

**CHAPTER 6**

**ECONOMIC DEVELOPMENT**



## 6.1 BACKGROUND

Economic development is crucial for Effingham's economic viability. In December 2010, the tax rate in Effingham was the third highest in Carroll County -- \$16.05, compared to a county average of \$11.05. This is due not to an excessive budget but to a low property valuation. About half of the land in town has been placed in current use, which reduces the assessed valuation and limits available revenue for town services. One solution to this problem is to develop businesses.

Economic development efforts have traditionally focused on three kinds of goals: retaining the existing business base, helping the existing business base to grow and increasing the business base by attracting new businesses. Strategies that can be used to support these goals (listed below) include:

- improving the business climate by reducing costs and regulatory burdens,
- improving the town infrastructure (roads, utility access, telecommunications, etc.),
- launching a marketing effort to promote Effingham as a desirable location for business,
- offering incentives for businesses to stay or locate in Effingham,
- creating industrial or office parks in Effingham,
- initiating or taking advantage of existing state and federal programs in entrepreneurship and small business development,
- initiating or taking advantage of existing state and federal job training programs to provide the required skilled labor,
- building business networks through established organizations (*e.g.*, Rotary Club, Elks, Chamber of Commerce and the like) and through using social media, and
- a website dedicated to providing current information about doing business in Effingham.

Economic development in Effingham needs to take place in the context of two realities. First, most economic development activities do not take place at the town level but instead take place at a regional level. Effingham currently does not have the expertise or the financial resources to launch its own economic development program, so Effingham needs to coordinate with the resources available at the regional level.

Second, Effingham will appeal to a relatively narrow range of businesses. Effingham does have access to highway systems through NH Route 16 and NH Route 25, providing access to southern New Hampshire and Portland, Maine. It has a small population and limited labor pool. Much of the land is in current use, is classified as wetlands or is otherwise not available for new development. Some types of businesses that might be interested in Effingham include:

- Natural resource-based enterprises that depend on access to our forests and farm land,
- Service enterprises,
- Knowledge-based businesses that are location neutral,
- Tourism operations, and
- Small manufacturing requiring access to road networks

## 6.2 EXISTING BUSINESS BASE IN EFFINGHAM

There is relatively little information on the existing business base in Effingham and one of the tasks of the proposed Economic Development Committee (see *Section 6.4*) is to gather this data. At the Community Forum held in August 2009, a short list of current businesses was compiled.

Most of the businesses on the list were small and home-based. A few of the larger businesses are: Lakeview NeuroRehabilitation Center PK Motel, English's Campground, Camp Marist, Boyle's Family Market, and a portion of Province Lake Golf Club. Lakeview NeuroRehabilitation Center is the largest business and employer in Effingham. It is an 88-bed facility providing care for individuals challenged with varying levels of physical, neurological, cognitive and behavioral impairments. It is part of the Lakeview System which has facilities in New Hampshire, Wisconsin and New York.

## 6.3 RESPONSES FROM THE PUBLIC SURVEY

The Effingham Master Plan Public Survey asked a number of questions related to economic development. Respondents were asked to identify five general issues that were of utmost importance over the next ten years and were offered sixteen options. Attracting Business/Cottage Industries ranked fifth, with 42% of respondents selecting it. When asked to rank the importance of various issues relating to economic development, the following responses were received:

Category	Very important or somewhat important
High speed Internet	90%
Home Business	83%
Agriculture	83%
Cottage Industry	82%
Logging and Forestry	74%
Restaurants	66%
Retail Business	64%
Service Sector	64%
Light Industry	62%
Office Business Development	61%
Industrial Development	36%

Recently, Effingham established an Agriculture Commission to encourage the growth of farming as a business in the community. There is also an ongoing effort to improve the availability of high-speed Internet services to the community. The balance of these issues raised by Public Survey respondents can be addressed within the context of an economic development strategy.

## **6.4 2011 MASTER PLAN RECOMMENDATIONS**

**See Implementation Chapter**