



Prepared for:

The Mount Sunapee Resort
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TABLE OF CONTENTS

I. Executive Summary	1
A. Introduction and Overview	1
1. West Bowl Expansion.....	2
B. Summary Findings	3
1. Operations and Tax Impacts.....	4
2. Fiscal Impacts.....	4
3. Socioeconomic Trends	6
4. Economic Indicators.....	6
C. Key Findings	7
II. Economic Impact Analysis	8
A. Operational and Performance Measures.....	8
1. Skier/Visitor Count	8
2. Employment.....	10
3. Wages and Payroll.....	10
B. Tax Impacts.....	11
1. Local Property Tax.....	11
2. Rooms and Meals Taxes.....	12
3. Business Profits Tax.....	13
C. Other Revenue Impacts.....	14
1. Annual Payments to DRED.....	14
2. Donations.....	15
3. Local Input	15
III. Fiscal Impact Analysis	17
A. Parcel Assessments and West Bowl Expansion	17
1. Additional Leasehold Acreage	18
2. West Bowl Expansion.....	18
3. Conservation Land and Change in Use	19
4. Tax Revenue by Sources and West Bowl Expansion Impacts.....	20
B. Municipal Budgets.....	21
1. Town of Newbury	21
2. Town of Goshen	24
3. Town Service Costs	24
IV. Baseline Conditions	28
A. Socioeconomic Trends.....	28
1. Population	28
2. Housing	28
3. Income	30
4. Employment and Education.....	30
B. Economic Indicators	31
1. Establishments	31
2. Employment.....	32
3. Location Quotients	32

I. EXECUTIVE SUMMARY

A. Introduction and Overview

The Mount Sunapee Resort (Resort) is located in the Towns of Newbury and Goshen, New Hampshire, on lands leased from the New Hampshire Department of Resources and Economic Development (DRED) within Mount Sunapee State Park (Map 1). The primary business enterprise at the Resort is alpine skiing and the summit elevation is 2,743 feet. In July of 1998 the Resort leased approximately 968 acres with 900 acres in Newbury and 68 acres in Goshen. In 2015, another 167 acres were added to leasehold acreage bringing the total to 1,135 acres, with 1,048 acres in Newbury and 87 acres in Goshen. These 167 acres are classified as “backland” for tax purposes¹. Also, the Resort owns approximately 656 acres of abutting lands along the summit ridgeline south of Mount Sunapee and on the western flank of the mountain.



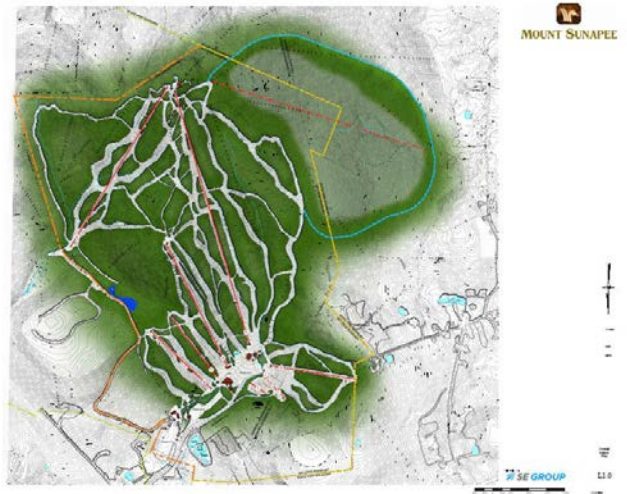
Map 1 – Aerial view of Mount Sunapee Resort with West Bowl (area to the right of the view)

This report serves to update the 2004 RKG analysis² by revising selected operational, fiscal and economic performance measures of the Resort (as is and shown in Map 2). The prior report reflected Resort operations for a six-year period, while this analysis presents a similar

¹ Refer to Table 6 for detail of parcels, by Town, as assessed and taxed for FY2014 (excludes the 2015 “backland” acreage).

² *Economic and Fiscal Impact Analysis for the proposed expansion of the Mount Sunapee Resort*, prepared for The Sunapee Difference, LLC – for inclusion in the Mount Sunapee Resort Environmental Management Plan Appendix K, June 4, 2004

review for the fiscal year (FY) 1999 through FY2015 period, where applicable. In this analysis, RKG also projects³ many of these same operational and economic/fiscal impacts through FY2019, which is assumed to be the first full year of operations after completion of the West Bowl expansion and recreational amenities. This analysis also serves to update the likely economic and fiscal (as well as operational) impacts associated with the West Bowl addition as currently proposed, which differs from the project as proposed in the 2004 report. The prior report considered the development potential for 175 to 250 seasonal housing units. While seasonal housing, as a part of some longer term development of the West Bowl, may be possible in the future, current zoning regulations prohibit such development in any near term consideration. Finally, this report presents a review of the budget trends for the Towns of Newbury and Goshen, and how this proposed development may impact them.



Map 2 – Existing Conditions – Mount Sunapee

1. West Bowl Expansion

The proposed West Bowl expansion (Map 3) is an estimated \$13.85 million investment⁴ in additional recreational, trail and skier amenities, likely to be phased in over a three-year period, with FY2019 representing the first full year of operations⁵. As noted previously, the West Bowl expansion **does not** include a real estate development component (i.e. seasonal housing) at this time due to local zoning constraints. The elements of the West Bowl expansion are presented in Table 1, indicating an approximate investment of \$3.64 million in labor and \$10.21 million



Map 3 – West Bowl Expansion – Mount Sunapee

in materials and machinery. This investment includes approximately 75 acres of ski trails and

³ In general, these projections reflect a continuation of the established 17-year operational history of the Resort, indexed to “per skier/visitor” metrics where appropriate.

⁴ Throughout the narrative many of the numbers/figures appearing in tables are rounded for ease to the reader.

⁵ This is an assumption by the consultants, based in part on conversations with representatives of Mount Sunapee Resort. In actuality, the development of the West Bowl expansion may be phased over three to four years, with some trails and/or amenities open prior to FY2019. However, a primary focus of this analysis is the aggregate impacts, especially fiscal impacts that would be realized at full build-out and operation.

a new 12,500 square foot (SF) lodge facility and surface parking (approximately 400 spaces). Most of the new development and the lodge will be in the Town of Goshen.

Table 1: Mount Sunapee Resort - West Bowl Expansion

Mount Sunapee Resort - West Bowl Expansion	Estimated Development Costs	Labor Component	Materials and Machinery
Development			
C chairlift	\$ 5,250,000	\$ 1,250,000	\$ 4,000,000
Ski Trails (75 acres)	\$ 600,000	\$ 150,000	\$ 450,000
Snowmaking	\$ 3,250,000	\$ 750,000	\$ 2,500,000
Parking Lot	\$ 1,000,000	\$ 350,000	\$ 650,000
Permitting	\$ 500,000	\$ -	\$ 500,000
New Ski Lodge	\$ 3,250,000	\$ 1,137,500	\$ 2,112,500
TOTAL	\$ 13,850,000	\$ 3,637,500	\$ 10,212,500

Source : Mount Sunapee Resort and RKG Associates, Inc.

a) Direct and Indirect Impacts of Construction

Total development costs were provided by representatives of the Resort and the subsequent breakout between labor components and materials/machinery were developed by RKG and the Resort. The average annual median wage for construction workers in New Hampshire, according to the NH Department of Employment Security, is slightly less than \$44,300, indicating that the estimated labor wages would result in the FTE⁶ employment of 82 construction workers. This, along with the wages, is considered to be a direct impact of the West Bowl expansion, creating jobs and income for local area and statewide contractors. Indirect and induced impacts account for the multiplier effect of the direct economic activity, or what is commonly referenced to as the spinoff impacts, whereby a dollar spent re-circulates throughout the statewide economy, across a multitude of industry sectors. The multipliers used in this analysis were developed by the U.S. Department of Commerce RIMS II⁷ program for New Hampshire. The sector utilized in this analysis is the construction sector.

- **Indirect/Induced Employment** – the West Bowl expansion direct construction employment of 82 is increased via a multiplier (1.6703) to arrive at an estimated *indirect/induced employment* of 137 spread across a broad variety of industry sectors locally, statewide and regionally.
- **Indirect/Induced Wages** – the West Bowl expansion direct construction wages (\$3.64 million) form the basis for estimating indirect wages, which are increased by a multiplier (1.3279) to arrive at an estimated total *indirect/induced wages* of \$4.83 million across a variety of local, statewide and regional industry sectors.

B. Summary Findings

The key findings of this analysis are summarized next and presented in greater discussion and detail throughout the remainder of this report. All of the estimates and projections in this analysis represent RKG's professional opinion and best efforts, however, actual impacts in any

⁶ FTE or full-time equivalents – construction work is typically “fluid” as laborers may come and go on a project as their trade or specialty is required. An FTE worker is considered as employed year-round for a full year.

⁷ A general discussion of the RIMS II modeling may be found at www.bu.edu/esi/research-methodology/rims/.

one year will depend on Resort attendance⁸ and unknowns such as the weather. First, to summarize the impacts associated with development/construction of the West Bowl:

- A capital investment of \$13.85 million, likely phased in over a two to three-year period
- Direct construction employment of 82 full-time workers with a payroll of \$3.64 million
- Indirect/induced employment of 137 with total wages of \$4.83 million

1. Operations and Tax Impacts

RKG compared selected baseline impacts for the Resort averaged over the FY1999 through FY2015 time period to the average forecasted impacts projected over the next four years, ending with the completion and full utilization of the West Bowl expansion and recreational amenities, as well as projected natural growth following a 17-year trend line (Table 2). Notable among the projected impacts is an increase in full-time equivalent (FTE) employment of 23 jobs on an annual average basis; an annual average \$101,500 increase in rooms and meals tax; an estimated increase in lease/revenue payments to DRED of more than \$242,300 annually⁹; and, a continuation of cash and in-kind donations.

Table 2: Mount Sunapee Resort – Comparative Economic & Fiscal Impacts

Comparison of Baseline Metrics and Projections for the Mount Sunapee Resort	Annual Averages			
	Baseline FY99 to FY15 (1)	Projection FY16 to FY19	Absolute Change	Percent Change
Operations				
Skiers/Visitors	243,479	278,524	35,044	14.4%
FTE Employment (1)	75	98	23	30.7%
Total Wages (1)	\$ 3,592,887	\$ 4,766,097	\$ 1,173,210	32.7%
Average Wage (1)	\$ 48,147	\$ 48,868	\$ 721	1.5%
Tax & Revenue Impacts				
Rooms & Meals Tax	\$ 117,227	\$ 218,756	\$ 101,530	86.6%
on per Skier/Visitor Metric	\$ 0.48	\$ 0.79	\$ 0.30	63.1%
Business Profits Tax	\$ 80,126	\$ 129,598	\$ 49,472	61.7%
on per Skier/Visitor Metric	\$ 0.33	\$ 0.47	\$ 0.14	41.4%
Annual Payments to DRED	\$ 500,381	\$ 742,692	\$ 242,311	48.4%
Donations (1)				
Cash	\$ 29,872	\$ 42,493	\$ 12,622	42.3%
In-Kind	\$ 32,619	\$ 46,401	\$ 13,782	42.3%

(1) In some instances the baseline is more narrow, due to data limitations and availability, as discussed in the analysis

Source: RKG Associates, Inc.

2. Fiscal Impacts

The West Bowl expansion represents an estimated \$13.85 million investment to enhance the Resort, and RKG estimates that the taxable assessment will increase by \$4.57 million, with 85 percent resulting in Goshen, and 15 percent in Newbury, where nearly all of the current operations exist. To summarize the estimated fiscal impacts from the West Bowl expansion:

⁸ Many of the projections developed in this analysis are indexed to a skier/visitor metric. All dollar projections are in *constant dollars* unless otherwise noted.

⁹ Over the past four years (FY12 to FY15) the average annual payment to DRED has been \$594,525, resulting in an estimated average annual increase of \$148,167, over the last four years.

- Total annual real estate tax revenue would increase by \$102,200, including \$91,250 in the Town of Goshen and \$10,900 in the Town of Newbury (Table 3).
- Goshen would realize an estimated increase in municipal revenues of nearly \$29,600 as a result of the expansion, while the increase in Newbury is estimated to be \$2,700.
- Municipal service costs in Goshen are estimated to total a little over \$11,900 per year while in the Town of Newbury about \$1,560¹⁰ in municipal service costs are estimated.
- Estimated annual net *Newbury* fiscal impacts include \$1,140 (Town); \$4,370 (schools); \$1,725 (State education reserve) and \$2,105 (County).
- Estimated annual net *Goshen* fiscal impacts include \$17,700 (Town); \$41,800 (schools); \$9,040 (State education reserve) and \$10,800 (County).

