

IV. ECONOMIC DEVELOPMENT

BACKGROUND

There are compelling reasons why economic development – expanding the Town’s business sector and creating jobs for Derry residents – is particularly important for Derry. Growth in the Town’s residential sector over the past three decades has far outstripped growth in its business sector, an imbalance that reverberates throughout the community in several ways. First, this imbalance is reflected in the Town’s fiscal well-being. Generally speaking, the ratio of business tax revenues generated to service costs incurred usually results in a net positive balance to a community, while residential development usually results in a net minus to the municipality, largely due to costs of education. Second, the imbalance is reflected in Derry’s resident worker out-commuting rate and relatively low job-to-population ratio – a trend that has brought the community many of the characteristics of a bedroom suburb. Eighty (80) per cent of Derry workers, including many highly-skilled technology and services professionals, leave the Town to work elsewhere. Many of them commute to out-of-state locations. There are less than half as many jobs as workers in Derry.

**Table IV-1.
Derry Commuting: 1990**

Commuting Out	Derry
Est. Residents Working	16,409
Commuting to another town	13,089
Commuting Rate	79.8%
Commuting In:	
Total Workers In Town	6,817
Non-residents commuting in	3,497
Commuting in Rate	51.3%

Source: New Hampshire Commuting Patterns, NHDES, 1997.

The high commuting rate in turn contributes to Derry’s high volume of traffic and congestion on its major roadways at rush hours. This in turn contributes to difficulties in preserving Derry’s Downtown as a pedestrian-oriented shopping, cultural, and service center. These interrelated effects of job availability, commuting, traffic, and downtown economy illustrate the systemic nature of a community, where a trend or imbalance in one area brings about imbalance in other areas of community life.

At the same time, however, herein lies the solution to restoring balance to community life. For example, more skilled jobs in Derry available for local residents will reduce the need to commute, which will in turn lessen traffic and ease the traffic strain in the Downtown, through which most out-commuters must travel. More job-producing businesses that locate in Derry will also expand and increase the Town’s tax base, thereby relieving pressure on the existing tax payers and the residential sector. While Derry workers likely would still need to travel to jobs located within the community, these work trips could be more easily managed than out-of-town commuting trips. Trip rerouting and increased probability of using travel mode alternatives to the single-occupancy privately-owned vehicle – such as ride shares, employee vans, pedestrian and bike travel – would be far easier to achieve with more in-community jobs for Derry workers.

The interrelatedness of community life manifests also through connections between economic development and other aspects of community life. Relocating businesses examine a range of community characteristics in evaluating potential new locations – quality of schools, recreation facilities, housing, visual attractiveness, open space, as well as more directly related economic factors such as real estate values, transportation access, local tax and land use policies. Awareness of this interrelatedness is reflected in Derry’s goals and objectives for economic development that combine direct business outreach efforts with measures to improve recreation, lessen traffic, and support the Downtown center.

Economic Trends

While it is true that Derry’s residential growth has outstripped its jobs growth, jobs growth in Derry still has occurred at a relatively robust rate over the

last 15 years, increasing from about 4,370 in 1980 to 5,372 in 1990 to 7,400 in 1998. Jobs growth between 1990 and 1998 represented a 29% increase - considerably higher than the state average of 17% during those years. Derry's job growth was even with that of Rockingham County as a whole, and among its neighbors, only Londonderry outstripped Derry with a remarkable 60% job growth from 1990-1998, no doubt assisted by that Town's location closer to Manchester Airport.

**Table IV- 2.
Derry Job Growth: 1980-1998**

	1980	1990	1998	% Chnge: '90-98
Derry	4,367	5,732	7,401	29.1%
R.Cty	55,968	83,021	106,759	28.6%
NH	323,227	429,530	502,667	17.0%

Source: NH Dept. of Employment Security

Over the next 15 years, Derry's jobs base is expected to grow by about 3,600 additional jobs – an increase of about 50% (*Land Use Plan 2015, SNHPC*). Job projections for Rockingham, Merrimack, and Hillsborough Counties anticipate about a 15% jobs base increase in those regions between the years 1996 and 2006.

