

6 | **Economic Development**

6 | A **Vision & Purpose**

The City of Lebanon shall promote high-quality economic development that provides safe, healthy working conditions, and rewarding careers and employment opportunities for residents of the City and region. In accordance with the “Residents-First” policy, economic development in Lebanon shall benefit our residents and enhance quality of life in the City. Our economic development strategy shall foster a vibrant and sustainable local economy by:

- Encouraging and attracting enterprises that contribute to the total welfare of the City of Lebanon, while also recognizing Lebanon’s role as an employment center for the Upper Valley.
- Preserving and enhancing the natural and built environment of Lebanon, and promoting a high quality of life for those who live in, work in or visit our City.
- Implementing economic development and redevelopment strategies that do not result in a greater tax burden for City residents.
- Striving to support a mix of businesses from a variety of economic sectors to better protect our local economy from sudden shifts within a single industry and to increase our resistance to economic downturns.
- Adopting land use policies that encourage redevelopment of existing non-residential sites and development of existing lands zoned for non-residential use before extensively developing any additional lands for non-residential use.
- Maintaining the infrastructure needed to support economic development at high service levels, including fostering state-of-the-art communications infrastructure throughout the City.
- Encouraging new non-residential construction and renovation of existing non-residential structures to result in high-quality buildings that can be reconfigured and adapted so that the same structure may serve different purposes over time.
- Supporting a variety of housing options that will allow those working within the City, at all income levels, to also live in the City.
- Understanding that a strong economy requires a well-educated and skilled workforce, and providing educational and workforce training opportunities for residents at all stages of life.

6 | B **Issues & Priorities**

6 | B-1 **Sustainable Economic Development**

Sustainable economic development is more than just increasing the number of jobs, tax receipts and square footage of commercial/industrial space in the City. It means growth that is not driven by depleting our resources, but rather by renewing them. It means growing our economy while also enhancing quality of life in Lebanon and protecting environment quality - making the City an even better place to live for the next genera-



key points | [vision & purpose](#)

- Promote high-quality economic development that benefits City residents and enhances quality of life in the City
- Foster a vibrant, diversified and sustainable local economy
- Encourage redevelopment and full use of existing commercial/industrial sites and land before designating additional land for commercial/industrial use
- Provide the infrastructure, housing and education needed to support our desired level of economic development

key points | issues & priorities

- Seek sustainable growth that is not dependent on exhausting local resources to fuel economic expansion
- Maintain a diverse economy that is not dependent on a single large employer or economic sector
- Recognize the importance of the City's quality of life in attracting new firms to locate in Lebanon and in retaining well-educated and skilled workers



tion. Sustainable economic development has a triple bottom line resulting in economic benefits, environmental benefits and social benefits.

Top priorities for sustainable economic development in Lebanon include:

- Redevelopment of under-utilized commercial and industrial sites.
- A more diverse local economy that is not dependent on a single large employer or sector.
- Jobs that pay a livable wage.
- Growth opportunities for existing businesses.

Achieving sustainability will require a proactive approach to economic development. Given Lebanon's role as the economic center of the Upper Valley, the pressure for continued economic expansion will likely remain strong, and for this reason, the City must carefully plan for growth. The community must determine where and how much it will grow, and then it needs to implement strategies to appropriately guide economic and community development. If instead the City takes a passive approach, it may find itself overwhelmed with growth planning challenges and a division among City government, business, and residents that will stall proactive decision-making.

6 | B-2 Economic Diversity

As a former milling center, Lebanon needs only to look back its own history to see the danger posed by a local economy dependent upon a single large employer or economic sector. During the past 60 years, the City's economy has become stronger and more diversified. Economic diversity means having both businesses from many different economic sectors and jobs of various levels and types.

The City needs to maintain and enhance economic diversity in order to be better insulated from contraction and downturns, whether within a particular industry or across all sectors. While the performance of a local economy will always be affected by the inevitable ups and downs of business cycles, a diversified economy will experience less dramatic change between the highs and lows.

