

Economic Base Assessment

DRAFT

Strategic Economic Development Plan

Milton, New Hampshire

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Submitted To:

Town of Milton
Milton, New Hampshire

Submitted By:

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Milton's Vision for Economic Development

The Vision

Milton will promote a sustainable, diversified local economy that is consistent with the Town's rural and village character. Milton will work to retain its current businesses, foster business expansion as needed, and encourage new businesses to locate in the Town to broaden the Town's employment opportunities and tax base.

The Objectives

1. Retain Milton's existing business and industrial base.
2. Encourage and attract development of new diversified business and industry consistent with the Town's vision.
3. Initiate an economic development program to oversee economic development activity in Milton.
4. Ensure that Milton's land use policies and regulation are consistent with the local economic development goal.
5. Provide a level of public infrastructure and services that enables economic development in a cost-effective manner.
6. Support and expand opportunities for cultural activities, recreation and tourism.

Economic Base Assessment

Milton's Economic Base Reliant on the Region

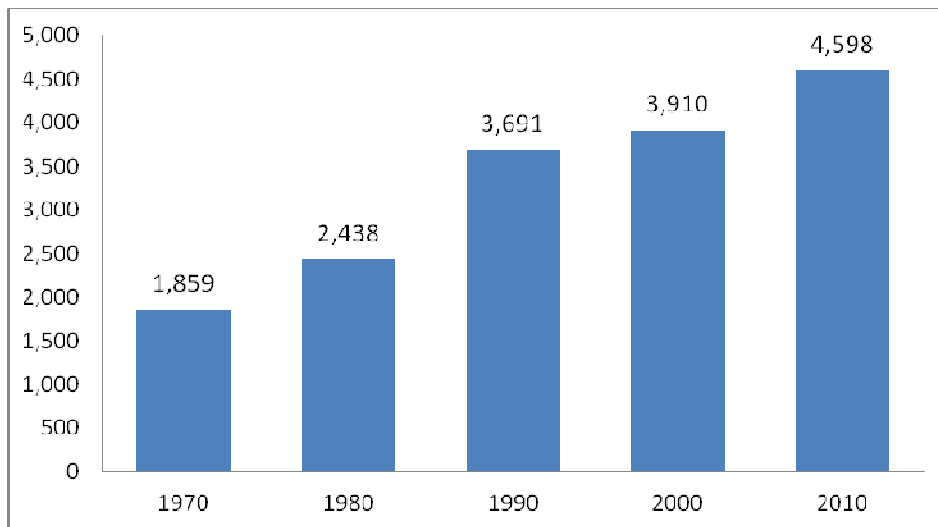
To understand the economic conditions of Milton, it is critical for the town to understand its own economic base and how it fits into the economic base of the region. Milton's economic base is closely tied to the regional economy. The regional economy has been recently described in the recently released *Comprehensive Economic Development Strategy for Strafford Region, 2012*. Almost one-half of Milton's workers derive their income from nearby New Hampshire communities. Because of its small population base, the town cannot support the same level of industrial activity, commercial outlets, banks and service firms as nearby Strafford County communities such as Rochester, Farmington Dover, and Somersworth. Milton residents have effectively traded the convenience of residing closer to commercial centers for a smaller town, rural atmosphere.

Population Trends and Projections—*Continuous increase since 1970; Trend projected to continue*

Milton's population has grown from 1,859 in 1970 to 4,598 in 2010 as shown in **Figure 1**. The largest 10-year increase during that period was between 1980 and 1990 when the population jumped by 1,253—over 50% as shown in **Table 1**.

Based on the newly released data from the US Census Bureau, Milton had a population increase of 688 between 2000 and 2010 or 17.6% compared to a 9.1% increase for Strafford County. **See Table 1**. Since 1950 Milton has grown at a faster rate than the rest of Strafford County except between 1990 and 2000. This trend indicates that Milton is an attractive community for residential growth.

