Business Retention & Expansion

Final Report

Hillsborough, NH

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UNH Cooperative Extension Community & Economic Development

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Cooperative Extension

Business Retention & Expansion Program

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About the Business Retention and Expansion Program

A healthy local economy and an improved business climate are the goals of the Business Retention and Expansion (BR&E) program. The program promotes job growth by helping communities identify the concerns and barriers to survival and growth facing local businesses. This approach focuses on existing businesses. Studies show that **40% to 80% of all new jobs are created by existing firms** rather than by new business attraction. Furthermore, business attraction efforts are less likely to be successful if existing businesses are unhappy with the local business climate.

Goals of the Program

1. **Demonstrate** to local business that the community appreciates their contribution to the economy
2. **Help** existing businesses solve problems
3. **Increase** local businesses' ability to compete in the global economy
4. **Establish** and implement a strategic plan for economic development
5. **Build** community capacity to sustain growth and development

The Process

1. **Firm visits**: Local community leaders receive training on how to conduct the local BR&E Visitation program. After receiving training, Volunteer Visitors call on businesses and interview the firm manager or owner. A proven survey instrument tailored to local communities is used for the interviews. The survey pinpoints business needs, concerns and development plans. Individual firm data are kept confidential.
2. **Strategic planning**: University faculty or other experts computerize the information and prepare an initial draft report for the local task force. The report includes data analysis and suggests recommendations for improving the local business climate. The local task force uses this report, its own knowledge of the community, and a strategic planning process to develop an action plan.
3. **Immediate follow up**: A local task force reviews the survey results and report and responds to the needs and concerns expressed by businesses. Support from resources within and outside the community becomes mobilized.
4. **Implementation**: The action planning process fosters the development of local implementation teams. These teams spearhead efforts to achieve the goals in the action plans. Local businesses and a variety of agencies may be drawn into the process by these teams.

Executive Summary

The Executive Summary underscores high level demographics data from Hillsborough along with the most pertinent results from 26 interviews conducted for the Business and Retention Survey by trained community volunteers in spring and early summer 2017. Recommendations from the UNH Faculty Review session led by UNH Cooperative Extension on October 5, 2017 are also included. Three UNH and UNHCE faculty members attended the review remotely from Durham, and two UNHCE Community and Economic Development field staff participated onsite with the Hillsborough Task Force. Faculty provided input to the Hillsborough Task Force and answered questions.

Hillsborough has a geographic footprint of about 45 square miles. The town holds a number of natural assets, including Fox State Forest, Franklin Pierce Lake, Contention Pond, Loon Pond, Shedd Brook, Beard Brook, and Sand Brook. Extensive wetlands are found along rivers and streams.

High level results from UNHCE data analysis and BRE survey

- Despite a population increase from 2000 to 2015 that exceeded that of either Hillsborough County or the State of New Hampshire, the town's population was relatively flat in the later years of that time period, from 2010 to 2015.
- Between 2015 and 2040, the town's population is projected to grow by about 11%, also more than either the county or the state's projections.
- The median age is 39.2 years, slightly lower than either the county or the state with slightly more children in Hillsborough (0-19 years).
- Working Hillsborough residents commute an average of 29 minutes to their employment; the majority travel to another NH community. Two in five work in town.
- The town's unemployment rate was relatively low at 2.3% in August 2017.
- Household median income ($57,312) is lower than either the county or state with a relatively low poverty rate (7%) and high education attainment (85% high school or higher).
- The town has a diverse economy, with a mix of public and private employers, as well as local businesses and national chains.
- Interviews: The vast majority of the 26 businesses interviewed for the Business Retention and Expansion project are locally owned. Most have been located in the town for more than 10 years. There is a mix of business types, with most of them retailers.
- Indications of a strong economy and interest in business investment include:
  - ✓ Fourteen of 26 respondents indicated a sales increase of their primary product or service. Only 1 indicated decreasing sales.
  - ✓ Many businesses are adding employees.

- ✓ Half of the respondents noted plans to grow or expand their businesses, half in less than a year.
- ✓ About half had plans to add or modernize equipment, most in less than a year.
- ✓ Most plan to stay in Hillsborough and are not considering selling, moving, downsizing, closing or merging.

Possible concerns for the future:

- Business owners' opinions of Hillsborough as a place to conduct business or live are not strongly positive.
    - ✓ Moreover, there is a gap between importance and satisfaction ratings on all quality of life factors measured in the survey (see detailed findings later in the report), with consistently more respondents rating "very important" than "very satisfied".
- A low unemployment rate in Hillsborough may make recruitment of needed workers challenging. BRE survey data also indicate a shortage of a **skilled** workforce: Most businesses rated the <u>availability of **skilled** labor as important</u>, with far fewer expressing <u>satisfaction</u> with the availability of those workers.
- The town's sewer plant is dated and may not be sufficient for business expansion. A plan is needed to update/improve/expand.
- About half indicate technological changes in their industry that might affect the company and/or its employees, potentially leaving them less competitive in the future.
- Half of these owners/managers have a succession plan, a plan for their company's sustainability after owners retire or leave. While a positive finding, the remaining businesses may not be adequately planning for change, leaving a possible loss of community goods/services and jobs in the future that will affect the community.
- Most of the businesses indicate that broadband access is "important" to their businesses. Somewhat fewer indicate that the speed connectivity is sufficient, indicating a potential gap between what businesses need and the service they are experiencing.
- Only about one-third of owners/managers "strongly agree" that current cellphone service at their business location meets their business needs.
    - ✓ Both broadband and cellphone access could limit competitive advantages in the future, if not sufficient, and make Hillsborough less attractive for business expansion/growth. Both broadband and cellphone access bears monitoring.
- In many parts of NH the need for affordable housing, in terms of size, location, amenities, and cost, is an issue in making communities attractive to older citizens interested in downsizing, as well as younger workers and/or workers on the lower end of the income continuum. Ensuring that available housing meets the needs of employers and their current/potential employees is important for the business climate. Among these business owners, more give ratings of "very important" than for "very satisfied" on the measures of housing costs and housing supply, potentially suggesting a need to monitor housing options.

