

THE WHITEFIELD
PLANNING GROUP

WHITEFIELD ECO-INDUSTRIAL PARK
WHITEFIELD, NH

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ABSTRACT

The Whitefield Planning Group (WPG) and the effort to develop the Whitefield Eco-industrial Park began in January of 2000. The intent of the project was to coalesce several independent efforts underway by various entities seeking to find solutions to their particular problem. The key component of this project was to solidify the association of the numerous stakeholders into a focused effort. The concept is to find a solution that combines the various efforts in a mutually supportive synergistic relationship to satisfy the individual goals of the stakeholders while benefiting the Whitefield community and insuring that its residents' needs are appropriately served.

SUMMARY

Target Community

This project seeks to help two communities. The primary community is defined by geography as the residents of Whitefield, a small rural community in Northern New Hampshire. The secondary community is not bound by geographic boundaries. It is those individuals and businesses in the regional forest industry dependent upon a reliable market for low-grade timber.

Problem Statement

The town of Whitefield lacks a well-organized and staffed economic development effort. The town sponsored Whitefield Economic Development Corporation (WEDC) is staffed entirely by volunteers, has limited capacity, and has a very small budget. As a result, the community has attracted few businesses or industries with good paying jobs and decent benefits to offer its residents and the community's tax revenue is based disproportionately on residential property.

Goal Statement

The Whitefield Planning Group seeks to spark a well-coordinated and sustained effort to develop business and industry within the Whitefield Industrial Park with a focus on an eco-industrial park concept.

Current Condition

Whitefield currently has only two industries employing approximately 75 people. One, Whitefield Power & Light, is a biomass plant that generates electricity by burning whole-tree woodchips. The Whitefield Industrial Park, home to WP&L, is largely vacant, as are most of the storefronts surrounding the town common. Fifty-six percent of Whitefield's residents leave the community every day to work elsewhere.

Desired condition

It is hoped that this project will preserve current and create additional good-paying jobs here in the community for Whitefield's residents. And, that the creation of new industries and businesses will relieve the residents of some of the property tax burden and lead to greater economic health for the community as a whole.

Project Product

Ideally, the project will create a number of forest products based industries operating in the Whitefield Industrial Park.

Major Outputs

These include: successful organization of the Whitefield Planning Group, creation of quality jobs, development of the infrastructure necessary to support park tenants, and implementation of the eco-industrial park concept.

Major Outputs Fully Achieved

The WPG is well organized, meets on a monthly basis, and meetings are well attended by various stakeholders. The WPG has had success securing funds to support the group's efforts. The group has gained positive name recognition at many levels of both state and local government.

Major Outputs Partially Achieved

Fifty quality jobs will be created in the park beginning in the summer of 2002.

All access roads to the park will be upgraded and paved in 2002.

A preliminary feasibility study has been completed for rail access to the park.

A study has been initiated to identify the legal barriers associated with selling electricity directly from the power plant to nearby industries.

Conclusion/Recommendations

The project purpose and goal has not really changed since the project started, however, it has become infinitely more complicated as the scope of the tasks at hand has grown in both number and complexity.

Two factors that would have helped to bring this project further along than it currently is are money and capacity. Money to fund desired studies, research, and infrastructure

needs, and capacity meaning someone dedicated to be the single point of contact for all stakeholders and provide continuity of effort.

At the start of this project we believed we had a six-year planning window regarding the continued operation of the biomass plant. Unexpectedly, six months into the project the parent corporation sold the plant and cast the future operation of the plant into doubt. What we thought would be a thoroughly planned, methodical, leisurely paced development plan suddenly became a sprint as we went into crisis action mode to keep the plant operating.

For someone doing a similar project I would suggest they give careful thought to all that may have an interest in or be affected by your project and that they be clear on the desired organizational structure.

PROBLEM DEFINITION

Problem Statement

There is no well-organized and staffed effort to bring economic development to Whitefield. There is no chamber of commerce nor is there anyone on the town payroll whose duty description and responsibilities are solely economic development. The town does fund a small non-profit all volunteer organization to serve as clearing house for coordination and information for parties interested in developing a business or industry in Whitefield. Known as the Whitefield Economic Development Corporation (WEDC), this CDC has been largely reactive as opposed to proactive. Also, participation in WEDC's efforts seems to fall to the same core group of people despite efforts to involve other community members. As a result Whitefield has few businesses or industries with good paying jobs and decent benefits to offer its residents. This negatively affects individual income levels, cash flow within the community, the community's property tax base, and the residents' quality of life.