Figure 1 Population Change: 1970-2010



Source: US Census, 2010

Table 1: Population Trends, 1980-2009

	1980	1990	% Increase 1980-90	2000	% Increase 1990-2000	2010	% Increase 2000-2010
Milton	2,438	3,691	51.4%	3,910	5.9%	4,598	17.6%
Strafford County	85,408	104,233	22%	112,223	8%	124,005	9.1%

Source: 2000 US Census & NH OEP

Based upon the most recent population projections provided by the NH Office of Energy and Planning (NH OEP), Milton is expected to grow by approximately 862 residents or 19% from 2010 to 2030. This is an overall rate that is more modest than that between 1970 and 2010 (Table 2). By contrast Strafford County is expected grow at just 15% over the same time period.

Table 2: Population Projections, 2010-2030

Town - Year	2010	2015	2020	2025	2030	Increase 2010-2030	% Increase 2010-2030
Milton	4,598	4,790	5,040	5,270	5,460	862	19%
Strafford County	124,005	129,500	134,210	138,930	142,890	18,885	15%

Source: 2000 U.S. Census Bureau and NH OEP Population Projections for Municipalities, 2007.

Employment—*Both the number of firms and jobs have increased since 2000*

Milton’s employment base in 2010, including both public and private sectors, was approximately 488 individuals, an increase of 62 (15%)—from 2000 (Table 3). However, there was an increase of only 7 workers since 2005. This modest increase was due to hiring in the private sector, which added 63 employees. The number of public sector employees dropped by 12 between 2005 and 2010.

While the overall employment in Milton showed modest gains since 2000, weekly wages increased significantly. In the private sector, average weekly wages increased by \$196 or 43%. Even more significant were the gains in the public sector where average weekly wages increased by \$285 or 77%.

Table 3: Average Annual Covered Employment in Milton¹

	2000	2005	2010	Change 2000-2010
Number Private Businesses	44	51	50	6
Average Employment	377	417	440	73
Average Annual Weekly Wage	\$453	\$580	\$649	\$196
Number Public Entities	4	4	3	-1
Number Public Employees	49	60	48	-1
Average Annual Weekly Wage	\$371	\$438	\$656	\$285
Total Employment	426	481	488	62

Source: NH Employment Security, 2010

There is a discrepancy in wages paid in the public sector. While local public sector workers received an average of \$614 per week (for 41 workers), federal workers (7) received \$907 per week and state workers (7) received \$815.

Table 4 represents employment of Milton workers by business sector. Private sector employment is broadly categorized into *Goods Producing Industries* and *Service Providing Industries*. Because many businesses in Milton are small, data by number of employees in many subsectors has not been made available to ensure privacy. The largest reported category of employment is in manufacturing which has 189 employees. The largest service-related business is retail trade with 43 employees.

Table 4: Covered Employment by Sector, 2010

	Employment Sector	# of Employees	%
1	Goods-Producing Industries	221	44.7%
1a	Manufacturing	189	
1b	Other Goods Producing Industries (e.g. forestry, agriculture, mining, etc.)	32	
2	Service-Providing Industries	219	44.2%
2a	Retail Trade	43	
2b	Accommodation and Food Services	26	
2c	Other Services (Finance & Insurance, Real Estate, Health Care, etc.)	150	
	Total Private	440	
3	Total Government	55	11.1%
	Total, Private plus Government	495	

NH Department of Employment Security, 2010

¹ Covered employment is defined as all employment except those workers who are self-employed.

Unemployment Rates—Milton lags County over past ten years

Another measure of Milton’s economic health is the rate of unemployment. Since 2001 Milton’s average annual unemployment rate has fluctuated between 3.9 and 8.4 percent as shown in **Figure 2** and **Table 5**. Milton’s rate has been higher than both Strafford County and the state throughout this period. During the early part of the decade, the rates between Milton and the county or state were less than one percentage point. More recently Milton’s average annual rates have lagged by more than two percentage points behind the county (**Table 5**).