A diverse economy also creates a variety of employment opportunities. This allows workers to more easily transition between jobs and change careers, remaining employed throughout their working lives without having to relocate to find work. A diverse economy requires a diverse workforce. Increased social diversity creates a more dynamic City and improves residents' quality of life.

Providing infrastructure, housing and educational opportunities can help support a diverse economy. In particular, the City needs an adequate supply of workforce housing and state-of-the-art communications infrastructure if it wants to continue to keep existing businesses and attract new employers.

6 | B-3 Quality of Life

Quality of life may seem a somewhat intangible concept, but for many companies it is a key consideration when deciding where to locate. Will the community be a place that employees will want to live? If not, the company may have difficulty attracting and retaining qualified workers or workers may be forced to commute

from more distant communities, particularly if it must compete with other firms for highly skilled or educated employees.

The Upper Valley offers a quality of life that is very desirable - the region's communities have retained their small-town character while adding urban and cultural amenities. Lebanon benefits from the presence of DHMC and the associated health services it provides, as well as Dartmouth College next door in Hanover, which provides residents with access to world-class arts, culture and athletics. Within the City itself, the Opera House is a well-programmed entertainment venue and anchors a burgeoning downtown arts community. Lebanon and neighboring communities have a thriving 'creative economy' that enriches the region. Additionally, the Upper Valley is only a short trip from major metropolitan areas, large tracts of wilderness, and a variety of recreation opportunities including ski slopes and ocean beaches.

6|C Existing Conditions & Trends

6|C-1 Role as Regional Center

Lebanon has historically been and continues to be a regional economic center for the Upper Valley due to:

- Transportation access (proximity to the junction of two interstate highways, a municipal airport and rail service).
- Availability of land and supporting infrastructure for commercial and industrial development and redevelopment.
- A highly regarded medical center, community hospital, academic institutions, and spin-off enterprises.
- Multiple decades of local and regional planning for community and economic development.
- Small-town feel with some urban amenities and conveniences.
- Abundant natural, scenic and historic resources of the City and region.
- Cultural and recreational attractions within the City and region.

Lebanon has remained a regional center while surviving financial panics, industrial collapse, fires, the Great Depression, and the flight of the cotton and woolen mills to the South. In each transition, new businesses have brought new opportunities and new residents. During the 1960s, the fortuitous routing of Interstate 89 and nearby Interstate 91 came just in time to breathe new life into the town after the collapse of the textile industry, making West Lebanon the retail center of the Upper Valley. The new highways also facilitated industrial and commercial business.

Dartmouth-Hitchcock Medical Center's (DHMC) move to Lebanon in the early 1990s, combined with Dartmouth College's role as an innovator in the technological revolution, has resulted in spin-off businesses locating in Lebanon. This has brought a new wave of bright, technically savvy and entrepreneurial people to the City, and is fostering Lebanon's emergence as a biomedical and high-tech hub on the cutting edge of research, innovation and manufacturing.

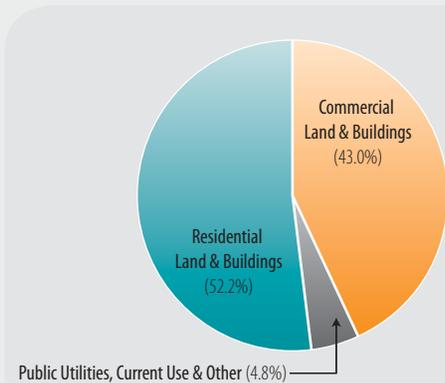


key points | existing conditions & trends

- Lebanon continues to be the economic center of the Upper Valley and currently maintains a diversified economic base.
- Since the 1960s, Lebanon has added more than a million square feet of non-residential space per decade on average and continues to have land available for new development, redevelopment and infill.
- Lebanon's labor force has experienced "full employment" since the mid-1990s and jobs within the City pay wages higher than state and regional averages.
- The supply of workforce housing continues to be a constraint on economic growth in the Upper Valley.