Target Communities

This project seeks to help two communities. The primary one is the geographical community of Whitefield and the low to middle income residents therein. These residents will directly benefit by having good paying jobs readily available within their own community and indirectly by the town having a larger tax base which will relieve some of their tax burden. We know from an earlier charette sponsored by WEDC in 1997 that the residents would like some industry in town in order to increase employment opportunities and broaden the tax base.

The secondary community is defined by a common vocation and that is those individuals and businesses in the regional forest industry dependent upon a reliable market for low-grade timber. The only significant market for low-grade timber is the six biomass generating stations operating within NH. All of these plants exist because of contracts

they have with Public Service of NH, a large regional utility, which guarantees them specified prices for the electricity they generate. These contracts were consummated at a time when fossil fuel prices were high and renewable energy was seen as a way to lessen dependence on foreign oil. All these contracts expire within the next six years. It is highly unlikely that these plants will continue to operate beyond that time as it is now significantly less expensive to produce electricity using fossil fuels. Absent another market for the low-grade timber, there will be a significant reduction in the number of jobs related to the harvesting and transportation of this wood. Whitefield and Northern NH will feel this reduction quite severely. Additionally, the loss of an adequate market for low-grade wood will have a deleterious effect on overall forest health and the timber industry as a whole.

Major Assumptions

There are several factors that contribute to the lack of good jobs in Whitefield. Perhaps the greatest is the geographical isolation of the community. The North Country of NH is a hundred miles or more from the population centers of Southern NH and the Boston metropolitan area and separated by the physical barrier of the White Mountains, part of the Appalachian Mountain Range. The distance from sizable markets and the lack of interstate highways this side of the mountains dissuades many industries from locating here.

The northern part of NH is very rural and has a relatively small population compared to the rest of the state. The state government gives little emphasis to developing a manufacturing base in this part of the state and markets the region as a tourist destination. Although tourism contributes much needed dollars to the local economy, tourism industry jobs are generally on the lower end of the pay scale, usually offer few benefits, are typically seasonal, and are heavily dependent on favorable weather conditions.

The availability of skilled labor is also a problem. There is one technical college located in Berlin, 35 miles north of Whitefield. This is a state run school that offers Associate's degrees in numerous trades. Many of the college's programs are tailored to meet the needs of the pulp and paper industry, which is a large employer in Berlin. Most local youth attend college outside the region and never return because of the lack of good jobs here

Electricity costs are a significant barrier. Whitefield is served by Public Service Company of NH (PSNH). PSNH has one of the highest rates for electricity in the country. Most large industries are huge consumers of electricity and thus electricity can be the deciding factor when it comes to the bottom line.

Competition from neighboring communities is a problem. The greatest competition comes from the town of Littleton located 15 miles to the South. Littleton, population 6000, sits at the Northern terminus of Interstate 93 and not far from Interstate 91. This gives Littleton more ready access to markets in Boston, New York, and Canada. More importantly, Littleton has its own Water and Light Department, owns its own

hydroelectric dams, and provides electricity to its customers at a rate below that of PSNH. Littleton has been very successful in attracting various industries. As a result the community is very vibrant and has a lot to offer its residents.

PROJECT GOAL

Goal Statement

The goal of the Whitefield Planning Group is to organize local and state leaders, local industry, community development agencies, and other interested parties to foster business and industrial development within the Whitefield Industrial Park with a focus on an Eco-Industrial Park concept. This concept seeks to incorporate the airport, railroad, industrial park and biomass generating station in a synergistic, mutually beneficial relationship. The desire is to foster economic development that is responsive to the needs of Whitefield's residents by providing jobs with benefits and wages at or above the state average, contributing to the municipal tax base, and respecting the environmental sensitivity and geographic beauty of the area.