Table 3 – West Bowl Expansion: Net Fiscal Impact and Other Benefits

	Newbury	Goshen	Total
Change in Assessment	\$703,949	\$3,861,800	\$4,565,749
Increase in RE Taxes [1]	\$10,904	\$91,254	\$102,158
Town Portion	\$2,703	\$29,620	\$32,323
Police Service Cost [2]	(\$898)	(\$9,091)	(\$9,989)
Fire Service Cost [2]	(\$665)	(\$2,853)	(\$3,517)
Subtotal	(\$1,563)	(\$11,943)	(\$13,506)
Net Fiscal Impact for Town	\$1,140	\$17,677	\$18,817
Local School Revenue	\$4,372	\$41,785	\$46,282
State Education Revenue	\$1,725	\$9,037	\$10,811
County Revenue	\$2,105	\$10,813	\$12,979
Net Fiscal Impact TOTAL	\$9,342	\$79,311	\$88,889
Value of Conservation Land Donation	\$268,908		\$268,908
Current Use Penalty		\$27,446	\$27,446
[1] Factored at 2014 tax rates; Newbury - \$15.49/1000; Goshen - \$23.63/1000			
[2] Low end of range for Newbury; high end for Goshen			
Source: RKG Associates, Inc.			

- An additional benefit would be the value of the conservation land donations in Newbury, which may be offered as part of the West Bowl expansion (estimated at \$268,900).
- Also, there would be a one-time penalty for removing select parcels from current use (estimated at \$27,500).
- Other one-time fees would also be realized from the various building permits, drawn from the respective Towns for the construction of the project.

In summary, the fiscal benefit of the West Bowl expansion is positive to both Towns and their school districts, while also generating revenues for State education and respective Counties, with little, if any, offsetting service costs or expenses.

¹⁰ RKG used the low end of the range for the Town of Newbury given that the expansion would likely cause little change in on-going operations; however, for the Town of Goshen, the high end of the range is used give the novelty of providing services to a ski-area and the associated learning curve that the Town of Newbury experienced.

3. Socioeconomic Trends

Population in Newbury increased 21 percent between 2000 and 2010, and is projected to increase eight percent by 2019. In Goshen the population grew by eight percent over the last decade and is projected to increase by about one percent to 2019. As in the rest of the State, the population of both communities is aging. In 2019, the population aged 65 and older will represent 25 percent of Newbury and 22 percent of Goshen. The increased aging of the local population suggests a diminished labor pool and employment growth and could reflect diminished consumer demand from those in their family formation and peak consumption years. The Towns have a high concentration of vacant and seasonal housing which is projected to represent 42 percent of all housing in Newbury and 24 percent of all housing units in Goshen.

Conclusion – Considering an aging population and a relatively high concentration of seasonal housing, RKG considers the consumer spending infusion represented by seasonal visitors at the Resort to be a critical component of the local Town economies.

4. Economic Indicators

The Resort area encompasses portions of the Newport¹¹ and New London¹² LMA's (labor market areas). The following summarizes economic indicators for a pre- and post-recession time period (2008 and 2013).

- There was a loss of two dozen business in the Newport LMA, as establishments in Goshen accounted for around three percent of the LMA businesses.
- There was a near five percent decline in the New London LMA (21 businesses), as Newbury businesses accounted for about 12 percent of the LMA.
- The Newport LMA exhibited nearly an eight percent decrease in employment, including all commercial sectors (30 percent for arts/entertainment) and most industrial sectors. The Town of Goshen also lost employment, albeit from a small base.
- Employment in the Town of Newbury increased by about 25 persons (four percent), while overall employment in the New London LMA declined about 100 persons.
- In 2008 and in 2013, the Newport LMA outperformed the State in the construction sector and the manufacturing sector, by wide margins, however, most sectors in the Newport LMA under-performed when compared with the State.
- Strong industry sectors in the New London LMA include construction, education, arts/entertainment and accommodations which all have continually out-performed the State. Most other industry sectors in the New London LMA have continually under-performed relative to the State.

Conclusion – Considering a somewhat stagnant to declining economic profile, from the perspective of employment and businesses, RKG believes that the existing direct and indirect employment from the Mount Sunapee Resort is a “driver” in the local economies of the Towns.

¹¹ Includes the New Hampshire communities of Croydon, *Goshen*, Lempster, Newport and Sunapee.

¹² Includes the New Hampshire communities of Andover, Bradford, *Newbury*, New London, Sutton and Wilmot.

C. Key Findings

The following are the key findings of the economic and fiscal impact analysis of the proposed West Bowl expansion of Mount Sunapee Resort.

Town of Goshen

- Increase in Assessed Property Values \$3,861,800
- Increase in Property Tax Revenue \$91,254

Town of Newbury

- Increase in Assessed Property Values \$703,949
- Increase in Property Tax Revenue \$10,904

State of New Hampshire

- Increase in Average Annual Rooms and Meals Taxes \1 \$101,530
- Increase in Average Annual Business Profits Tax Revenue \1 \$49,472
- Increase in Average Annual Visitors to Mount Sunapee \1 35,044

Department of Resources and Economic Development

- Increase in Average Annual Lease Payment \2 \$148,167
- Increase in Conservation Land acres to Mount Sunapee State Park 250

Employment

- Increase in Full Time Equivalent Employment 23
- Increase in Total Annual Wages \$1,173,210

\1 – Annual average over next four years versus annual average from FY99 to FY15

\2 – Annual average over next four years versus annual average over FY12 to FY15

II. ECONOMIC IMPACT ANALYSIS

This chapter first presents an examination of selected Resort performance and operational measures, most notably the trend in skiers/visitors over time (since FY1999) and the projected annual skiers/visitors over the near term including FY2019, the first full contributory year of the West Bowl expansion. Additionally, the employment and wages associated with operating the Resort and providing services to the skiers/visitors are presented.

This is followed by a discussion and review of the Resort tax impacts to the local communities (the Towns of Newbury and Goshen), in the form of local real estate property taxes. Taxes to the State, measured in terms of rooms and meals taxes are included, as is a presentation of business profits taxes to the State. Thirdly, a review of payments and revenues resulting from operations of the Mount Sunapee Resort are presented. These include annual lease and other revenue payments made to the State of New Hampshire Department of Resources and Economic Development (DRED), as well as estimates of local cash and in-kind donations.

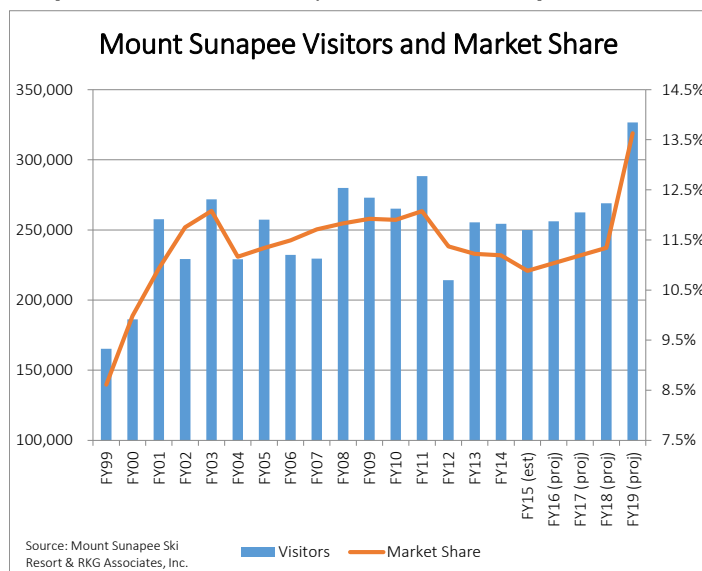
A. Operational and Performance Measures

Selected operational and performance data at the Mount Sunapee Resort are presented next, including attendance measures, wages and employment.

1. Skier/Visitor Count

The number of skiers/visitors to the Resort averaged 243,500 annually over the FY1999 through FY2015 period, increasing from 165,300 to a peak of 288,000 in FY11, decreasing to an average of approximately 250,000 over the past 3 years (refer to Graph 1). This represents an annual compound growth rate of 2.5 percent and an overall growth of 51.2 percent. During the FY1999 through FY2014 period, the skiers/visitors to Mount Sunapee represented an average 11.3 percent market share of all alpine skiers in New Hampshire.

Graph 1 – Annual Skiers / Visitors with Projections



RKG projects that the annual number of skiers/visitors to Mount Sunapee would continue to increase by approximately 2.5 percent annually over the next few of years and then by 51,000 in the FY2019 season, commensurate with the first full year of operations of the West Bowl recreational additions. While the additional recreational venues and trails offered by the West Bowl expansion will serve to attract new skiers/visitors to the Resort, they will also serve to retain existing skiers/visitors by broadening options. Overall, RKG estimates that this will result in a projected 326,500 skiers/visitors in FY2019, an increase of 76,500 over the FY2015 attendance figures. This increase in activity also results in an estimated increase in the market share to 13.6 percent of all New Hampshire alpine skiers¹³.

a) Direct and Indirect Spending

Direct sales from skiers/visitors to New Hampshire ski areas was reported to be \$359 million for FY2013, with an additional \$786.5 million in secondary, or indirect spending¹⁴. Based on total New Hampshire ski attendance in FY2013, RKG indexed these direct and indirect expenditures to per skier/visitor metrics.

Table 4: Mount Sunapee Resort – Estimated Direct and Indirect Spending from Skiers/Visitors

Estimated Direct and Indirect Annual Spending by Industry Sector - Skiers/Visitors		Per Skier/Visitor Annual Expenditures & Total			
		FY2013 Baseline		Mount Sunapee FY2019	
		Direct	Indirect	Direct	Indirect
Industry Sector					
	Construction		\$ 6.87		\$ 2,241,945
	Manufacturing		\$ 3.06		\$ 1,000,868
	Trans/Wholesale/Inform/Util	\$ 0.28	\$ 30.22	\$ 90,078	\$ 9,868,559
	Agriculture/Forestry		\$ 1.10		\$ 360,313
	Other Services	\$ 1.56	\$ 16.58	\$ 510,443	\$ 5,414,696
	Finance/Insurance/Real Estate	\$ 1.93	\$ 21.49	\$ 630,547	\$ 7,016,085
	Education/Health Care		\$ 14.28		\$ 4,664,045
	Government Sector		\$ 21.45		\$ 7,006,077
	Retail Trade	\$ 23.11	\$ 32.92	\$ 7,546,545	\$ 10,749,323
	Hospitality and Leisure	\$ 83.18	\$ 2.48	\$ 27,163,560	\$ 810,703
	Total	\$ 110.06	\$ 150.46	\$ 35,941,174	\$ 49,132,615
Households			\$ 90.60		\$ 29,585,661

Source: Plymouth State University and RKG Associates, Inc.

The estimated direct expenditures per skier/visitor was approximately \$110, with the majority of the spending occurring within the ski area, measured in the hospitality and leisure industry sector. The other high dollar direct expenditure was for retail goods and services, at \$23 per skier/visitor. The study by Plymouth State University found that secondary spending throughout the New Hampshire economy amounted to \$490.9 million (excluding households) or about \$150 per skier/visitor.

RKG utilized these per skier/visitor metrics to project the impact from the Resort, in FY2019, reflecting the projected number of skiers and visitors including the impact from the West Bowl expansion. As a result, direct spending is estimated to be \$35.9 million from the 326,500 visitors and an additional \$49.1 million in indirect spending. In addition, the projected indirect

¹³ RKG projected an annual 1.06 percent growth in all New Hampshire alpine skiers, following the trend established over the FY1999 through FY2015 period.

¹⁴ *The New Hampshire Ski Industry, 2012-2013: Its Contribution to the State's Economy*, by the Institute for New Hampshire Studies at Plymouth State University, January 2014

impacts include an approximate \$29.6 million to households in the form of wages, salaries, profits and rents, as examples.

2. Employment

The number of full-time employees at the Resort averaged 31 persons over the FY2010 through FY2015 time period, but is currently 34 given the summer operations growth (Adventure Park). RKG estimates that the part-time and seasonal employment, in terms of FTE employment (as previously defined), represents an additional 43 employees, for an average annual total of 75 FTE employees since FY2010. In FY2019, RKG projects the actual full-time employment to be 50± persons and the part-time, seasonal employment to be another 70± FTE employees, for a total of 120± FTE employees, representing an increase of 60 percent over the prior FY2010 through FY2015 average. A sample of a two-week pay period in July 2014 and in January/February 2015 indicated an average of 80 seasonal and part-time employees (summer time period and off-peak) and 635 seasonal and part-time employees (winter and in-peak).

a) Direct and Indirect Employment Impacts

The Plymouth State University study also developed an estimate of the direct and indirect employment throughout New Hampshire that results from the annual skiers/visitors to New Hampshire ski areas (refer to Table 5).