Business	Sector	Employees
Dartmouth Hitchcock Medical Center/Hitchcock Clinic	Healthcare services	7,433
Timken	Ball & roller bearings	593
Alice Peck Day	Healthcare services	500
Lebanon School District	Education	377
TomTom	Mapping	316
Hypertherm	Manufacturing	237
City of Lebanon	Municipal	210
Fuji Film Dimatix	Technology	202
Luminescent Systems Inc.	Electroluminescent lighting	187
Thermal Dynamics	Plasma cutting torches	183

Lebanon's major employers



2009 percent of local assessed valuation by property type
New Hampshire Department of Revenue Administration

Lebanon currently maintains a diversified economic base including a variety of retail enterprises, healthcare businesses ancillary to DHMC and Alice Peck Day Memorial Hospital, and an industrial base anchored by firms such as:

- Timken (aerospace industry manufacturing ball bearings and rollers)
- TomTom (mapping data)
- Fluent, Inc. (fluid technology)
- Mascoma Corporation (alternative fuels)
- Hypertherm (plasma cutting technology)

DHMC and other major employers in the region, such as Dartmouth College, United States Army Cold Regions Research and Environmental Laboratory (CRREL), and the Veteran's Administrative Hospital have been relatively immune from economic recession. Having these industries in the region benefits the City of Lebanon immensely. They also contribute to the City's economic well-being by attracting other businesses and service industries, which provide further employment opportunities.

6|C-2 Land and Space for Non-Residential Uses

Lebanon's current zoning includes eight non-residential or mixed-use districts (light industrial, rail access industrial, heavy industrial, general commercial, central business, neighborhood commercial, professional business and medical center). These districts provide opportunities for businesses of various types, sizes and intensities. Most of these districts have either land available for development, or sites suitable for redevelopment or infill.

Lebanon had about 900,000 square feet of non-residential space in 1959. In the five decades since, the space occupied by commercial, industrial, medical, government and other institutional uses has grown to more than 8.8 million square feet. The Lebanon Planning Board has recently approved, or is currently reviewing, approximately 2.5 million square feet of non-residential growth, which is projected to be built out during the next 20 years.

Commercial land uses make up a greater percentage of the tax base in Lebanon as compared to other Upper Valley municipalities. The City's broad tax base results in a reduced tax burden on residential property owners to fund local schools and municipal services.

6|C-3 Employment and Wages

More than 19,000 people work in Lebanon. Approximately 61 percent of the City's resident workforce is employed in Lebanon (approximately 5,000 people) and more than 13,000 people commute into the City. Lebanon residents, and Upper Valley residents in general, enjoy relatively short commutes with an average travel time to work for City residents that is less than 15 minutes. The ability to live and work in close proximity is one of the factors that contributes to Lebanon's quality of life.

Lebanon has experienced job growth in the service sector, particularly education, health, social services, and retail, during the past 20 years similar to many communities across the country. However, the City has seen employment growth in management, professional and related occupations in recent decades as well. During the 2000s, employment in Lebanon grew by more than 2,600 jobs.

Lebanon's average annual unemployment rate was 3.8 percent in 2009. The unemployment rate in the City has remained below four percent since 1994 despite several intervening downturns in the U.S. economy. A four percent unemployment rate is usually considered "full employment." The unemployment rate in the Lebanon Labor Market Area (LMA) has been the lowest in the state for some time.

Besides the unemployment rates, average weekly wages provide another measure of economic health. The average weekly wage for a private sector worker in Lebanon in 2009 was \$1,048. Jobs in Lebanon are among the highest paying in the region and pay significantly better than the state average. Higher wages in Lebanon and the Upper Valley may be attributed in part to Dartmouth Hitchcock Medical Center and Dartmouth College, both of which directly pay relatively high wages and indirectly generate high-paying spin-off business and industry.

6 | C-4 Housing

Economic growth is dependent upon housing growth, particularly workforce housing. For more than a decade, several major employers in the Upper Valley have been expressing a need for additional workforce housing opportunities, and they have been working with organizations such as the Upper Valley Housing Coalition, Habitat for Humanity, and Twin Pines Housing Trust to find solutions. Although Lebanon has experienced approximately 16 percent housing unit growth during the 2000s, the City still may not be keeping pace with the demand resulting from both the continued rate of growth in the non-residential sector, as well as past historical growth rate disparities between non-residential development and housing development.

