mixed-use development with a range of residential components.
2. **Be responsive to business and industry needs and foster expansion of the City’s established commercial and industrial base.**
 - The City has been and should continue to be responsive. Enlisting existing business owners and managers in the process can help leverage City resources.
 - *In moving forward from 2017*, the City should consider establishing “business representative panels” with regular quarterly meetings to discuss issues, progress, opportunities, and shortfalls. A representative mix from selected Rochester industry/commercial sectors should make up the membership. The City should work with these panels to develop an annual target or project with the goal of starting small and building on successes.
3. **Continue to make available marketable industrial and commercial sites within the City through strategic capital improvements, municipal programs, cooperation with owners and representatives, and other actions which may positively impact the City’s future economic growth.**
 - The City has been moving forward on this and should continue to strategically acquire sites and/or leverage private investment in the expansion of industrial and commercial areas using available economic development tools.
 - *In moving forward from 2017*, while continuing these capital improvements throughout the City, a targeted development program to foster increased private sector investment in the downtown, particularly residential opportunities, should be considered. Often, the first “image” of a City is embodied in its downtown vitality.
4. **Foster discussion and enhance the sense of community relating to development and growth issues.**
 - While staff and elected representatives can be very effective in “selling” Rochester, its citizens and business owners - those with “skin in the game” - are the best sales force the City has.
 - *In moving forward from 2017*, consider convening a task force, with private sector representation, to focus on expanding residential investment and opportunities.

5. **Continuously assess the City of Rochester’s strengths and weaknesses as a location for industrial and business expansion.**
 - Continue to regularly monitor progress with a focus on the City’s competitive positioning within the greater Seacoast market area, such as by identifying businesses with a desire for expansion, relocation or a second site in the City.
 - *In moving forward from 2017*, realize that continued business expansion also arises out of an expansion of local consumer wealth and spending potential as reflected through residential growth and diversification.
6. **Provide economic opportunities for Rochester residents, not just in the short term but also well into the future, through continued education, supporting technology and a range of quality housing opportunities.**
7. **Strengthen the City’s fiscal stability through sustainable growth of the tax base and prosperity of its citizens.**
 - One metric is to set a desired ratio of commercial to residential tax base assessment, using it as a guide to policy decisions regarding planning and zoning (such as mix, proximity and density of future development).

IMPLEMENTATION ACTIONS

The following presents the suggested implementation actions from the 2005 Plan and offers a status update, as many of these have been either fully or partially completed, and form the basis of the recommended actions for the current plan.

1. Implement the City’s Route 11 Corridor Plan, including construction of the frontage road to the east. This will open-up additional land for a variety of commercial development (retail, office, light industrial) to accelerate job generation and tax base. Assess the ability to use Tax Increment Financing to achieve the improvements.
 - This has been completed and has resulted in continued commercial development largely in the retail and light industrial sectors in the City’s periphery.
 - While it is important to continue to monitor this progress, and assist in affordable development opportunities, *moving forward from 2017* a Downtown Plan, and similar effort, should be considered.

Time Frame: Ongoing

Leadership: Rochester Economic Development Commission, Economic Development Director and City Manager. Consider initiating a downtown task force, with private sector representation, to identify and focus efforts to the City’s core.

2. The Industrial Development Authority (IDA) should consider acquiring or expanding an existing business park, or develop a new business park. The IDA will be able to more actively leverage the community's land assets and attract new users.
 - This is ongoing and recently the City has expanded acreage and development opportunities within the Granite State Business Park.
 - *Moving forward from 2017*, the City may consider rezoning agricultural land, as serviced or easily serviceable by the appropriate infrastructure, to meet future needs as the base of industrially zoned land is diminishing or otherwise constrained.
 - While the efforts of the IDA have met with success and are ongoing, similar efforts should be targeted to a Downtown Plan and Task Force *moving forward from 2017*.

Time Frame: Ongoing and 1 – 3 Years for Downtown Plan/Task Force
Leadership: Rochester Economic Development Commission, Economic Development Director and City Manager

3. Leverage public and private support to become a Main Street Community. This may encourage façade improvements, business support and retention, and improve upper floor occupancy in the downtown core.
 - Rochester now has a very active Main Street program which is instrumental in stabilizing and expanding first floor retail occupancy and encouraging investments in downtown properties.
 - Less success has been achieved in utilizing upper story space and improving occupancy.
 - The City, in cooperation with Rochester Main Street, should consider identifying and inventorying upper story utilization throughout the downtown and establish order of magnitude cost estimates for re-positioning targeted properties.