Figure 2: Average Annual Unemployment

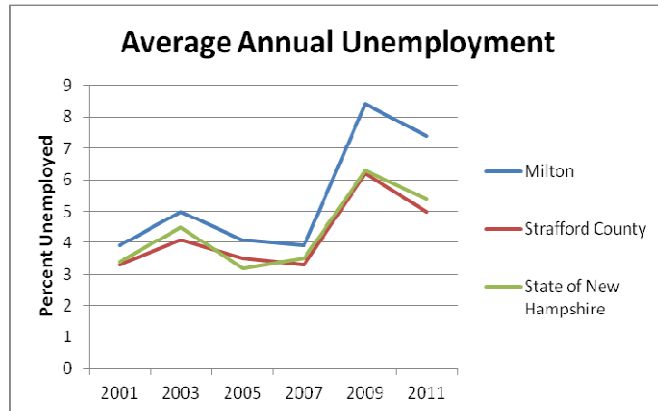


Table 5: Unemployment 2001 to 2011

	2001	2003	2005	2007	2009	2011
Milton	3.9	5.0	4.1	3.9	8.4	7.4
Strafford County	3.3	4.1	3.5	3.3	6.2	5.0
State of New Hampshire	3.4	4.5	3.2	3.5	6.3	5.4

Source: NH Department of Unemployment Security, 2012

Major Employers—Most employ less than 20 Workers

While there are over 50 employers in Milton, most are rather small employing 20 or fewer workers. Businesses range from small retail operations to larger businesses in the Milton Industrial Park. Index Packaging employs by far the greatest number of individuals. **Table 6** lists the top eight employers in the town.

Table 6: Major Employers

Business	Product	Employees
Index Packaging	Foam Packaging	160
Milton School District	Education	77
Ray’s Marina	Marina	30
Short Ridge Academy	Private Education	25
Town of Milton	Public Administration	24 Full time/ 40 Part or Seasonal
Iron Mountain	Storage	20
Global Tek	Recycler	20
Eastern Boats	Boat Manufacturing	31
Frizell Paving & Construction	Construction Services	
Proline	Dock manufacturing	12

Source: NH Department of Unemployment Security, 2012

Employment Projections—Biggest gains expected in Service Sector

Based on projections by the NH Department of Employment Security from 2008 through 2018 for Stafford County, total jobs are expected to grow by 4,732 or about 9%. Such projections have not been done on a town-by-town basis. **Table 7** shows projections by NAICS categories. The greatest gains in employment numbers are expected in the service industry; professional, scientific, and technical services; and health care. Manufacturing is expected to lose jobs.

Table 7: Long-Term Projections, Stafford County, 2008 – 2018

NAICS ²		Estimated	Projected	2008-2018 Change	
Code	Industry	2008	2018	Numeric	Percent
	Total Employment (incl. Self-employed)	51,434	56,166	4,732	9.2%
101	Goods Producing Industries	6,754	6,433	-321	-4.8%
11	Agriculture, Forestry, Fishing and Hunting	136	140	4	2.9%
21	Mining	23	25	2	8.7%
23	Construction	1,380	1,551	171	12.4%
31-33	Manufacturing	5,215	4,717	-498	-9.5%
102	Service Providing Industries	40,376	45,178	4,802	11.9%
22	Utilities	<i>n</i>	<i>n</i>	<i>n</i>	<i>n</i>
42	Wholesale Trade	1,037	1,119	82	7.9%
44-45	Retail Trade	6,629	6,921	292	4.4%
48-49	Transportation and Warehousing	1,013	1,056	43	4.2%
51	Information	926	977	51	5.5%
52	Finance and Insurance	3,651	3,728	77	2.1%
53	Real Estate and Rental and Leasing	409	452	43	10.5%
54	Professional, Scientific, & Technical Services	2,032	2,623	591	29.1%
55	Management of Companies and Enterprises	218	230	12	5.5%
56	Administrative & Waste Managt. Services	2,032	2,371	339	16.7%
61	Educational Services	7,759	8,718	959	12.4%
62	Health Care and Social Assistance	6,261	7,837	1,576	25.2%
71	Arts, Entertainment, and Recreation	514	611	97	18.9%
72	Accommodation and Food Services	3,634	3,990	356	9.8%
81	Other Services (Except Government)	1,606	1,766	160	10.0%
	Government	2,582	2,710	128	5.0%
	Self-employed and Unpaid Family Workers	4,304	4,555	251	5.8%
	<i>n</i> = data does not meet disclosure standards				