Without an adequate supply of housing affordable for their workers, employers can experience challenges in both retention and attraction of employees. For employees, the shortage can result in the need to seek housing further away from the employment center, increasing commutes and associated adverse affects on the environment and transportation network.

In 2011, the Upper Valley Lake Sunapee Regional Planning Commission initiated an effort to analyze housing availability in the Upper Valley, which will be an update to the 2002 Upper Valley Housing Needs Analysis report. When complete, this study should provide a clearer picture of how well the region is doing in meeting the housing needs of its workforce and what actions will be needed in the future to maintain an adequate supply of workforce housing.

6 | D **Future Challenges & Opportunities**

6 | D-1 Sustainable Economic Development Strategy

Lebanon should develop a proactive strategy, identifying the community's economic assets and what types of businesses it wishes to encourage. With a strategy in place, the City should then selectively recruit and/or

key points | future challenges & opportunities

- Lebanon needs a sustainable economic development strategy to guide City efforts to recruit and support new businesses.
- Efforts to revitalize the central business districts should continue so that they remain economically viable.
- Economic development efforts should focus on redevelopment of low-density, under-utilized and/or inefficiently developed commercial and industrial sites, particularly along Route 12A and the Miracle Mile.
- Lebanon must preserve its quality of life, which is a key component of the City’s economic success.
- The City must carefully consider all proposed expansions of public services and infrastructure. The City’s economic development strategy should not increase residents’ tax burden to facilitate economic development.
- To remain economically competitive, Lebanon’s businesses and residents must have access to state-of-the-art communications infrastructure and technology.
- The Lebanon Airport is a key asset that needs to overcome financial challenges.



support new businesses that can help the City attain its goals. The City of Lebanon must evaluate how much growth is sustainable; certain levels and types of new development could cause unforeseen changes to community character, infrastructure, and the tax base.

It is essential to maintain a coordinated, respectful and cooperative working relationship with current City and regional enterprises, area economic development agencies, regional planning commissions, chambers of commerce, state agencies, and other concerned private and public sector entities that encourage managed growth. The City could consider expanding its Planning Department’s mission to include a more active role in decisions related to economic development.

Technological advances have become a driving force - possibly the driving force - in the economy. New jobs in the “thoughtware” sector include computer software, education, engineering, telecommunications, medicine, and the entrepreneurial, creative economy realm. In order to foster new economic opportunities in this sector, Lebanon must support high-speed digital capability (see Section D-5), keep up with ongoing technological advances, and invest in the labor force through support for continuing education and training.

6|D-2 Central Business Districts

In spite of competition from the 12A commercial area, both West Lebanon Central Business District and the Lebanon Central Business District continue to see reinvestment and revitalization.

Lebanon’s downtown pedestrian mall is now the home to many small professional and service businesses, restaurants and retail shops. These businesses, in combination with Lebanon College’s downtown campus, have made the mall a thriving place to visit and shop. Colburn Park is an active place in the summer with the farmers’ market and summer concerts, and is a great place for families to gather. The downtown Opera House and AVA Gallery are cornerstones of the City’s arts scene, bringing people downtown and supporting surrounding restaurants and shops.

West Lebanon Village has also shown improvement over the recent years. The anchor of the village is the new Kilton Library. New businesses have arrived and current ones have expanded. Restaurants have continued to bring traffic to the area. The recently approved River Park project, just north of the village, will bring research labs, office space, associated retail and housing.

The City should encourage mixed uses of structures in both CBDs, for instance combining ground floor storefronts with upper-story residential units. Collocating compatible professional, residential and commercial uses encourages people to live where they work, fostering a vibrant downtown and healthy local economy.

6|D-3 Redevelopment

As Lebanon grows, public services and infrastructure must be expanded cost effectively. Many of the impacts of such growth can be reduced by directing development toward existing built-up areas, which are already served by existing municipal services and infrastructure.