Table 5: Mount Sunapee Resort – Estimated Direct and Indirect Employment

Estimated Direct and Indirect Employment by Industry Sector - Skiers/Visitors	Per Skier/Visitor Annual Employment & Total			
	FY2013 Baseline		Mount Sunapee	
	Direct	Multiplier	Direct	Indirect
Industry Sector				
Construction		0.022974		3
Manufacturing		0.005105		1
Trans/Wholesale/Inform/Util	2	0.024761		3
Agriculture/Forestry		0.004850		1
Other Services	66	0.089470		11
Finance/Insurance/Real Estate	36	0.051181		6
Education/Health Care		0.067900		8
Government Sector		0.065475		8
Retail Trade	320	0.058328		7
Hospitality and Leisure	7,411	0.022591		3
Total	7,835	0.412508	120	50

Source: Plymouth State University and RKG Associates, Inc.

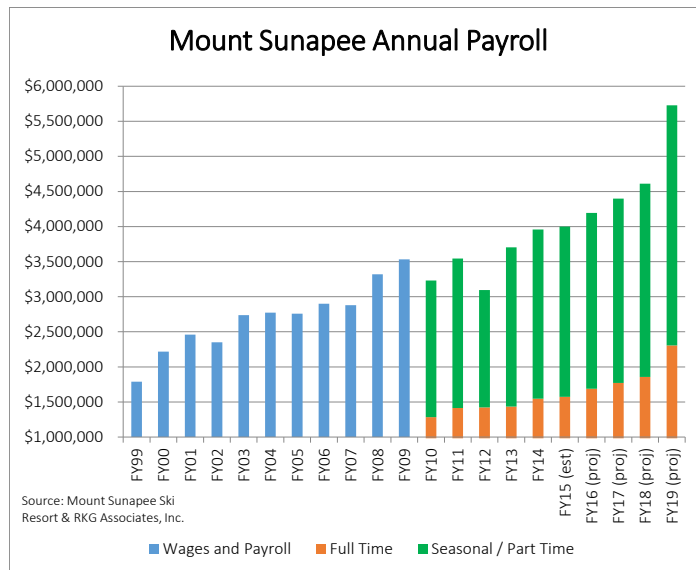
The direct 7,835 employment in the New Hampshire ski industry resulted in approximately 3,230 secondary jobs spread across a variety of industry sectors. The preceding Table 5 presents these industry sectors and the applicable multiplier for each. RKG utilized these multipliers and applied them against the estimated 120 FTE employees at the Mount Sunapee Resort (as developed previously) for FY2019. As a result, the estimated indirect employment impact across a variety of New Hampshire industry sectors is an additional 50 jobs.

3. Wages and Payroll

The reported annual wages paid in FY1999 to all employees (this includes full-time, part-time and seasonal) by the Mount Sunapee Resort totaled slightly under \$1.8 million. By FY2015 this payroll had increased by 125 percent to approximately \$4.02 million (refer to Graph 2),

representing an annual compound growth rate of 4.9 percent. RKG projects that this payroll will average \$4.77 million annually over the projected FY2016 to FY2019 period.

Graph 2 – Mount Sunapee Resort Annual Payroll



Information on the distribution of payroll, between full-time and other employees was not available prior to FY2010, but was over the FY2010 through FY2015 period, noting:

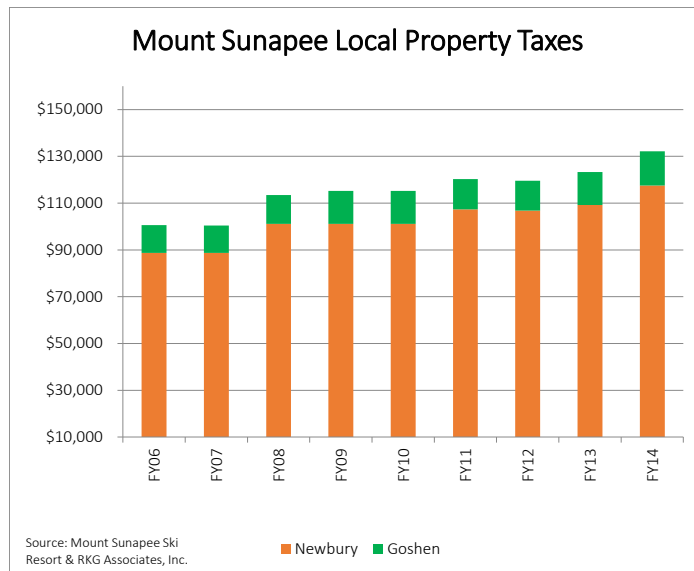
- Full-Time Payroll** – for the six year time frame, full-time wages increased from \$1.38 million to nearly \$1.66 million, averaging almost \$1.5 million annually. RKG projects that the full-time payroll will increase to \$2.4 million by FY2019. The average full-time wage has consistently been in the mid- to high \$40,000's.
- Part-Time and Seasonal Payroll** – part-time and seasonal wages increased from \$1.86 million in FY2010 to \$2.37 million and totaled \$12.6 million over the time period, averaging \$2.1 million annually. RKG projects that the part-time and seasonal wages paid by the Mount Sunapee Resort will total \$3.36 million in FY2019. Discussions with representatives of the Mount Sunapee Resort indicated that there are part-time and seasonal employment opportunities for all age groups, including younger teenagers and retirees. Typical non full-time wages range from \$7.50/hour to \$18/hour, averaging around \$10.60/hour (New Hampshire minimum wage is around \$7.25/hour).

B. Tax Impacts

A review and analysis of taxes paid by the Mount Sunapee Resort are presented as follows.

1. Local Property Tax

Reportedly, the Resort paid a cumulative \$1.76 million in local property taxes over the FY1999 through FY2014 time period, increasing from \$12,300 to \$132,100, averaging \$110,000 annually and representing an annual compound growth rate of nearly 16 percent.

Graph 3 – Mount Sunapee Resort Local Property Tax Payments

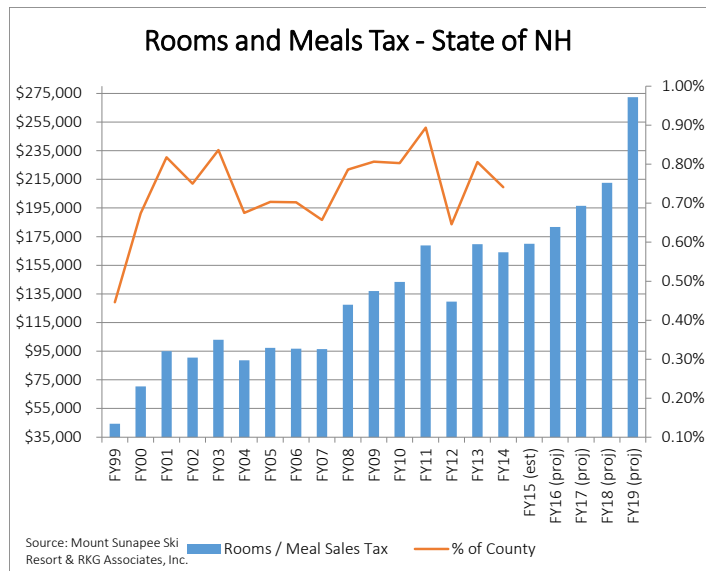
RKG was able to obtain Town specific property tax payments for the more current FY2006 through FY2014 (please refer to Graph 3), noting the following:

- **Town of Newbury** – property taxes from the Resort totaled \$921,600 over this time, averaging \$102,400 annually and representing an annual compound growth of 8.2 percent.
- **Town of Goshen** – over this period the average annual property tax payment to the Town of Goshen, from the Resort, was \$13,200 or approximately \$118,500 in total, representing an annual compound growth rate of 5.6 percent.

2. Rooms and Meals Taxes

During the FY1999 season the Mount Sunapee Resort reported a payment of slightly more than \$44,300 in rooms and meals tax to the State of New Hampshire. The estimated payment for FY2015 is \$170,000 (refer to Graph 4). Over this period the total annual rooms and meals tax payment increased at a compound rate of 8.2 percent. Over the FY1999 through FY2014 time period, the rooms and meals tax collected in Merrimack County increased from \$9.9 million to approximately \$22.1 million, or by an annual compound rate of 5.1 percent, less than the compound rate for collections from the Mount Sunapee Resort. As a result, in FY1999 Mount Sunapee collections accounted for 0.45 percent of the County collections and by FY2014 this had increased to 0.74 percent. Since FY2000, the Mount Sunapee Resort collections have consistently been a half percentage (or more) of all County collections.

Based on the relationship between annual contributions per skier/visitor and the total skiers/visitors, RKG projected that the rooms and meals tax contributions from the Mount Sunapee Resort would total nearly \$276,400 in FY2019 (representing the first year of operations for the West Bowl), an increase of \$106,400 over FY2015, an increase of 62.6 percent. A similar projection was not prepared for Merrimack County given the many unknowns about future openings and performance of lodging and dining venues Countywide.

Graph 4 – Rooms & Meals Tax with % of Merrimack County

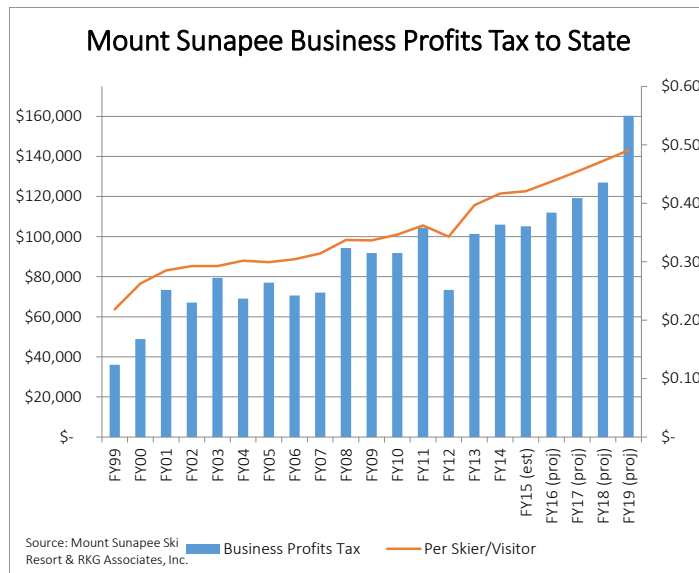
RKG contacted a sample of hoteliers representing the approximate 270-rooms¹⁵ available in communities surrounding the Mount Sunapee Resort and Lake Sunapee. Many of those contacted indicated that winter operations for their establishments relied on Resort operations, with occupancy rates often exceeding 80 percent on winter weekends. Some indicated that there would be no winter business were it not for the Resort operations, also noting the spinoff spending at area restaurants and taverns. While none of the hoteliers contacted could definitely place a dollar value on their business, as a result of the Mount Sunapee Resort, all indicated that there was a positive impact to their business as well as resulting in a positive impact to the overall rooms and meals tax collected.

3. Business Profits Tax

The report by the SE Group noted that the Mount Sunapee Resort paid approximately \$1,257,000 (in total) in business profits tax to the State of New Hampshire over the FY1999 through FY2014 time period, as specific payments for each year were unavailable for the analysis. RKG annualized the business profits taxes paid, as an estimated percent of revenues, in order to develop a linear presentation (refer to Graph 5).

Using this methodology, the average annual business profits tax paid to the State of New Hampshire was approximately \$78,600, increasing from an estimated \$36,100 in FY1999 to \$105,900 in FY2014. RKG developed projections of future business profits tax, based on estimated revenues as a function of skier/visitor count, indicating that FY2019 business profits taxes could exceed \$160,000. However, *as a cautionary note*, this projection reflects a linear and mathematic relationship which could vary in any given year by the actual Mount Sunapee Resort's actual tax filings with the State.

¹⁵ As noted in the *Mount Sunapee* magazine, Winter 14/15 edition.