- Half of the interviewed businesses agreed that the town values business retention. However, almost all cited business retention as an important strategy for the town. Thus there is a gap between what businesses perceive as an important strategy and what they perceive the town values.
    - ✓ Support the business community. Enhance the connection between the town, Chamber of Commerce, Economic Development Commission and the business community.

- **Positive considerations**
    - ✓ Low unemployment and high percentage of high school graduates
    - ✓ Diverse economy
    - ✓ Long-term stable local businesses; most respondents cited plans to stay in Hillsborough
    - ✓ Variety of natural resources

- **Businesses cite opportunities for improvement**
    - ✓ Parking issues are mentioned in business comments
    - ✓ Water and sewer capacity seems to be a concern
    - ✓ Codes and regulations as potential limits
    - ✓ Improve signage
    - ✓ Cell and broadband coverage
    - ✓ Potential need for more skilled labor
    - ✓ Property taxes seem to be a concern.
    - ✓ Town support for business community can be enhanced

- **Assets that can be leveraged/developed**
    - ✓ The variety of natural resources and recreational opportunities available for use by local citizens and visitors. Resources can be mapped and signage enhanced to maximize access.
    - ✓ Major highway access that connects surrounding towns and the rest of the state to Hillsborough: Rt. 202
    - ✓ Access to both Keene and Concord.
    - ✓ Available downtown buildings for possible development, either for residential or commercial use
    - ✓ Walkable downtown; new/additional cultural events and festivals could be developed to bring local people and visitors downtown.
    - ✓ Current festivals and cultural events that bring visitors **into** the town
    - ✓ Strong and diverse local economy
    - ✓ Locally owned businesses that have been in Hillsborough many years
    - ✓ Both Chamber of Commerce and Economic Development Commission
    - ✓ Interested citizens and business owners

Faculty Review: Highlights and Recommendations

Natural Resources

Hillsborough has a number of natural resources, including the river, Fox State Park, and trails, which serve as a potential draw into the community. Marketing Hillsborough's natural resources to attract new visitors and enhance the quality of life for existing and potential citizens and business owners is an opportunity for economic development. The town can also collaborate with communities like Antrim and Washington to market the region to outdoor enthusiasts. Area businesses, the Chamber of Commerce, and the town's Economic Development Commission can all contribute to promoting the town's natural assets, using websites, social media and the Chamber's information resources.

Specific Hillsborough natural resources which can be developed and/or leveraged as drivers for economic development are listed below.

- World-class rapids stretch from Hillsborough to Henniker; kayak and tube rentals are possible options for attracting visitors and represent business opportunities. Berwick, Maine and Franklin, NH are developing recreational opportunities on their rivers; both communities could potentially serve as information sources for Hillsborough.
- A stream with wild brown trout runs through Hillsborough, with property owned by the NH state Fish and Game Department.
- Snowmobile dealers and an active snowmobiling club with trails go through private land. The trails already link to downtown at Tooky Mills, other towns, and an active larger trail system.
- There are existing hiking, biking, snowshoe, and cross-country trails.
- Businesses see opportunities for hunting and fishing.
- There is a greenbelt through town, which could be developed to attract visitors to the walkable downtown and downtown businesses (include maps).
- Scenic tour up to Fox State Park
- Franklin Pierce Lake (stocked for fishing)
- Use the All Trails app to attract visitors; trail maintenance and signage are also important to enhance trail ratings on the app.
- Be aware of possible conflicts of use for the same resources, for example trails that are attractive to both walkers and ATV users.
- Maps for river and trail users will encourage use and can be distributed by the Chamber, the library, and through strategically-placed kiosk(s).
- Collaborate with the town's conservation commission to identify town-owned land and develop a strategy for conservation and sustainable use. Collaborate also to support trail maintenance and signage.
- The town has experience hosting events. Create an event around trails.

- Geocaching is popular among segments who might see Hillsborough as a destination. Develop geocaching sites.
- Reach out to LL Bean or other outfitters to partner on outdoor education workshops, again to promote the community as a destination and a good place to live and work.

Enhance All Quality of Life Factors

Ratings on Hillsborough as a place to live or do business suggest opportunities for Hillsborough to improve perceptions of the town for outsiders, local business owners and citizens. While most ratings on these measures are "good," they should be more than "good." Quality of life factors influence where businesses are created/expanded and where owners and workers want to live.

- There is a gap between ratings of importance and satisfaction on specific quality of life factors. Improving and promoting those quality of life factors might enrich overall perceptions of the town.
- Quality of life factors can serve as a draw for employee recruitment and new residents, including younger individuals and families.
- Market cultural events, natural resources, recreational opportunities and other town amenities and assets to citizens, visitors, and potential workers and residents.
- Engage businesses and citizens in supporting their community and the town, and discussing opportunities to make the community better.

Focus on Schools for Employee Recruitment

Some businesses are concerned about the availability of skilled workers. Promoting an ongoing and active relationship between schools and the business community to ensure that training and education needs are addressed would support both sectors. Could the schools help with expanded vocational training, identifying students for internships or developing apprenticeship programs?

Enhance Town Relationships with Business Community

The Business Retention and Expansion program has brought together a group of interested citizens and businesses to implement the survey. There is an opportunity to continue that conversation through the Chamber or Economic Development Commission. Hillsborough might consider implementing a volunteer-staffed ambassador program to check in with area businesses every 6 months, for example, and/ or offer a mechanism (phone or email, perhaps) for businesses to ask questions or express concerns to the town, with a structure for addressing concerns quickly. Such a program would enhance the image of the community as being business friendly.