Inefficiently developed properties, for example, on Route 12A and the “Miracle Mile,” (Mechanic Street/Route 4) represent some of the best opportunities for redevelopment in the City. Existing developments should be

evaluated to determine creative solutions for redevelopment (the plans proposed by a Dartmouth College architectural class several years ago could serve as a starting point). Many developed parcels and parking lots could be more intensely redeveloped with multi-use structures, multi-story buildings, shared and structured parking, and shallow setbacks from the roadway. Implementing access management retrofit plans on Route 12A, Miracle Mile, and Mechanic Street, as discussed in the transportation chapter of this plan, would be the first step in redevelopment efforts along with allowing flexibility of the parking requirements to meet the needs of the applicant and the traveling public.

When businesses expand, contract or close, they leave behind commercial and industrial space that can be redeveloped. Although such properties are usually privately owned, it is in the interest of the City to see that these locations are redeveloped in ways that are compatible with Lebanon's Master Plan. Among the desired features are the following:

- Reconfiguring space to maximum density, for example, building up (higher - to appropriate scale) when possible, using underground and shared parking, and reducing building setbacks.
- Integrating residential and workforce housing near commercial, office, educational, research, medical, and light industrial facilities.
- Constructing sidewalks and bus stops, and providing landscaping.
- At riverfront properties, observing setback and water quality requirements, while taking full advantage of the aesthetic potential, for example, siting restaurants, residential apartments, and offices to face the river, rather than backing onto the river.

6|D-4 Quality of Life

Numerous studies on business location decisions have indicated that quality of life plays a key role in corporate decision-making. One of the greatest strengths of Lebanon's economy is that people like to live and work here. If Lebanon's historic, educational, environmental, scenic, recreational, and cultural assets are diminished or lost, then the City could suffer economically in the long run.

Lebanon's economic development strategy should support and strengthen the City's role in the creative economy, cultural and heritage tourism, and recreational sectors. More importantly, it should seek to balance its growth and development with protection of natural, scenic, and historic resources. Current work towards a Zoning Ordinance revision is addressing these goals of compatibility and sustainability.

6|D-5 Public Services and Infrastructure

As Lebanon continues to grow, City government will continue to experience pressure to expand and extend public services and infrastructure. When making those decisions, the City needs to consider the cost to current residents and the impact on the natural environment. In accordance with the "Residents-First" policy, growth and economic development must not degrade the City's quality of life. The City should be seeking economic development that does not increase City taxes. It must be recognized, however, that public services and infrastructure will have to be maintained and expanded as Lebanon grows. Many of the undesirable impacts

of growth can be reduced by directing development toward existing built-up areas already served by public services and infrastructure.

One means of limiting the demand on the water supply and wastewater treatment systems would be to establish an urban services boundary, beyond which such utilities would not be expanded. The establishment of such a limitation would permit the City to focus development in a more concentrated area. The City should also consider expanding the use of impact fees to finance infrastructure associated with new development and consider working with the state legislature to establish a City sales tax. To expand its ability to generate revenue, the City should evaluate any means that would help offset the impacts of commercial development without negatively influencing business or commerce.

6|D-6 Technological Advancement

Residents, businesses, and institutions increasingly depend on the Internet and electronic communications. Businesses of all sizes find a digital presence valuable, if not essential. In order to ensure that businesses in Lebanon will remain competitive, they must have access to dependable, affordable, high-speed digital services. Such services should be available in all parts of the City, to enable residents to conduct home-based businesses and to promote telecommuting. This increased digital presence will also serve to aid in the promotion of training and education through “webinars” and other professional development tools.

With current technology, wired broadband is faster and more reliable than wireless. The most significant impediment to bringing wired high-speed digital service to all corners of the City is ownership and control of the poles. Because the poles are privately owned, customers are limited to the providers currently on the poles. Moreover, private-sector companies often balk at providing high-speed digital service to rural areas because they cannot make back their return on investment within their typical three-year time frame.

Lebanon should advocate that high-speed digital services be available throughout the Upper Valley, so that residents of nearby towns who are employed in Lebanon have the option of telecommuting, which would reduce congestion on Lebanon’s roads.