Current Community Conditions

Whitefield is a small rural community in Northern NH. According to the latest figures available from the US Census, Whitefield's total population in 2000 was just over 2000 residents. The population is almost entirely Caucasian of European descent. The number of African Americans and Hispanics living in the community numbers fewer than ten. There are a few more Asian residents. Whitefield is governed in traditional New England fashion by a board of three selectmen. The selectmen are elected by popular vote and each serves a term of three years. Whitefield has no zoning laws but does have a planning board whose members are appointed by the selectmen. The planning board approves all development using a published Planning Guide to make their decisions. All political leaders in the community are white males.

Whitefield is located in Coos County, the most rural and sparsely populated of New Hampshire's ten counties. According to the NH Economic & Labor Market Information Bureau, Whitefield residents have a median household annual income of \$23, 670, nearly \$12,000 below the state average. Coos County, at 10.6%, has the highest percentage of people in the state living in poverty.

In the early 1900s Whitefield was an industrial center built around forest and agricultural products. The community supported several large saw and clapboard mills, a bobbin mill, a tannery, a wool carding factory and a medicinal supply company. Whitefield served as a center of railroad activity as the Boston & Maine and Maine Central railroads intersected here. At the turn of the century twelve trains visited Whitefield daily and a good number of the town's residents were employed by the rail industry. The center of town was alive with retail shops, restaurants and service industries. During this peak Whitefield had 2,500 residents.

Depletion of the region's timber and competition from the Pacific Northwest coupled with a series of devastating industrial fires brought a quick collapse to Whitefield's economic health. By 1920 most of the industry was gone and the town's population collapsed to 1,500. Soon thereafter, Whitefield was discovered as a popular tourist destination. Several large hotels sprang up and provided much needed work to the area's remaining residents. In 1975 every retail shop surrounding Whitefield's common was occupied. There were three industries and a grand hotel still operating in town. However, as automobiles and highways improved, Whitefield faded rapidly as a tourist destination and the last hotel closed in 1986. The demise of heavy industry throughout New England, the end of passenger rail service, and increasing competition from trucks took their toll on the rail industry and the last train pulled out of Whitefield in 1998.

Today, only one industry remains, the grand hotel is closed but under restoration, and most of the storefronts surrounding the town common are vacant. According to the NH Office of State Planning, approximately 56% of Whitefield's working population commutes to neighboring communities to work each day. Some travel as far as Concord, NH a 180-mile round trip. Those that remain work mostly as loggers, truckers, or at menial service jobs. Much of the town has fallen into disrepair and many of the residential homes display the strain of families trying to make ends meet.

In February 2000 the North Country Council, a regional CDC, conducted a survey of workers in the North Country of NH. This study included the town of Whitefield. The study results concluded that twice as many workers had more than one job compared to state and national statistics, 26% work part-time due to economic reasons, twice the national rate, and most workers reported wages at or below the state average.

The situation as stated affects all of Whitefield's residents. Some of them directly. They are the ones who hold the low paying jobs with few benefits. The result of this exhibits itself in the cars they drive, the quality of the schools, the homes they live in, the clothes their children wear, and their health.

Those fortunate enough to have good incomes and good benefits are indirectly affected. They must travel out of town to shop and find needed services, they rely on the same poorly funded town infrastructure, and their children attend the same underfunded schools.

Left alone, the problem only seeks to get worse. As the surrounding communities grow and attract business and industry, Whitefield residents will continue to leave town to work and shop. Whitefield will become a bedroom community of low to middle income wage earners with low to moderate value properties that generate relatively little taxes. This will continue to underfund a community infrastructure that is almost solely dependent upon property tax revenues. With only 9.6% of the town's property valuation based on commercial property the current tax base is heavily dependent upon town residents. As such, the town government is always struggling to find enough money to maintain necessary infrastructure such as town roads and municipal buildings without

overburdening the residents.