One concern for the town is that the only large employer is Osram. Osram has demonstrated a strong commitment to the community, having put money into nonprofit organizations within the town. Because of Osram's importance to the Hillsborough economy, it is important that the town and Chamber have a strong ongoing relationship with the company. Such a relationship should allow the town advanced knowledge of any potential issues/business decisions that would cause the company to leave Hillsborough, either partially or completely. Such knowledge would allow the town to better react. In addition, employee work hours are cyclical and many employees are temporary, which presents a possible risk to the town in a downturn, when jobs might be lost.

Build on the Major Town Events and Historical Attractions

Hillsborough currently hosts four major events during the year which bring in visitors. These include the Living History event, hot air balloon festival, the schnitzel festival and the town yard sale. The Task Force indicated that all four events are extensively marketed. The Stone Arch Bridges and Franklin Pierce Homestead are also attractions in the town. These events and sites create economic development opportunities to feature local businesses.

Determine the Profile of People Coming Into the Community

Determine who is coming into Hillsborough, either as visitors or as new residents or employees of area businesses. Why do they visit or move to Hillsborough? What is attractive about the town? What opportunities exist to better meet the needs of those who have come? What can Hillsborough do to attract more visitors or new residents? What can Hillsborough do to welcome visitors/new residents?

The Chamber of Commerce and Economic Development Commission can determine where visitors are currently coming from and target additional potential visitors from beyond those areas, while also promoting existing businesses, restaurants and town recreational opportunities. Consider ways to expand marketing efforts.

In terms of visitors, how do they spend their money when visiting? What services – including restaurants and lodging – do they use? Are there public restrooms available? Surveys, focus groups, and informal conversations can all provide input into this discussion.

In terms of new residents, what caused them to choose Hillsborough as a place to live? What do they see as attractive about the town? What assets do they see now that they are living/working there? What services - including medical, town services and social organizations – do they use? What do they need/want?

Promote the town. The town's current branding focuses on historic Hillsborough. Changing or updating the branding to focus on all town assets may be due, as "historic" may signify restrictions or limits or unwillingness to change. Moreover, there can be multiple "faces" of the community. Multiple branding and marketing strategies can target different market segments.

For example, do Hillsborough businesses want/need the same brand image as the larger community does?

Provide Support to Existing Businesses in Developing Succession Plans

While many of the businesses interviewed indicated developing succession plans, many did not. The Chamber or Economic Development Commission may offer education about the value of proactive succession planning and how to do it. Succession plans protect businesses and their employees, as well as the town, in terms of ensuring needed business services remain in the community. A retiring owner may benefit from help transitioning to new ownership. Moreover, such education provides an opportunity for the town to enhance its relationship with business owners and look for opportunities to intervene with businesses that are considering leaving town or closing. What is driving their plans to close? Are there opportunities to save an area business from leaving or closing?

Infrastructure Needs

The planned Walmart on Route 202 will bring jobs to the town; the town hopes that other businesses will follow Walmart into the town to take advantage of the customers Walmart draws. Business expansion, while positive, also creates questions about infrastructure, broadband and public services needed to support the expansion. For example, the sewer plant is dated; the town needs a plan to support future needs. Water and sewer officials are elected and not part of town government; collaboration is needed.

Conduct Audit/Education on Using Marketing and Social Media Tools

Signage at Routes 202 and 9 indicates "historical Hillsborough." What image does the town want to convey in its signage as people drive through on Route 202 or stop and visit? While the web is one source of information for people about Hillsborough, social media is also a source. Understanding what various media sources are saying and proactively promoting an image about Hillsborough are important. Coordinate between different media and organizations/businesses that maintain the media. For example, one organization might use Facebook and another might use Twitter to disseminate information about their events. Can those organizations share information to increase their reach? Is there one community calendar that is available to community groups that want to post information and easily accessed by visitors looking for that information?

Determine what businesses are using the web and tools such as Yelp, Trip Advisor, Facebook and Twitter to attract customers. Provide workshops for businesses on using the tools effectively and coordinating marketing efforts across businesses and industries.

Survey results indicate concern about cell and broadband coverage and speed. Conduct an audit of coverage, speed and business user needs throughout town. Determine how many

businesses need improvement. Take the information to providers and seek opportunities to increase broadband.

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Hillsborough Background and Demographics

Town Overview

The Town of Hillsborough is located in Hillsborough County between Concord and Keene. The town is accessible to the surrounding area via Routes 9, 202, 31 and 149. Hillsborough is located about 38 miles from New Hampshire's largest city, Manchester, 28 miles from the state capital in Concord and about 87 miles from Boston, Massachusetts.

The town's history started in the early 18th century. According to the town website, it still consists of four villages: Hillsborough Bridge Village (downtown), Hillsborough Center, Hillsborough Upper Village and Hillsborough Lower Village.

According to the 2014 *Hillsborough Natural Resources Inventory and Conservation Priorities Plan*, Hillsborough has a geographic footprint of about 45 square miles or 28,607 acres. The town boasts a number of natural assets. Major water bodies include Franklin Pierce Lake, Contention Pond, Loon Pond, Bagley Pond, Gould Pond (aka Emerald Lake), Contoocook River, North Branch River, Shedd Brook, Beard Brook, and Sand Brook. Extensive wetland systems are found along rivers and streams, including the town's largest Farrar Marsh.

The most heavily developed areas exist along Main Street in the town's downtown and along Route 149 in the southern part of Hillsborough along the Contoocook River. Residential housing is scattered throughout Hillsborough. The town can be characterized as a primarily rural community surrounding an economic center.

Another noteworthy natural asset located in f Hillsborough is Fox State Forest, which spans a large portion of the mid and southeastern parts of the town. It consists of 1,445 acres of conserved land with trail systems and houses the Baldwin Forestry Education Center. Although this is a state park, it resides in the town and represents 5% of the town's 28,607 total acreage.