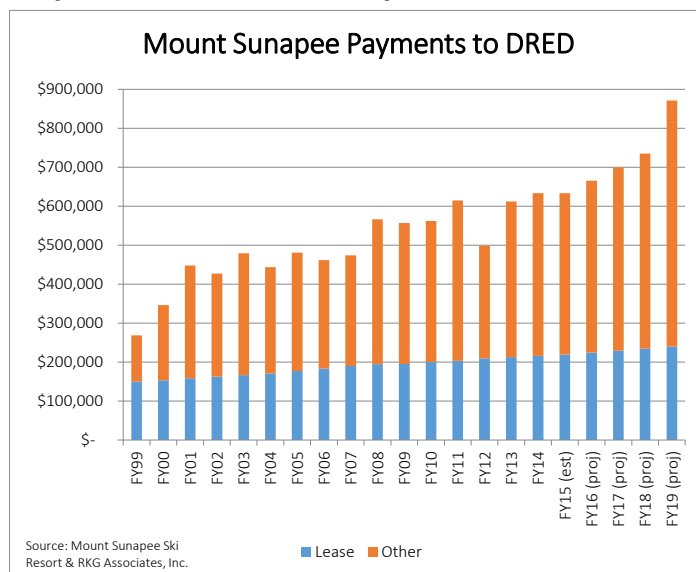
Graph 5 – Business Profits Tax and per Skier/Visitor

C. Other Revenue Impacts

An analysis of trends and projections of other revenue streams are presented next, including cash and in-kind payments.

1. Annual Payments to DRED

Over the FY1999 through FY2015 (estimated) time period, the Mount Sunapee Resort has made annual payments to DRED totaling nearly \$8.51 million, increasing from \$268,000 in FY1999 to an estimated \$633,600 in FY2015 (refer to Graph 6).

Graph 6 – Annual Revenue Payments to DRED

These payments include a base annual lease payment as well as a percentage of revenues. This represents an absolute change of nearly 136 percent and an annual compound growth rate of 5.2 percent. The average annual payment over this time entire period is \$500,400, and has

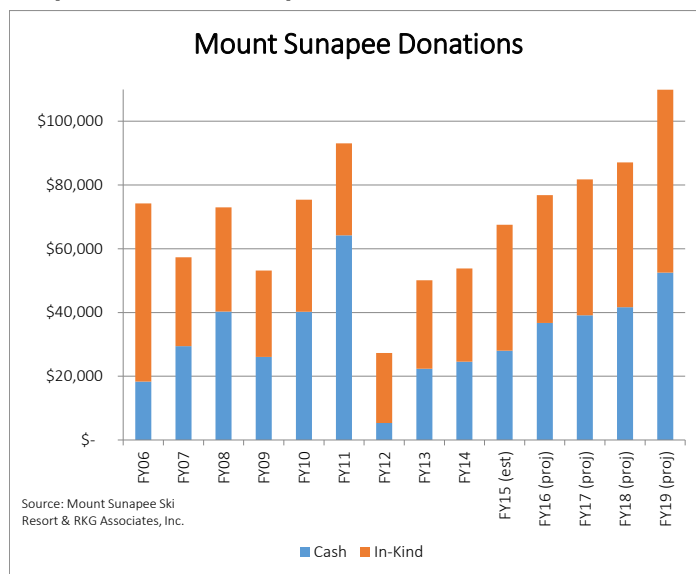
averaged an estimated \$626,500 over the last three fiscal years. RKG projected annual lease payments for the FY2016 through FY2019 seasons, noting that the FY2019 season represents the first full-year of operations and contributions from the West Bowl recreational additions. These additional facilities are projected to result in an approximate increase of 51,000 skiers/visitors to the Resort. As a result, RKG projects that the average annual lease payment (inclusive of the percentage of revenues payment) over the FY2016 through FY2019, to DRED, is approximately \$742,700.

2. Donations

Since FY2006 the Mount Sunapee Resort has donated nearly \$625,000 to charities, institutions and other businesses in the region. The dollar amount by year varies depending on performance and other circumstances, but since FY2006 donations, both in cash and in-kind have been available, varying from \$74,200 in FY2006 to \$67,500 in FY2015 (Graph 7).

RKG developed projections of future donations from the Mount Sunapee Resort, both as direct cash and as in-kind donations, indicating a potential increase from \$76,800 in FY2016 to nearly \$110,000 in FY2019. Cash donations over this time are projected to increase from \$36,700 to \$52,500 and in-kind donations from \$40,100 to \$57,400. These donations exclude an annual scholarship fund established by the Mount Sunapee Resort which typically awards \$4,000 to \$5,000 annually. However, *as a cautionary note*, this projection reflects a linear and mathematic relationship which could vary in any given year

Graph 7 – Mount Sunapee Resort Annual Donations



3. Local Input

RKG contacted a sampling of local area real estate professionals to garner their qualitative input, on the local economy, represented by Lake Sunapee and the Mount Sunapee Resort, noting the following summary overview:

- The Town of Newbury is a unique community in that it has both a lake and mountain in close proximity, thereby offering recreational and quality-of-life amenities that stimulate and sustain the local economy. Among these is the strong seasonal housing

- market which generates more in tax revenues than is consumed in services by the seasonal residents.
- One real estate professional opined that there were 1,100 seasonal homes on and around Lake Sunapee, with about 500 of these located in the Town of Newbury. The proximity of the Mount Sunapee Resort and Lake Sunapee to the Boston market serves to attract seasonal homeowners as well as day-trippers, both adding consuming dollars into the local economy.
 - The peak of the area real estate market, in terms of volume and units sold, was around 2005 with a recovery beginning in late 2012. Overall sales were down in 2014, although median values increased. The additional amenities of an expanded Mount Sunapee Resort could foster an acceleration of recent trends, or at least help to maintain them.
 - The Town of Goshen is considered a difficult location with poor access. The West Bowl expansion may create some demand for seasonal housing in the Town of Goshen but access would still be a concern.
 - Some realtors indicated that since the Mount Sunapee Resort is a day-use area, most of the spinoff and consumer impacts, even after the West Bowl expansion, would most likely be realized in the Town of Newbury.

III. FISCAL IMPACT ANALYSIS

This chapter estimates the potential fiscal impact associated with the West Bowl improvements at the Resort to the Towns of Goshen and Newbury. RKG prepared a prior fiscal impact analysis (June 2004) which has been updated for this report.

A. Parcel Assessments and West Bowl Expansion

The assessments of the Resort parcels and its expansion are shown in Table 6, based on information obtained from each community. The parcels owned by Sunapee Difference LLC are the Town of Newbury portions of the Resort, and parcels owned by the Sunapee Land Holding LLC in each town are those on which most of the expansion would occur, although parcel 411-011 in the Town of Goshen (or a portion thereof) has the South Peak Learning Area which is accessible from the main lodge in the Town of Newbury.

In 2014, the Resort paid an approximate \$132,000 in real estate taxes, in total, with the majority going to Newbury which has the greater share of property and development. One parcel (012/478/388) is assessed in current use while the others are assessed at full-value. This current use parcel, consisting of 208 acres along with a 42-acre portion of another parcel (010/785/479), will be donated to New Hampshire for conservation purposes as part of the proposed lease agreement, according to discussions with representatives of the Resort.

In the Town of Goshen, two parcels (411-015 and 411-010) are assessed in current use while the others are assessed at full value, including the parcel (411-011) that is part of the Resort, and which is the only parcel with site improvements, namely ski trails and a chair lift. The other parcels are portions of the West Bowl expansion, and are privately owned ¹⁶.

Table 6 – Mount Sunapee Resort Assessment

				Assessed Value		RE Taxes	Appraised	Appr \$
Parcel ID	Owner	Location	Acres	Land	Total	(2014)	Value	/Acre
Town of Newbury, NH								
013/386/092/000A	Sunapee Difference LLC	156 Mt. S unapee Rd	888	\$2,121,500	\$7,485,100	\$115,944	\$7,485,100	\$8,429
007/165/144A/000A	Mt S unapee Resort	Route 103-Pump House	-		\$24,800	\$384	\$24,800	N/A
010/785/479//	Sunapee Difference LLC	Goshen Link Back Land	75	\$69,300	\$69,300	\$1,073	\$69,300	\$924
012/478/388//	Sunapee Land Holdings LLC	Off Mountain Rd	208	\$5,743	\$5,743	\$89	\$230,100	\$1,108
Newbury subtotal			963	\$2,190,800	\$7,579,200	\$117,402	\$7,579,200	\$7,870
Town of Goshen, NH								
411-011-000	Sunapee Land Holdings LLC	Backland	67	\$119,850	\$271,190	\$6,408	\$271,190	\$4,048
411-024-000	Sunapee Land Holdings LLC	Old Province Rd	95	\$142,500	\$142,500	\$3,367	\$142,500	\$1,500
411-025-000	Sunapee Land Holdings LLC	Old Province Rd	6	\$44,400	\$44,400	\$1,049	\$44,400	\$7,655
411-015-000	Sunapee Land Holdings LLC	Brook Rd	160	\$93,040	\$93,040	\$2,199	\$148,460	\$928
411-013-000	Sunapee Land Holdings LLC	Newbury Town Line	9	\$23,000	\$23,000	\$543	\$23,000	\$2,556
411-010-000	Sunapee Land Holdings LLC	Brook Rd	70	\$1,620	\$1,620	\$38	\$126,000	\$1,800
411-012-000	Doddridge Johnson	Brook Rd	8	\$43,240	\$43,240	\$1,022	\$43,240	\$5,425
Goshen subtotal			407	\$467,650	\$618,990	\$14,627	\$798,790	\$1,964
TOTAL			1,370	\$2,658,450	\$8,198,190	\$132,029	\$8,377,990	\$6,116
Source: Towns of Goshen & Newbury, NH and RKG Associates, Inc.								

Source: Towns of Goshen & Newbury, NH and RKG Associates, Inc.

According to local property tax records, the acreage leased to the Resort encompass 888 acres in Newbury (excluding any land for a pump house) and 67 acres in Goshen (Table 6), and the remaining acres are privately owned, noting:

¹⁶ The Town of Goshen lists a parcel (411-012) as owned by Doddridge Johnson, but is reportedly is controlled by the Resort.

- Town of Newbury** – The leasehold interest consists of one parcel (013/386/092/00A) whose land assessment (\$2.12 million) equates to a factor of nearly \$2,400 per acre. This land assessment represents 28 percent of the total assessed value of nearly \$7.5 million for this parcel. Two other parcels are privately owned, undeveloped land (including one in current use) and total 283 acres with an appraised value of nearly \$1,060 per acre. A fourth parcel is also assessed to account for an improvement, only (pump house) on a portion of State-owned land off Route 103. The Resort's overall assessed value (\$7.58 million) in Newbury represents around 1.08 percent of the town-wide taxable assessed value.
- Town of Goshen** – The leasehold interest consists of one parcel (411-011-000) whose land assessment (\$119,850) equates to a factor of nearly \$1,800 per acre. This land assessment represents 44 percent of the total assessed value of nearly \$271,200 for this parcel. The six other parcels are privately owned, undeveloped land (including two in current use) and total nearly 350 acres with an appraised value of over \$1,500 per acre. The Resort's overall assessed value (\$618,990) in Goshen represents around 0.81 percent of the town-wide taxable assessed value.

1. Additional Leasehold Acreage

The leasehold interest at the Resort increased by 167 acres from the original 968 acres, as indicated by the Resort, and this change will be reflected in future assessments in each Town. The allocation and increased land assessed values are as shown in Table 7.

Table 7 – Mount Sunapee Resort Leasehold Acreage

Leasehold Acreage	Newbury	Goshen	Total
Original Acreage	900	68	968
Additional Acres [1]	148	19	167
Total Leasehold Acres	1,048	87	1,135
Current Land Assessment (000s) [2]	\$2,122	\$120	\$2,241
Additional Assessment (000s) [3]	\$222	\$29	\$251
Total Land Assessment (000s)	\$2,344	\$148	\$2,492
[1] Per Superior Court Ruling (July 2014)			
[2] Tax Parcel ID - 013/386,092/000A (Newbury); 411-011-000 (Goshen)			
[3] Based on an assessed valued factor of \$1,500 per acre			
Source: Mt. Sunapee Resort & RKG Associates, Inc.			

2. West Bowl Expansion

The improvements to the West Bowl are estimated to cost \$13.35 million excluding permits, and this would include the development of 75 acres of new trails, along with a new chairlift and snowmaking equipment, as well as a new ski lodge (12,500 SF) and associated parking (400 spaces). Approximately 30 percent of the West Bowl development would be located in Newbury and the remainder in Goshen, where the new ski lodge and parking lot would be located. In order to estimate a reasonable assessment for this planned investment, RKG used different percentage adjustments to the development costs (Table 8). The resulting assessments, estimated at nearly \$4.2 million, would not be realized until the West Bowl expansion is completed and operational in FY2019. This estimate represents more than 75 percent of the depreciated assessed value of the improvements currently at the Resort (\$5.5 million), and reflects a 69 percent discount from estimated costs. At the completion of the

West Bowl, Newbury would realize an increase of \$526,500, while Goshen would benefit from an increase of \$3.65 million in assessments¹⁷.