Desired Community Conditions

Ideally, the project conclusion would have a number of forest related industries operating within the Whitefield Eco-Industrial Park. These industries would:

1. Provide jobs for local residents with benefits and wages at or above the state average.
2. Provide a continued market for low-grade timber.
3. Be non-polluting.
4. Utilize the electricity, waste heat, wood handling yard, and any excess steam produced by the biomass generating station.
5. Utilize rail transportation for the receipt of raw materials and/or the shipment of finished product.
6. Have a synergistic relationship with the other industries located in the industrial park to maximize efficiencies and minimize waste. i.e. The sawdust from a lumber mill could be used by a second industry to make wood pellets for heating fuel.
7. Use the airport for corporate related business.
8. Be non-intrusive to the scenic beauty of the area.
9. Be non-destructive to the surrounding wetlands and wildlife refuge.

Such an accomplishment would provide an economic engine to the community by:

1. Providing good local jobs so residents don't have to commute out of town for decent employment.
2. Insuring a continued market for low-grade timber and thus preserving jobs related to the harvest and transportation of this wood.
3. Contributing significant revenues to the local tax base.
4. Increasing monetary circulation within the community.

The desire is to identify and attract two to three medium sized industries that would employ a total of 150 to 300 employees and contribute \$1 million dollars in revenue to the local tax base.

PROJECT PURPOSE

The Town of Whitefield New Hampshire desires to promote the expansion of a forest products oriented Eco-Industrial Park on land the town now owns about 4 miles east of the town center. The site is home to Whitefield Power and Light, an existing 15-Megawatt biomass generating facility and the Mount Washington Regional Airport.

Uncertainties associated with the sale of the biomass facility and New Hampshire's ongoing efforts to deregulate energy markets have cast doubt over the future of the facility. Shutdown or substantial changes in the operating status of the plant may occur as early as the summer of 2002, four years earlier than was originally anticipated.

Continued environmentally responsible operation of the biomass plant is a central component of efforts to establish an economically viable Eco-Industrial Park.

Working in association with the town's volunteer Economic Development Corporation and the Business Enterprise Development Council, Berlin, NH, the Whitefield Planning Group has created an integrated vision of co-located renewable resource based energy production and ecologically appropriate energy users.

In the context of existing local industries, a number of forest products based and/or environmentally friendly enterprises have shown interest in locating in the Eco-Industrial Park and are in various stages of discussion and negotiation.

Major Outputs

Organization: The WPG would meet on a regular basis and the many various stakeholders would be consistently represented. Sufficient funds would be available to sustain the WPG activities to include meeting facilitation, required feasibility studies, and directed research.

Jobs: We seek to create 150 to 300 quality jobs. By quality jobs we mean full-time jobs that pay an annual salary at or above the state average and provide good benefits. It is also our intent to preserve the twenty four jobs currently held by the employees of the power plant and the approximately 50 jobs held by those persons harvesting, transporting, and supplying the wood chips consumed by the plant.

Infrastructure Improvements: There are three access roads into the industrial park of which two are paved. Additionally, some of the roadway in the park itself is not paved. The goal is to improve and pave all dirt-surfaced roads into and within the park.

We seek to create a traffic base for the railroad. This will revitalize the area's rail industry, add to the local quality of life by keeping large trucks out of the town center and off the highways, transport goods in a more environmentally friendly way, and create railroad jobs. This will require the construction of approximately a 2-½ mile industrial rail spur from the adjacent rail line into the park proper. The desire is to create a volume of 1000 carloads per year.

We hope to increase traffic at the adjacent Mount Washington Regional Airport. Industry and business owners often make use of smaller aircraft for corporate business. We hope to create this type of air traffic. Increased use will contribute to the justification for lengthening the runway from 3,500' to 5,000', which is a long-term goal. A longer runway will enable larger aircraft to land there thus creating the opportunity to attract charter aircraft that could service the area's many resorts.

All of the industrial park land is owned by the Town of Whitefield. We need the ability to negotiate prices and sell land quickly without having to get a vote of the general

population. Additionally, we desire to reinvest the proceeds from land sales into park infrastructure improvements.

Eco-Industrial Park Concept: As stated previously, this project is focused on creating an eco-industrial park whereby nearby facilities share a synergistic relationship with one another. The following relationships are desired.

Forest Products Base: Analysis data by the NH Division of Forests and Lands indicates that from 37% to 44% of the standing timber volume is low grade wood. A recent report on low grade wood found that forest growth in New Hampshire exceeds drain by at least 2.4 times and most 3.4 times. NH's six operating biomass plants consume approximately one million tons of low-grade wood annually. WP&L accounts for slightly less than 200,000 tons of that amount. Our desire is to create additional industries that will increase that consumption by another 200,000 tons.

