

Benchmarking Downtown Manchester's Economic Development



Dear Friends,

During the past decade, Manchester, New Hampshire has experienced an economic renaissance that few cities of comparable size can match, and it frequently earns recognition in periodicals for being one of the nation's "Most Livable Cities". Thanks to the extraordinary leadership of the Wieczorek and the Baines administrations, Manchester has achieved the best credit rating (AA+) in its history. This, combined with the state's business-friendly policies and strategic municipal investment, has encouraged lively business activity. But as this study will demonstrate, our goal of achieving a well-integrated mixed-use downtown is still a work in progress.

One of the most impressive and unique features of our downtown is the massive Amoskeag Millyard. With their industrial-style lofts overlooking a beautiful river, the historic mills are enjoying a stunning rebirth as an urban business and education park. The Verizon Wireless Arena, which opened in 2001 and was followed by Riverfront Stadium in 2005, firmly established downtown Manchester as a vibrant entertainment destination. But the rebirth of obsolete mills and the establishment of destination dining, nightlife, and entertainment are just part of our downtown revitalization strategy. With the successful stimulation of the downtown economy, the community development work now awaits. As revealed in these pages, we must work to narrow the gap in office vacancies, increase the retail mix, expand residential opportunities, and improve wages for our low-income workers.

Intown Manchester Management, Inc. commissioned this benchmarking study as part of its overall mission to increase downtown's competitiveness and to affirm Manchester's position as an economic leader of the New England region. For this study, we have developed some tools by which we can gauge, or benchmark, downtown's progress in various areas of economic and community development. A benchmarking system will help to determine the impact of various programs, while managing scarce resources. This study has three purposes:

- To prepare for periodic benchmarking of the economic progress of downtown Manchester
- To focus attention on areas of community development that may be in need of service
- To provide information useful in attracting business to this area.

By developing a monitoring system, and consistently and reliably measuring outcomes, we help current and prospective investors better assess their risks and predict their

returns. Community development organizations will find information herein useful in allocating their resources to encourage economic strengthening and quality of life improvements for all.

While every effort has been made to identify economic indicators for the Manchester Central Business District in particular (this is the area considered to be Intown Manchester's district), much economic and demographic data is only available for the larger metro area. We anticipate honing these established tools to monitor our progress in future benchmarking reviews.

We are pleased to acknowledge Bank of America and the Norwin S. and Elizabeth N. Bean Foundation for underwriting research for this report. This study was undertaken in two phases, and we owe a debt of gratitude to University of New Hampshire Professor Ross Gittel and his interns, Tim Hubbard from the University of New Hampshire, and Chris Webb and Eugene Zakharov from the Whittemore School of Business, who conducted the first phase of research. Economist Dennis Delay conducted research for the second phase of the study, and we are grateful to him for his insight and bringing the study into focus by providing additional resources and analysis.

Sincerely,



Stephanie Lewry, Executive Director



Intown Manchester Management, Inc. contracts with the City of Manchester to perform the management functions of a Business Improvement District (BID). Since 1996, its mission has been to serve as a catalyst, working in partnership with the city and the private sector; to help spur growth and development within the boundaries of its district. A not for profit, 501(c) (3), Intown Manchester is funded through a special assessment on commercial properties within the Central Business Service District (CBSD). Its programs include maintenance and beautification services, promotional activities, and economic development resources.

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*Commuters give the city its tidal restlessness;
natives give it solidity and continuity,
but settlers give it passion.*

E. B. White

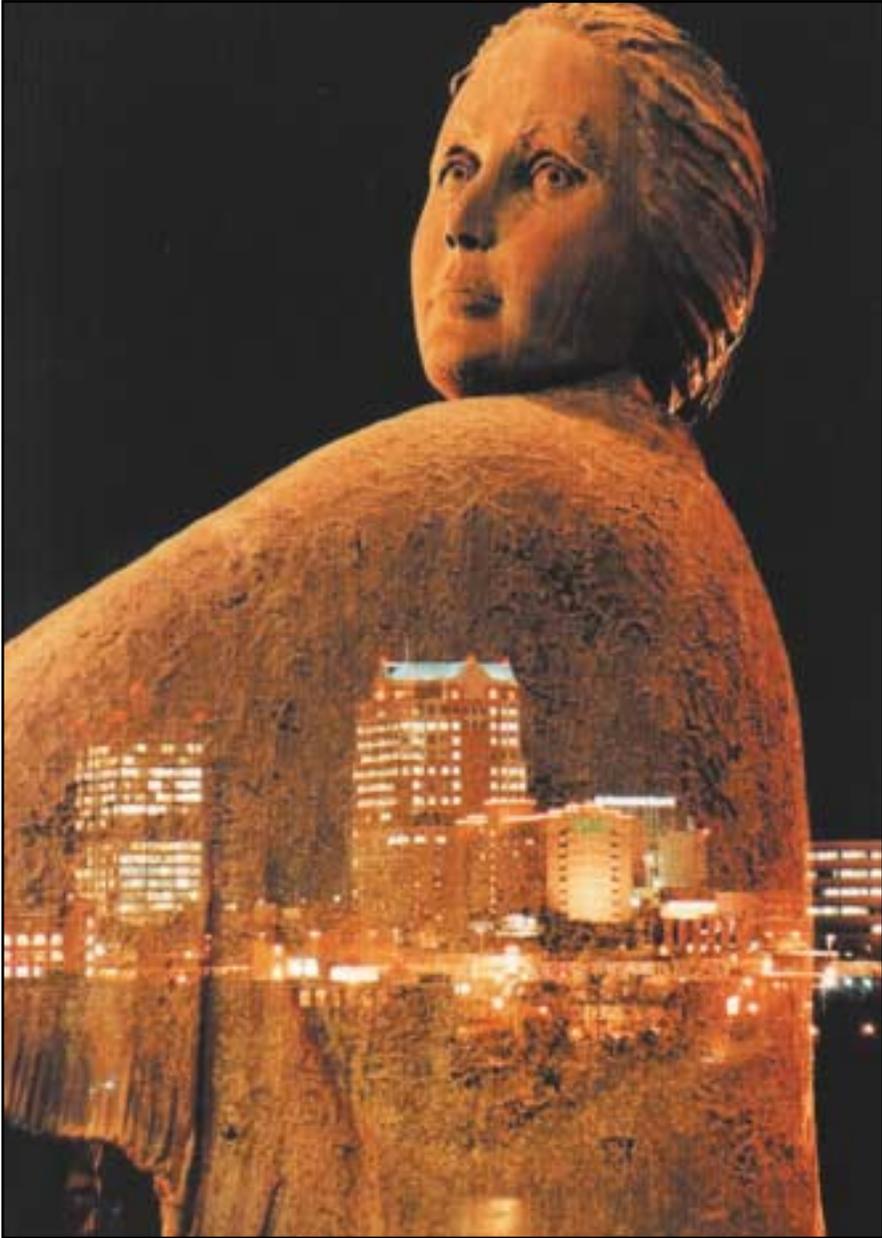


Photo by Robert Edsall

Cover photos by Alan B. Hartman and David Lewry

The Rise, Fall, and Rise Again of Manchester, NH

Every four years, during the coldest month of the year, Manchester is host to major news networks covering New Hampshire's First in the Nation Presidential Primary. Images of snow covered landscapes and glowing fires by the hearth invoke a lifestyle for which this state is famous, but little is known about what underlies our economic success, and the strength of our industrious workforce.

Manchester has played, and continues to play, a unique and historically significant role in American industrial history. Located on the banks of the Merrimack River, near the powerful Amoskeag Falls, America's industrial and technological revolution reached full power through the Amoskeag Manufacturing Company, which operated between 1838 and 1936. Amoskeag was once the world's largest cotton textile mill, and at its peak, Amoskeag had 30 mills in operation covering eight million feet of floor space, and

employing 17,000 workers. By the turn of the 20th century, the label Made in Manchester, NH, USA, appeared around the globe on objects ranging from textiles and shoes to cigars, rifles, sewing machines, and railroad locomotives. The classic brick factories, which span more than a mile along the riverbanks, had become a historic signature of New England.



MANCHESTER HISTORIC ASSOCIATION

Mill workers produced more than five miles of cloth in a single day.

Following several years of decline, the Amoskeag Manufacturing Company filed for bankruptcy on Christmas Eve 1935, and closed down in 1936. What followed was a period of rebuilding for the city, led by a citizen initiative. This effort encouraged the diversification of industrial activities and supported the growth of companies, including shoe shops, cigar factories, knitting mills, and machine shops. In more recent years, the city has seen the growth of electronics and high-tech industries, and a transformation to a service-based economy.

Fast forward to the early 1990s. Manchester has become the financial center of the state, but the national economy had been in a recession for several years, and New England

was the bleakest in the country. Manchester's flagship businesses were in the midst of crushing economic setbacks, and, for the second time in a century, the city found itself in a hopeless state of economic depression. Jobs lost, business and personal bankruptcies rampant, it seemed incredible that, in this modern time, buildings were once again boarded up and even abandoned.

Desperate for a way to regain economic strength, civic and business leaders commissioned a study to help refocus economic goals for the city and to suggest improvements to the city's aging infrastructure. The Intown Manchester Development Plan suggested a program that would focus on promoting mixed-use development, with an emphasis on residential and tourist attractions; improving connections between downtown and the Millyard; and creating an appealing pedestrian environment. Also as recommended, a downtown management company, Intown Manchester Management, was formed and funded through a special assessment on commercial properties.

Toward the end of the decade, the national recession had ended, and Manchester, having prepared for the future by following many of the recommendations within the Intown Manchester Development Plan, entered into a period of economic growth that is now the envy of the New England region. Today, Manchester is frequently lauded in national periodicals for its quality of life and ease of doing business, and economic reports to this effect are plentiful.

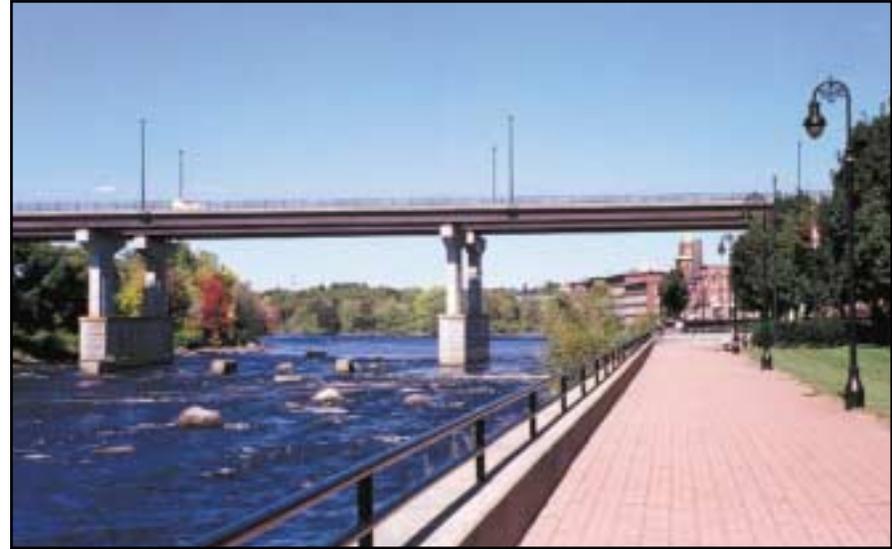
Currently nearly 70 percent of manufacturing jobs in the Manchester PMSA are in durable goods production, especially metal products, electrical products and machinery, and plastics. The Manchester PMSA¹ has over 8,000 commercial firms, with high concentrations of Wholesale Trade, Information, Professional and Business Services, Transportation and Warehousing businesses. The Manchester PMSA also contains most of the headquarters for the State's primary banking and financial services industries, as well as over 900 retail stores with annual sales of over \$2.4 billion in 2001. Total employment in the Manchester PMSA was 114,340 in 2003, accounting for 17 percent of New Hampshire's jobs. The Manchester PMSA has been growing faster than the rest of New Hampshire, increasing its share of the Granite State's employment base.

¹ The Manchester Primary Metropolitan Statistical Area is located in the Merrimack River Valley in the south-central part of the state. The area covers towns in Hillsborough, Rockingham, and Merrimack Counties. It is made up of the city of Manchester, the state's largest city, and the towns of Allenstown, Auburn, Bedford, Candia, Goffstown, Hooksett, Londonderry, and Weare.

Source: US Bureau of Census, County Business Patterns Study produced in 2003 by Doug Blais, chairman of Southern New Hampshire University's Sport Management Department



Technology Center, Amoskeag Millyard



Riverwalk, Amoskeag Millyard

Manchester again serves as the financial center and economic engine for the Granite State, and sixty percent of New Hampshire's 1.2 million people live within 30 miles of the city. In a region of the country known for Ivy League colleges and outstanding preparatory schools, Manchester is home to eleven colleges, including the University of New Hampshire at Manchester, St. Anselm College, and Southern New Hampshire University. Manchester has the largest and best-equipped airport in New Hampshire, with over 90 flights daily on national carriers. Hillsborough County, which includes the city of Manchester, is the 71st largest metropolitan economy in the United States and the 130th largest economy in the world.