Source: Jeffrey N. Littleton, Moosewood Ecological.
http://www.town.hillsborough.nh.us/sites/hillsboroughnh/files/file/file/hillsborough_nri_and_conservation_plan_march_2014.pdf

Hillsborough Natural Resources Inventory Parcel Base Map

Figure 3
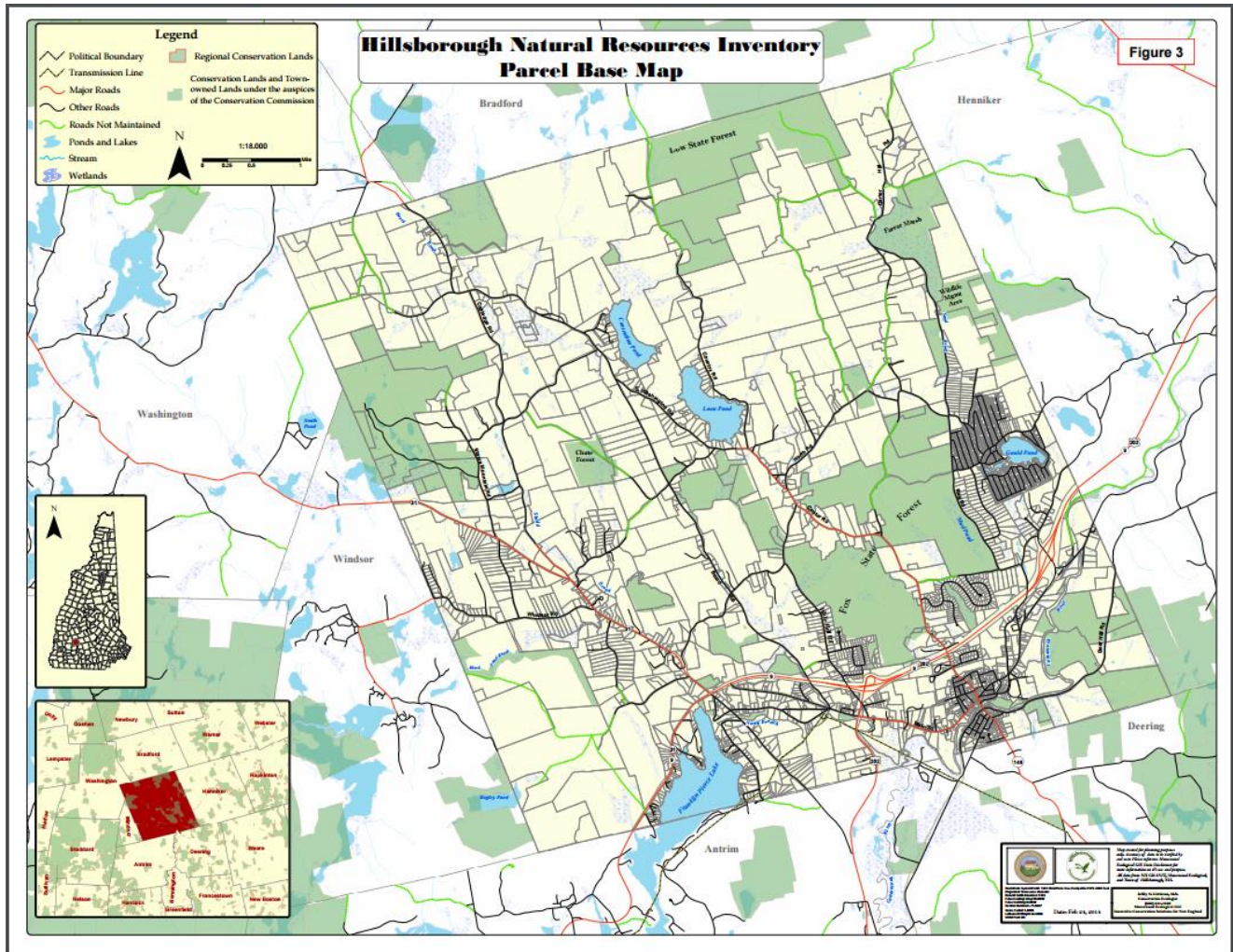
http://www.town.hillsborough.nh.us/sites/hillsboroughnh/files/file/file/hillsborough_nri_and_conservation_plan_march_2014.pdf

Largest Businesses in Hillsborough (NH Employment Security):

Largest Businesses	Product/Service	Employees	Established
Osram-Sylvania	Automotive lighting	700	1971
Hillsboro-Deering School District	Education	431	
Town of Hillsborough	Municipal services	95	1772
Tractor Supply Co.	Rural lifestyle retail store	30	2015
Shaw's Supermarket	Supermarket	140	2003
McDonalds	Restaurant	40	

Tooky Mills	Restaurant	30
High Tide	Seasonal restaurant	35
Rite Aid	Pharmacy	18

Source: https://www.nhes.nh.gov/elmi/products/cp/profiles-htm/hillsborough.htm

Transportation (NH Employment Security)

The majority of Hillsborough residents (57.7%) commute to another New Hampshire community. Two-fifths work in Hillsborough, and a small percentage (1.9%) commute out of state. Mean travel time to work is 29 minutes.

Population Trends (US Census Bureau and NH Employment Security):

There are approximately 5,993 people residing in Hillsborough (2015). The population of Hillsborough declined from 6,011 between 2010 and 2015, less than 1% decrease. This compares to Hillsborough County (6.1% increase), and the State of NH (7.2% increase).

Between 2000 and 2015, the town of Hillsborough experienced 21.6% growth, which is more than the State of New Hampshire (7.2%) and Hillsborough County (6.1%).