Direct Electricity Sales: We expect to be able to sell electricity direct from the power plant to other industrial users located in the park without having to pay a transmission charge to PSNH.

Waste Heat: The power plant sends a great deal of waste heat into the atmosphere through the exhaust stack and the water cooling towers. It is hoped that some of this heat can be captured and sold to drive industrial processes at nearby industries.

Wood Handling: The power plant consumes approximately 200,000 tons of whole tree chips annually. Even at this rate the plant's wood handling yard and processing equipment is only operating at 45% of its total capacity. We hope to find other forest products industries that will use the same wood yard thus increasing its efficiency to near 100%.

Steam: Under the PSNH rate order the power plant has operated at a continuous level of operation generating as much electricity as possible. Under this scenario the plant uses nearly 100% of its steam to make electricity. Without the rate order it is unlikely the plant will operate at 100% capacity and therefor will have excess steam available. It is hoped that this steam can be sold to drive industrial processes at nearby industries.

Exchange of End Products and Waste: Many industrial processes produce waste and by products that can be used elsewhere. We intend to maximize these efficiencies wherever and whenever possible. As an example, we hope to work with Cherry Mountain Lumber, which is located approximately ¾ mile from the power plant, in an effort to utilize steam and waste heat from the power plant to dry lumber at the mill. At the same time we hope to take the waste sawdust from the mill and burn it in the power plant.

Background Information

This project began to take shape in January of 2000. At that time there was much concern concerning the future plight of the low-grade timber industry as a result of the approaching expected closure of the state's six biomass generating stations. The NH Bureau of Forest and Lands was engaged in conversation with the NH Timberland Owner's Association as to what possible markets might be available to make up for the expected loss in market demand. A lot of this information appeared in the local papers since it is this area of the state that will be mostly severely impacted. Efforts were underway at WP&L to explore methods for making the plant more profitable in preparation for operating on the open market.

At the same time the NH Department of Transportation had just purchased the local railroad from an inept operator who had succeeded only in ruining the area's rail service after several years of mismanagement. NHDOT's intent was to find a new operator who could take over operations of the line and provide reliable service to area businesses.

The Whitefield Economic Development Corporation was engaged in seeking new businesses and industries for the Whitefield Industrial Park. After years of little success, the all-volunteer group seemed to be making some progress towards being a bit more proactive in its efforts.

The Mount Washington Regional Airport Commission was engaged in a study to determine the market support for a 1,500 foot runway expansion. This would increase the length of the runway to 5,000 feet and would open the door to the possibility of servicing small commuter and charter aircraft.

All of these efforts were occurring simultaneously but independent of one another. Seeing an opportunity to coalesce these efforts, I contacted Dennis Cote of the Business Enterprise Development Council to help jump-start this project. Dennis had some contacts with WP&L and in the recent past had done some work with the low-grade timber industry. Collectively we convened our first meeting at the site of the biomass generating station in January of 2000. After several brainstorming sessions and getting to know one another, we dubbed ourselves the Whitefield Planning Group in the summer of 2000.

Stakeholders

The WPG is not incorporated. It is an informal conglomeration of several organizations, businesses, and government agencies. The primary members and core group consist of Whitefield Power and Light, Whitefield Economic Development Corporation (WEDC), NH Timberland Owner's Association (NHTOA), Coos County Economic Development Corporation (CEDC), NH Department of Resources and Economic Development (DRED) and the Business Enterprise Development Council (BEDCO).

Whitefield Economic Development Corporation. WEDC is the town chartered non-profit CDC that is responsible for all economic development in the community to include the Whitefield Industrial Park. It is a small non-profit all volunteer organization that serves as clearing house for coordination and information for parties interested in developing a business or industry. WEDC works on behalf of the selectman and has relatively broad authority within its charter. WEDC conducts monthly meetings that are open to the public and the press and thus provides an open forum for the residents' involvement. WEDC has grant writing authority and may serve as a vehicle for the flow of funds to the WPG effort. As an outcome of this project WEDC now has authority to negotiate purchase and sale agreements for property within the industrial park. Acting as the town's representation, maintains a supervisory role over the WPG activities and reports said activities to the Whitefield selectmen. WEDC participation insures that the community interests are served. The WEDC's interest in the project is to preserve the jobs and tax revenue that the power plant currently provides and to promote further economic development in the community.