Table 8 – Estimated Cost and Assessment of West Bowl Expansion

Item	Cost	Adj't for Asm't	Estimated Assessment	Newbury (30%)	Goshen (70%)
Ski Trails	\$600,000	-20%	\$480,000	\$144,000	\$336,000
Parking Lot	\$ 1,000,000	-20%	\$800,000		\$800,000
Ski Lodge	\$3,250,000	-50%	\$1,625,000		\$1,625,000
Chairlift	\$ 5,250,000	-85%	\$787,500	\$236,250	\$551,250
Snowmaking	\$ 3,250,000	-85%	\$487,500	\$146,250	\$341,250
	\$13,350,000	-69%	\$4,180,000	\$526,500	\$3,653,500

Source: Mt. Sunapee Resort & RKG Associates, Inc.

3. Conservation Land and Change in Use

As part of a possible West Bowl expansion approval decision, 250 acres¹⁸ in Newbury may be donated for conservation purposes to the State, resulting in a potential loss in assessment as these parcels (or portions therein) become tax exempt. The calculations for the loss in assessment are shown in Table 9, as well as the appraisal values of the donated properties. In effect, the State and Newbury would benefit from a 250-acre conservation donation valued at \$268,900, although the tax base in Newbury would lose over \$44,500 in assessment.

Table 9 – Town of Newbury- Loss in Assessment for Conservation Land Transfer

Parcel ID	Acres	Asm't \$	Apr'l \$
012/478/388 [1]	208	(\$5,743)	\$230,100
010/785/479 [2]	42	(\$38,808)	\$38,808
Total	250	(\$44,551)	\$268,908

[1] Property has conservation easement and is assessed in current use
 [2] The assessment for the 75 acres is \$69,300 or \$924/acre; times 42 acres=\$38,808
 Source: Mt. Sunapee Resort, Town of Newbury & RKG Associates, Inc.

In the Town of Goshen, two parcels as part of the West Bowl expansion are currently assessed in current use, and as a result of the change in use would be charged a penalty and the land would subsequently be assessed at full value. Using the appraised value of the parcels as a proxy for fair market value at the time the parcel change in use, and the future assessed value the resulting penalty and increase in assessment can be calculated as shown in Table 10. With the expansion of the West Bowl, the Town of Goshen would benefit from a one-time penalty of \$27,450 for the change in use, and the tax base would increase by \$179,800.

Table 10 – Town of Goshen- Current Use Penalty and Assessment Change

Parcel ID	Acres	Asm't \$	Apr'l \$
411-015-000	160	\$93,040	\$148,460
411-010-000	70	\$1,620	\$126,000
Total	230	\$94,660	\$274,460
Penalty	10%	\$27,446	
Assessment Change		\$179,800	

Source: Mt. Sunapee Resort, Town of Goshen & RKG Associates, Inc.

¹⁷ These figures are estimates only and in 2015 dollars; an actual assessment won't be prepared until the project is completed.

¹⁸ Acreage derived from Newbury tax parcels/cards as presented in Table 9.

4. Tax Revenue by Sources and West Bowl Expansion Impacts

As shown in Table 11, tax revenue from the Resort totaled \$132,000 in 2014, based on an assessment of nearly \$8.2 million, and almost 89 percent went to the Town of Newbury, of which 25 percent was municipal revenue (\$29,100 of \$117,400). In the Town of Goshen approximately 11 percent was municipal revenues (\$4,750 of \$14,630). Approximately 74 percent of tax revenue generated from the Resort went to the other tax districts which provided minimal, if any, services to the Resort, including 41 percent as revenue for local school districts, and 15 percent to revenue for the state education fund.

Table 11 – West Bowl Expansion: Assessment & Revenue Changes

	Newbury	Goshen	Total
Current Assessment	\$7,579,200	\$618,990	\$8,198,190
Current Tax Revenues [1]	\$117,402	\$14,627	\$132,029
Town Revenue	\$29,104	\$4,748	\$33,852
Local School Revenue	\$47,067	\$6,697	\$53,764
State Education Revenue	\$18,569	\$1,448	\$20,017
County Revenue	\$22,662	\$1,733	\$24,395
Change in Assessment	\$703,949	\$3,861,800	\$4,565,749
Added Leasehold Acreage	\$222,000	\$28,500	\$250,500
West Bowl Expansion	\$526,500	\$3,653,500	\$4,180,000
Change in Use		\$179,800	\$179,800
Land Donation	(\$44,551)		(\$44,551)
Increase in Tax Revenue [1]	\$10,904	\$91,254	\$102,159
Town Revenue	\$2,703	\$29,620	\$32,323
Local School Revenue	\$4,372	\$41,785	\$46,156
State Education Revenue	\$1,725	\$9,037	\$10,761
County Revenue	\$2,105	\$10,813	\$12,918
Other Benefits	\$268,908	\$27,446	\$296,354
Change in Use Penalty		\$27,446	\$27,446
Value of Land Donation	\$268,908		\$268,908
[1] Based on 2014 Tax Year Rates			
Source: NH DRA; Towns of Newbury & Goshen; Mt. Sunapee Resort & RKG Associates, Inc.			

The taxable assessment in the Towns (combined) is estimated to increase by nearly \$4.57 million because of the increased leasehold acreage, the West Bowl expansion and associated development, and 85 percent of this change would occur in Goshen, which in turn would realize an increase in tax revenue of \$91,300 at build-out as shown in Table 11, including \$29,600 in municipal revenue (prior to any costs). Newbury would experience an increase of nearly \$10,900 in revenue from the expansion or a nine percent increase from its current level of revenue.

The local school district in the Town of Goshen would benefit from an increase of nearly \$41,800, in revenue, while a \$4,400 gain would occur for the Newbury School District. Collectively, State Education revenue would increase by \$10,800, and all this school-generated revenue would not incur any direct services cost. Similarly, each County would benefit from \$12,900 in increased revenue associated with the expansion, but County services to the Resort would be nominal. As a result, revenue changes to the local schools, State education and the

respective Counties are estimated to be positive with little, if any, offsetting associated service costs or expenses.

B. Municipal Budgets

This section of the report analyzes the potential municipal impacts of the proposed ski area and its West Bowl expansion from a fiscal perspective as it relates locally to the Towns of Newbury and Goshen. The impacts are expressed, to the extent possible, in terms of projected expenditures within the municipal budgets. RKG considers that the current operations at the Resort has not had any direct effects on the school districts (local and State) or County governments (Merrimack and Sullivan), nor would the proposed expansion.

The municipal expenditure impacts are presented in terms of existing budget categories and services currently provided by each municipality. Presented in Table 12 and Table 13 are a summary of appropriations and revenues for the Towns of Newbury and Goshen, respectively, for selected years. Appropriations represent the amount proposed and/or adopted at the annual Town Meeting for each community as reported on the MS-6/MS-636 (Town of Newbury) and MS-7 (Town of Goshen) forms submitted to the State's Department of Revenue Administration (NH DRA). Revenues presented in the Tables represent estimates submitted by the Towns and approved by the State. Both the appropriation and revenue estimates may vary somewhat from the actual expenditures. For 2015 data, information was obtained from the budgets presented in the 2014 Annual Reports for each Town.

In each Table, municipal appropriations are segmented into major department categories, and they vary by Town. Special Warrant Article items have been kept separate since these types of appropriations can fluctuate dramatically from year-to-year and are likely to be paid for over an extended number of years through bond amortization.

1. Town of Newbury

Referring to Table 12, General Government accounted for about 27 percent of appropriations (before warrant articles) in the years 2010 and later, while Public Safety represented between 21 and 22 percent of appropriations, and the Highway Department accounted for another 24 to 25 percent. Between 2010 and 2015, the average rate of increase in appropriations for these departments was 3 to 4 percent per year, but since 2014, appropriations for the Highway Department increased by 7 percent, and 4 percent for public safety. In 2014, appropriations for Police represented 14 percent of the total, while Fire accounted for 5 percent. In 2015, Police Department appropriations increased marginally, compared to a 14 percent increase in the Fire Department budget. Referring to Table 12, municipal revenues in the Town of Newbury increased from \$2.6 million in 2003, to \$4.34 million in 2014, and subsequently declined by 1 percent in 2015. Local property taxes accounted for 60 to 63 percent of total revenue, and between 2003 and 2015 local property taxes increased at almost 5 percent per year, although the average increase since 2014 was nominal.

Table 12 – Town of Newbury: Select Years of Appropriations and Revenues

TOWN OF NEWBURY APPROPRIATIONS	Appropriations & Revenues for Select Years					Percent of Total					Annual % Δ to 2015 from		
	2003	2010	2013	2014	2015	2003	2010	2013	2014	2015	2003	2010	2015
General Government	\$575,082	\$871,317	\$950,775	\$994,841	\$1,011,800	23.6%	27.2%	26.8%	27.0%	27.6%	4.8%	3.0%	1.7%
Public Safety	\$357,839	\$696,422	\$736,929	\$785,789	\$819,263	14.7%	21.7%	20.8%	21.3%	22.4%	7.1%	3.3%	4.3%
Police	\$241,492	\$468,306	\$498,202	\$515,217	\$517,681	9.9%	14.6%	14.1%	14.0%	14.1%	6.6%	2.0%	0.5%
Ambulance	\$1,000					0.0%			0.0%				
Fire	\$62,034	\$163,679	\$177,696	\$192,062	\$218,527	2.5%	5.1%	5.0%	5.2%	6.0%	11.1%	6.0%	13.8%
Highway & Streets	\$626,576	\$762,495	\$842,049	\$859,274	\$916,748	25.7%	23.8%	23.8%	23.3%	25.0%	3.2%	3.8%	6.7%
Sanitation	\$184,330	\$294,807	\$315,573	\$319,232	\$306,223	7.6%	9.2%	8.9%	8.7%	8.4%	4.3%	0.8%	-4.1%
Health & Welfare	\$25,695	\$57,272	\$53,520	\$56,320	\$61,357	1.1%	1.8%	1.5%	1.5%	1.7%	7.5%	1.4%	8.9%
Culture/Rec. & Cons.	\$91,653	\$162,405	\$208,991	\$241,374	\$274,416	3.8%	5.1%	5.9%	6.5%	7.5%	17.4%	11.1%	13.7%
Debt Service	\$40,115	\$205,850	\$176,100	\$168,100	\$100	1.6%	6.4%	5.0%	4.6%	0.0%	-39.3%	-78.3%	-99.9%
Capital Outlay	\$285,853	\$0	\$0	\$0	\$0	11.7%			0.0%				
Operating Transfers Out	\$247,400	\$155,422	\$258,368	\$265,463	\$270,528	10.2%	4.8%	7.3%	7.2%	7.4%	17.2%	11.7%	1.9%
SUBTOTAL	\$2,434,543	\$3,205,990	\$3,542,305	\$3,690,393	\$3,660,435	100%	100%	100%	100%	100%	3.5%	2.7%	-0.8%
WARRANT ARTICLES	\$164,100	\$600,000	\$524,947	\$653,410	\$622,427						11.8%	0.7%	-4.7%
TOTAL	\$2,598,643	\$3,805,990	\$4,067,252	\$4,343,803	\$4,282,862						4.3%	2.4%	-1.4%
REVENUES													
Taxes	\$1,676,829	\$2,536,793	\$2,621,578	\$2,738,840	\$2,855,407	64.5%	66.7%	64.5%	63.1%	66.7%	4.5%	2.4%	4.3%
Local Property Taxes	\$1,556,329	\$2,385,218	\$2,466,578	\$2,712,840	\$2,714,907	59.9%	62.7%	60.6%	62.5%	63.4%	4.7%	2.6%	0.1%
Other Taxes	\$120,500	\$151,575	\$155,000	\$26,000	\$140,500	4.6%	4.0%	3.8%	0.6%	3.3%	1.3%	-1.5%	440.4%
Licenses, Permits & Fees	\$360,700	\$409,000	\$410,000	\$421,000	\$454,000	13.9%	10.7%	10.1%	9.7%	10.6%	1.9%	2.1%	7.8%
State	\$150,304	\$369,625	\$382,109	\$393,700	\$410,500	5.8%	9.7%	9.4%	9.1%	9.6%	8.7%	2.1%	4.3%
Meals & Room Tax Dist.	\$50,000	\$91,794	\$94,000	\$95,000	\$105,000	1.9%	2.4%	2.3%	2.2%	2.5%	6.4%	2.7%	10.5%
Highway Block Grant	\$86,804	\$106,895	\$102,182	\$100,000	\$105,000	3.3%	2.8%	2.5%	2.3%	2.5%	1.6%	-0.4%	5.0%
Charges for Services	\$120,000	\$60,000	\$60,000	\$80,000	\$90,000	4.6%	1.6%	1.5%	1.8%	2.1%	-2.4%	8.4%	12.5%
Misc. Revenue	\$49,000	\$41,000	\$25,000	\$66,000	\$58,000	1.9%	1.1%	0.6%	1.5%	1.4%	1.4%	7.2%	-12.1%
Interfund of Transfers In	\$201,810	\$352,672	\$541,465	\$543,463	\$439,355	7.8%	9.3%	13.3%	12.5%	10.3%	6.7%	4.5%	-19.2%
Other Financing Sources	\$40,000	\$36,900	\$27,100	\$100,800	\$72,600	1.5%	1.0%	0.7%	2.3%	1.7%	5.1%	14.5%	-28.0%
TOTAL	\$2,598,643	\$3,805,990	\$4,067,252	\$4,343,803	\$4,282,862	100%	100%	100%	100%	100%	4.25%	2.39%	-1.40%
RE TAX RATE/1000 [1]	\$3.27	\$3.52	\$3.70	\$3.84	\$3.83						1.3%	1.7%	-0.3%
NOTE: Historic figures were obtained from MS-6/MS-636 forms and reflect "estimates" for budgetary purposes prior to town meeting and setting the tax rate; actual expenditures and revenues may differ in a given year. 2015 figures came from 2014 Town Report													
[1] 2015 Town Tax Rate is an estimate, only, and dependant on the outcome of the Warrant Articles and changes in taxable assessment													
Source: Town of Newbury; NH DRA; & RKG Associates, Inc.													