Manchester's future continues to be influenced by its past. The rebirth of the downtown core is a reminder of the major influence of the Amoskeag Manufacturing Company, and the grid of streets and parks in the city's central district, the layout of residential Manchester, and the complex of mills that still stands along the banks of the Merrimack River reveal the logic of early city planners.

Expectations are that Manchester, and its historic Central Business District in particular, will continue to grow, as shown in a recent forecast from the Southern New Hampshire Regional Planning Commission

Population, Dwelling Units and Employment Projections Manchester Central Business District

	POP	DWELLING UNITS	RETAIL	EMPLOYMENT NON-RETAIL	TOTAL
2000	2,706	1,514	1,249	12,469	13,718
2005	4,212	2,171	1,405	15,645	17,050
2010	4,863	2,452	1,728	16,690	18,418
2015	5,049	2,532	2,121	17,485	19,606
2020	5,241	2,614	2,349	18,480	20,829
2025	5,422	2,695	2,677	19,500	22,177

Source: Southern NH Planning Commission



Musicians perform during the lunch hour at City Hall

Overview of Manchester Central Business District

The City of Manchester lies at the transportation crossroads of northern New England, yet it presents the appeal of a traditional New England town. Its downtown district is built on the eastern bank of the Merrimack River, and it features a mix of Victorian facades peppered with a few skyscrapers. Situated between the river and downtown lies a world-class historic district – the Amoskeag Millyard, which is now a thriving urban business park. Both areas are included in the Manchester Central Business District (CBD), which is part of Intown Manchester’s service area and the primary focus for this study.



Travel and transportation to and from Manchester is very convenient, with major highways intersecting here and the Manchester Airport one of the fastest growing airports in the country. More information about transportation and access can be found on pages 27-30.

Tourism development is a new business strategy for the city, which opened the Granite State’s first Convention and Visitors Bureau in 2003. The Greater Manchester Chamber of Commerce Welcome Center registered more than 6,000 visitors during 2003.

Commerce and Employment

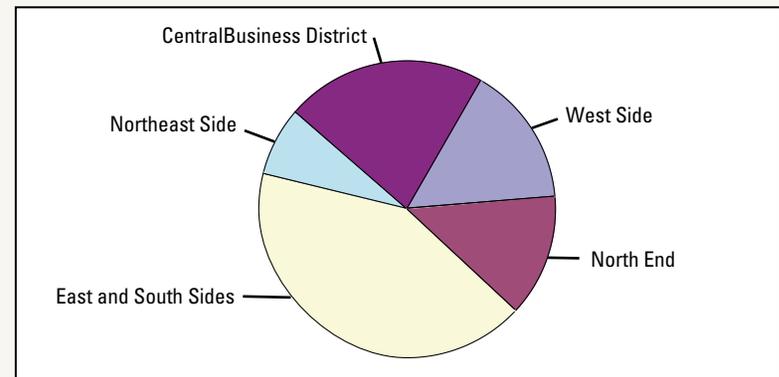
The Central Business District is composed of a mix of 20% professional, scientific and technical service firms, 19% retail and wholesale trade establishments, 11% finance & insurance firms and 7% construction and manufacturing firms. Accommodation & food



The Greater Manchester Chamber of Commerce Welcome Center

services account for 7%, health care and social assistance account for 6%, and the rest of the firms are other service firms. Currently there are almost 800 private sector businesses located in the Central Business District.

2001 Employment in Manchester, NH



Source: U.S. Census Bureau, EPCD, County Business Patterns



Brownstone housing on Elm Street

DAVID LEWRY

Comparative Employment Centers in the City of Manchester

ZIP CODE EMPLOYEE	AREA DESCRIPTION	NUMBER OF EMPLOYEES	NUMBER OF ESTABLISHMENTS	PAYROLL/
03102	West Side	8,742	475	\$28,860
03104	North End	7,616	594	\$28,977
03103	East and South Sides	24,079	995	\$32,032
03109	Northeast Side	4,332	250	\$35,054
03101	Central Business District	12,654	732	\$42,012
		57,423		

Source: 2001 County Business Patterns

The number employed in downtown Manchester is almost 13,000, which is 20 % of the city's total employment base. The average wage for downtown workers is \$42,000 per year, the highest in the city; however, less than 10% of these workers actually live in the Central Business District.

Housing in the CBD

Two percent of the population of the city, aged 16 years and over (about 2,300), lives in the Central Business District. Of these about 1,200 are in the resident downtown labor force. The median household income of those living in downtown Manchester is \$18,878. Compared to a median income of \$40,774 for all of the City of Manchester residents, and \$50,410 for the Manchester Primary Statistical Area, clearly high wage earners work in the Central Business District, but tend not to live in the area where they work. The implication is that there is significant untapped spending power in the Central Business District. Meanwhile, the needs of the low-income residents in the CBD continue to strain municipal resources and social service agencies.

Most of the current housing units in downtown Manchester were built for the mill workers, more than 100 years ago, and demand for more housing options is increasing.

The downtown district is attracting more residents, particularly singles who are young professionals, who wish to live in downtown Manchester, but cannot find adequate facilities.

Another growing sector is the "empty nester" – older individuals and couples who have



Opera Block Apartments on Hanover Street



Amoskeag Gardens



A young fan meets his hero



Touchdown!



Manchester is a prime market for hockey

sold their suburban homes and desire to live in a more urban atmosphere. In an effort to meet the demand for urban living, redevelopment of existing properties is encouraged, and at least 400 upscale housing units in downtown will be completed by 2006. Another 600 units of housing are planned throughout the city.

A Sports and Nightlife Destination

The Manchester Monarchs. Perhaps one of the most dramatic changes in the local economy occurred with the successful introduction of professional hockey. So great is the region's appetite for sporting events, that in less than five years, Manchester has attracted two additional minor league franchises, baseball and arena football, and firmly established its position in New England as a spectator sports destination.

This evolution occurred when the City followed another suggestion in the Intown Manchester Development Plan and built the largest civic arena in the state, the Verizon Wireless Arena, which opened in 2001. The Manchester Monarchs hockey team, an AHL affiliate of the Los Angeles Kings, became its resident team.

As a result of the decision to build the arena, the downtown economy began to improve dramatically as a destination for nightlife and entertainment.

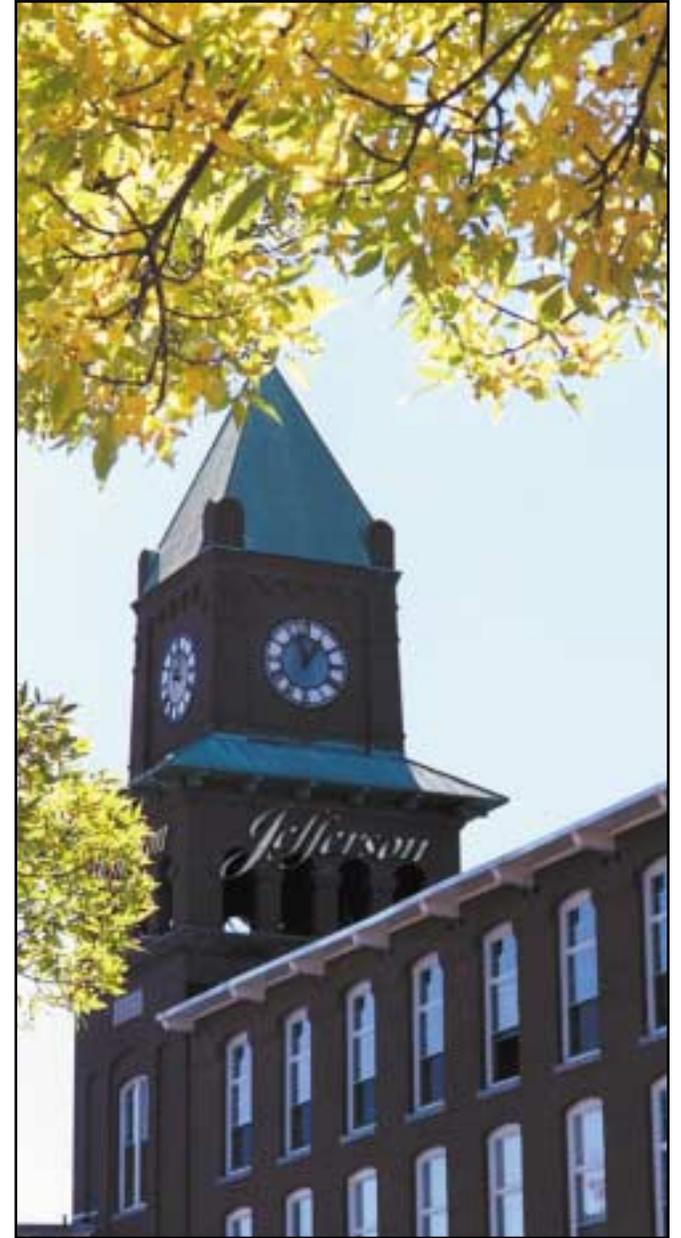
The New Hampshire Fisher Cats, a AA franchise of the Toronto Blue Jays, completed its inaugural season in 2004, and their new baseball stadium is the focal point of a river side complex in downtown Manchester that will feature a hotel and more than 200 condominiums.

The Manchester Wolves, New England's first Arena2 Football team, began playing its games at the Verizon Wireless Arena in 2004. It prides itself in being a locally owned team and the only other professional football team in New England after the Patriots.

Manchester's nightlife is one of the most energetic in the state and is attractive to a market of young professionals. The Manchester Young Professionals Network is a new organization that brings vitality to the city and helps to create connections for those new to the area. Inherently walkable, downtown Manchester features numerous nightclubs, ethnic restaurants, and upscale dining experiences. In addition to world class entertainers appearing at the Verizon Wireless Arena, the Palace Theater is a nationally registered historic vaudeville-style theater, which remains the home stage for community performance groups, symphony and opera, and traveling Broadway shows.



A view of Manchester's newest skyscraper, said to be the tallest building north of Boston, and the Parish House



Jefferson Mill is the latest renovation in the Millyard

Office Market in the Central Business District

Downtown Manchester contains more than one million square feet of high quality office space. Downtown office buildings hold about 800 businesses that employ almost 13,000 people. Downtown employees have easy access to dozens of restaurants and retail shops in the area.

The largest recent sales in the Manchester area include the New Hampshire Tower at 1750 Elm Street, which sold to Brady Sullivan Properties in April 2004 for \$15 million, and the Jefferson Mill that sold for \$3.4 million in 2002.

The following table shows the quality office space in the Intown Manchester District, including lease companies, average lease rates, and square footage data for 2004.

PROPERTY NAME AND ADDRESS	LEASE COMPANY	LEASE RATE	TOTAL SQ. FT.	AVAIL. SQ. FT.	VACANCY
Center of NH 650 Elm Street	Cushman & Wakefield	\$21.00	98,815	2,000	2.0%
155 Dow Street	Grubb + Ellis	\$15.50	88,168	2,124	2.4%
Fleet Building 1155 Elm Street	Cushman & Wakefield	\$21.00	127,600	5,000	3.9%
Hampshire Plaza 1000 Elm Street	Tower Reality Group	\$24.00	326,610	100,000	30.6%
Jefferson Mill 670 N. Commercial Street	Brady-Sullivan	\$10.95	250,000	50,000	20.0%
Brady Sullivan Tower 1750 Elm Street	Brady-Sullivan	\$17.75	212,000	50,000	23.6%
The Vetro Building 815 Elm Street	Stebbins Commercial Properties	\$11.00	22,200	3,747	16.9%
			1,125,393	212,871	18.9%

Source: Business NH Magazine

Major cities and towns in the Merrimack Valley have almost 17 million square feet of combined area office space, with an average vacancy rate of about 17 percent. The larger area surrounding Manchester added over 1.2 million square feet of office space from 2002

to 2003, with Manchester alone adding more than 700,000 square feet.

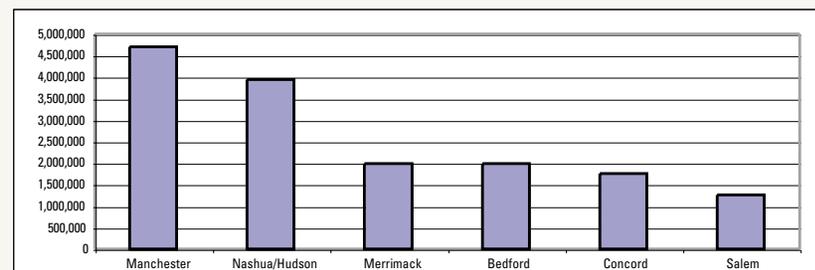
The high quality office space in the downtown area (about 1.7 million square feet) represents more than one third of Manchester's total office space of 4.7 million square feet.