Source: Economic and Labor Market Information Bureau, NH Employment Security,

With fewer than 500 employees, Milton comprises less than 1% of the total county employment. These regional economic changes are likely to affect Milton not only in terms of its local employment, but also in terms of the types of workers that may live in Milton, but commute to

² NAICS is abbreviation for North American Industrial Classification System

jobs outside town. Milton’s economy is dependent on the larger regional economy that is fully described in the recently released *Comprehensive Economic Development Strategy for Strafford Region*, 2012.

Median Family Income—*Milton lags behind almost all communities in Strafford County*

Based on the US Census 5-year estimate from 2005-09, Milton’s median family income (based upon a family of four) lags well behind the average for Strafford County and is the second lowest of the 13 county towns—only Middleton is lower at \$58,125; Rochester is approximately \$60,000 (**Table 8**). By contrast, Durham is well above the Strafford County average and all of the other towns in the county. Comparing the family income data to the year 2000, once again Milton lags behind the county and Middleton. Compared to the percentage increase over this period Milton’s income increased less than half that of the county’s—24% compared to 50% for the county.

Table 8: Median Family Income

Community	Median Family Income		% Change
	2000	2009	
Durham	\$83,609	\$114,757	37%
Milton	\$48,033	\$59,750	24%
Middleton	\$48,529	\$58,125	20%
Average for Strafford County	\$53,075	\$73,963	50%

Source: US Census, 5-year Estimates, 2005-2009

Educational Attainment—*Milton citizens have lower educational attainment than other Strafford County communities*

As shown in **Table 9**, Milton has a reasonably high school graduation rate of 44.7%, but it lags behind Strafford County and nearby towns for attainment of post-secondary education. The number of Milton citizens holding a bachelor’s degree is almost 8% lower than the county and the number holding a graduate degree is over 7% lower. The only communities in Strafford County with lower post-secondary educational attainment are Middleton and Farmington.

Table 9: Educational Attainment, 25 years and older

	Less than HS Diploma	HS Diploma	Some College/ Associates Degree	Bachelor’s Degree	Graduate Degree
Milton	13.4	44.7	17.6	10.8	4.0
Strafford County Average	11.2	31.5	27.6	17.9	11.7

Source: US Census, 5 Year Estimates, 2005-2009

Community Value—Town Assessed Valuation increased slightly from 2005 to 2010

The total assessed value of Milton is an indicator of the relative prosperity of the town and can be compared to other communities. **Table 10** provides a breakdown of the major land use categories in Milton and the assessed value of each for 2005 and 2010. The total assessed value of Milton is almost \$388 million—92% of this value is in residential property both land and buildings.

Table 10: Town Assessed Value by Land Use

Land Use/Year	2005	2010	% Change 2005-2010
Land -Current Use- Conservation Restriction	\$1,421,754.00	\$1,258,037.00	-11.5
Residential	\$354,356,215.00	\$356,933,715.00	+7%
Land	\$135,649,200	\$128,178,700	
Buildings	\$202,698,615	\$213,535,815	
Manufactured Homes	\$16,008,400	\$15,219,200	
Commercial/Industrial	\$27,492,185.00	\$27,420,885.00	-0.3%
Land	\$5,905,400	\$6,243,900	
Buildings	\$21,582,100	\$21,172,300	
Discretionary Preservation Easement	\$4,685	\$4,685	
Utilities	\$6,107,900.00	\$5,663,300.00	-7%
Net Valuation Before Exemptions	\$389,379,054.00	\$391,275,937.00	+0.5%
Net Valuation on Which Tax Rate is Computed	\$385,810,054.00	\$387,944,220.00	+0.5%

Source: Milton Assessor, 2012; MS-1 Forms for 2005 and 2010

Between 2005 and 2010 only the residential category of assessed value increased—by 7%. Commercial/Industrial, Utility and Current Use assessed values all decreased. The overall town assessed value only increased slightly—5%—due largely to the modest gain in residential value. The downturn in the economy over the last several years has had a significant negative impact on the town’s assessed value.