Population Growth Comparison: Town/County/State

Year	2000	2010	2015	2000 Δ 2015
Hillsborough	4,928	6,011	5,993	21.6%
Hillsborough County	380,841	400,721	403,972	6.1%%
New Hampshire	1,235,786	1,316,470	1,324,201	7.2%

Sources:
https://www.nhes.nh.gov/elmi/products/cp/documents/hillsborough-cp.pdf
https://www.census.gov/dmd/www/resapport/states/newhampshire.pdf
https://www.census.gov/census2000/states/nh.html

Population by Age in 2015 (American Community Survey, Headwaters Economics):

According to the American Community Survey, Hillsborough's median age is 39.2; this is slightly lower than Hillsborough County (40.1) and the State of New Hampshire (42.2). Hillsborough's age distribution is somewhat similar to that of Hillsborough County and the State of NH, with slightly more children (ages 0-19), slightly fewer young adults (ages 20-34) and slightly more older (over 55) community members.

Area	Total	Under 5 years	5-19	20-34	35-54	55-64	65+
Hillsborough	5,993	6.5%	21.1%	16.4%	26.6%	14.7%	14.7%
Hillsborough County	403,972	5.6%	19.2%	18.6%	29.7%	13.2%	13.4%

New Hampshire	1,324,201	5.0%	18.5%	18.0%	28.5%	13.5%	15.3%

https://fact finder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk
https://www.nhes.nh.gov/elmi/products/cp/profiles-htm/hillsborough.htm

Projected Population Growth (OEP 2016):

The population of Hillsborough is predicted to grow by 11.4% between 2015 and 2040, which is considerably more than state and county growth.

Area	Population (2015)	Population (2020)	Population (2040)	Percent Change
Hillsborough	5,993	6,186	6,679	11.4%
Hillsborough County	403,972	409,478	431,284	6.76%
New Hampshire	1,324,201	1,349,702	1,432,730	8.2%

https://www.nh.gov/oep/data-center/documents/2016-state-county-projections-final-report.pdf
https://www.nh.gov/oep/data-center/documents/2016-subcounty-projections-final-report.pdf

Unemployment (NH Employment Security, 2017)

Hillsborough's unemployment rate has dropped somewhat from January 2017 to August 2017, from 2.9% to 2.3%, The State of New Hampshire's unemployment rate for August of 2017 was 2.6%.
https://www.nhes.nh.gov/elmi/statistics/laus-data.htm

Median Household Income (2011-2015 ACS 5-Year Estimates)

Based on the American Community Survey 5-Year Estimates, Hillsborough's <u>household median income</u> is $57,312. This is lower than the state of New Hampshire's median income, $66,779, and considerably less than Hillsborough County's median income of $71,244.

Poverty Rate (2011-2015 ACS 5-Year Estimates)

Based on American Community Survey 5-Year Estimates (2011-2015), 7.0% of individuals living in Hillsborough are below the poverty level. This percentage is lower than both Hillsborough County (8.8%) and the state of New Hampshire (8.9%).

Education Levels (2011-2015 ACS 5-Year Estimates)

Based on American Community Survey 5-Year Estimates (2011-2015), 84.7% of Hillsborough's population have graduated from high school; 11.7% hold Associate's degrees, 16.9% hold Bachelor's degrees and 6.5% hold graduate or professional degrees. The number of high school graduates is

slightly lower than the state of New Hampshire, for which 92.3% have graduated from high school.

Business Survey:
A Key Component of Business Retention & Expansion

About Hillsborough Businesses Which Took the Survey

26 Hillsborough businesses responded to the survey, which was administered by trained community volunteers in early 2017. Questions were not answered by all respondents.

Seven in ten (70%) of the businesses interviewed started their business in Hillsborough, NH. The vast majority (85%) interviewed are locally owned. Of the three with headquarters elsewhere, two are in NH and one is in the New England region.

Twenty-one of the respondents own their facility; 3 of the other 6 rent month-to-month. Fourteen of 23 have a facility that would allow for expansion if necessary.

Businesses interviewed tend to be long-term Hillsborough businesses that have been in Hillsborough:

More than 20 years	13
11 – 20 years	10
6 – 10 years	2
5 years or less	2

Those that did not start in Hillsborough primarily came from other communities in NH. Ten interviewed businesses have multiple locations while the other 16 do not have multiple locations.

Type of Business as reported by survey respondents:

Type of business	#
Retail store	9
Manufacturing	4
Restaurant/Eatery	1
Office-operation (non-HQ)	1
Home-based business	1
Distribution	1
Branch	1
Other	17

Other types of businesses interviewed include:

Community Action Agency
Head Start and Preschool
Real estate broker/agent
Entertainment
Printing and embroidery
Hospitality, lodging, events
Bank
Gym
Electronic design consultant
Residential treatment facility
Food
Law firm
Service
Home heating oil
Car dealership
Healthcare/dental
Farm, home, garden
Automotive service

North American Industry Classification System (NAICS) categories for those businesses that completed the survey:

Category	#	Category	#
Retail trade	6	Educational Services	1
Accommodation/Food services	1	Real Estate/Rental and Leasing	
Manufacturing	3	Transportation and Warehousing	1
Health Care Services/Social Assistance	2	Administration/Support/Waste Management/Remediation Services	0
Arts/Entertainment/Recreation	0	Finance/Insurance	1
Construction	0	Information	1
Professional/Scientific/Technical Services	2	Management of Companies and Enterprises	0
Wholesale Trade	1	Mining, Quarrying, Oil and Gas Extraction	0
Public Administration	0	Utilities	0
Agriculture/Forestry/Fishing/Hunting	0	Other Services	8

Products & Services

Fourteen of the 26 respondents indicated an increase in sales of their primary product or service; 8 indicated that sales are stable and 1 indicated that sales are decreasing.

When asked what is special or unique about their products and services, the primary phrases reported were "customer service," "price," "location," "reputation," and "high quality."