Derry's business community and jobs base are substantially service-oriented in type. As of 1998, 42% of all Derry jobs were service-oriented. Derry's proportion of service-oriented jobs is considerably higher than that of Londonderry (30%), Manchester (37%) and Rockingham County as a whole (26%). County job projections by the NH Department of Employment Security expect service jobs to increase at the most robust growth rate - 28% between 1996 and 2006 - among all industry sectors.

Average weekly (private sector) wages in Derry have been lower than the state and county averages, as well as its neighbors Londonderry and Manchester, for the past fifteen years, although the differences have narrowed since 1990. While lower average wages could be viewed as an indicator of lesser community prosperity, they might also be perceived as a competitive advantage that Derry offers for potential new business – an ingredient in the mix of factors a company weighs in evaluating location sites.

**Table IV-3.
Average (Private) Weekly Wages: 1980-1998 ***

	Derry	R.Cty	NH
1980	\$200.73	\$233.05	\$235.43
1990	\$374.18	\$428.77	\$432.37
1998	\$544.83	\$618.42	\$598.90

*Unadjusted for inflation

Source: NH Dept. of Employment Security.

Derry Economic Development Initiatives

At least three non-profit organizations are working to expand Derry's business base and create locally-based jobs. The private, non-profit Derry Economic Development Corporation (DEDC), since 1992, has been assisting expanding or incoming companies through help with business plan preparation, financing, and/or permitting. The Derry Chamber of Commerce continues to provide a forum for Derry businesses to discuss issues of mutual concern and plan group activities. The Main Street Corporation focuses attention on the economic viability of the Downtown, often working in collaboration with the DEDC.

Specific local initiatives include two new industrial buildings on Kendall Pond Road, almost fully leased as of the writing of this Plan, that have been assisted and made possible by the DEDC. This project is creating 70,000 sq.ft. of additional non-residential space in Derry. Proceeds from this project will be used to develop a 3-story retail/office building on a vacant Downtown lot that will strengthen the Downtown business center as well as expand the Town's tax base. DEDC is also working to market Derry as a business location through such efforts as installing promotional signage featuring Derry as "New Hampshire's Place to Be" at Manchester Airport.

- Additional routes in and to the Town's industrial area.
[also in Downtown Element]

GOALS AND OBJECTIVES

Derry's main goals for economic development are to:

- Expand the Town's industrial base, attracting businesses to move into existing building space.
- Develop a "techno-park" in Derry.
- Increase recreational opportunities in Derry to provide additional incentives for businesses to locate in the Town.

IMPLEMENTING ACTIONS

Attracting new businesses:

- Explore feasibility of developing a hotel conference center as a means of attracting larger businesses and to support Derry's new sports complex on A Street. Next steps to include:
 - Identifying and organizing a Derry group or task force to pursue this initiative;
 - Locating developers interested in pursuing this project.
- Continue to support the creation of Exit 4a in order to relieve commuter traffic and congestion in the Downtown, and to provide direct access to the Town's industrial areas.
- Undertake a planning charrette, and/or a traffic and transportation study that examines the combined functions of Route 102 both as Derry's Main Street and as a major east/west thoroughfare, and which proposes alternative scenarios to address the traffic, transportation and pedestrian challenges resulting from this dual role. Include in this study:
 - Possible parallel routes to Broadway;
 - Possible expansion of side streets in Downtown;

- Identify additional suitable areas in Derry for industrial development and pursue rezoning these for industrial use – in particular, in the general vicinity of Route 111. Suitable areas are ones that are not surrounded by residential development and that have useable access.
 - Examine possibilities for creating more industrial land near Exit 4 – for example, relocating Town public facilities and converting Town-owned land to industrial use.
[Also in Land Use Element]

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- Examine existing industrial zoning regulations for potential revisions to encourage higher density buildings with less of a "footprint".