Full Value Tax Rate—Higher than other communities in the county

The NH Department of Revenue Administration prepares an annual report that attempts to compare the tax rates from one community to another by calculating full value tax rates. This process attempts to determine what a property in one municipality would pay for taxes on a property of equal value in another community. **Table 11** compares full value tax rates for Milton and surrounding communities for 2000, 2005 and 2010. Milton has the 161st highest tax rate out of 234 towns and cities in the state, while by comparison Rochester ranks 163.

Table 11: Full Value Tax Rates, Milton and Surrounding Towns

Community	2000	2005	2010	2010 State Rank
Milton	\$21.72	\$14.36	\$22.40	161
Middleton	\$21.48	\$13.00	\$18.49	78
Farmington	\$20.11	\$15.45	\$22.06	148
Wakefield	\$13.10	\$8.31	\$11.62	24
Rochester	\$20.99	\$16.34	\$22.75	163
New Durham	\$19.05	\$15.25	\$21.10	132
Somersworth	\$22.55	\$17.32	\$27.20	212

Source: NH Department of Revenue Administration, 2012

Residential Building Activity—Milton’s building permits dropped off significantly in 2007

Another measure of economic activity is the number of residential building permits issued over the past 5-10 years. During the period of 2000 to 2009, Milton issued 425 building permits (new construction) or an average of approximately 42 per year. As shown in **Table 12**, most of these permits were issued between 2000 and 2007 with 2006 being the year with the largest number of permits at 112. The number dropped off significantly in 2008 and 2009 when a total of only 17 permits were issued.

Table 12: Building Permits, 2000-2009

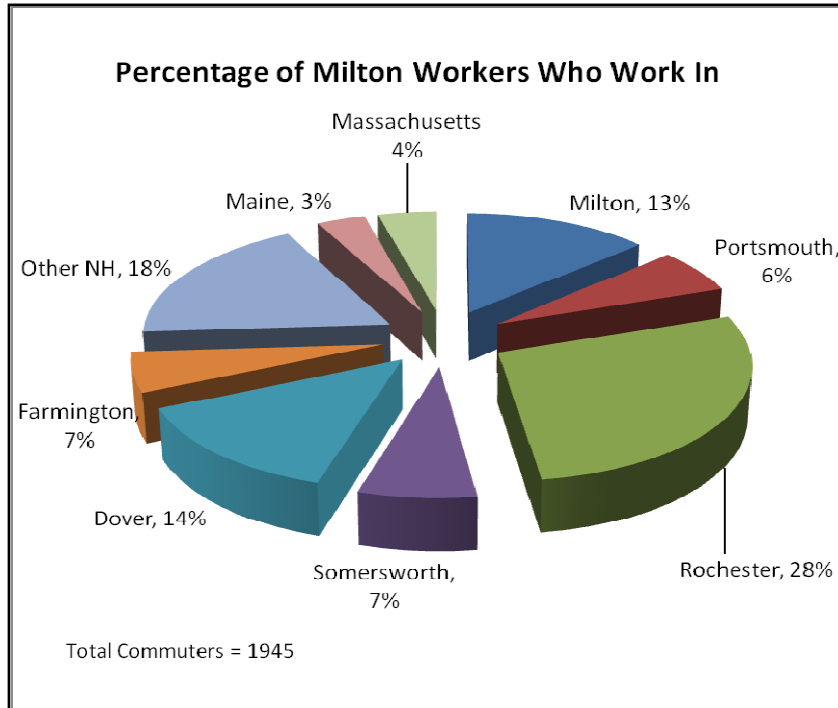
Year	Number
2000	48
2001	55
2002	52
2003	44
2004	45
2006	112
2007	52
2008	15
2009	2
Total	425