Employees

When asked why the number of their employees <u>increased</u> over the past three years, those owners/managers citing an increase indicated the following reasons:

Reason for Increase	# responses
Growth in demand	3
Expansion	3
New products/services	2
Change in subcontracting	1
Corporate decisions/policies	1
Entered new markets	1
Other	1

When asked why the number of their employees <u>decreased</u> over the past three years, respondents who had cited a decrease indicated the following reasons for change:

Reason for Decrease	# responses
Change in profits	3
Change in worker efficiency	2
Technological changes	2
Corporate decisions/policies	1
Increased competition	1
Entered new markets	1
Lack of demand	1
Other	3

Employer perceptions of their current employees are high. When asked to rate the attitude of, employees, 20 out of 21 business rating gave their employees an "excellent" or "above average" for "attitude towards work." In addition, 20 of 21 businesses rated their employees "excellent" or "above average" for "productivity."

Most respondents indicated that they expect the number of employees to stay the same over the next three years in all employee categories. Those indicating an expected increase (18), noted an anticipated need for office and administrative staff (3); healthcare-related (2); unskilled service workers (2); repair and skilled maintenance (2); unskilled manufacturing (2); skilled manufacturing (2); professional/managerial (1); information technology (1); engineers, scientists, and technicians (1); arts, design, and other creative occupations (1); and construction (1).

Employee Recruitment

Recruiting Employees

Some of the respondents find it somewhat challenging to recruit the following types of employees: professional/managerial; engineers, scientists, and technicians; arts, design, and other creative occupations; unskilled service workers and skilled manufacturing workers.

Challenges for employee recruitment:

Challenges for Employee Recruitment	# Responses
Competition for employees	4
Inadequate labor skills	7
Poor work attitudes	3
Wage rates for labor	4
Workers will not commute into the area	2
Workers will not relocate into the area	2
Cost of training employees	2

Other challenges include:

Staff hours available
Team player
Young kids don't want to work
Hillsborough location and reputation
Sales experience

Resources used to locate new employees:

Resources used to locate new employees	# Responses
Word of mouth	13
Ad in local community paper	9
Referrals from existing employees	8
Internet advertising on job boards	8
Advertising through social media	5
Promote from within	5
Walk ins	5
Ad in metro/state wide paper	3

Internet advertising on own website	3
Hire our own apprentices	2
Hire people who were temps	2
Placement office of university	2
Sign in the window	2

Other resources used to located new employees include: temp agency, professional associations, job fair, placing sign in a laundromat.

Most respondents indicated that the majority of their entry-level employees need a high school/GED diploma (14), followed by technical/community college (3).

In terms of providing employee training, respondents indicated a variety of options:

Methods for training employees	# Responses
On the job training by supervisor, co-worker or training department	18
Online training	7
Outside vendor on or off site	7
Self-taught (manuals, videos, training materials)	6
Apprenticeships	3
Vocational school	2
Community college	1

Future of the Businesses

The majority of business respondents do not currently export internationally (22 of 23), primarily because the business serves a specific area or is too small. No businesses cited problems with exporting as a reason not to do it.

About half have a written business plan.

About half indicated that they anticipate no change in operations; another 7 indicated a change in mix of goods and services.

Half of the interviewed companies have a succession plan, with another 5 indicating "not applicable".

About half indicated that there are technological innovations in their industry that might affect their company; 6 in 10 indicated the new technologies would require retraining of employees.

Fourteen of 24 businesses indicated that broadband is "very important" to their business; 7 more said it is "important". Sixteen of 22 indicated that internet speed connectivity is sufficient for business needs.

Types of internet connection at business:

Types of internet connection	# Responses
Cable	10
DSL	10
Fiber optics	3
Wireless	9
Other	3
Use more than 1	3

Uses of internet for business:

Uses of internet	# Responses
Communicate with clients/customers	21
Advertise	17
Research	17
Manage data	14
Support services	13
Sell product	11
Train staff/clients	8
Recruit employees	8
Telework	5
Other	5

Only 7 of 22 strongly agree that current cell service at the business location meets the needs of their business.

Thirteen of 23 indicated having plans to grow or expand their business; of those, half said it would be in less than a year. Plans for expansion included adding onto a building, increasing market share, expand geographic presence, increase sales/staff, make a wedding venue, grow their dental practice with new patients, expand into separate building on existing property.

- One owner/manager would like to expand but had not found any affordable space in Hillsborough.

10 of the 23 indicated no plans for expansion. Reasons given were retirement /age (4 of the 10), money, and infrastructure improvement needs (state needs to put in flashing light back in street/intersection). Most respondents (14) currently own, rent, or lease enough property in Hillsborough to expand if necessary.

Fourteen of 22 cited plans to add or modernize equipment; 8 in 12 said it would be in less than a year. Plans includde updating buildings, computer technology/upgrades, meeting building standards.

Twenty of the 26 respondents indicated that they were not considering selling, moving, downsizing, closing or merging; the remaining 6 indicated considering possible changes:

	#
Selling	2
Moving	1
Downsizing	1
Closing	1
Other changes to business plan	1

 Those **6** respondents who indicated they may be downsizing, selling, moving or closing, shared the following reasons: retiring, changing market conditions, overcrowded building, no land for expansion crime/vandalism, high local taxes, high state taxes.

One respondent was considering moving but to within Hillsborough.

Community

Ratings on community factors are largely positive but show opportunities for improvement.

Opinion of Hillsborough as a place to conduct business: 15/26 rated "good."

	#
Excellent	1
Good	15
Fair	8
Poor	2

Opinion of community as a place to live: 16/26 rated "good."

	#
Excellent	3
Good	16
Fair	7
Poor	0

Overall atmosphere in Hillsborough: 23/26 rated "good or fair."

	#
Excellent	0
Good	12
Fair	11
Poor	1

Opinion that Hillsborough values the retention of its businesses: Half gave positive ratings.