2003 Office Market in the Merrimack Valley

SUB MARKET	TOTAL SQ. FT.	AVAIL. SQ. FT.	VACANCY RATE %	LEASE RATE	SQ. FT. CHANGE FROM 2002
Amherst	291,147	17,767	6.1%	\$10.00	85,787
Auburn	60,000	26,878	44.8%	\$14.50	-9,958
Bedford	1,984,779	335,887	16.9%	\$17.00	-62,455
Concord	1,755,385	397,865	22.7%	\$14.25	168,000
Hooksett	198,271	14,962	7.5%	\$10.00	0
Londonderry/Derry	480,806	79,370	16.5%	\$13.25	73,681
Manchester	4,706,284	824,553	17.5%	\$16.00	729,505
Merrimack	1,994,850	118,955	6.0%	\$17.50	263,942
Nashua/Hudson	3,934,448	834,310	21.2%	\$16.50	180,418
Salem	1,261,666	228,326	18.1%	\$13.00	-149,617
Windham	227,525	10,363	4.6%	\$11.00	0
Office Market Total	16,895,161	2,889,236	17.1%		1,279,303

Source: CB Richard Ellis

2003 Office Market, Merrimack Valley - Total Square Feet



Source: CB Richard Ellis

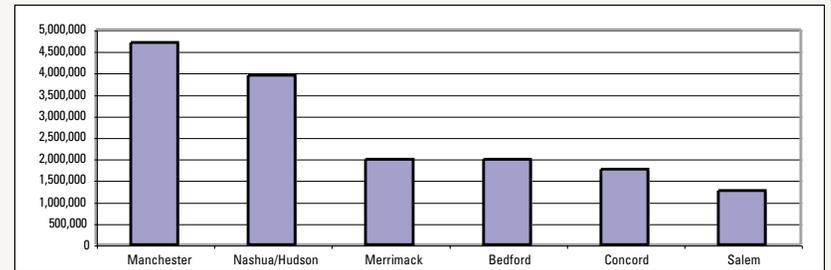


Commercial Street, Amoskeag Millyard



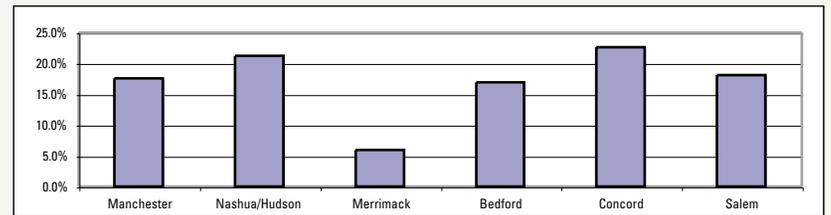
Manchester's Millyard is home to many high tech companies including Texas Instruments

2003 Office Market, Merrimack Valley - Available Square Feet



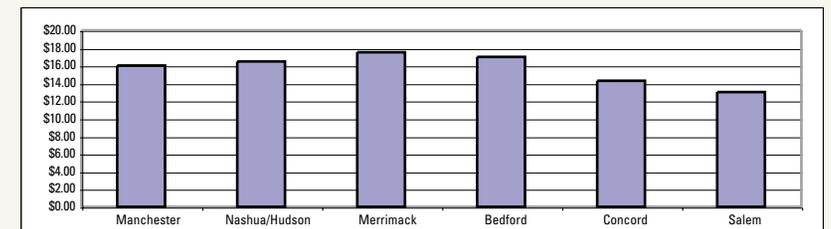
Source: CB Richard Ellis

2003 Office Market, Merrimack Valley - Vacancy Rates



Source: CB Richard Ellis

2003 Office Market, Merrimack Valley - Lease Rates



Source: CB Richard Ellis

Manchester, New Hampshire Guest Rooms & Meeting Rooms

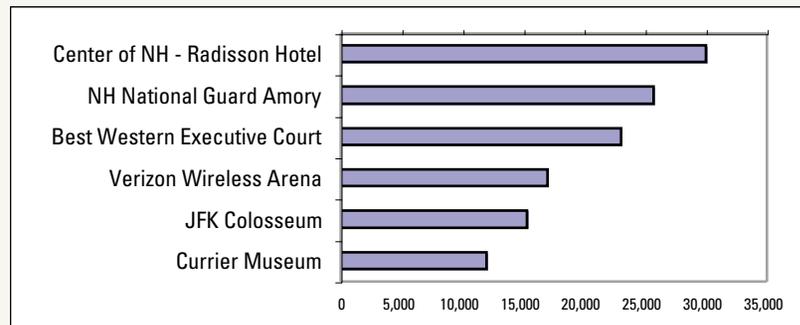
	GUEST ROOMS	MEETING ROOMS	SQUARE FEET
Ahh-Some Gourmet Coffee & Restaurant	0	2	1,700
Avicore Videoconferencing	0	3	350
Belmont Hall	0	2	2,300
Best Western Executive Court	135	16	23,000
Black Brimmer American Bar & Grille	0	1	800
Center of NH - Radisson Hotel	250	17	30,000
Chateau Restaurant	0	5	4,500
Comfort Inn	104	2	1,288
Courtyard by Marriott	90	1	624
Currier Museum of Art	0	2	12,000
Derryfield Restaurant and Lounge	0	1	300
Four Points Sheraton	120	4	675
The Highlander Inn & Conference Center	88	5	2,750
Homewood Suites	124	1	625
Intervale Country Club	0	1	1,800
JFK Coliseum	0	1	15,275
The Lantern	0	2	2,200
MacNeil's Banquet Facility	0	2	1,600
Manchester City Library	0	3	2,000
Manchester Millyard Museum	0	1	1,000
NH National Guard Amory	0	1	25,676
Piccola Italia Ristorante	0	1	2,300
Puritan Function Rooms & Conference Ctr	0	5	2,500
Ramada Inn of Manchester	121	3	1,870
Richard's Bistro	0	1	600
Southern NH University Conference Center	0	50	2,600
Tage Inn, Manchester Airport	96	1	2,000
TR Brennan's	0	2	2,500
University of New Hampshire, Manchester	0	24	1,800
Verizon Wireless Arena	0	1	17,000
The New Hampshire Institute of Art			
The Yard Restaurant	0	5	4,800
Total	1,128	169	171,433

Source: BusinessNH Magazine

Conventions, Hotels & Tourism; Arts & Culture

The Manchester Convention and Visitors Bureau (<http://www.manchestercvb.com/>) assists with convention planning and other tourist arrangements. There are more than 1,000 hotel rooms in Manchester, and total meeting and exhibit space in over thirty locations exceeds 170,000 square feet. At least six facilities offer more than 10,000 square feet.

Top Facilities in Manchester - Square feet of floorspace



Source: BusinessNH Magazine

Sports Venues

Manchester boasts the largest civic arena in the state, the Verizon Wireless Arena, with a seating capacity of 10,000. Although sell-out events include such luminaries as Elton John, Cher, Bette Midler, and the Boston Pops, average attendance is 8,000 for Monarchs Hockey games, and 5,000 to 6,000 for a mix of other arena events, including a new Arena2 Football league team, the Wolves. The arena also hosts family events, concerts, expos, and ice shows.

The New Hampshire Fisher Cats minor league baseball team completed its first season in Manchester in 2004, winning the Eastern League Championship, and it moved into the brand new Riverfront Stadium, a \$19 million, 6,500-seat baseball park, in April 2005. The stadium includes 32 suites in the outfield and a picnic area for families. In addition, a new



The Center of New Hampshire offers a full array of meeting rooms



Verizon Wireless Arena bringing in big name entertainment

hotel and nearly 200 condominiums will enjoy river views to the west, with the ballpark to the east.

Other outdoor sporting venues located within the city limits include golf courses, ice rinks, little league fields, and historic Gill Stadium. Not far from downtown, ice hockey rinks are busy nearly year-round, as training centers and hosts of local competitions; area colleges provide spectator-sporting events, especially basketball and soccer. Manchester operates its own ski facility at McIntyre Ski Center providing family skiing, lessons, and equipment rental.

Five largest Manchester area conventions (events) 2003-2004

- FIRST Robotics Competition Regional - Manchester
- NCAA Regional Hockey Playoffs - Manchester
- NASCAR events in June and September – Loudon Racetrack
- New Hampshire First in the Nation Presidential Primary - Statewide
- Highland Games – Hopkinton Fairgrounds

Highlight on the Verizon Wireless Arena

The Verizon Wireless Arena, which opened in November of 2001, is the first event center of its kind to be built in New Hampshire, and is the largest construction project to ever be undertaken by the City of Manchester. Verizon Wireless paid \$11.4 million for the naming rights for 15 years.

The Verizon Wireless Arena is a popular resource for entertaining, with 600 club seats, 34 suites, two party suites and a private club lounge. The building features a unique elliptical design that increases seating on the sides of the arena rather than the ends of the arena, providing outstanding sight lines for all fans.

The Manchester Monarchs take to the ice from fall through the winter, and in the spring, the Manchester Wolves begin their arena football season. In between sporting events, the arena becomes a stage for world-class performers, drawing audiences from several of the surrounding New England states.

According to a recent study, attendance at the Verizon Wireless Arena ranked fourth in the world for arenas of comparable size. More than 725,000 people traveled to Manchester in 2003 to attend an event at the arena, creating a \$48 million economic impact on the city. In the period November 2003 through October 2004 another 770,000 spectators attended events at the arena.

Tourist Attractions

America's Credit Union Museum — St. Mary's Bank was the nation's first Credit Union. The museum houses Credit Union memorabilia and offers a state-of-the-art conference center.

Amoskeag Fishways Learning Center — The Fishways' focus is on the natural and cultural history of the Merrimack River and its watershed. Year round environmental educational programs and exhibits are designed for people of all ages.

Downtown Farmers' Market — The Downtown Farmers' Market opens in mid-June with a strawberry festival, and it continues every Thursday afternoon throughout the summer.

Franco-American Center — Manchester's early workforce migrated to the city from Canada, the Quebec region in particular. The Franco-American Center is a cultural heritage institution, preserving the French Canadian influence in our City.

Manchester City Hall — Manchester's City Hall is one of the few gothic style city halls in the country. It was completely renovated in late 1990's and is listed on the National Registry of Historic Places.

SEE Science Center — A community science center on the upper floors of the Millyard Museum, the mission of SEE Science Center is to promote the understanding, enjoyment, and achievements of science by establishing public access to interactive science discovery centers. SEE has interactive science & technology exhibit areas for all age groups, science discovery areas for young children, inventors workshops for youth, teleconferencing/long distance learning capabilities, and resource rooms containing print and electronic science education materials.

McIntyre Ski Area — A city-owned family ski area, it offers lessons after school, family skiing, tubing and night skiing.

Millyard Museum and the Amoskeag Millyard — Located in the Amoskeag Millyard, the Millyard Museum offers visitors a view of Manchester's 11,000 year history from native Americans who settled on the Amoskeag Falls to the employees of Manchester's famous Amoskeag Manufacturing company to today's businesses and residents. The historic Amoskeag Millyard is a mill complex unmatched anywhere in the world. It functions today as an urban business park, and by virtue of its sheer size, it should be on every visitor's list.



Manchester's City Hall

DAVID LEWRY



The Downtown Farmers' Market features fresh locally grown flowers and produce.



Skiing in Manchester? You bet at McIntyre Ski Area!



GARY SAMSON

New Hampshire Institute of Art



The Palace Theater is a center for cultural activities



Currier Museum of Art



Millyard Museum located in the Amoskeag Millyard

Currier Museum of Art — The Currier is an internationally renowned art museum featuring European and American paintings, decorative arts, photographs and sculpture. The permanent collection includes works by Picasso, Matisse, Monet, O’Keeffe, Calder and Wyeth. A lively schedule of exhibitions complements the Currier’s commitment to regional art. The Currier also owns Frank Lloyd Wright’s 1950 Zimmerman House, complete with the original furnishings and the owner’s fine art collection. Reservations are required for the Zimmerman House tours. The museum has a gift shop, a café and a children’s room.

The New Hampshire Institute of Art (NHIA) is the first and only independent college of art in the state offering a Bachelor of Fine Arts (BFA) degree program, certificate programs, and lifelong learning courses. Exhibitions support the teaching mission of the Institute.