Whitefield Planning Group. The WPG's primary function is to serve as the coordinating body for the eco-industrial park effort. The membership of the WPG remains flexible and may grow or shrink as the project develops. The group brings together the technical experts, government agencies and private industry and provides the forum for the exchange of ideas and information. The WPG has the authority to form coalitions and alliances as required to assist their efforts. The WPG establishes meeting dates and times, develops agendas, facilitates the meetings, and captures the meetings by publishing minutes. It would not be inappropriate to think of the WPG as a sub-committee of WEDC, although formally it is not.

The NH Timberland Owner's Association is an enthusiastic participant in our effort. They realize the benefit to the forest industry of keeping the power plant operating and of seeking additional forest related industries to insure a continued market for the low-grade timber. Absent this market, forestlands are not properly managed. Low-grade timber is left standing and thus the health and future value of the entire stand is affected. "Lack of low-grade markets...has resulted in many forests exhibiting timber quality well below the capacity of the soil and site.", Good Forestry in the Granite State, June 1997. This reduces the landowner's ability to realize an income by managing the land as a woodlot. In turn, large tracts become fragmented as they are sold to developers and homeowners as the landowner tries to realize a return on investment. This fragmenting forever removes the land from timber production, leads to urban sprawl, and a host of negative environmental issues.

Whitefield Power and Light hopes to find a synergistic relationship with a collocated industry or industries that would allow them to retail electricity and steam directly to a customer without having to wholesale it to someone like PSNH. This would enable them to operate profitably on the open market. Currently the wholesale cost of electricity generated by burning fossil fuels is significantly less than electricity derived by burning wood chips. Continued operation will keep the 24 people employed there working. It's also significant to note that continued operation of the plant will preserve approximately

50 additional jobs for people engaged in the harvest, transportation and handling of the wood chips needed for fuel.

The New Hampshire Central Railroad and the state Bureau of Railroads also support the project. Northern New Hampshire experienced a dramatic decline in rail activity over the past twenty-five years. This is attributable to federal deregulation of the rail industry, a significant reduction in the number of manufacturing facilities in the area, and mismanagement by the company that owned a large portion of the tracks in the area. The state of NH, Department of Transportation purchased much of the area's railroad rights of way in an effort to cease further destruction and begin revitalization. The NH Central Railroad won the contract to operate the line that serves the Whitefield Industrial Park. Both entities are hopeful that industries needing rail service will locate in the park and thus provide an anchor for rail revitalization. This will insure the continued operation and existence of railroading and its related jobs in Northern NH, and lessen the impact by truck traffic on the state's highways and environment.

Other Information

There are some groups and individuals that are concerned that this project may negatively impact their activities. These are area snowmobile clubs and nature societies that utilize a state owned multi-use recreational trail. The trail occupies an abandoned railroad right of way that borders the industrial park and likely will be returned to active rail service if this project succeeds. The trail has been in existence for over twenty years and is now part of the state's official recreational trail system. It offers the only reliable public access to a nearby state managed wildlife refuge. It is also an integral part of the statewide snowmobile trail system. We've already had some discussions with the Bureau of Railroads about this issue and agree that measures must be taken to preserve the right of way of the trail users. Whether or not that means relocating the trail entirely or constructing a trail parallel to the tracks but within the railroad right of way has yet to be determined.

RESULTS

Major Outputs Fully Achieved

Organization: The WPG has met monthly since April 2001. The meetings are well organized and well attended. There is a core group of stakeholders that reliably attend all meetings. Others are present upon request or on an as needed basis. Written minutes are kept of each meeting and disseminated to WPG members and a large list of interested parties. The WPG has gained positive name recognition at the Governor's office and many other state and local agencies. We have given numerous presentations to state and local officials and, by invitation of the Governor's office, one presentation at the statehouse.