	#
Strongly agree	7
Somewhat agree	6
Neither agree nor disagree	8
Somewhat disagree	2
Strongly disagree	2

23 of 25 indicated that business retention is an important strategy for Hillsborough.

Community Factors

Businesses were asked to rate the level of importance on a series of specific community-based factors, followed by their level of satisfaction with that factor in Hillsborough.

Education and Training

Respondents generally seem satisfied with the education in Hillsborough. Twenty participants rated K-12 education "moderately important"(13) or "very important" (7), with 18 rating their level of satisfaction as "very" (7) or "moderately" (11) satisfied.

In terms of technical training programs, 16 of 25 rate that education as "very" (12) or "moderately" (4) important, with fewer indicating satisfaction: "very" (4) or "moderately" (9) satisfied.

Workforce

Eighteen respondents rated **availability of skilled workers** as "moderately"/"very" important while 13 said the **availability of unskilled workers** is important. Satisfaction on these factors is mixed: 11/17 are satisfied with availability of skilled workers; 13/16 are satisfied with availability of unskilled labor.

Nineteen businesses indicated that **wage rates** are important; 13 owners/managers rated employee **health care costs** important. Satisfaction on wage rates is high: 16/17 were satisfied. Satisfaction with health care cost is low with 7/11 dissatisfied.

Transportation/Location

Twenty-one respondents rated highway accessibility as "moderately/very important" and 20 indicated satisfaction with the factor. Rail service, air service and public transportation are not as important.

Land, Buildings and Credit

Availability of buildings and land; cost of buildings and land; and availability and cost of loans are not as important as other community factors measured. The majority of those rating these factors were generally satisfied. There was somewhat less satisfaction on "cost of buildings" (6/13 satisfied).

Infrastructure and Utilities

Telecommunications and broadband reliability and cost, energy reliability and cost, and broadband speed are all "moderately"/"very important". Satisfaction on those same factors is also relatively high; satisfaction with energy costs is somewhat less positive than other measures (13/22 "very" or "moderately satisfied").

Local Business Support

When considering local business support, 24/26 of those interviewed said that community attitude towards business is "important", and 23/25 felt community promotion of itself and business is "important". Satisfaction on those two measures is somewhat lower, 17/23 and 11/22, respectively.

A majority of respondents felt a chamber of commerce (22/26) is "important", while 18/22 rated an economic development authority as "important." Satisfaction with each entity was about equal.

Quality of Life

Quality of life factors which are "very important" to survey respondents include (in order) healthcare facilities, schools, housing supply, recreation, housing costs, social organizations and networks, cultural opportunities, availability of childcare. These business owners are "very satisfied" (in order) with schools, housing costs, recreation (tied with social organizations), housing supply (tied with health care facilities, availability of childcare), and cultural opportunities. There is a gap between importance and satisfaction ratings on all quality of life factors, with consistently more respondents rating "very important" than "very satisfied".

Government and Regulation and Local Government Financial Management

Government and regulation factors "very important" to survey respondents include (in order) fire department, police department, sewer and water, street maintenance, planning and zoning, environmental regulations, and code enforcement. Property taxes, local taxes and fees, financial management and spending priorities were also rated as "very" or "moderately" important by most or all respondents.

In terms of satisfaction, 11 of 23 respondents indicated dissatisfaction with the town on the factor "sewer and water," and 13/22 indicated dissatisfaction with the town on "property taxes." A majority of businesses rated the other governmental and regulation and local government financial management factors as "very" or "moderately" satisfied."

Community Assets and Improvement

Interviewed owners/managers rated arts and culture events, community atmosphere, proximity to potential visitors, and seasonal tourism, as having a "positive" or "very positive" impact on their businesses. Most respondents rated the remaining community features as having "no impact."

Top factors respondents felt should be the focus of a marketing image for Hillsborough included community atmosphere (10/65 votes), festivals or events (10 votes), historic atmosphere (downtown, barns, etc.) (8/65 votes), and outdoor recreation (including hunting and fishing) (7/65 votes). The remaining community features received six or fewer votes from respondents.

Factors rated positively ("excellent" or "good") about the overall shopping experience in Hillsborough by a majority of businesses include: "customer service," feeling of safety (e.g. lighting, security), weekend hours, internet presence, knowledge and friendliness of local personnel, merchandising by retailers, quality of merchandise handled by merchants, and variety of places to eat.

Factors rated negatively ("fair" or "poor") about the overall shopping experience by a majority of businesses include: advertising, coordinated store hours, exterior atmosphere of the area (e.g. front entrances, landscaping, street trees, store fronts, sidewalks, cleanliness, signage), group advertising, evening hours, parking situation (e.g. number of spaces, location), prices, public restrooms, special events or promotions in the shopping area, traffic flow/signage, and variety of businesses.

The top three shopping experience factors that are the most important to be improved in Hillsborough

include: parking situation (19 of 70 votes cast); variety of businesses (15 of 70 votes); and exterior atmosphere of the area (10 of 70 votes). The remaining factors received 5 or fewer votes.

Business Comments

Question: Community Factors Comments (Please share any comments noted in this section here)

Responses:

- ❖ Would like to see initiatives that promote younger generation involvement

- ❖ Many groups in town which promote the town and events makes for a variety of cultural/local things to do. Feel the Chamber of Commerce is an organization that promise a select few of its members only and has no intent in advancing the town as a whole

- ❖ Idea of keeping out things - not good, lack of diversity. Keep an open mind vs. "Hands off my sandbox". Dissatisfied with community attitude towards business because it is contingent on people who want old time America to move/go away - need to meld. When we heard about people wanting to come to Hillsborough, they heard about restrictions which made it hard for businesses to come. Keep open mind about growth. Should be concerned about Antrim. Economic development authority has to be careful of self-interest. EDC doesn't educate what we're doing. Have to get business base, then you know what needs must be met. Balloonfest - complaints about cost of parking. Give Hillsborough a footprint. Give people a reason and somehow Walmart being here is making it hard to do business here - has to end! It's the perfect place to have a big medical center as the highways converge. Have to be careful of public works. Should get water in here. Would like to see less spending from the town. Town should look to review codes and guidelines. Need at least Uber.