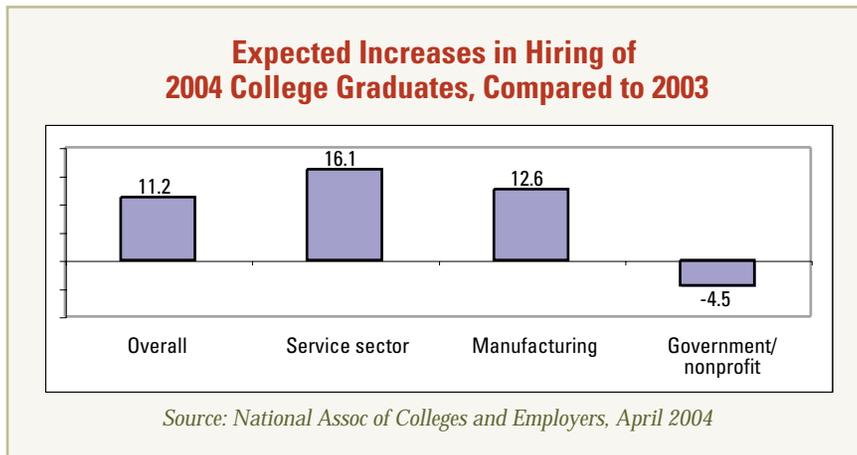
The Palace Theater — The Palace is the only historic theater still standing in Manchester. In an area that once had 22 theatres, this historic building is now the sole survivor of Manchester’s “Great White Way.” In 1974 the stunning Vaudeville-style Palace Theater was given a second chance to shine, thanks to a community-wide effort to renovate the dilapidated and unused structure. Since that time the Palace Theatre has withstood fire and flood and attempts to raze it for other development. Today the Palace Theatre is a beautifully restored 870-seat professional performing arts center. As the Palace’s history continues to unfold, the theatre is again a center of cultural activity.

Outlook for Job Growth

Three recent reports confirm a positive outlook for job growth in Manchester. One indicator shows that business is again looking for young knowledge workers, particularly in the Northeast. The second shows that by one important measure, (the average family's tax burden), the city of Manchester is one of the most competitive cities in the country, and best in the Northeast. The last reveals that Manchester is one of the few 'recession-proof' cities in the county.

Rehiring

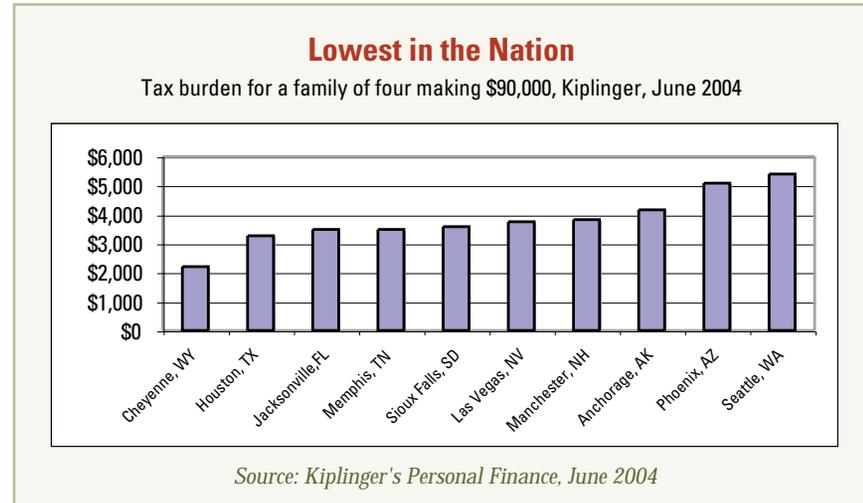
First, after three years of cutting back, businesses are refocusing on hiring college graduates.



Most important for this part of the country, employers in the Northeast have the most positive projections in the nation and expect to increase their number of college hires by 20.9 percent. Although not spelled out in the study, the fact that the average age of the workforce population tends to be higher in the Northeast means that retiring workers must be replaced by new workers.

Lowest tax burden for families

In another study released in June 2004, Manchester is the only city in the Northeast to be included in the top 10 American cities with the lowest tax burden. That was according to a study in the June 2004 "Kiplinger's Personal Finance", which compares the tax burdens of the most populated areas in each state.



Public Service Company of New Hampshire's New Hampshire Economic Review shows that New Hampshire has the lowest state and local tax burden among all of the fifty states. New Hampshire also has the lowest crime rate, and the highest standard of living among all of the fifty states.

Recession Proof

Another report, released in July 2004 by the Wall Street bond rating firm Standard and Poors, revealed that Manchester is one of six communities in the nation that have beat the recession, thanks to a diverse economy and a strong management team. Manchester avoided high unemployment while keeping strong reserves and a good bond rating.

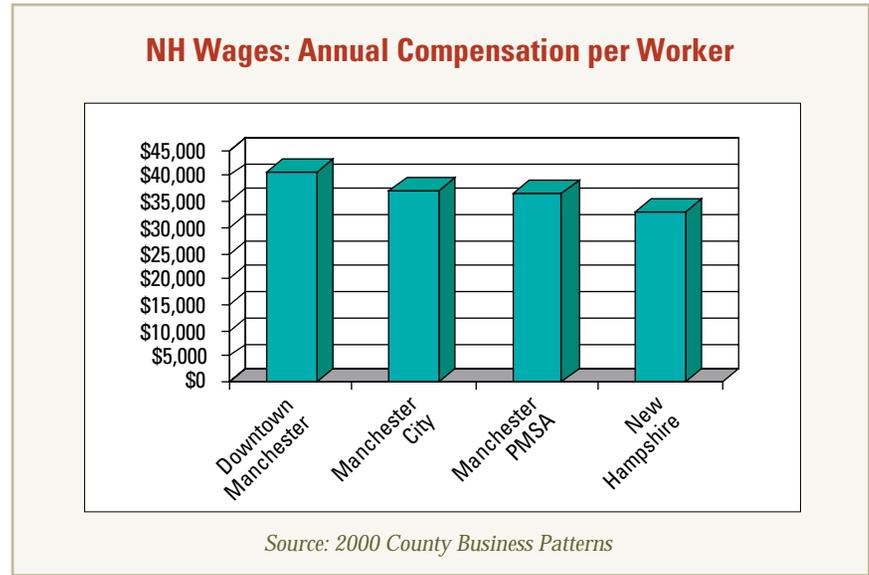
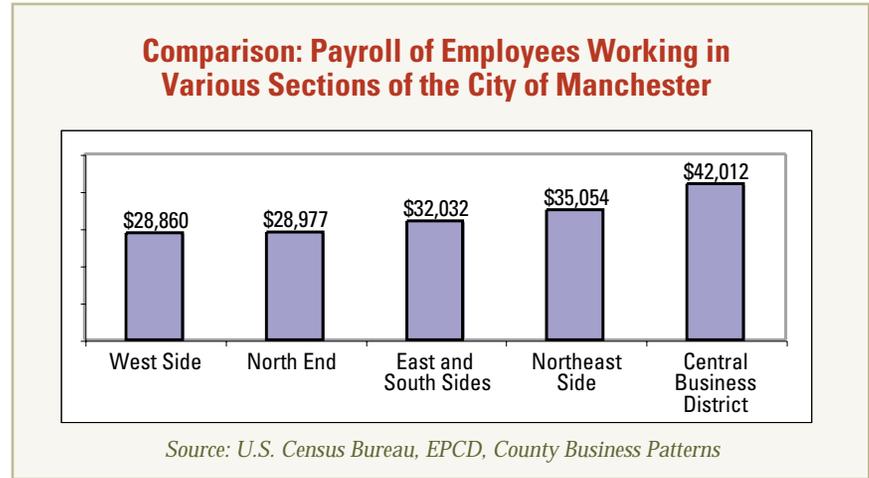
The report praised Manchester's "diverse mix of health care, financial services, transportation and light manufacturing", aided by long-term planning by city management, low debt rates and a growing tax base. The other municipalities called "recession-proof" based on their economic and revenue diversity, management philosophy, development efforts

and financial reserves were Jacksonville, FL, Naperville, IL, Phoenix, AZ, Reno, NV, and Sugarland, TX.



Central Business District Facts

The Central Business District contains about 24 percent of the City of Manchester’s employees, but pays out about 29 percent of the city’s annual wages. The average payroll per employee in the Central Business District, at \$42,012, is higher than in any other area of the City of Manchester. Workers in Manchester’s downtown, on average, make higher salaries than workers in the city, the surrounding towns or the Granite State.



Employment

Firms that employ professional, scientific and technical service workers are predominant in the Central Business District, with more than 150 firms. Retail trade makes up the next dominant employment sector in downtown, followed by financial and insurance firms.

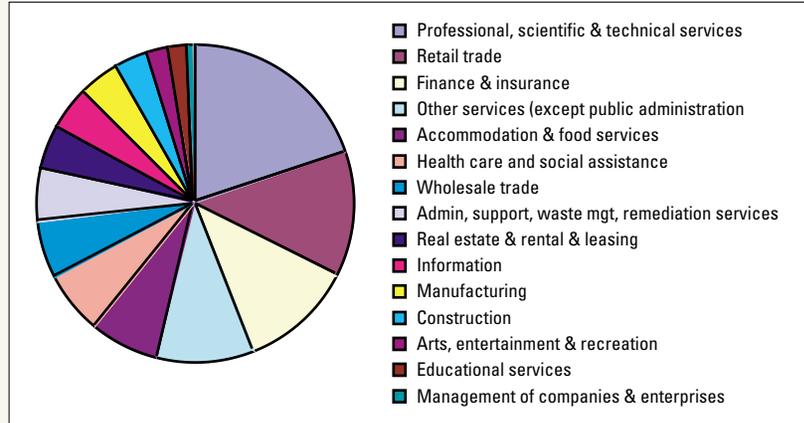
Accommodation, food service, health care and social assistance firms together make up more than 100 establishments.

Central Business District

INDUSTRY DESCRIPTION	TOTAL ESTABLISHMENTS
Professional, scientific & technical service.....	152
Retail trade.....	100
Finance & insurance.....	88
Other services (except public administration).....	78
Accommodation & food services.....	53
Health care and social assistance.....	49
Wholesale trade.....	45
Admin, support, waste mgt, remediation service.....	43
Real estate & rental & leasing.....	35
Information.....	34
Manufacturing.....	33
Construction.....	26
Arts, entertainment & recreation.....	17
Educational services.....	14
Management of companies & enterprises.....	7
	791

Source: 2001 County Business Patterns

Central Business District Establishments by Type



Source: U.S. Census Bureau, EPCD, County Business Patterns

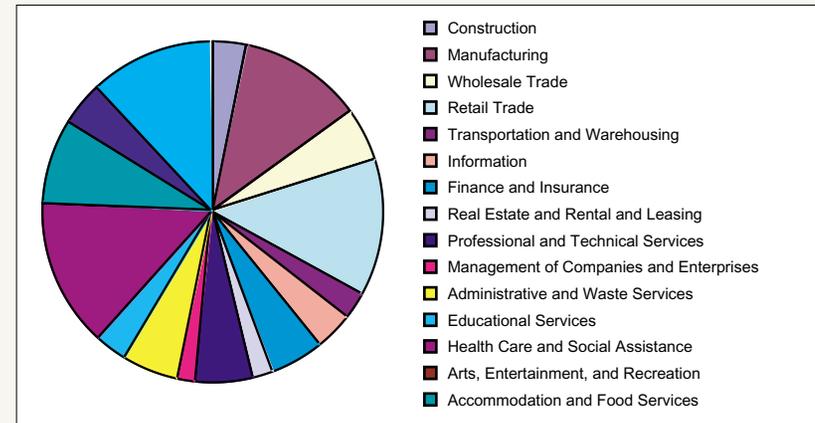
Wages throughout the City of Manchester are more than \$600 per week in most industries; however, the average worker in downtown takes home about \$875 per week. Manchester is the center for professional business services in the state of New Hampshire.

The industry categories that have **bold text** in the following table are industries with a higher concentration in Manchester, relative to the state average. Said another way, Manchester has a high concentration of Wholesale Trade, Transportation and Warehousing, Information, Finance and Insurance, Real Estate, Professional Services, Management, Administrative and Waste Services, Education Services and Health Care employment relative to the Granite State average.

Industry in Manchester, NH 2002

	FIRMS	AVERAGE ANNUAL EMPLOYMENT	AVERAGE WEEKLY WAGE
Total, Private plus Government	3,282	65,345	\$735.45
Construction	243	2,217	\$848.09
Manufacturing	181	7,492	\$811.26
Wholesale Trade	263	3,190	\$907.21
Retail Trade	505	8,268	\$532.82
Transportation and Warehousing	73	1,597	\$581.80
Information	67	2,319	\$1,204.37
Finance and Insurance	198	3,281	\$1,133.84
Real Estate and Rental and Leasing	138	1,286	\$853.01
Professional and Technical Services	373	3,563	\$1,169.47
Management of Companies and Enterprises	22	963	\$1,050.89
Administrative and Waste Services	166	3,443	\$494.92
Educational Services	48	1,983	\$566.63
Health Care and Social Assistance	314	9,152	\$722.32
Arts, Entertainment, and Recreation	n	n	n
Accommodation and Food Services	251	5,153	\$286.88
Other Services Except Public Admin	327	2,659	\$552.06
Total Government	58	7,668	\$773.56

2002 Manchester Employment by Industry



Source: Economic and Labor Market Information Bureau,
New Hampshire Employment Security

Downtown Manchester has a denser employee base than in other areas of the state. The Central Business District employment base is large, making downtown living an attractive alternative for prospective residents who wish to live near their workplace.