Table 13 – Town of Goshen: Select Years of Appropriation and Revenues

TOWN OF GOSHEN	Appropriations & Revenues for Select Years					Percent of Total					Annual % Δ to 2015 from		
	2003	2010	2013	2014	2015	2003	2010	2013	2014	2015	2003	2010	2014
APPROPRIATIONS													
General Government	\$197,930	\$345,851	\$274,809	\$266,371	\$285,026	39.0%	46.2%	40.7%	40.3%	40.6%	3.1%	-3.8%	7.0%
Public Safety	\$94,329	\$131,470	\$131,585	\$132,075	\$143,466	18.6%	17.6%	19.5%	20.0%	20.4%	3.6%	1.8%	8.6%
Police	\$63,691	\$87,110	\$78,000	\$76,000	\$78,216	12.5%	11.6%	11.6%	11.5%	11.1%	1.7%	-2.1%	2.9%
Ambulance	\$5,678	\$7,700	\$9,925	\$9,925	\$12,150	1.1%	1.0%	1.5%	1.5%	1.7%	6.5%	9.6%	22.4%
Fire	\$19,060	\$30,760	\$38,260	\$40,750	\$48,500	3.8%	4.1%	5.7%	6.2%	6.9%	8.1%	9.5%	19.0%
Highway & Streets	\$109,037	\$167,350	\$177,160	\$161,310	\$176,570	21.5%	22.3%	26.3%	24.4%	25.1%	4.1%	1.1%	9.5%
Sanitation	\$79,662	\$49,612	\$33,051	\$56,847	\$50,992	15.7%	6.6%	4.9%	8.6%	7.3%	-3.6%	0.6%	-10.3%
Health & Welfare	\$13,600	\$29,865	\$29,521	\$16,113	\$15,167	2.7%	4.0%	4.4%	2.4%	2.2%	0.9%	-12.7%	-5.9%
Culture/Rec. & Cons.	\$10,536	\$21,754	\$25,478	\$27,804	\$30,771	2.1%	2.9%	3.8%	4.2%	4.4%	9.3%	7.2%	10.7%
Debt Service	\$3,000	\$3,000	\$3,100	\$100	\$100	0.6%	0.4%	0.5%	0.0%	0.0%	-24.7%	-49.4%	0.0%
Capital Outlay													
Operating Transfers Out													
SUBTOTAL	\$508,094	\$748,902	\$674,704	\$660,620	\$702,092	100%	100%	100%	100%	100%	2.7%	-1%	6%
WARRANT ARTICLES	\$114,796	\$209,302	\$124,070	\$123,500	\$183,200						4.0%	-2.6%	48.3%
TOTAL	\$622,890	\$958,204	\$798,774	\$784,120	\$885,292						3.0%	-1.6%	12.9%
REVENUES													
Taxes	\$379,309	\$636,508	\$596,721	\$598,555	\$592,744	60.9%	66.4%	74.7%	76.3%	67.0%	3.8%	-1.4%	-1.0%
Local Property Taxes	\$338,009	\$631,508	\$571,421	\$568,055	\$559,744	54.3%	65.9%	71.5%	72.4%	63.2%	4.3%	-2.4%	-1.5%
Other Taxes	\$41,300	\$5,000	\$25,300	\$30,500	\$33,000	6.6%	0.5%	3.2%	3.9%	3.7%	-1.9%	45.9%	8.2%
Licenses, Permits & Fees	\$123,525	\$106,725	\$104,525	\$105,425	\$113,000	19.8%	11.1%	13.1%	13.4%	12.8%	-0.7%	1.1%	7.2%
State	\$58,500	\$64,971	\$64,028	\$64,690	\$65,548	9.4%	6.8%	8.0%	8.2%	7.4%	1.0%	0.2%	1.3%
Meals & Room Tax Dist.	\$21,000	\$36,574	\$36,050	\$35,918	\$38,810	3.4%	3.8%	4.5%	4.6%	4.4%	5.3%	1.2%	8.1%
Highway Block Grant	\$25,000	\$27,589	\$27,426	\$26,398	\$26,550	4.0%	2.9%	3.4%	3.4%	3.0%	0.5%	-0.8%	0.6%
Charges for Services	\$4,500	\$2,000	\$3,000		\$4,000	0.7%	0.2%	0.4%	0.0%	0.5%	-1.0%	14.9%	
Misc. Revenue	\$20,756		\$500	\$500	\$35,000	3.3%		0.1%	0.1%	4.0%	4.5%		6900%
Interfund of Transfers In	\$36,300	\$98,000	\$30,000	\$15,000	\$75,000	5.8%	10.2%	3.8%	1.9%	8.5%	6.2%	-5.2%	400%
Other Financing Sources		\$50,000					5.2%					-100%	
TOTAL	\$622,890	\$958,204	\$798,774	\$784,170	\$885,292	100%	100%	100%	100%	100%	2.97%	-1.57%	12.90%
RE TAX RATE /1000 [1]	\$8.68	\$7.50	\$6.84	\$7.67	\$7.76						-0.9%	0.7%	1.1%

NOTE: Historic figures were obtained from MS-7/MS-636 forms and reflect "estimates" for budgetary purposes prior to town meeting and setting the tax rate; actual expenditures and revenues may differ in a given year. 2015 figures came from 2014 Town Report

[1] 2015 Town Tax Rate is an estimate, only, and dependant on the outcome of the Warrant Articles and changes in taxable assessment

Source: Town of Goshen; NH DRA; & RKG Associates, Inc.

2. Town of Goshen

Referring to Table 13, about 41 percent of appropriations were attributed to General Government since 2013, and approximately 20 percent for Public Safety, including 11 percent for Police, and another 6 percent for Fire. Similar to Newbury, the Fire budget increased by 19 percent over the last years, while the increase in the Police budget was 2 percent. The budget for Highway and Streets in the Town of Goshen accounted for 24 to 26 percent of total appropriations, since 2013, up from a 22 percent representation in 2003 and 2010.

Referring to Table 13, municipal revenues in the Town of Goshen increased from \$622,900 in 2003, to almost \$885,300 in 2015, indicating an average growth rate of nearly 3 percent per year, including a 13 percent increase since 2014. Local property taxes ranged from 54 percent (2003) to 72 percent (2014) of total municipal revenue, and accounted for 63 percent of revenues in 2015. Other sources of revenue such as State sources from Meals and Room Tax Distribution and Highway Block Grants accounted for 7 to 8 percent of revenue, while fees from permits and licenses accounted for 13 percent of revenue.

3. Town Service Costs

The potential impacts in the Towns of Newbury and Goshen related to the West Bowl expansion are likely to vary from one Town to the other since the Resort has operated in Newbury for many years. Therefore, impacts related to the expansion in the Town of Newbury are expected to be incremental in nature and more easily absorbed into the levels of service currently provided by the Town. In the Town of Goshen, which does not presently service the Resort on a regular basis, the impacts are likely to have a more noticeable effect on municipal expenditures and revenues, especially in the short-term when the West Bowl expansion first begins operation in FY2019. RKG relied on the effects in the Town of Newbury as a measure for the impacts in the Town of Goshen as a result of the expansion.

The primary demand for municipal services related to the Resort are emergency services for police and fire; since ski-patrol and ambulance services are contracted directly. There are no sanitation expenses since the Resort uses a private service to dispose of its solid waste. Similarly, there are no costs associated with health and welfare or culture and recreation portions of the municipal budgets from the ski operation and its expansion. The Town of Goshen may experience more of an increase in General Government administrative costs related to the review and permitting process associated with constructing the proposed project, but these impacts would be relatively short-term in duration, and permit fees would be charged to offset associated municipal costs.

Expenditures for Highway and Street maintenance are likely to be affected to some degree by the proposed West Bowl expansion since there will be an increase in the number of vehicles using the roadways to access the new ski lodge, lift and parking area. However, any increases in highway maintenance related to the expansion is expected to be incurred primarily at the state level since a majority of the roadways (including Brook Road) used to access the facility are state-maintained.

Although the Town of Goshen would be expected to have more expenses due to the proposed project from a proportional perspective, it would also receive a correspondingly greater proportion of projected revenues, as identified previously. While both Towns would

receive increased property taxes from the creation of additional ski slopes and trails, the Town of Goshen would receive additional revenues related to the construction of West Bowl's base area buildings and site improvements.

Since nearly all the current operations at the Resort are located within the Town of Newbury, the impacts associated with the Police and Fire Departments are updated in this section, and serve as a benchmark to estimated associated costs in Goshen related to the expansion. For this analysis, RKG updated expenses identified in the previous report, and utilized the same methodology in estimating current impacts and those associated with the expansion.

a) Police Department

In 2003, the Police Department in the Town of Newbury reported a budget of \$241,500 and over 4,165 service calls within the prior year, indicating an average cost of almost \$60 per call. In 2014, the Police budget was \$515,220 and service calls were reported at nearly 4,450 during the prior year, indicating an average cost of \$116 per call. In effect, the average cost almost doubled during the 11-year period. In 2014, traffic stops totaled 315 service calls, which was much lower than indicated in 2003 (487 calls).

According to a discussion with Chief Lee at the Newbury Police Department, various changes have been implemented at the Resort such as improvements to the access road with traffic calming measures, on-site video surveillance system (which would also be in effect for the West Bowl expansion base area, per conversations with representatives of the Resort) and monitoring personnel, in addition to better collaboration between the two, has effectively reduced demand for police service at the Resort. It was reported in 2003, that 80 percent of traffic stops were due to skiers, but Chief Lee reported that this number has been reduced to perhaps 25 percent of traffic stops. While police calls from the Resort continue to be received at the Police Department, most of them deal with minor incidents such as keys locked in vehicles, false alarms, or business checks after hours. Any on-site criminal activity has been greatly reduced with on-site security and monitoring, and traffic accidents continue to occur including some with large animals. The increase in on-site security details was well advertised by the Resort, according to Chief Lee, which effectively reduced petty crimes on site.

In 2003, the Police Department in Goshen reported a budget of \$63,700 and 783 service calls, for an average cost of \$81 per call. In 2014, the budget increased to \$76,000 and police service calls increased to 933 indicating an average cost of \$81 per call. Traffic stops in the Town of Goshen accounted for approximately 50 percent of police service calls in 2003, reduced to 39 percent in 2014. These police statistics for the Towns of Newbury and Goshen are exhibited in Table 14.

Referring to Table 14, the Resort experienced an estimated 600 service calls in 2003, mixed between traffic offenses and service calls, and based on the average cost per call, demand for police service costs were about \$34,800. In 2014, service calls reduced to about 300 as a result of the various changes mentioned by Chief Lee, which when multiplied by the average cost per call totals \$35,200 in police expenses. Dividing these costs by the number of skiers (per 1,000) indicate a range of 1.2 (2014) to 2.2 (2003) police calls per 1,000 skiers. Applying these factors to the estimated skiers in FY2019 and allocating the distribution between the two Towns provides a range in police service costs associated with the West Bowl expansion (noting that the new parking lot and base lodge are to be situated in Goshen).