- ❖ with our community Hillsborough is a great location for community inclusive services for the residents

- ❖ Town seems to lack energy, has low self esteem. Youth - Town does not appear to have a focus or place for young people to go after school that are interactive and safe. Lack of meeting space for kids. Too many youth hanging around with nothing to do.

- ❖ Loans are prohibitively expensive, federal regulations to blame. Soft cost of putting something like this together is wasted. Didn't want to expand on code issues due to interviewers being town personnel. No competition for internet, costs are high, when competition came in for telephone, cost came down from $5-600 to $250 with internet and unlimited calls. Wish we had natural gas. Energy suppliers, builders very supportive. Chamber of Commerce is important if it is publicized, current group is self-serving and useless. Does not support businesses, EDC work not publicized enough of what is going on could be exciting updates. Parking will never be fixed enough to allow for downtown revitalization. As soon as the state

put in the lights too many spots were lost. Too many rules regulations and codes. Overbearing, codes are for job security for those who write them: Franklin, Ed owned mill, sold mill because couldn't move forward. Wanted to put in small apartments and build downtown into a destination. Planner didn't want to support small apartments for singles/couples/roommates, saw it as low-income housing. Ed wanted it to be high-end. Counsel stood in way, Mill was purchased by non-profit out of Concord and is now getting low income housing. Franklin has done amazing work with the trails and recreation system, kayaks, etc. Some environmental regs are too extreme, In Franklin, code issue, one set of stairs in Mill, code said take them out and replace with code stairs. Misunderstanding of regs and options would have cost hundreds of thousands of dollars to change. Need a yes person, not a no person.

❖ Proximity to major markets was not an issue because much of their sales are done via internet. Interviewee was not able to comment on the following terms because he didn't understand what they meant: Economic Development Authority, Community diversity, Merchandising by retailers, Property taxes are far too high in relation to other towns in the area. Hope Walmart will lower taxes and bring in more business. Town overspends on police and fire protection. EPA inspectors have been inconsistent and contradictory in their inspections. - Empty buildings in the town center are an eyesore. Need a rental car business in town.

❖ Some of the community factors could only be answered by Headquarters. The branch manager does not have visibility into some of the issues (e.g. Planning and zoning, environmental regulations, property taxes, budget, etc.) Some comments from the manager. The company sign on the street is too small, but code mandates that it cannot be larger. Very frustrating. Water quality is good enough for functional purposes in the store (washing items, etc.) but would not drink it personally. Wants to join the Chamber of Commerce. Currently not a member, but sees great value in it. Feels that organizations in town are always in the store asking for money, but feels their business gets little in return from the town. Seasonal tourism is huge for the business. Close symbiotic relationship between businesses such as Oxbow Campground whose patrons need items from the store such as RV supplies.

Question: We have covered many issues. Please help us set some priorities on how the UNHCE BR&E Task Force can help your business or what we should work on to help all of our existing businesses grow and expand. Please give your additional comments.

Responses:

❖ No problem with restaurants. How do we get clean industry? Supplying adequate sewer and water - has to happen for anything else.

- ❖ 1) The town needs to know what services and resources are in town. 2) The town needs to work together to save and improve Hillsborough. 3) The downtown area was neglected for a long time. There was a strong movement against Wal-Mart on the west end, but not attention to the terrible condition of some properties in the Historic downtown area. For example, for a long time there was furniture and toilets sitting outside the corner yellow building before its renovation started.   4) Please note that when the Main Street Program had its first meeting, approximately 90 people attended with sincere care about the downtown area. The program failed. In my opinion, it was because of the hired full time program directors. 5) We would appreciate seeing the historic downtown looking better. It would be good for all involved to work together. After all the hard work and expense, would like to complete final phase of our building, so that it could become a desirable destination.

- ❖ Availability of skilled labor will be the key to growth

- ❖ Four top issues: 1. Finding skilled labor-particularly electrical engineering and design engineering 2. Finding new customers-locally or globally. We have capacity to expand and we are always looking for more lighting products to make 3. Better roads/ schools for families who might consider moving here from a different part of the company 4. Upgrading the Central Business District--must make the area attractive to recruit skilled labor/talent

- ❖ Coordinated exterior look Sidewalk and access for bikes Senior bus service in town

- ❖ Become connected with the Eastern Monadnock Region, town should take a more regional approach.   Focus on linking training for young adults to real jobs via apprenticeships etc. Keeping youth and families here.

- ❖ Promotion of Hillsborough as a good place to do business. Chamber of Commerce needs to be revamped and become more active. Town lacks "curb appeal" - many vacant buildings in the downtown square. Town should offer incentives for business expansion.

- ❖ Educate citizens on tax process, inform on town events, Welcome package for newcomers

- ❖ More business friendly attitude by local government.

- ❖ Town Parking. Sign sizes and regulations. Sewer Capacity

- ❖ Regulations to create new business/ expansion and growth should be reduced.

- ❖ Business taxes are a problem. It's buy supplies/equipment or pay taxes. Tax increase due to completion valuation of property was staggering. Look at NY state's policy for codes and taxes; the reductions, how to lessen the load on businesses to start up/expand.

- ❖ Local businesses need to support each other; town needs to improve its Brand image to include the Central Business District

- ❖ The town has a mixed identity. It's half farm&feed and half trying to be big city. - A lot of the business's future will depend on what impact Walmart will have. - "Our Town" in Hillsboro, a Welcome Wagon-like organization, has been good for business.