Funding for our needs has been sufficient to date with grants received totaling \$33,000. We have also received some in-kind donations such as use of office space, photocopiers, telephones, and administrative support. We funded a study that identified sample governing covenants for eco-industrial parks, emerging trends in the forest products industry, and supply and pricing issues regarding low grade wood. During the time of crisis regarding the biomass plant, some funds were used to contract with an individual to assist with the many WPG activities and serve as the single point of contact. That contract has since expired. Funding is an ongoing issue and we have or are in the process of submitting funding requests to various organizations and agencies. We did complete a master proposal that is easily tailored to meet the particular grant request.

Major Outputs Partially Achieved

Jobs: When Presby Plastics, Inc. opens in the summer of 2002, this industry will create 50 quality jobs. The owner, David Presby, is an area native and has lived in a neighboring community his entire life. David is very cognizant of the need to create quality jobs without adversely impacting the environment or community. David expects to expand this facility to as many as 150 jobs in the near future as the demand for his product grows nationally.

We are in discussion with three additional businesses that are interested in locating adjacent to the power plant. These industries are all users of low-grade wood and would create another 75-150 jobs.

Infrastructure: A preliminary feasibility study has been completed to bring an industrial rail spur into the park. A request is before the NH Department of Resources and Economic Development asking for \$20,000 to fund the engineering study. Additionally we met with representatives from the offices of Senator Bob Smith and Congressman Charles Bass to discuss our need for their assistance in securing the estimated \$2 million in construction funds. Part of this cost includes maintaining the integrity of a multi-use trail that occupies part of the right of way and provides access to the Pondicherry Wildlife Refuge. The state of NH has no funds to help with this project but NHDOT has pledged two miles of used rail salvaged from a state-owned rail line.

Whitefield residents passed a warrant article at the March 2001 town meeting authorizing the WEDC to negotiate land sales in the industrial park. This article further authorizes the selectmen to execute such sales without requiring a vote of the general population. These new authorizations were exercised later in the year when a 25-acre parcel was sold to Presby Plastics Inc. for the construction of a manufacturing facility.

At this year's town meeting Whitefield residents will be asked to vote on another warrant article regarding the park. If passed, this article will authorize the selectmen to expend any proceeds generated from land sales within the park for the purpose of improving the park's infrastructure.

The funding package for Presby Plastics Inc. included \$1 million in Community Development Block Grant (CDBG) funds. We successfully negotiated for \$150,000 of that money to be used for park infrastructure improvements. This money will be used to improve and pave the remaining dirt roads within and leading to the park. This work will be completed by the Fall of 2002.

We twice met with the Mt. Washington Regional Airport commission regarding airport expansion and agree that our activities and facilities and can be mutually beneficial. As yet we have had no positive impact on increased use of the airport. This will only come once additional businesses and industries are fully operational within the park

Eco-industrialPark: Thanks in part to our efforts, the biomass plant continues to operate and consume low grade wood. The plant operates today as a result of some complex negotiations between the new plant owners, the Town of Whitefield, and the NH Timberland Owners Association. The WPG was involved in many of the supporting discussions that took place outside the actual negotiations.

Forest Products Base: As previously mentioned we are in discussion with three additional tenants that would be users of low grade wood. They are Dynamotive Energy Systems of Vancouver, British Columbia, New England Wood Pellets, Jaffrey, NH; and Timber Concepts of Campton, NH. Two of them look very promising and combined would consume approximately 150,000 tons of whole tree chips annually.

Direct Electricity Sales: We commissioned a study to identify the legal barriers associated with selling electricity directly from the power plant to nearby industries without having to pay the PSNH transmission fee. Approved but not yet underway, when completed the study will also present possible strategies to overcome these barriers.

Wood Handling: The three potential tenants previously mentioned would be located very close to the biomass plant and would share the wood handling yard. Combined, this would increase the usage level of the wood handling yard to approximately 80% of total capacity.

Waste Heat/Steam Sales: We have had preliminary discussions with WP&L regarding the sale of waste heat and excess steam to nearby industries but this has been only conceptual and no studies have been undertaken to fully examine this possibility. The owner of WP&L recognizes the advantages to the bottom line should we be able to create some synergy here. Two of the additional potential tenants could make use of both steam and waste heat.