**Profile of Comparison Communities -
2003 Intown Manchester Economic Development Study**

	TOTAL POPULATION	METRO AREA POPULATION	CITY POPULATION DENSITY	WHITE ALONE (NON-MINORITY)	MEDIAN % OF HOUSEHOLD INCOME	MEDIAN FAMILIES IN POVERTY	MEDIAN HOME VALUE	OWNER GROSS RENT	OCCUPIED HOUSING
Boston, MA	589,141	3,398,051	12,172.3	49.5%	\$39,629	15.3%	\$190,600	\$803	32.2%
Providence, RI	173,618	955,549	9,401.7	45.8%	\$26,867	23.9%	\$101,500	\$526	34.6%
Worcester, MA	172,648	502,511	4,596.5	70.8%	\$35,623	14.1%	\$119,600	\$577	43.3%
New Haven, CT	123,626	542,149	6,541.1	35.6%	\$29,604	20.5%	\$109,200	\$651	29.6%
Hartford, CT	121,578	1,183,110	7,025.2	17.8%	\$24,820	28.2%	\$93,900	\$560	24.6%
Manchester, NH	107,006	198,378	3,242.6	89.3%	\$40,774	7.7%	\$114,300	\$649	46.0%
Lowell, MA	105,167	290,772	7,620.8	62.5%	\$39,192	13.6%	\$134,200	\$627	43.0%
Nashua, NH	86,605	190,949	2,802.8	86.5%	\$51,969	5.0%	\$137,500	\$757	56.9%
Portland, ME	64,249	243,537	2,842.9	90.6%	\$35,650	9.7%	\$121,200	\$598	42.5%
Concord, NH	40,687	139,991	632.8	94.6%	\$42,447	6.2%	\$112,300	\$647	51.4%
Portsmouth, NH	20,784	199,323	1,332.3	92.7%	\$45,195	6.4%	\$168,600	\$727	50.0%

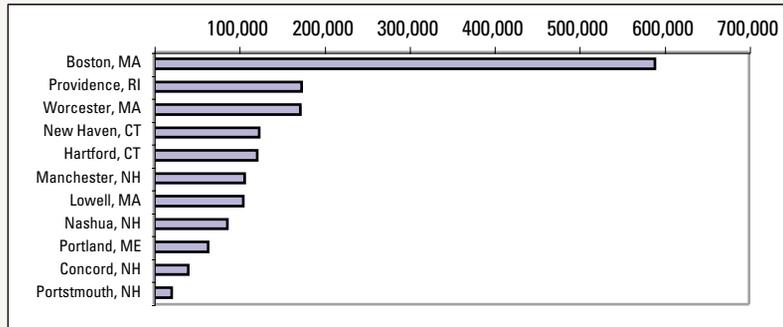
Source: U.S. Census Bureau, Census 2000

The above table uses data from the 2000 Census of Population and Housing to compare Manchester with other selected cities in New England. Major metropolitan areas like Boston, Massachusetts and Hartford, Connecticut are shown along with the major New Hampshire cities of Nashua, Concord and Portsmouth.

Public Service Company of New Hampshire's New Hampshire Economic Review shows that New Hampshire has one of the highest levels of income per capita among all of the fifty states in the year 2003. New Hampshire income per capita in that year was \$34,703, well above the US average of \$31,459.

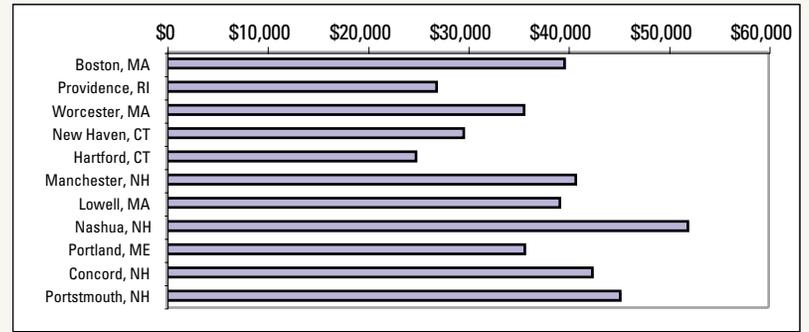
- Portsmouth and Portland have about the same size metro area as Manchester, but are much smaller cities.
- Portsmouth and Portland cities are less densely populated than Manchester.
- New Haven, Hartford and Lowell have twice the population density of Manchester, Providence three times as much, and Boston has four times the population density of Manchester.
- Manchester has a slightly higher minority population than either Portland or Portsmouth.
- Compared to Manchester, household income is higher in Portsmouth, lower in Portland, while poverty levels are higher in Portland, and lower in Portsmouth.
- Manchester home prices are lower than in Portsmouth and Portland.
- Manchester, Portsmouth and Portland all have a greater percentage of owner occupied housing than most of the larger southern New England cities.

Total Population, Year 2000



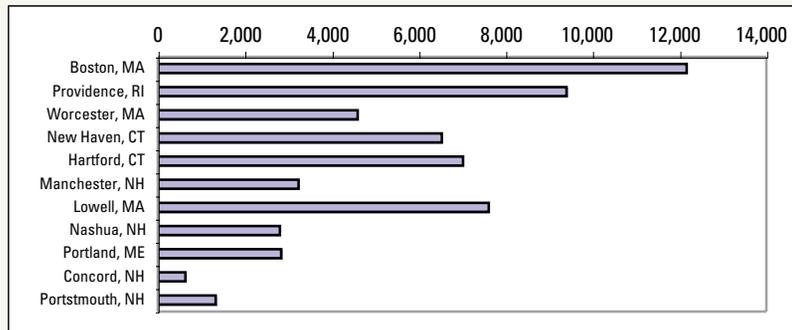
Source: U.S. Census Bureau, Census 2000

Median Household Income, Year 2000



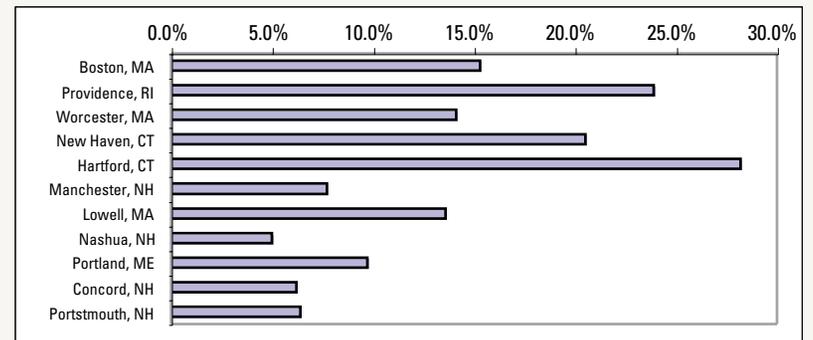
Source: U.S. Census Bureau, Census 2000

Population Density, Year 2000



Source: U.S. Census Bureau, Census 2000

Percent of Families in Poverty, Year 2000



Source: U.S. Census Bureau, Census 2000

Manchester's Residential Market

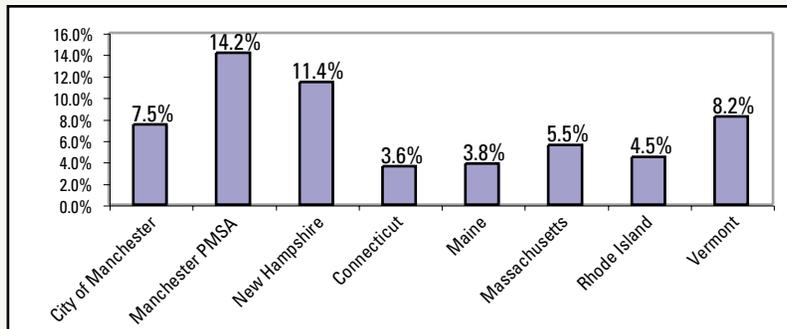
During the 1990's the Greater Manchester economy experienced a strong and sustained period of economic growth. From 1992 to 2002 Greater Manchester's employment base expanded by more than 40 percent. Economic growth creates jobs, and the local labor force expanded in response to the job growth. In fact during the 1990's the population in the Manchester Primary Metropolitan Statistical Area increased by 14 percent, faster than New Hampshire's 11 percent increase, and faster than any other state in New England.

"Workforce housing" has emerged as a concern not only to housing advocates but also policy makers and employers. Even the term itself—workforce housing—was rarely heard until recently. But with housing availability in many areas increasingly exceeding the financial reach of many low-to moderate-wage workers, people are taking notice.



Historic "Corporation Housing" units are popular as residences and businesses in downtown.

Percent Change in Population, 1990-2000



Source: U.S. Census Bureau, Census 2000 and 1990

Unfortunately housing stock in the Manchester PMSA has not kept up with the economic expansion. While the area job base grew by more than 40 percent from 1992 to 2002, in the same time period the number of housing units in the Manchester PMSA grew by just over 11 percent.

Housing and rental vacancy rates have dropped, as a result, while housing price and rental costs have increased faster than incomes, particularly in the last few years.



Residential units built in the 19th century for mill workers are desirable housing for 21st century urbanites



Amoskeag Apartments

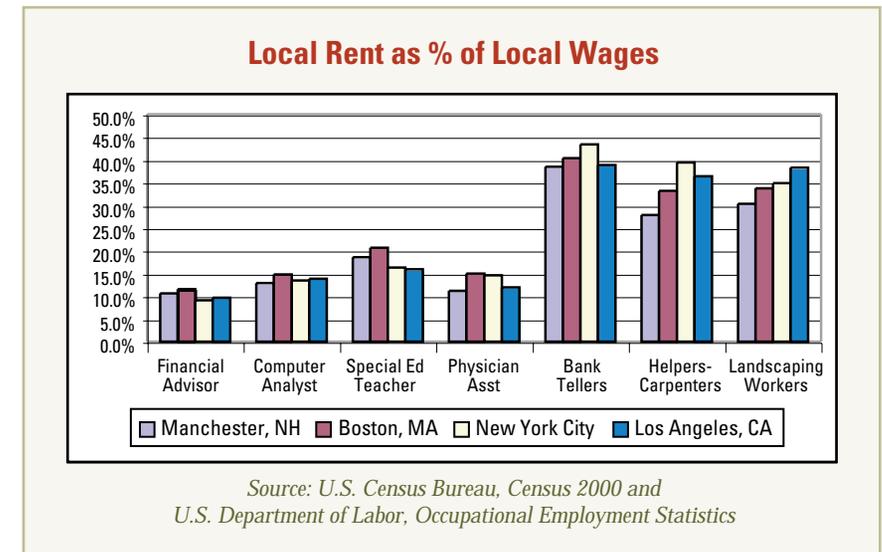


Renovated Victorians bringing back the grandeur of Manchester's past

According to the New Hampshire Housing Finance Authority the median home price in the Manchester PMSA for the period January-June 2003 was \$215,000. The 2003 median rent for a 2-bedroom apartment in the area was \$1,019.

Housing affordability becomes an ever-increasing problem in a tight housing market. For example the 2002 average weekly wage for Educational Service employees in the Manchester PMSA was about \$550 a week. That means that the average Educational Services employee would have to spend close to 50% of his or her monthly income on the median priced 2-bedroom apartment in the Manchester PMSA.

When looking at the local wages needed to pay for an apartment in an area, Manchester is as competitive as any of the large metropolitan areas. The following chart illustrates this by showing local rents as a percent of local wages for Manchester and selected US cities, for many different types of occupations. For instance Financial Advisors, whether living in Manchester, Boston, New York City or Los Angeles, will spend about ten percent of their wages on the average apartment. Bank tellers, no matter where they are located, will spend approximately 40 percent of their wages on rent.



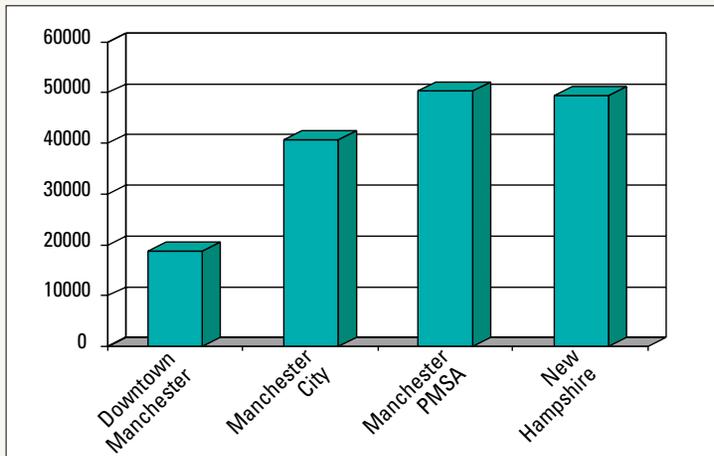
The challenge is that Manchester's workforce heroes—fire fighters, nurses, police officers and teachers—increasingly have difficulty finding homes they can afford in their own city. Affordable homeownership opportunities for Manchester's workforce are important for

their full participation in the education of their children, local civic affairs and the success of their employment missions. Homeownership opportunities for our workforce are critical to the quality of life that makes a community healthy and attractive.