Time Frame: Immediately
Leadership: CORE, City Council, Economic Development Director, City Manager and Rochester Main Street

4. Implement a customized Business Retention and Expansion program to cultivate and strengthen relationships with existing businesses.
 - Despite initial efforts in this regard, the continuation and overall success of this program has been geographically limited within the City and has otherwise been stalled elsewhere.
 - Consider restarting these efforts with a renewed focus towards downtown retail and service businesses. Focus on organic growth in business sectors already present in the Seacoast area, for example, food and beverage, precision machinery, and technology.

Time Frame: Immediately and Ongoing
Leadership: Rochester Economic Development Commission, Economic Development Director, City Manager, Mayor, City Council, Rochester Main Street, Greater Rochester Chamber of Commerce and the previously noted business and downtown task forces, with private sector representation.

5. Expand the capacity of the Economic Development Office to provide outstanding service to existing and potential businesses. Utilize the Rochester Economic Development Commission and have the members play an active leadership role.
 - This has largely been accomplished and has proven successful in many economic sectors. These efforts should be ongoing, but with a lowered priority status.

Time Frame: Ongoing

Leadership: Rochester Economic Development Commission, Economic Development Director, City Manager, and City Council

6. Maximize the economic impact of Skyhaven Airport to the City of Rochester, separate and apart from the question of ownership. Develop a Business Plan for increasing impact and develop a marketing plan.
 - This has been accomplished as the Skyhaven Airport is now owned and operated by the PDA (Pease Development Authority) and likely plays an important role in recruiting firms to Rochester and profiling the City’s visibility.
 - The City may consider convening a focus group with selected City officials, private sector entities utilizing the airport and representatives of Skyhaven to identify efforts required, if any, to ensure sustaining and possibly expanding the airport’s economic contribution (a 2015 report indicated that the airport had an overall economic impact, including direct, indirect and induced multipliers, of \$1.02 million).

Time Frame: Completed with potential additional considerations

Leadership: Pease Development Authority, Rochester Economic Development Commission, Economic Development Director, City Manager and City Council

7. Review and assess the City’s development review process, including organizational structure. Ensure that the process is clearly defined, guarantees flexibility, projects a business-friendly attitude, and encourages high quality developments. Repeat at three to five-year intervals.
 - While some level of progress has been made in fostering a developer-friendly focus for Rochester, nonetheless, numerous stakeholder interviews identified code enforcement (from planning, permitting and receiving a certificate of occupancy) as either onerous and/or difficult to understand.
 - Consider further streamlining the development process to the extent possible, perhaps by creating a *how-to primer* for small businesses. Bring code enforcement officers into the economic development process to better foster an “open for business” attitude and team spirit.
 - This may include a “preliminary design” process for potential projects to better identify development requirements, constraints, and ways to resolve issues prior to initiating new projects.

Time Frame: Immediately and Ongoing

Leadership: Planning Board, Rochester Economic Development Commission, City Manager, Departments of Planning, Economic Development & Code Enforcement and representation of private sector developers.

8. Create an Educational Task Force to build on existing training programs and stimulate additional educational opportunities for Spaulding High students and residents of all ages. Focus on entrepreneurial and small business management, internships, mentoring and co-op programs.
 - Discussions with some area stakeholders indicated that they are privately engaged in student work, training, and internship programs. The City may consider a strategy session with select area businesses to further define and roll out similar programs on a broader scale. (in terms of participating entities and participants).

Time Frame: Ongoing
Leadership: Rochester School Department, Rochester Economic Development Commission, Greater Rochester Chamber of Commerce, Local Businesses, Mayor and City Council

9. Leverage funds to encourage the repositioning of underperforming properties in the City. These include facilities that are not currently operating at their highest and best use. For example, manufacturing located in prime retail space and underutilized upper floors in downtown buildings.
 - The City’s efforts along the Route 11 corridor have been met with great success. Elsewhere in the City, most notably downtown, success has been less prominent. Downtown has lacked a key defining, catalytic project that could jumpstart reinvestment.
 - The City may consider creating a downtown TIF District to begin earmarking funds for re-investment and redevelopment, in conjunction with the Downtown ERZ.
 - Once the major goals of the existing TIFs are met, consider earmarking a portion of those TIF revenues for downtown redevelopment, if permissible.
 - As part of this process, the City should consider acquiring, or facilitating, underperforming or vacant properties for land assemblage and may need to become an active financial partner in a redevelopment project.
 - The City should expand its efforts with private sector developers to leverage mixed-use projects and consider increasing density allowances, or other zoning guidelines, to add value through redevelopment and lessen financial uncertainties/risk.

Time Frame: Immediately
Leadership: Rochester Economic Development Commission, Economic Development Director and City Manager

10. Create a Tax Increment Financing District (TIF) and a Business Improvement District (BID) in the following geographic areas to help fund infrastructure improvements. Explore the possibility of linking tax base growth in commercial corridors with downtown redevelopment efforts.
- Route 11 Corridor – Loop Road & water/sewer extensions
 - Cross-city connector – Bridge Exit 14 to Lilac Mall
 - Route 125 Corridor
 - These have been completed and have met with economic success, to varying degrees, within these geographic areas. That being the case a similar TIF designation should be considered for the City’s downtown core.