CONCLUSIONS/RECOMMENDATIONS

The original purpose and goal of this project has not changed since the project began. However, its complexity has increased almost exponentially. What first seemed like a relatively short list of issues and tasks expanded tremendously. For example, I never

expected that in order to keep the biomass plant operating we would be drawn into testifying before a state legislative committee about the need to include sustainable energy sources into the state's 10-year energy policy. Or, as we discovered through research, that the price of whole-tree wood chips does not adhere to the typical market influences of supply and demand and therefore we had to investigate methods for creating long-term stabilization in whole-tree chip prices. I will readily admit that I was very naïve about the full complexity of the issue at hand.

Of the number of factors that would have helped to bring this project further along than it currently is, two come to mind most readily. First and foremost is money. The WPG is made up of a number of organizations with limited resources. Some WPG stakeholders are simply volunteers from the community and elsewhere and come to the table with no money at all. It was clear early on that to sustain the project some money would be necessary. These funds were needed to pay for studies, conduct research, improve park infrastructure, and to keep the effort going by providing a dedicated person at the other end of a phone line and email address as the single point of contact for all stakeholders. Money was also needed for simple administrative things such as phone calls, photocopies, stamps, envelopes, and even coffee and snacks for hosting visits by important and influential people. In-kind donations from several of the stakeholders helped tremendously with the administrative support needs. But, it wasn't until we were able to secure some real financing in April 2001 that the project really started to roll. It was at that point that we hired an individual to work part-time as our single point of contact and research person. In seeking funds we found it extremely helpful to write a master proposal. Once completed, it was quick and easy to edit the proposal to meet the specific information requirements of potential funders.

Second is organizational structure. We did not clearly define an organizational "chain of command" until well into the project. This caused some growing pains as a number of individuals and organizations sought to take the lead. It also added to confusion both from within and without as it was not clear who to turn to for direction and information. After a period it was decided that WEDC should be the lead organization working through me. Thus the WPG became somewhat of a subcommittee of WEDC. In this way it can be assured that the project remains a community effort and that the goal remains focused on helping the community. Also, since the WPG is not incorporated, WEDC can act as fiscal agent and make official correspondence on behalf of the WPG.

When the project began the biomass plant was operating under a rate order which guaranteed its continued operation and profitability through 2006. One of the project's goals was to keep the plant operating past the expiration of the rate order. To influence this we created the eco-industrial park concept with the biomass plant playing a predominant but not essential role. Shortly after the project began the biomass plant was sold to a new owner whose only intent was to realize immediate capital gain through sell-out of the rate order. Once that was accomplished the new owner immediately put the plant up for sale again. Suddenly the plant went from operating at a guaranteed profit to operating at a guaranteed deficit and it immediate danger of closing. As a result a great

deal of energy was redirected toward efforts aimed at saving the plant and keeping it operating. This became a top priority and other tasks were delayed and placed lower on the priority list.

To anyone undertaking a similar project I suggest two things. First, give a great deal of thought as to who should be the stakeholders in your project. Who are the individuals and organizations that either have a vested interest in or may be affected by your stated goal? Examine this from two perspectives. Who has something to gain or lose? Look at a map and see who's located nearby. Will they be affected? Do they think they'll be affected? Reach out to all those individuals and invite them to be part of your effort. If they don't wish to participate at least solicit their input. I found that there were agencies we left out that could have been very helpful to us and saved a lot of work. In another example I failed to recognize the significance of the park's proximity to a Wildlife Refuge and the implications that presented. Friends of the refuge became very suspicious of our effort thinking it would destroy or harm the environment. As a result they presented some significant challenges at public meetings until we were able to demonstrate that we in every way were trying to avoid any negative impact on the environment. Accomplishing this avoids the creation of doubt and suspicion and brings in greater expertise and additional thoughts. The overall effort becomes much easier.

Second, be clear on your desired organizational structure and formalize it early on. I spoke previously about how it took the WPG some time to decide who was the lead organization. Our non-incorporated status presents some challenges when it comes to handling funds, making official correspondence, or speaking with one voice. This added complexity is a distracter from the need to focus on the business of attaining the project's stated goal. A little dedicated work up front to establish some by-laws will be time very well spent.