Develop a "Techno-Park":

- Develop Zappa Hill and Victory Industrial area as a major technology park. Next steps should include:
 - Identifying and organizing a Derry group or task force to seek out potential developers;
 - Locating interested developers.
- Develop a program of business incentives appropriate to Derry to attract major businesses to the technology park. Potential resources and mechanisms to explore include:
 - NH Division of Resources & Economic Development
 - Southern New Hampshire Planning Commission
 - Tax increment financing
- Give priority to jobs that will draw on skills of local residents and that do not require a large influx of workers from away that either:
 - a) commute into Derry or
 - b) move to Derry. An

example would be software companies that create jobs for existing Derry residents.

- Develop a targeting and outreach effort to businesses that supply existing Derry businesses such as Fire-Eye and Hadco, to encourage those suppliers to consider relocating to Derry.
- Develop a plan and guidelines for beautification of the industrial areas – including Tinkham Avenue, A and B Streets – that include appropriate landscape design, retention of existing trees and/or planting of new trees, and curb appeal .
- Develop a “business ombudsman” capacity within Derry to “smooth the path” for existing as well as potential incoming or outgoing businesses. This role could include:
 - Providing needed information – such as permitting requirements, etc., and answering questions;
 - Developing an information packet for businesses;
 - Assisting businesses in Town permit applications and local reviews;
 - Connecting businesses with local organizations that could provide needed assistance.
- Combine efforts of the Town and the Derry Economic Development Corporation to engage a high profile, industrial development public relations marketing firm to help attract new companies to Derry. Market the assets of Derry as a package, including:
 - In-progress downtown revitalization
 - New and efficient Town Hall municipal service center
 - Derry’s recreational facilities
 - Derry school system
 - Proximity to Manchester and Logan airports

- Infrastructure (natural gas, water and sewer, etc.)
- Highly skilled “high- tech” resident work force

*Downtown Economic Development:
[also included in Downtown Element]*

- Attract upscale stores and food establishments to the Downtown to attract shoppers and more businesses. Possibilities include:
 - Mens’s and women’s clothing stores
 - Shoe stores; sporting goods store
 - Soda fountain shop; candy store
 - JB Scoops retail outlet
 - “Fun foods” center at train station
- Create new parking opportunities in the Downtown through a combination of approaches such as:
 - Developing parking areas to serve Opera House, Town Hall, businesses;
 - Exploring acquisition of several small tracts throughout the Downtown to balance parking needs throughout the District;
 - Revising site plan review requirements and zoning regulations to encourage private parking areas that can be used by multiple businesses;
 - Exploring multi-level parking facilities if and where suitable;
 - Exploring the possibility of paying “access fees” - payments toward development of alternative parking facilities - in lieu of on-site parking provision.
- Enlist private sector support in activities such as broadening Downtown entertainment opportunities, specifically:
 - Recruiting an upscale movie theater to the

Downtown;

Downtown Topic Group Report, March 20, 2000.

- Encouraging frequent live performances and shows;
- Organizing more seasonal and special events to attract tourists from throughout New England as well as Derry residents;
- Acquiring and renovating a Downtown building to house a historical museum and cultural center;
- Developing a “live act” entertainment hall and dance hall;
- Developing a family recreation center in the Downtown, possibly including roller-skating, ice-skating bowling, games, etc.

April 2, 2001

Improving Recreation to enhance Economic Development:

- Enlist support from nature groups, farm organizations, the Audubon Society in potential for development of nature parks, petting zoos, and an aquarium in Derry.
- Investigate the potential for development of an 18-hole golf course in Derry that could offer incentive golf memberships to incoming businesses.
- Explore possibilities for attracting riding schools and/or riding camps to Derry, using its available nature trails.
- Offer horse and buggy rides through scenic areas of Derry to promote tourism and feature its historic “Nutfield” heritage.

[Included as well in Recreation/Open Space Element]

APPENDIX

A. “Growth, Housing Population Jobs: Derry and Neighbors”, November 19,1999, revised August 14,2000.

B. Economic & Industrial Development Topic Group Report, March 20,2000.