Table 14 – Police Budget and Resulting Service Costs from the Resort

	Newbury		Goshen	
	2003	2014	2003	2014
Police Budget	\$241,492	\$515,217	\$63,691	\$76,000
Police Service Calls	4,166	4,447	783	933
Cost Per Call	\$58	\$116	\$81	\$81
Traffic Stops	487	315	394	366
Traffic Warning	361	204	333	235
Traffic Citation	126	111	61	131
Mt. Sunapee				
Service Calls [1]	211	225		
Traffic Offenses [2]	390	79		
Estimated Calls	601	304		
Estimated Cost	\$34,838	\$35,219		
Estimated Skiers	271,800	254,400		
Calls per 1,000 Skiers	2.21	1.19		
Estimated Skiers in 2019	326,500		326,500	
Net Change from 2014	72,100		72,100	
Newbury 30%/Goshen 70%	21,630		50,470	
Increase in Police Calls	26	48	60	112
Increased Cost	\$898	\$1,662	\$4,905	\$9,091
[1] 2014 estimate is factor at 5.1% of service calls (2003)				
[2] 80% of traffic stops were skiers in 2003, but only 25% in 2014				
Source: Towns of Goshen & Newbury; NHDRA & RKG Associates, Inc.				

The West Bowl expansion would have a nominal effect on the Newbury police budget (Table 14), as expressed by Chief Lee; however, a greater impact ranging from \$5,000 to \$9,000 would result in Goshen. It is likely the higher number would be experienced at the start of operations in FY2019, as the Goshen Police Department adapts to the novelty of the new operation, but it is assumed cooperation with the Resort would occur as reported by Chief Lee to help minimize this service cost over time. A cost factor of \$9,000 would represent about 12 percent of the police budget in the Town of Goshen, which would be higher than the 7 percent representation of 2014 cost in the Town of Newbury, and considered realistic.

b) Fire Department

The Fire and Rescue budget in Newbury was reported at \$62,000 in 2003, and increased to over \$192,000 in 2014, while service calls increased from 147 to 289, indicating an average cost per call from \$422 to \$655. In Goshen, the Fire and Rescue Budget increased from \$19,000 in 2003 to \$40,750 in 2014, and service calls increased from 66 to 104 in 2014, indicating an average cost of \$289 to \$392 per call, as shown in Table 15. The Fire Departments in each Town are run by volunteers.

According to Fire Chief Henry Thomas in the Town of Newbury, service calls to the Resort ranged from 11 to 12 calls per year over the last few years. This range is slightly higher than the upper end (10 calls) reported in 2003. In effect, services calls to the Resort have ranged from 4 to 7 percent of total service calls for the Newbury Fire Department, and this relationship is used to estimate future calls in the Town of Goshen.

The count of fire service calls multiplied by the average cost per call indicates an expense ranging from \$7,300 to \$8,000 in 2014 to the Town of Newbury. This in turn indicates a range from 0.04 to 0.05 service calls per 1,000 skiers at the Resort. Based on the forecasted increase

in skiers as a result of the West Bowl expansion, the demand for fire service would increase by another 1 plus service call in the Town of Newbury, as shown in Table 15.

Table 15 – Fire Budget & Resulting Service Costs from the Resort

	Newbury		Goshen	
	2003	2014	2003	2014
Fire & Rescue Budget	\$62,034	\$192,062	\$19,060	\$40,750
Fire Service Calls	147	289	66	104
Cost Per Call	\$422	\$665	\$289	\$392
Range in Calls to Mt. Sunapee				
Low Estimate	5	11		
High Estimate	10	12		
Estimated Cost/Low	\$2,110	\$7,310		
Estimated Cost/High	\$4,220	\$7,975		
Estimated Skiers	271,800	254,400		
Call per 1,000 Skiers	0.04	0.05		
Estimated Skiers in 2019	326,500		326,500	
Net Change from 2014	72,100		72,100	
Newbury 30%/Goshen 70%	21,630		50,470	
Increase in Fire Calls [1]	1	1	4	7
Increased Cost	\$665	\$678	\$1,630	\$2,853
[1] For Goshen, the increase in service calls associated with the West Bowl expansion is based on the 4% to 7% range experienced in Newbury				
Source: Towns of Goshen & Newbury; NHDRA & RKG Associates, Inc.				

For the Town of Goshen, RKG estimates that between four and seven fire service calls may result from the West Bowl expansion. The cost would range between \$1,600 and \$2,850 (rounded). This estimate would not include any additional expenses for new equipment or vehicles that the Goshen Fire Department may need in the future. The Fire Department reports a 2008 Pumper Engine with a 1,000 gallon tank and a second 1989 tanker with 1,500 gallon tank that is used primarily for mutual aid. The rescue vehicle is also somewhat aged (1989) and the forestry 4x4 vehicle will be replaced with a new one this year. The fire station is also located on Main Street somewhat removed from the new ski lodge off Brooks Road, and the Newbury Fire Department, via mutual aid, may be the first responder¹⁹.

Based on a discussion with Robert Bell, a selectman for the Town of Goshen, the fiscal impact of the West Bowl expansion was believed to be positive overall, and he considered that any increase in demand for municipal services (fire and police) would be relatively small. Mr. Bell believed that an increase in commercial activity in the Town would also result, mentioning that the Town of Goshen adopted a new zoning overlay district in 2013, similar to one in the Town of Newbury that would not go into effect unless the expansion is approved. Mr. Bell also felt that the public attitude toward the zoning adoption was positive, although a small minority exist that are against it. Also, Mr. Bell mentioned that the traffic along Brook Road would increase especially with the new lodge at the West Bowl, since this state road serves as a cut-through for some skiers traveling from southwestern New Hampshire.

¹⁹ RKG notes that NH State Fire code requires the installation of a fire-suppression system in the new ski lodge as a precautionary measure.

IV. BASELINE CONDITIONS

This chapter presents an overview of selected baseline demographic and economic conditions in the Towns, Counties, State, and a summary overview of conversations with area real estate professionals concerning “qualitative economic impacts” of the Resort and Lake Sunapee.

A. Socioeconomic Trends

A variety of selected demographic trends and projections are presented next.

1. Population

The population of Newbury realized exceptional growth during the last decade, at a rate far exceeding the other geographies measured (Table 16). The projected growth in Newbury also exceeds other locales. Projected population growth in Goshen and in Sullivan County is nominal (2010 to 2019). Over the last decade, the population aged 65 years and over fueled the growth in all geographies, well outpacing the overall rates of growth. Additionally, the projected growth in the aged population in each location is more than 25 percent and as a result more than 20 percent of 2019 population in the Towns of Newbury and Goshen will be 65 and older, indicating both an aging in-place of the population and a net in-migration of retirees. In economic terms the increased aging of the local population suggests a diminished labor pool and employment growth. While the increase in elderly households may result in an increase in discretionary disposable spending in the communities, it could also reflect diminished consumer demand from those in their family formation and peak consumption years.

Table 16: Selected Population Trends

Selected Demographic Indicators	Census 2000	Census 2010	Percent Change	Estimated 2014	Projected 2019	% Change 2010 - 2019
Total Population						
Newbury	1,715	2,072	20.8%	2,111	2,245	8.3%
Goshen	752	810	7.7%	791	819	1.1%
Merrimack County	136,339	146,447	7.4%	146,704	151,688	3.6%
Sullivan County	40,468	43,742	8.1%	42,704	43,796	0.1%
New Hampshire	1,235,771	1,316,469	6.5%	1,327,082	1,369,094	4.0%
Population Aged 65+						
Newbury	284	360	27.0%	423	554	53.9%
Goshen	121	142	17.4%	148	183	28.9%
Merrimack County	16,941	20,008	18.1%	21,582	26,009	30.0%
Sullivan County	6,398	7,217	12.8%	7,543	9,074	25.7%
New Hampshire	148,313	178,268	20.2%	193,501	233,971	31.2%
Aged 65+ as % of Total						
Newbury	16.5%	17.4%	NA	20.1%	24.7%	NA
Goshen	16.1%	17.5%	NA	18.7%	22.3%	NA
Merrimack County	12.4%	13.7%	NA	14.7%	17.1%	NA
Sullivan County	15.8%	16.5%	NA	17.7%	20.7%	NA
New Hampshire	12.0%	13.5%	NA	14.6%	17.1%	NA

Source : US Census, Alteryx and RKG Associates, Inc.

2. Housing

Dissimilar to the population metrics, there is greater parity among the geographies when considering housing growth (Table 17) although Newbury still ranks the highest in percent change and in terms of projected percent change. However, in terms of household growth (i.e., occupied housing units), the growth in households in Newbury and Goshen over the last decade

each exceeded 20 percent, more than double the rates for the other locales. Although the projected growth in Goshen is nominal, at fewer than ten households. The current and projected vacancy rates for Goshen and Newbury exceed 20 percent and 40 percent, respectively, largely reflecting seasonal housing stock. For example, in Newbury the housing stock is projected to increase by more than 100 units (2010 to 2019) while the occupied housing is projected to increase by 77 units. Similarly, in Goshen the housing stock is projected to increase by 20 units while occupancy increases by less than ten units.

Table 17: Selected Housing Trends

Selected Demographic Indicators	Census 2000	Census 2010	Percent Change	Estimated 2014	Projected 2019	% Change 2010 - 2019
Total Housing Units						
Newbury	1,329	1,559	17.3%	1,578	1,667	6.9%
Goshen	397	444	11.8%	443	464	4.5%
Merrimack County	56,288	63,542	12.9%	63,558	66,336	4.4%
Sullivan County	20,164	22,342	10.8%	22,352	23,193	3.8%
New Hampshire	547,030	614,760	12.4%	621,241	647,372	5.3%
Occupied (households)						
Newbury	721	892	23.7%	909	969	8.6%
Goshen	284	344	21.1%	335	353	2.6%
Merrimack County	51,887	57,070	10.0%	57,185	59,499	4.3%
Sullivan County	16,536	18,127	9.6%	17,654	18,208	0.4%
New Hampshire	474,606	518,977	9.3%	523,725	543,376	4.7%
Percent Vacant						
Newbury	45.7%	42.8%	NA	42.4%	41.9%	NA
Goshen	28.5%	22.5%	NA	24.4%	23.9%	NA
Merrimack County	7.8%	10.2%	NA	10.0%	10.3%	NA
Sullivan County	18.0%	18.9%	NA	21.0%	21.5%	NA
New Hampshire	13.2%	15.6%	NA	15.7%	16.1%	NA

Source : US Census, Alteryx and RKG Associates, Inc.

a) Tenure Trends

Newbury is mostly an owner-occupied market, but much of the housing is vacant/seasonal (Table 18). In 2000, more than 47 percent of all housing was vacant and of this, nearly 95 percent was seasonal housing. This only diminished slightly to 92 percent of vacant housing in 2010. Over the decade total housing increased by a near 19 percent and seasonal housing by a near nine percent. Slightly more than 20 percent of the increase in all housing in Newbury over the decade consisted of seasonal housing. Overall, in 2000 and in 2010 approximately 40 percent (or slightly more) of all housing stock was seasonal housing.

Table 18: Housing Tenure 2000 and 2010

Tenure Trends			Change		% of Total	
Newbury, NH	2000	2010	#	%	2000	2010
Total Housing	1,311	1,559	248	18.9%	100.0%	100.0%
Owner Households	602	778	176	29.2%	45.9%	49.9%
Renter Households	89	91	2	2.2%	6.8%	5.8%
Vacant Housing	620	690	70	11.3%	47.3%	44.3%
Seasonal (% of vac.)	585	636	51	8.7%	94.4%	92.2%
Goshen, NH						
Total Housing	389	444	55	14.1%	100.0%	100.0%
Owner Households	251	287	36	14.3%	64.5%	64.6%
Renter Households	28	57	29	103.6%	7.2%	12.8%
Vacant Housing	110	100	(10)	-9.1%	28.3%	22.5%
Seasonal (% of vac.)	97	80	(17)	-17.5%	88.2%	80.0%

Source: US Census; American Community Survey & RKG Associates, Inc.

The majority of housing growth in Goshen over the last decade was among renter households, increasing by more than 100 percent, albeit from a small base. Vacant housing in total, as well

as seasonally vacant housing, decreased in Goshen. Nonetheless, in 2000 and 2010, seasonally vacant housing accounted for 80 percent or more of all vacant housing in the Town of Goshen.

3. Income

In all time periods (Table 19) Newbury exhibits the greatest median household income, nearly \$20,000 more than neighboring Goshen in 2010 and projected for 2019. By 2019 nearly one in three households in Newbury will have incomes greater than \$100,000; compared with one of five households in Goshen. Only the growth in Merrimack County exceeded inflation for the decade, at 26.6 percent.