The Manchester PMSA is prosperous, with good economic prospects for the future. Still, there is evidence of a housing crisis in the local area that is particularly hard on lower income renter households. Safe, affordable housing for New Hampshire people is critical to the region's economic vitality and the strength and stability of its families and communities. It remains one of our city's greatest challenges. Until 2004, a residential building had not been built in downtown Manchester for more than two decades, and much of the existing stock is quite old and outdated. Simply put, there is a greater demand for housing, particularly for lower income households, than there is a supply of suitable housing.

Households in Manchester's downtown tend to have relatively low incomes and are more likely to be poor. However, New Hampshire has the lowest poverty rate in the US.

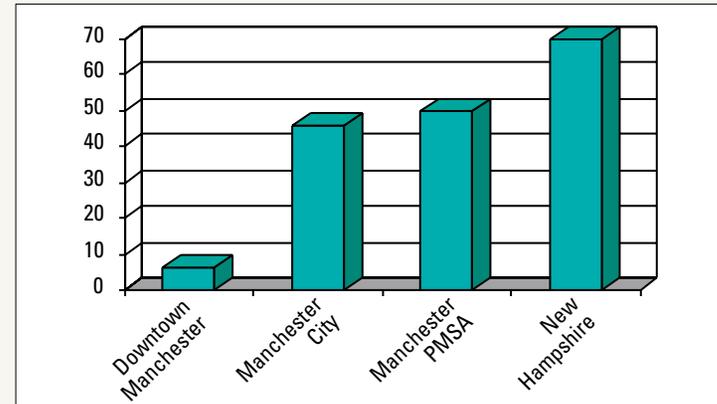
Median Household Income



Source: U.S. Census Bureau, Census 2000

Residents in Manchester's downtown generally are not homeowners, but are renters.

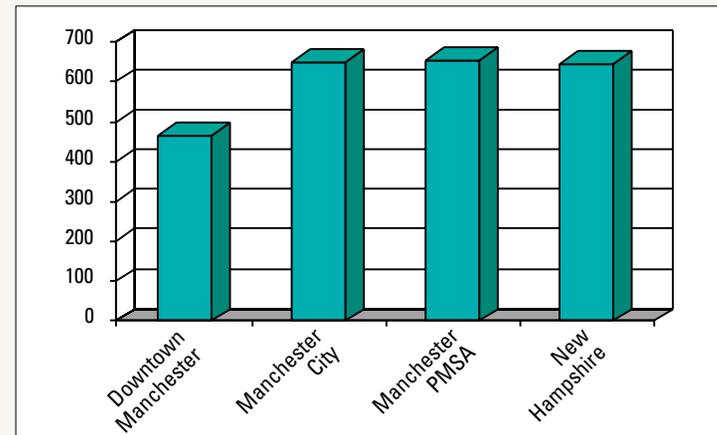
% Owner Occupied Housing



Source: U.S. Census Bureau, Census 2000

Residents in Manchester's downtown pay lower rents.

Apartment Median Gross Rent



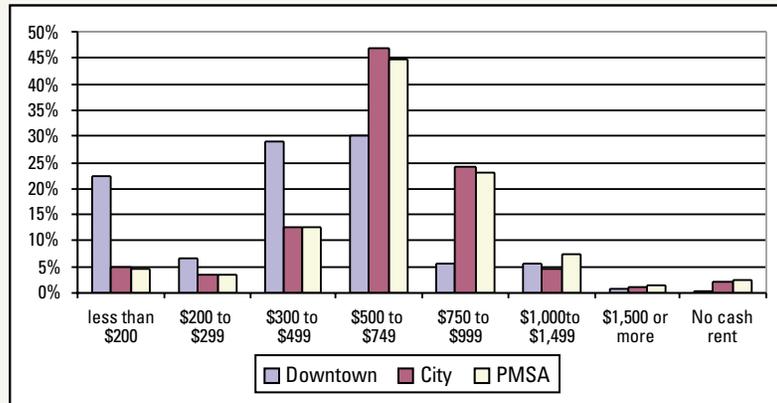
Source: U.S. Census Bureau, Census 2000

Apartment Rents in the Central Business District

Apartment rents in the Central Business District tend to be lower than in the city or in the larger metropolitan area. According to the year 2000 Census, 322 apartment dwellers paid less than \$200 a month, and 800 paid less than \$500 a month.

Looking at the data in the following chart, which shows rents paid on a proportionate basis by area, nearly 88% of downtown Manchester apartment dwellers paid less than \$750 a month in gross rent.

Distribution of Rentals by Gross Rent, Manchester Area

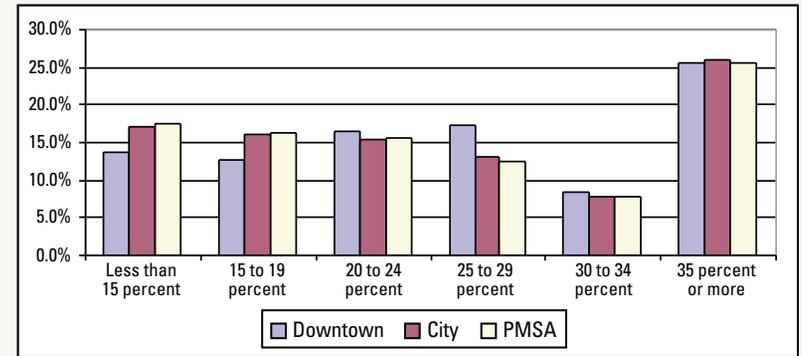


Source: U.S. Census Bureau, Census 2000

However when examining gross rent as a percent of household income, it becomes clear that the distribution of rent relative to income in the Central Business District is very much like the city, metropolitan area and state averages. Among downtown apartment dwellers, 370 pay 35 percent or more of their income for gross rent.

Downtown apartment rents are lower than for the city, metro area, or for the State. But because central business district household incomes are lower, the proportion of income that goes to rent is very similar to the distribution in other areas. The next chart shows clearly that across the board no matter where they live 25 percent plus of apartment dwellers pay 35 percent or more of their income for rent.

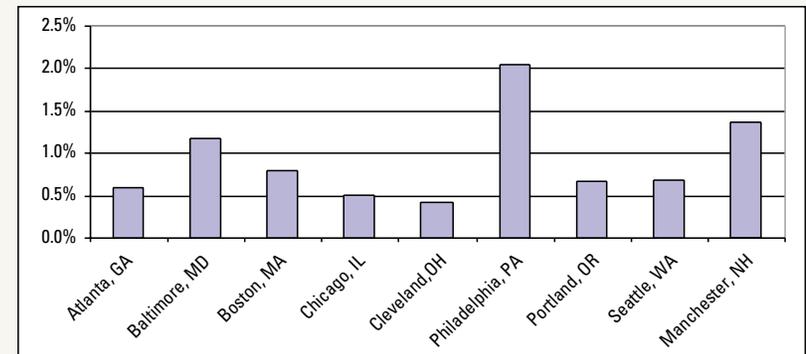
Gross Rent as a Percent of Household Income in 1999



Source: U.S. Census Bureau, Census 2000

While “downtown living” has been getting lots of media exposure, downtown housing remains a very small share of total housing in the nation’s urban areas. Expect a shift as Baby Boomers age and shift home financial resources to purchase upscale housing. Downtown will become more attractive as an alternative for aging boomers, as well as young professionals.

Downtown Population as % of Metro Area (2000)



Source: U.S. Census Bureau, Census 2000

The highest average wages are paid in Manchester's Downtown, but those people tend not to live in the downtown. The challenge for downtown is to develop housing stock that is attractive to higher wage earners, and affordable to low wage earners.

Downtown Retail Market

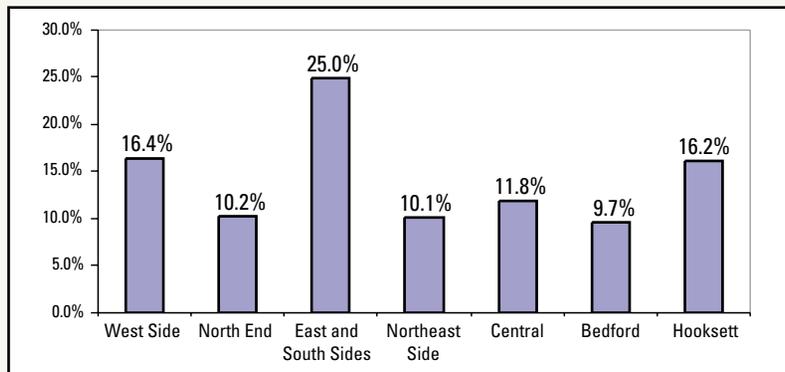
Although strong in some areas, such as dining and nightlife, the retail market in downtown is relatively undeveloped. Among nearly 800 companies in the Central Business District, only about 50 businesses make up the retail sector. There are almost 100 professional services firms, dozens of personal services firms, (hair and nail salons, workout clubs, massage and therapeutic services), food necessities/pharmacy, and more than 60 restaurants, pubs and nightclubs. As residential growth strengthens, merchandise and convenience stores, servicing that market are expected to grow.

The Downtown Manchester retail sales market is estimated to be about \$285 million, with about \$47 million of that retail spending going to eating & drinking establishments.



Elm Street facades in downtown Manchester

Retail Firms as a Percent of Total Firms, 2002



Source: U.S. Census Bureau, EPCD, County Business Patterns



Richard's Bistro



UNH Manchester in the Millyard



The library at UNH Manchester offers a wealth of resources

Education

With more than 30 percent of the workforce attaining a Bachelor's Degree or higher, NH is one of the top ten best-educated states in the country. The New England region has the highest concentration of top educational institutions in the United States. In addition to high quality public and parochial schools, several Ivy League institutions and college preparatory schools are within a two hour drive or less from Manchester.

Manchester's public school system consists of 15 elementary schools, four middle schools, and three high schools, and they enroll a total of 17,655 students (2003-4). Completing the public high school system, The Manchester School of Technology provides vocational training opportunities. In 2004, Manchester launched a \$105 million school renovation and construction project that targets most of the 22 public schools. It features additions, libraries and media centers, and other capital improvements.

Colleges feed workforce

Eleven Manchester Area Colleges (MAC) are united to introduce the local business community and citizens to the endless opportunities their presence provides. The post-secondary institutions of higher learning enroll 16,000 students, and colleges employ more than 2,000 people in the Manchester area. They are a vital asset to the economic climate, a provider of an educated workforce, and a significant contributor to the cultural life of the area. College students represent all ages and ethnic backgrounds, enhancing the diverse appeal of Greater Manchester.

The University of New Hampshire has a Manchester campus, located in the Millyard, along with Franklin Pierce College. The New Hampshire Institute of Art, Springfield College of Human Services, and the Massachusetts College of Pharmacy and Health Services are also located in the Central Business District. Other Manchester area colleges include Hesser College, Chester College of New England, and the College for Lifelong Learning, New Hampshire Community Technical College – Manchester, Saint Anselm College, and Southern New Hampshire University.

Transportation & Access

The opening of the Verizon Wireless Arena, which was built in the Central Business District in 2001 without construction of a parking facility, tested the limits of our parking capacity. We discovered that people attending an event could find adequate parking, to the surprise of many.

Nonetheless, as the city grows and office and residential density increases, certain areas, the Millyard in particular, will need to increase parking capacity. Studies are underway to determine best management practices and usage solutions.

There are almost 8,000 parking spaces in the downtown Manchester area that are generally available to the public. In addition, hundreds of commercial spaces, used by businesses during the daytime, open at night and on the weekends to accommodate parking for special events at the Verizon Wireless Arena and other venues in the downtown.