6|D-7 Lebanon Municipal Airport

Lebanon Airport is a key transportation asset, valued by the region’s many businesses and institutions, as well as by area residents attracted by the recent efforts of the City and Cape Air to expand scheduled airline service. However, passenger enplanements or “boardings” during the 2000s declined in comparison with the 1990s, straining the ability of the airport to limit the financial support received from the City’s General Fund.

During the Master Plan process, residents expressed the desire that the current status of the Lebanon Municipal Airport should change in one direction or the other; either become self-sufficient as a commercial airport providing scheduled flights for the general public, or convert to a general aviation airport. The scheduled 2012 completion of the Airport Master Plan, including an “Airport Summit” event will further illuminate future options or direction for the airport.

Outcomes & Strategies

OUTCOME 1 Seek sustainable growth that is not dependent on exhausting local resources to fuel economic expansion.

STRATEGIES

- 1 Encourage City government to take a more organized and active role in promoting sustainable economic development.
- 2 Promote and retain high quality employment opportunities.
- 3 Continue the progress of revitalizing the City's two Central Business Districts.
- 4 Work with civic associations to engage business owners and generate citizen interest and commitment to the downtown areas.
- 5 Support the revitalization, infill, and increased mix of uses in existing non-residential, locations.
- 6 Seek a way for Lebanon Airport to pay for itself while better serving the needs of residents and businesses, both in Lebanon and throughout the region.
- 7 Continue efforts to expand regional and national passenger connections to and from Lebanon Airport.

ACTIONS

- 1 Develop a proactive strategy for sustainable economic development that identifies the City's economic assets and what types of businesses Lebanon wishes to encourage.
- 2 Recruit and support businesses in accordance with the City's sustainable economic development strategy.
- 3 Explore innovative financing techniques for building structured parking in the West Lebanon Central Business District.
- 4 Evaluate the boundaries of the Central Business Districts.
- 5 Examine existing non-residential areas to identify opportunities for more intensive redevelopment or infill.
- 6 Continue to work with the Regional Planning Commission to develop and maintain an updated inventory of non-residential sites and buildings to facilitate expansion and relocation of businesses.
- 7 Review and amend the City's Zoning Ordinance as needed to encourage more intensive redevelopment of existing residential and non-residential areas and to discourage development in undeveloped areas.
- 8 Establish an urban services boundary for water and sewer.
- 9 Develop an impact fee schedule to support expanded infrastructure associated with new development.
- 10 Evaluate the cost of ending commercial service and, if warranted, convert Lebanon Airport to serve general aviation only if passenger enplanements fail to increase significantly.

OUTCOME 2 Maintain a diverse economy that is not dependent on a single large employer or economic sector.

STRATEGIES

- 1 Make high-speed digital services available throughout Lebanon.
- 2 Continue to encourage private companies to add high-speed digital lines to under-served locations within the City or explore alternatives via regional efforts to bring broadband to the Upper Valley.
- 3 Encourage City government to coordinate with governing bodies of other nearby towns and digital services providers to improve high-speed digital services throughout the region.

ACTIONS

- 1 Ensure that zoning regulations maintain and enhance the mix of downtown businesses, including basic goods and services.
- 2 Develop a long-range plan for digital high-speed telecommunications.

OUTCOME 3

Recognize the importance of quality of life in attracting new firms to locate in Lebanon and in retaining well-educated, skilled workers.

STRATEGIES

- 1 Seek growth and development that preserves or, ideally, enhances Lebanon's quality of life.
- 2 Support the arts and culture as a distinctive and significant component (creative economy) of the local and regional economy.
- 3 Promote Lebanon's historic, environmental, scenic, recreational, and cultural assets.
- 4 Continue to strive for excellence in public education and municipal services, taking into account the impact on taxes levied to City residents.
- 5 Encourage housing in the upper floors of downtown buildings.

ACTIONS

- 1 Implement the zoning revision recommendations outlined in the City's Natural Resources Inventory to protect and enhance the most critical natural resources and open spaces.
- 2 Explore seeking authority from the state legislature to implement a City sales tax.