Table 19: Selected Income Trends

Selected Demographic Indicators	Census 2000	Census 2010	Percent Change	Estimated 2014	Projected 2019	% Change
Median Hshld Income						
Newbury	\$ 57,213	\$ 68,079	19.0%	\$ 65,319	\$ 78,020	14.6%
Goshen	\$ 42,890	\$ 49,317	15.0%	\$ 52,744	\$ 59,836	21.3%
Merrimack County	\$ 48,787	\$ 64,603	32.4%	\$ 62,316	\$ 73,582	13.9%
Sullivan County	\$ 40,960	\$ 50,108	22.3%	\$ 55,840	\$ 63,318	26.4%
New Hampshire	\$ 49,514	\$ 61,607	24.4%	\$ 63,806	\$ 73,968	20.1%
Hshlds > \$100,000						
Newbury	124	244	96.6%	241	327	34.0%
Goshen	28	36	28.6%	45	64	77.8%
Merrimack County	6,242	14,473	131.9%	14,431	18,922	30.7%
Sullivan County	1,276	2,806	119.9%	3,250	4,175	48.8%
New Hampshire	65,457	130,196	98.9%	193,501	184,959	42.1%
As % of Total Hshlds						
Newbury	17.2%	27.3%	NA	26.5%	33.7%	NA
Goshen	9.9%	10.5%	NA	13.4%	18.1%	NA
Merrimack County	12.0%	25.4%	NA	25.2%	31.8%	NA
Sullivan County	7.7%	15.5%	NA	18.4%	22.9%	NA
New Hampshire	13.8%	25.1%	NA	36.9%	34.0%	NA

Source : US Census, Alteryx and RKG Associates, Inc.

4. Employment and Education

Civilian employment in both Goshen and Newbury increased by more than ten percent (Table 20), but is projected to slow through 2019. The projected increase in Goshen is negligible (likewise for Sullivan County). Despite lower employment projections (except for the State as a whole) the projected unemployment rates for the Towns and Counties are below four percent.

Table 20: Selected Employment and Education Trends

Selected Demographic Indicators	Census 2000	Census 2010	Percent Change	Estimated 2014	Projected 2019	% Change
Civilian Employment						
Newbury	964	1,150	19.3%	1,134	1,243	8.1%
Goshen	399	444	11.3%	428	448	0.9%
Merrimack County	70,929	77,660	9.5%	76,982	81,826	5.4%
Sullivan County	20,467	23,095	12.8%	22,268	23,140	0.2%
New Hampshire	650,937	695,682	6.9%	712,354	758,192	9.0%
Unemployment Rate						
Newbury	2.4%	3.9%	NA	3.2%	2.5%	NA
Goshen	2.7%	6.1%	NA	4.0%	3.0%	NA
Merrimack County	4.3%	5.6%	NA	4.5%	3.5%	NA
Sullivan County	3.4%	5.9%	NA	4.2%	3.3%	NA
New Hampshire	3.8%	6.3%	NA	5.1%	4.0%	NA
% of Pop w/College Degree						
Newbury	35.2%	35.2%	NA	36.6%	37.4%	NA
Goshen	16.6%	22.8%	NA	23.1%	23.4%	NA
Merrimack County	25.4%	28.7%	NA	29.7%	30.3%	NA
Sullivan County	18.4%	24.4%	NA	24.6%	25.1%	NA
New Hampshire	24.9%	29.5%	NA	30.0%	30.6%	NA

Source : US Census, Alteryx and RKG Associates, Inc.

While unemployment is low, at the same time increased employment opportunities are growing slowly, suggesting a less than dynamic local economy base. More than one-third of the population in Newbury has, and is projected to have, a college degree, which is the highest concentration among all locales, including Merrimack County and the State.

B. Economic Indicators

The Mount Sunapee Resort area encompasses portions of the Newport and New London LMA's. Establishment and employment counts for the New Hampshire portions of these LMA's, along with the State as a whole are presented for the 2008 and 2013 time periods thereby giving a pre- and post-recession review of these economic indicators.

1. Establishments

Between 2008 and 2013 there was a 25 percent decline in establishments in Goshen, compared to a near seven percent decline in its LMA and a 0.3 percent growth Statewide (Table 21).

- Establishments in Goshen accounted for 3.3 percent of the Newport LMA in 2008 and 2.7 percent in 2013. The number of businesses in the Newport LMA represented slightly less than one percent statewide in both time periods.
- In percent terms the greatest decline in businesses in the Newport LMA were in the administration and education sectors. Interestingly, growth occurred in industrial sectors (unlike the State) including manufacturing, wholesale trade and transportation.

Table 21: Selected Economic Indicators by Industry Sector – Establishments

Changes in Establishments by Industry Sector	Newport LMA (NH)			New London LMA (NH)			New Hampshire		
	2008	2013	% Change	2008	2013	% Change	2008	2013	% Change
Total	359	335	-6.7%	453	432	-4.6%	45,052	45,183	0.3%
Industrial/Flex Building									
Construction	56	44	-21.4%	69	55	-20.3%	4,280	3,624	-15.3%
Manufacturing	30	34	13.3%	8	11	37.5%	2,158	1,953	-9.5%
Wholesale Trade	10	11	10.0%	24	16	-33.3%	4,979	4,856	-2.5%
Transportation and Warehousing	6	8	33.3%	3	3	n	884	864	-2.3%
Subtotal	102	97	-4.9%	104	85	-18.3%	12,301	11,297	-8.2%
Office/Flex; Institutional									
Information	n	4	n	6	6	n	700	681	-2.7%
Finance and Insurance	12	12	n	23	21	-8.7%	2,101	2,003	-4.7%
Real Estate	11	9	-18.2%	19	14	-26.3%	1,437	1,309	-8.9%
Professional and Technical	19	19	n	57	49	-14.0%	5,136	5,553	8.1%
Management	n	n	n	n	n	n	361	496	37.4%
Administration and Waste Services	14	9	-35.7%	32	32	n	2,908	3,413	17.4%
Educational Service	6	4	-33.3%	3	3	n	627	659	5.1%
Health Care and Social Assistance	34	31	-8.8%	32	45	40.6%	3,492	3,665	5.0%
Subtotal	96	88	-8.3%	172	170	-1.2%	16,762	17,779	6.1%
Commercial									
Retail Trade	55	50	-9.1%	48	40	-16.7%	6,052	5,868	-3.0%
Arts and Entertainment	9	8	-11.1%	16	16	n	685	691	0.9%
Accommodations and Food Services	27	21	-22.2%	35	43	22.9%	3,215	3,366	4.7%
Other excluding Public Administration	33	33	n	40	37	-7.5%	3,513	3,588	2.1%
Subtotal	124	112	-9.7%	139	136	-2.2%	13,465	13,513	0.4%
Town of Goshen	12	9	-25.0%						
Town of Newbury				54	48	-11.1%			

Source: New Hampshire Employment Security and RKG Associates, Inc.

- The number of businesses in Newbury declined by 11 percent between 2008 and 2013, compared to a 4.6 percent decline in its LMA and a 0.3 percent growth Statewide
- The number of businesses in Newbury represented nearly 12 percent of those in the New London LMA in 2008 and 11 percent in 2013. The New London LMA similarly accounted for about one percent of all businesses statewide in both time periods.

- Declines in the New London LMA included wholesale trade (a drop of 33 percent) and real estate (down 26 percent). Three industry sectors realized business growth including manufacturing, health care and accommodations.

2. Employment

Statewide employment declined by 10,000 persons between 2008 and 2013, representing a loss of 1.6 percent (Table 22), although many office and service sectors realized a gain.

Table 22: Selected Economic Indicators by Industry Sector – Employment

Changes in Employment by Industry Sector	Newport LMA (NH)			New London LMA (NH)			New Hampshire		
	2008	2013	% Change	2008	2013	% Change	2008	2013	% Change
Total	4,733	4,361	-7.9%	4,822	4,727	-2.0%	628,819	618,756	-1.6%
Industrial/Flex Building									
Construction	281	217	-22.8%	291	225	-22.7%	26,104	22,524	-13.7%
Manufacturing	1,470	1,402	-4.6%	222	221	-0.5%	75,912	65,942	-13.1%
Wholesale Trade	61	56	-8.2%	99	79	-20.2%	28,116	26,760	-4.8%
Transportation and Warehousing	24	43	79.2%	49	98	100.0%	12,528	12,285	-1.9%
Subtotal	1,836	1,718	-6.4%	661	623	-5.7%	142,660	127,511	-10.6%
Office/Flex; Institutional									
Information	n	17	n	21	30	42.9%	12,508	11,890	-4.9%
Finance and Insurance	202	210	4.0%	108	107	-0.9%	28,191	27,817	-1.3%
Real Estate	35	25	-28.6%	68	54	-20.6%	7,635	6,767	-11.4%
Professional and Technical	42	48	14.3%	187	157	-16.0%	30,970	31,751	2.5%
Management	n	n	n	n	n	n	8,111	8,172	0.8%
Administration and Waste Services	40	95	137.5%	146	106	-27.4%	27,420	30,480	11.2%
Educational Service	42	53	26.2%	520	546	5.0%	17,573	18,295	4.1%
Health Care and Social Assistance	445	410	-7.9%	718	843	17.4%	81,251	85,593	5.3%
Subtotal	806	858	6.5%	1,768	1,843	4.2%	213,659	220,765	3.3%
Commercial									
Retail Trade	573	518	-9.6%	518	411	-20.7%	96,785	94,724	-2.1%
Arts and Entertainment	67	47	-29.9%	427	492	15.2%	10,939	11,204	2.4%
Accommodations and Food Services	340	318	-6.5%	557	549	-1.4%	52,774	54,923	4.1%
Other excluding Public Administration	118	107	-9.3%	151	109	-27.8%	19,808	19,824	0.1%
Subtotal	1,098	990	-9.8%	1,653	1,561	-5.6%	180,306	180,675	0.2%
Town of Goshen	42	32	-23.8%						
Town of Newbury				573	596	4.0%			

Source: New Hampshire Employment Security and RKG Associates, Inc.

The retail sector and industrial sectors, along with finance and real estate all lost employment. In contrast the Newport LMA exhibited nearly an eight percent decrease in employment, including all commercial sectors (30 percent for arts/entertainment) and most industrial sectors. Goshen also lost employment. Employment in Newbury increased by 25 persons, or four percent, while overall employment in the New London LMA declined two percent (100 persons). Most industry sectors in the New London LMA experienced a loss of employment, with transportation/warehousing, health care and arts/entertainment as exceptions.

3. Location Quotients

A reasonable reflection of how a local economy is performing is measured by comparing the change and concentration of employment, by industry sector, to a larger economy (Table 23), such as the LMA to the State. If the ratio (or location quotient) is near 1.0, this indicates a similar economic performance in the sector; if less than 1.0, then the smaller geography is under-performing; and, if greater than 1.0 then the smaller economy out-performs the State. Typically a spread of 20± basis points establishes the range of performance.

- In 2008 and in 2013, the Newport LMA outperformed the State in the construction sector and the manufacturing sector, by wide margins, although under-performing in wholesale trade and transportation/warehousing.

- Overall, most sectors in the Newport LMA under performed when compared with the State, while finance/insurance and accommodations/food performed comparably.
- Strong industry sectors in the New London LMA include construction, education, arts/entertainment and accommodations all continually out-performing the State.
- Most other industry sectors in the New London LMA have continually under-performed relative to the State, excluding the real estate sector.

Table 23: Location Quotients – LMA vs. New Hampshire

Changes in Employment by Industry Sector	Location Quotients			
	Newport LMA		New London LMA	
Total	2008	2013	2008	2013
Industrial/Flex Building				
Construction	1.43	1.37	1.45	1.31
Manufacturing	2.57	3.02	0.38	0.44
Wholesale Trade	0.29	0.30	0.46	0.39
Transportation and Warehousing	0.25	0.50	0.51	1.04
Subtotal	1.71	1.91	0.60	0.64
Office/Flex; Institutional				
Information	n	0.20	0.22	0.33
Finance and Insurance	0.95	1.07	0.50	0.50
Real Estate	0.61	0.52	1.16	1.04
Professional and Technical	0.18	0.21	0.79	0.65
Management	n	n	n	n
Administration and Waste Services	0.19	0.44	0.69	0.46
Educational Service	0.32	0.41	3.86	3.91
Health Care and Social Assistance	0.73	0.68	1.15	1.29
Subtotal	0.50	0.55	1.08	1.09
Commercial				
Retail Trade	0.79	0.78	0.70	0.57
Arts and Entertainment	0.81	0.60	5.09	5.75
Accommodations and Food Services	0.86	0.82	1.38	1.31
Other excluding Public Administration	0.79	0.77	0.99	0.72
Subtotal	0.81	0.78	1.20	1.13
	Under-Performs			
	Over - Performs			

Source: New Hampshire Employment Security and RKG Associates, Inc.