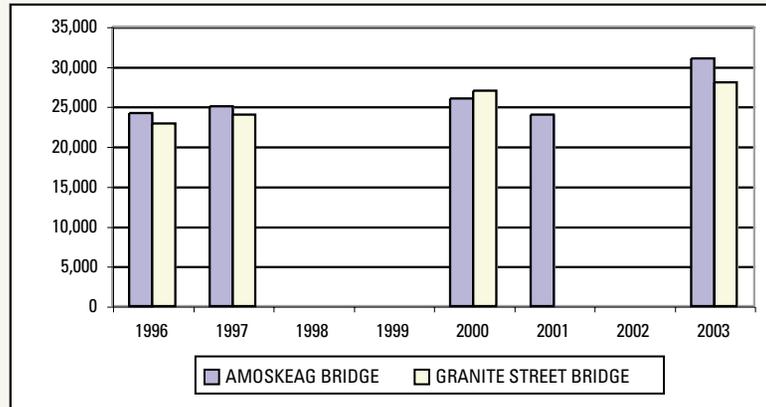
LIST OF GARAGES	
Center of New Hampshire Garage	Rubenstein Parking Lot
Victory Parking Garage	Pine Street Parking Lot
Canal Street Parking Garage	Pearl Street Parking Lot
Kosciuszko Street Garage	South Commercial Parking Lot
Citizens Bank Garage	
PUBLIC PARKING LOTS	
Arms Lot Extension	Arms Parking Lot
J.J. Hartnett Parking Lot	Bedford Parking Lot
Middle Street Parking Lot	Fratello's Parking Lot
	Granite Street Parking Lot
	Seal Parking Lot

Downtown Manchester Parking	
PARKING LOTS	
Number of Lots	12
Number of Spaces	2,302
PARKING GARAGES	
Number of Garages	5
Number of Spaces	2,898
PARKING SPACES	
Number of 2 hr Metered	1,171
Number of 10 hr Metered	1,321
Total	2,492
 Total	 7,692
 Does not include private commercial lots that open for Special Events	
<i>Source: Manchester Traffic Department</i>	

Traffic Counts for the Downtown Area

The Southern New Hampshire Regional Planning Commission monitors Average Annual Traffic Data for member communities in the region, including the City of Manchester. Automatic counters are placed at different locations in different years, so data are not available for every year. Nevertheless the chart below indicates increasing traffic in and around the downtown, consistent with a revitalized area

Traffic Counts at Bridge Entrances to Downtown Manchester



Source: Southern New Hampshire Planning Commission



Transportation improvements planned for Granite Street, Gateway to the city

Highway Improvements

Several projects are on the drawing board to strengthen the road transportation network in the region and further stimulate economic development, including the expansion and improvement of Manchester's Granite Street to create the Gateway Corridor. Outside of Manchester, Route 101, the major east/west corridor linking Manchester to the Seacoast Region and I-95, has been widened to four lanes, easing traffic congestion.

Plans are in place for a \$420 million expansion of I-93 from Salem to Manchester. Construction of park-and-ride facilities and bridges began in 2005. After the park-and-ride is built the construction will run from south to north, from Salem to Manchester. Final construction is scheduled to be completed as early as 2010.

Gateway Corridor

The Granite Street Gateway Corridor was initiated by the city in 2003 in response to the New Hampshire Department of Transportation plan to reconstruct the highway interchange at Exit 5 off of Interstate I-293 into a full access interchange. The infrastructure investment will turn Granite Street into a gateway into the Millyard and downtown Manchester. Construction will include widening the Granite Street Bridge and connections to the Riverwalk, which will link West and East Manchester.

Manchester Airport

During the recession of the 1990's New Hampshire's political and business leaders recognized the economic potential of Manchester Airport, and developed a comprehensive plan for expansion of the air terminals and nearby parking facilities. Since 1987, about \$600 million has been invested in the airport. As a result of thoughtful strategic planning, Manchester exceeded one million passengers in 1997, a year before Southwest Airlines started service there.

In June 2002, the Manchester Airport became the first airport in the nation to have its credit rating upgraded by Standard & Poor's since the September 2001 hijackings and terrorist attacks. The rating not only endorses the airport's future growth prospects, but also guarantees the airport will save money through lower insurance and finance costs. The credit rating agency cited the airport's "solid management with experience managing large capital projects," a "solid economic base supporting future growth in demand" and historical passenger growth that is projected to continue.



Manchester Airport offering travelers easy access to destinations nationwide

Manchester Airport – Nonstop Service as of January 2005

U S AIRWAYS - U S AIRWAYS EXPRESS

2 jets a day to Minneapolis
 8 jets/flights a day to New York-LaGuardia
 8 jets a day to Philadelphia
 5 jets a day to Charlotte
 3 jets a day to Washington National
 4 jets a day to Pittsburgh

SOUTHWEST AIRLINES

11 jets a day to Baltimore-Washington
 4 jets a day to Philadelphia
 2 jets a day to Chicago-Midway
 2 jet a day to Nashville
 4 jet a day to Orlando
 2 jets a day to Tampa
 1 jet a day to Las Vegas

UNITED AIRLINES

4 jets a day to Chicago-O'Hare
 4 jets a day to Washington-Dulles

NORTHWEST AIRLINES

4 jets a day to Detroit

2 jets a day to Minneapolis

INDEPENDENCE AIR

9 jets a day to Washington-Dulles

CONTINENTAL AIRLINES - CONTINENTAL EXPRESS - CONTINENTAL CONNECTION

4 jets a day to Newark
 4 jets a day to Cleveland
 4 flights a day to Albany

DELTA CONNECTION COMAIR

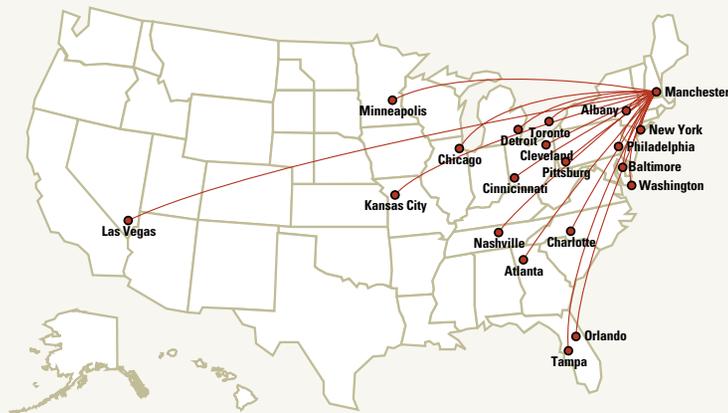
2 jets a day to Cincinnati
 2 jets a day to New York-LaGuardia

DELTA AIR LINES

3 jets a day to Atlanta
 2 jets a day to Cincinnati

AIR CANADA

4 flights a day to Toronto

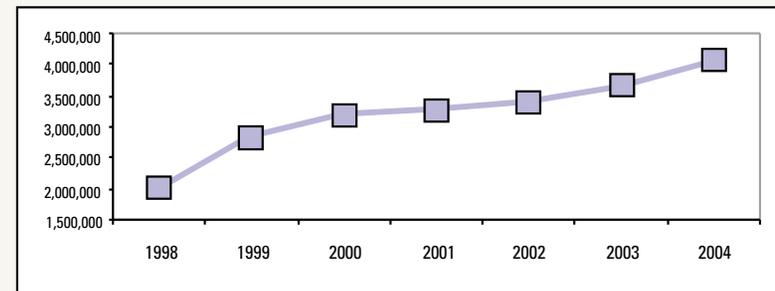


During 2003 Manchester Airport completed several facility and infrastructure improvement projects. Two of the most visible projects were the new airport entrance roadway and the reconstruction and lengthening of the main runway.

Passenger and freight traffic at the Manchester Airport has increased three fold over the last five years. The Manchester Airport handled more than 4 million passengers in 2004, the tenth consecutive year that the airport set new passenger records. This represents an 11.2% increase over last year's record setting achievement. Other airports having shown little growth, with thirteen airlines and over 100 daily departures, Manchester is one of the few airports that have more passengers logged now than prior to Sept. 11, 2001.

A report released by the USDOT shows that Manchester-area travelers pay some of the lowest airfares in the country. The Air Travel Price Index for the first quarter of 2004 shows that fares for itineraries originating in Manchester have dropped more than 13 percent in the eight years covered by the BTS index - the biggest drop of any of the nation's top 85 airports.

Total Passengers - Manchester Airport



Source: Manchester Airport

Quality of Public Environment: Baseline Service

Clean

Private and public partnerships are the key to keeping downtown clean and attractive. The city provides the customary range of service, such as garbage pick up, street cleaning, and snow plowing, that keeps downtown clean and ready to do business. Sidewalk repairs, tree pruning, and herbicide treatments to prevent weeds are additional responsibilities of the city.

A primary responsibility of the BID is to provide supplemental cleaning and beautification services. Intown Manchester Management provides the necessary supplemental services within the Central Business Service District.

Covering an area of approximately 26 lineal miles, the Intown Manchester maintenance team removes litter from sidewalks and alleys daily, and, utilizing two mechanized sweepers, it provides a sidewalk sweeping service. Spring clean up includes sand removal from sidewalks. In one recent year, the Intown cleaning team removed 85 tons of sand after a hard winter.

In addition to daily cleaning, the Intown Manchester maintenance team periodically removes graffiti tags, trims weeds, picks up sand and leaves, and performs other tasks necessary to keeping downtown clean. They assist the City departments by mowing medians during shoulder seasons, picking up litter in alleys after the garbage trucks have gone through, and shoveling pedestrian pathways through snow. In addition, they are responsible for planting and maintaining flowers in certain public areas.

Recent Surveys

Manchester 2004 Intercept Survey

In 2004 volunteers from Intown Manchester conducted “on-the-street” surveys of pedestrians during the lunch hour to determine public perception of the downtown appearance. The survey asked about the cleanliness and beautification of the downtown, a recent Street Banner campaign, and whether they felt safe in the downtown area. On this last a majority of those surveyed felt safer in the downtown than they did one year ago.



During the winter, Intown Manchester's maintenance crew makes curb cut pathways through the snow, so customers can make their way into stores.



Intown Manchester's Green Machine sweeps and sprays the downtown sidewalks.

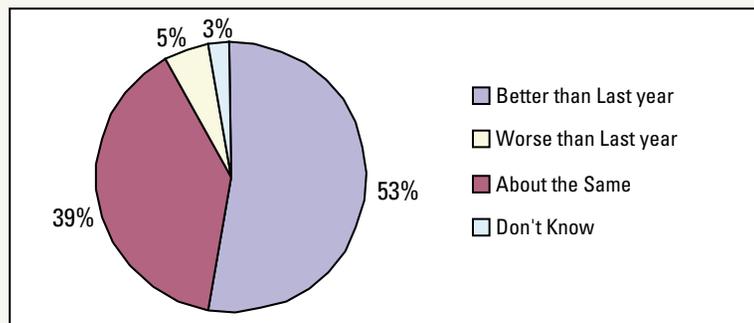


Flowers adjacent to outdoor cafes brighten the sidewalks along Elm Street



Bicycle police patrols frequent downtown neighborhoods.

Downtown Feels Safe



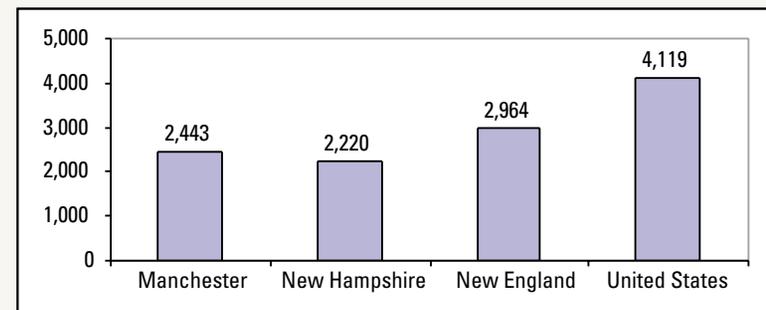
Source: Intown Manchester 2004 Intercept Survey

Eighty percent of those surveyed found an improvement in downtown beautification efforts, relative to one year ago. Very few of those surveyed said that the overall cleanliness of the downtown had deteriorated relative to one year ago.

Quality of Public Environment: Safe

The overall safety of the population is an important part of community quality of life. New Hampshire's crime rate is the lowest among the fifty states and Manchester's crime rate is only slightly above the state average.

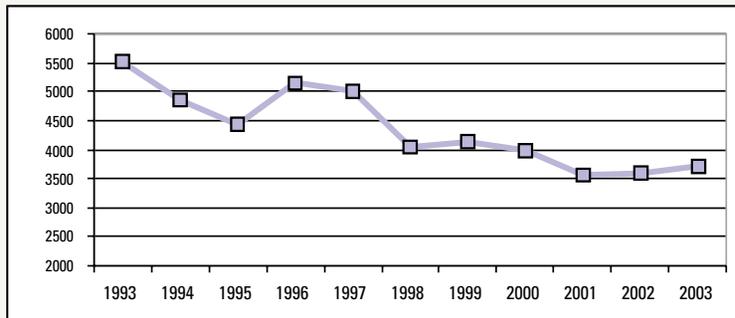
Crimes per 100,000 People 2002



Source: Federal Bureau of Investigation

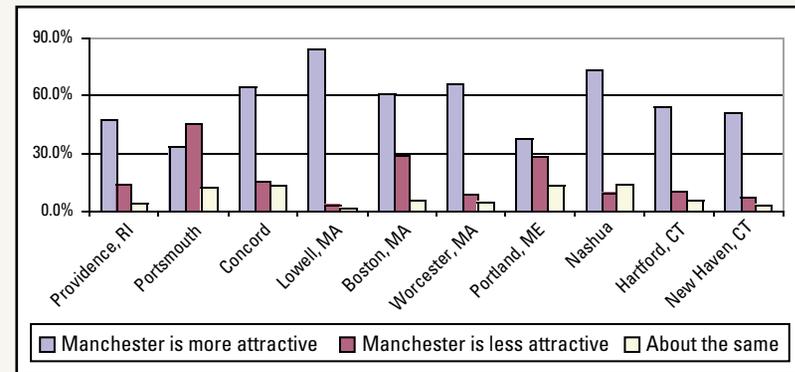
The number of reported crimes in Manchester has fallen from 5,500 in 1993 to 3,700 in 2003, indicating a considerable improvement in public safety. Since the population in Manchester increased in the same time period, the Queen City crime rate, (the number of crimes per thousand people) has fallen even faster.