Time Frame: Ongoing
Leadership: Rochester Economic Development Commission, Economic Development Director, City Manager, Mayor and City Council

11. Leverage resources to position Rochester as the region’s foremost Business Incubation Center, where entrepreneurs and new businesses can get started in a supportive and affordable environment.
- Growing interest in the arts, culture, and food/beverage industry sectors, coupled with affordable rents is attracting entrepreneurs and start-ups to the City. To the extent, it is financially-viable, the City should consider assisting in establishing incubator space for these sectors as well as the more traditional industrial and manufacturing sectors which are typical recipients of such efforts.
 - Such space could include a downtown location(s) as part of the previously mentioned definitive or “kick-starter” development.

Time Frame: Ongoing
Leadership: NH Small Business Development Center, Rochester Economic Development Commission, Greater Rochester Chamber of Commerce, University of New Hampshire, New Hampshire Department of Resources and Economic Development and developers

12. Retain the services of a marketing or image consultant to reposition City Government and Rochester School District’s public image. Leverage resources from the local business community.
- This has been completed and the City is actively engaging with print, internet, and social media. Continued monitoring these efforts and revise marketing materials as necessary to ensure ongoing effectiveness.

Time Frame: Completed
Leadership: City Manager, Rochester School Department, Mayor and City Council

13. Invest in upgraded infrastructure and City services to improve neighborhoods in and around the downtown. Investments include water, sewer, drainage, streets, sidewalks, and community policing.

- As part of the establishment of a downtown task force and TIF district, specific improvements may include, but are not limited to:
 - Wayfinding signs
 - Create a sense of “place”
 - Traffic calming measures, well-marked crosswalks, bump-outs
 - Pedestrian amenities (benches, street trees, etc.)

Time Frame: 1 - 5 Years

Leadership: Department of Public Works, City Manager, City Council, Rochester Main Street and the Greater Rochester Chamber of Commerce

14. Advocate and lobby the New Hampshire Department of Transportation to expedite the Spaulding Turnpike expansion, including Exit 10.

- Monitoring of continued highway and arterial improvements in and through Rochester is required to see that they meet the needs and sustain the City’s economic assets.

Time Frame: Completed and Ongoing

Leadership: Rochester Economic Development Commission, Economic Development Director and City Manager

15. Develop a Master Plan (including site plan, business plan, marketing strategy and capital improvement plan) for the Rochester Fairgrounds in cooperation with the Rochester Fairgrounds Association. Emphasis should be placed on:

- encouraging public and private sponsorships at the site
- expanding the number of days (i.e., take out the seasonality) the facility is used (equestrian shows, recreational vehicle camping, Laconia motorcycle events, classic car show and parts swap, mountain bike events, etc.)
- encouraging better physical connections with the downtown through the abutting residential corridor
- investing in the surrounding neighborhood (greenspace, sidewalks and streetscape enhancements, as examples)
- This is still relevant for the City of Rochester and has taken on a greater urgency and renewed focus considering the financial concerns of the Rochester Fairgrounds, reportedly including needs for capital improvements and deferred maintenance of many on-site structures.



Photo 7 – Rochester, NH

- An overall re-positioning of the Fairgrounds, while retaining a scaled back version of its current function(s), for mixed-use development may also serve as a downtown definitive and “kick-starter” project.
- While the City realizes that this may be an uphill task, the time for discussion and exploration of opportunities is now.

Time Frame: Immediate and Ongoing
Leadership: Rochester Fair Association, City Council, Rochester Economic Development Commission, and the Greater Rochester Chamber of Commerce/ Tourism Board

16. Facilitate the creation of a Downtown Building Owners Association with a mission to highlight potential technical assistance and resources and develop a unified voice for property owners.
- Although attempted, this action item has met with limited success in the City for a variety of reasons. These include absentee ownership of downtown properties and rent levels that limit significant reinvestment. The “purpose” and mission of such an association should be incorporated in the recommended establishment of a downtown task force.

Time Frame: 1 – 5 Years
Leadership: CORE Main Street, Greater Rochester Chamber of Commerce and City Council

17. Complete a comprehensive tax base analysis to determine and maximize the fiscal benefits of public and private tax base investments and stabilize the property tax rate. Sometimes communities concentrate their tax base investment focus on supporting new developments at the expense of its existing building stock. Targeted investment in existing neighborhoods and building stock is often more realistically achievable in stabilizing the property tax rate than encouraging new development alone. Based on the City’s tax base, development trends and current market conditions, a strategic investment plan should be developed. Furthermore, the City should evaluate the impact of the recent infrastructure improvements in Gonic and East Rochester on property values. The values of property (post improvements) in each respective neighborhood should be compared to those prior to the improvement projects to quantify the City’s return on investment.