Source: Town of Milton, Building Department

Commuting Patterns—Over 85% of Milton’s workers travel out of town to work

As shown in **Figure 3**, most of Milton’s workers leave town for employment. Of the 1,945 workers in town, 546 or almost 30% commute next door to Rochester.

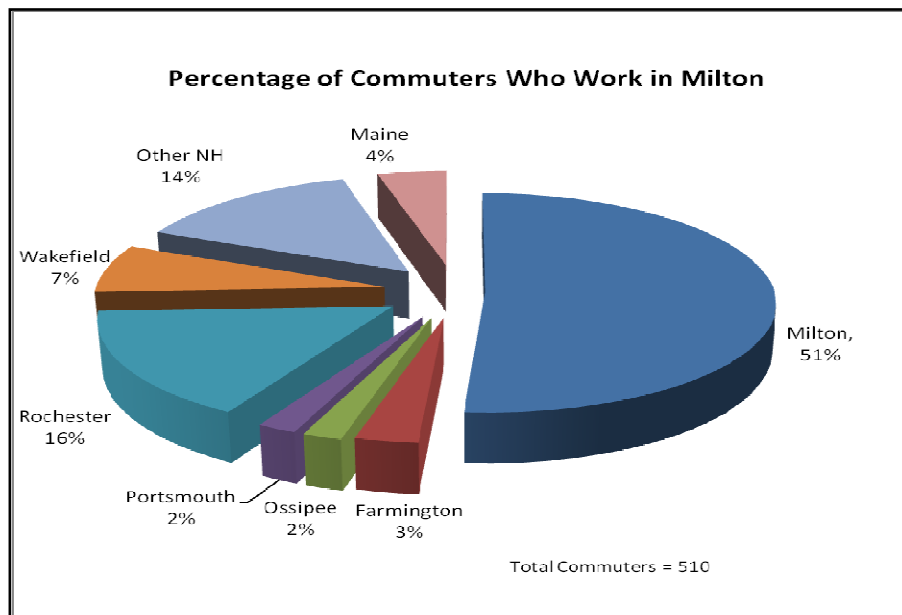
Figure 3: Where Milton Residents Work



Source: 2000 US Bureau of Census. These data represent the most recent data on commutation.

On the other hand, over half of the 510 workers who work in Milton, more than 50% are drawn from Milton as shown in **Figure 4**. The next highest number of commuters come from Rochester—16% or 82. Most of the others come from nearby Seacoast communities with only a small number from Maine—22 or 4%.

Figure 4: Where Workers in Milton Live



Source: 2000 US Bureau of Census. These data represent the most recent data on commutation.

This data on worker commuting patterns suggest a strong economic link between Rochester and Milton with many of Milton's workers finding employment in Rochester while the largest number of workers commuting into Milton come from Rochester.

Summary—*Milton's economic base indicators are mixed, but generally indicate need for improvement.*

- ✓ Both the number of firms and jobs have increased since 2000, although job growth has slowed considerably since 2005.
- ✓ Weekly wages have continued to grow since 2000, particularly in the public sector.
- ✓ Milton's unemployment rate has lagged behind the Strafford County since 2000 and particularly since 2009 when rates were at least two percentage points behind the county.
- ✓ Index Packaging is the largest private sector employer and Milton School District is largest public sector employer. Most firms have 20 or fewer employees.
- ✓ Milton's family income and educational attainment lag most communities in Strafford County.
- ✓ The town's assessed value has increased only 0.5% from 2005 to 2010
- ✓ Milton's full value tax rate is higher than other communities in the county.
- ✓ Residential building activity has slowed significantly since 2007