Time Frame: Ongoing
Leadership: City Manager, Assessor, Mayor and City Council

18. Continue to Collaborate with the Greater Rochester Chamber of Commerce as the primary conduit for public/private interests.
- This is ongoing and the City should consider an expansion of the “voices” represented to include Rochester Main Street, the downtown task force and other interested private sector or civic entities.

Time Frame: Ongoing
Leadership: Economic Development Director and Greater Rochester Chamber of Commerce President

DOWNTOWN SPECIFIC ACTION ITEMS

Since the 2005 Plan, the City of Rochester has realized a growth and expansion of its economic strengths, particularly in specific industry sectors including an expansion of its retail economy and geographically targeted throughout the City. Many of these efforts should be continued, albeit in a stewardship and monitoring capacity, moving forward. Many of the local stakeholders interviewed for this current analysis, as well as many of the observed socio-economic trends, indicate that now is the time for a similar focus specifically targeted for the City’s downtown. The following recommendations and actions are offered to revitalize and diversify downtown Rochester.

VACANCIES AND BUSINESS GROWTH

The goal is to strengthen and re-position downtown properties for new business growth (or expansion of existing businesses) and to reduce vacancies or to develop under-utilized properties to their highest and best use. Increasing the mix of dining and entertainment venues, coupled with an increase in small personal and professional office service, will help to diversify the mix of downtown economic activity and encourage/foster opportunities for residential development. This includes the following components:



Photo 8 – Rochester, NH

- Maintain an updated inventory of available properties with information that would typically be utilized in marketing a property, such as existing tenants, SF available, lease terms and concessions, if any, and broker contact(s). While this inventory may be maintained by the City or its designees, it should be developed in coordination with area realtors/brokers representing the properties.
- Consider initiating a downtown property co-operative whereby property owners and their marketing agents work together with a goal of “tenanting” downtown as opposed to any one property. As such, expenses associated with acquiring tenants, as well as commissions received, may be shared.
- Initial targeted opportunities should include a mix of office space for professional and personal services, including small-scale “maker space” for artisans and specialized

product makers, typically requiring smaller space needs. As identified in this analysis such sectors could include the finance, insurance, professional and technical services sectors.

- Establish an urban medical campus in the downtown with office space for doctors, dentists, labs, clinics and the like.

LIVE, WORK, AND PLAY

A greater mix of commercial and residential development will strengthen downtown economic contributions; create an environment for multiple-use market activity, e.g., working, shopping and dining. The continuation of recreational and entertainment or “play” venues/activities in the downtown provide a quality of life amenity for existing and would be residents, as well as an attraction for visitors and day spenders.

DIVERSIFIED HOUSING MARKET

Tenure of the citywide housing stock is relatively in alignment with national averages at about two-thirds owner-occupied and one-third renter-occupied. However, opportunities exist for an increased presence of renter-occupied housing in the downtown, allowing for a greater density of housing downtown and a greater diversification of residents, such as by age and income metrics. A greater presence of proximate consumers in the downtown also enhances spending demand to support non-residential development.



Photo 9 – Rochester, NH

- Identify existing properties that may be redeveloped for upper story residential development, or, conversely, assembled and demolished for new housing sites. If applicable, the City may be required to become an active participant in assembling otherwise blighted, vacant, under-utilized or tax lien properties for such redevelopment. Commitments should be in hand from private sector developers to proceed.
- This may require revisiting zoning regulations in the downtown for allowed uses, densities, setbacks and parking requirements, as examples, to insure their compatibility with such development. Additionally, such a revisiting should consider incentives for the private sector such as density bonuses, an easing of height restrictions or parking requirements.
- Explore the opportunity for downtown housing for the 55+ market and/or the assisted care market.

MARKETING AND PUBLIC INVOLVEMENT

Consider the opportunity for industry “roundtables” for each and any industry group, such as restaurateurs or general retail, to promote the City. These informal groups should consist of between eight and twenty representatives from the specific industry group, members of the City and/or their designees, and the community in general. The group should meet on a regular basis (typically quarterly) to discuss issues related to the ability to do business in Rochester. The City should also use this opportunity to disseminate information about current projects and programs being developed and/or revamped, including



Photo 10 – Rochester, NH

how these changes will influence the group. The on-line newsletters from the Rochester Main Street or Greater Rochester Chamber of Commerce may serve as guidelines. Simply put, this forum allows local businesses to participate in the economic development process, to learn of current events, and to provide feedback on additional efforts that may be undertaken.

6. APPENDIX

CITY OF ROCHESTER – ECONOMIC REVITALIZATION ZONES AND TIF DISTRICTS