Manchester, NH Reported Crimes 1993-2003



Source: Federal Bureau of Investigation

Residents' Perception of Manchester vs. Other Cities



Source: UNH Survey Center 2003 for Intown Manchester

Perception of the City of Manchester

Another study of economic development in Manchester attempted to collect a subjective perspective in addition to hard data. The study measured perception of residents and business people about Manchester. The residential climate survey was based on a telephone survey and a residential focus group, while a business climate survey involved personal interviews with Manchester business leaders.

What do residents say about Manchester?

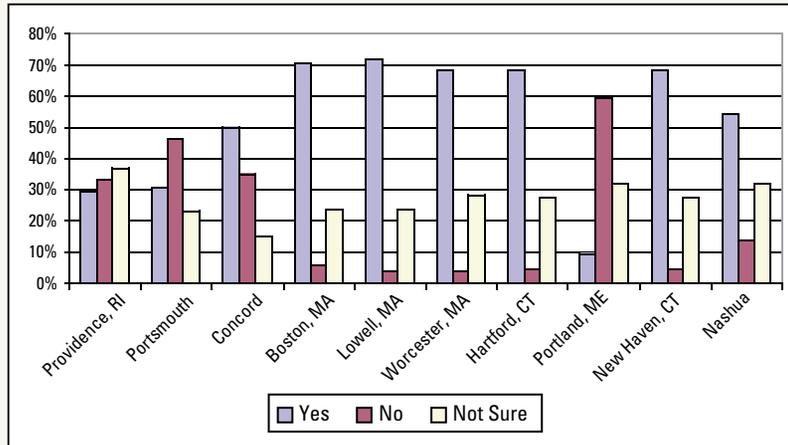
- Residents of Manchester say: Safety, health care, cost of living, quality of life and housing are most important to them.
- Almost 3 out of every 4 city residents rated Manchester's quality of life to be "good" or "excellent".
- Access to Boston and public transportation are least important to them.
- Only Portsmouth, NH (of nearby New England cities) is more attractive than Manchester.
- Shopping is the leading residential leisure activity
- 40% of those surveyed "almost never" or "occasionally" go downtown.

Businesses in Manchester say:

- Airport, Verizon Arena, and quality of life are Manchester's best assets.
- Parking, public transportation, and cost of housing are biggest problems
- Almost 1 in 3 businesses thought they probably would be hiring additional workers
- Only Portsmouth, NH and Portland, ME are more attractive than Manchester for residents.
- Only Portland, ME and Boston, MA are more attractive than Manchester for doing business.
- Businesses criticized the planning and development end of City Government.

Businesses compare residential life in Manchester to other cities... According to Manchester businesses, only Portsmouth (NH) and Portland (ME) are more attractive for residential life than Manchester...

Residential life in Manchester is more attractive than...



Source: UNH Survey Center 2003 for Intown Manchester

Quality of Public Environment: Attractive

Street Banners

Through partnerships with the private sector, Intown Manchester has established programs to make downtown more attractive. For several years, the street banner program has been popular with businesses and cultural institutions of the city. The banners link the business community with our local culture, while brightening the streetscape, particularly during the winter, when the trees have shed their leaves.

Lighting

Manchester has improved the quality of its street lighting, while being sensitive to the needs of pedestrians and maintaining a historic sensibility. The Amoskeag fixtures were original and unique to this city, and they have been adopted throughout the Millyard and in other areas of the city, where they are appropriate to the dominant historical sensibility.

Signage

Distinctive architectural features help to define a city, and they tell their own story of a city's heritage. Once the largest textile manufacturer in the world, Manchester has many historic and unique landmarks, but the story has yet to be told on interpretive signs for visitors and casual observers to read. This is a challenge the city recognizes and plans to resolve in the near future with the installation of Heritage Trail Scenic Byways interpretive signs.

Flowers

Intown Manchester maintains the flower planters along Elm Street, spruces up City Hall Plaza with flowers, and is trying to encourage more storeowners to install window boxes and flower planters. Gentle persuasion will include an awards program for best practices



Flowers brighten the entrance to Millyard offices



In the Millyard, tree wells are widened to ensure healthy growth and sustainability.



Street arches and historic lamps are icons of the city



Historic Amoskeag lights line the Riverwalk

Landscape

The city is recognizing the need to elevate the aesthetic sensibility within the urban environment. Utilizing partnerships Manchester is beginning to provide for amenities that make a cityscape beautiful and memorable, such as lighting, signage, and sidewalk improvements.

In recent years, several arches, illuminated in different colors by LED lighting, have been constructed at various downtown intersections. Though not historic replicas, they are reminiscent of the original electric lights that were installed in downtown Manchester at the turn of the 20th century. As signature urban objects, they are icons of our past and symbols for the future of our city based on technology.

Millyard

Formerly the center of manufacturing employment in the state, the industrially designed Millyard has experienced a technology-based rebirth. Today it is a stylish and thriving business and education park located in the heart of the city. The mills are privately owned and many have been renovated into highly desirable loft-style tenant spaces, which are suitable to today's technology-based employment. With historic and modern housing located nearby, many young professionals are attracted to the walkable environment, and

they choose to live near their work.

Both the public and private sectors are cooperatively involved in the maintenance and improvement aspects of the Millyard. This partnership has encouraged the city to allocate more than \$300,000 to improve public areas in recent years. The partnership has developed, and is committed to, an on-going maintenance plan that will strive for high standards, while helping to cut costs for future landscape improvements.

Manchester Parks

Unlike many older cities, whose evolutionary patterns left little room for public amenities, Manchester was one of the early planned communities in the United States. Early planners established a grid-like pattern for its streets and neighborhoods, and within each neighborhood, a park was built. This included downtown Manchester, where today there are eight parks, covering more than 15 acres. In total, the city of Manchester maintains 73 separate parks, covering more than 1,200 acres.

In addition to walking trails and playgrounds, recreational activities in the parks are varied, and they include swimming, hiking, skateboarding, golf, tennis, baseball, soccer, ice skating and skiing.

Setting Priorities for Future Development – Manchester on the Move!

The Residences at Manchester Place, Bridge and Elm Streets

The Residences at Manchester Place is a \$40 million, 270,000 square foot, 204-unit apartment complex that is the first significant new residential development in downtown in nearly two decades. These are median to high income apartment units where rents are expected to start at \$1,300 per month for a one bedroom apartment and go up to \$2,200 for a three bedroom unit. One-bedroom units will be about 800 square feet, two bedrooms will have 1,150 square feet and three bedroom apartments will have 1,300 square feet of living space. The apartments will have nine-foot ceilings, seven-foot windows and stone countertops. In addition the building will house approximately 5,000 square feet of retail space on the ground floor, an attached parking garage and a European style courtyard. The project should be ready for occupancy by the fall of 2005.



Riverfront Stadium and adjacent Hilton Garden Inn artist rendering

Riverfront Stadium

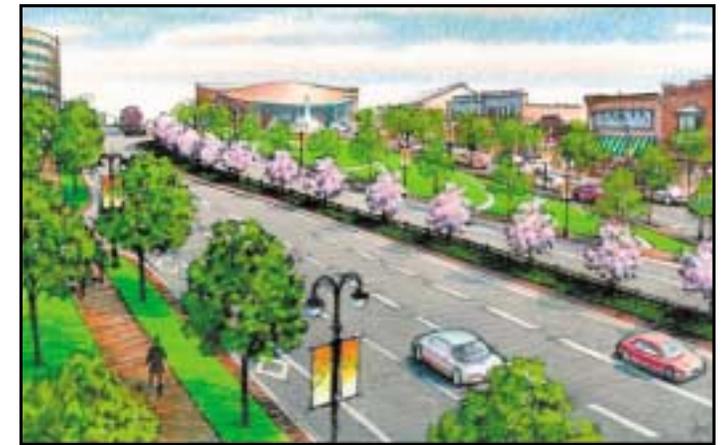
Developing venues for sports entertainment is a new strategy for economic development in Manchester. Most recently, the City attracted a minor league baseball team, the New Hampshire Fisher Cats, which is headquartered in Manchester. The Fisher Cats moved into their \$19 million 6,500-seat baseball park in April 2005. The stadium has 32 suites in the outfield and a picnic area for families. By 2006, the stadium will be nestled between a condominium complex and the Hilton Garden Inn hotel.

Hilton Garden Inn

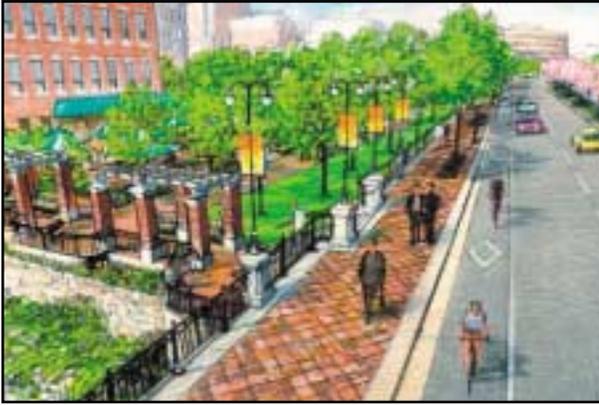
This \$10 million hotel next to the ballpark is expected to have a mill look with large windows, a brick face and a clock tower. The Inn will contain 125 rooms, half of which will face the ballpark.

Parkside Place Condominiums

The first phase of the condominium project next to the ballpark will include 45 four-level townhouses that would cost between \$300,000 and \$400,000. Phase two plans involve building a six-story high-rise condominium building, which would house 132 condos, ranging from one bedroom to three bedroom units with a handful of penthouses. These units are expected to start at \$200,000.



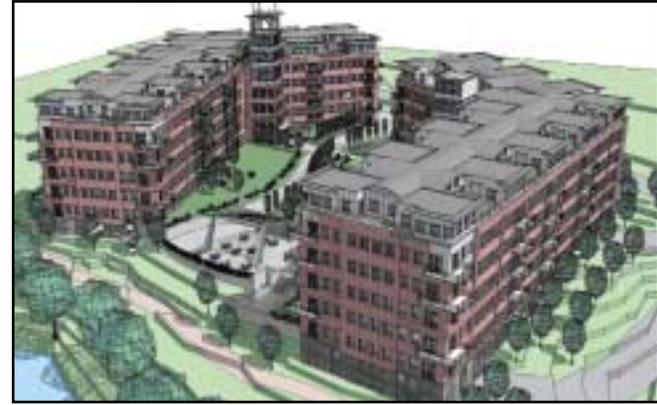
Schematic of \$20 million improvement to Granite Street Gateway



Loeb Plaza



Manchester Place under construction



Parkside Place

Widening Granite Street

This \$20 million project will take two years to complete. Granite Street will become the major entrance into the downtown with the widening of this roadway that runs under Route 293 and is accessed from Exit 5. The Granite Street bridge will be widened to seven lanes, with Granite Street becoming wider from Main Street on the west side to Chestnut Street on the east side of the Merrimack River. Another \$22.9 million will be used to rebuild the I-293 bridge and add new exit and entrance ramps.

South Elm Street Redevelopment

A study is underway to determine the best use for a parcel of land the City recently acquired on Elm Street, south of the arena. Suggestions include a major mixed-use transportation center, where rail and bus service could be located, as well as a residential, office, and retail complex. Discussions are also underway to bring a 3,000-seat performance venue to Manchester.

In Conclusion

As we conclude this study of downtown Manchester, it is important to note that other areas of the city are focal points for commercial and recreational development as well. Manchester's several industrial parks, the Hackett Hill Development, the Brown Avenue corridor, and commercial areas off of South Willow Street are in the process of economic

change and redevelopment. Volunteers are raising funds for the restoration of Valley Cemetery, and the Hands Across the Merrimack Bridge reconstruction, which will enable pedestrians to access a former railroad bridge across the Merrimack River. Social changes accompany the economic changes, and we will need to make adjustments for the thousands of immigrants that are relocating to our city from undeveloped countries. Transportation, schools, homes, and services will require that we investigate new ways of approaching development, and a new response to the needs of those least able to cope with life's challenges. Manchester's citizens welcome this challenge, because with each challenge opportunity is waiting to be tapped.

Information Sources

- US Census of Population and Housing
- Department of Commerce County Business Patterns
- New Hampshire Department of Employment Security
- Southern New Hampshire Planning Commission
- Business NH Magazine
- CB Richard Ellis – New England
- Southern New Hampshire University School of Hospitality
- Greater Manchester Chamber of Commerce
- City of Manchester Traffic Department
- US Bureau of Labor Statistics
- Manchester Airport
- Federal Bureau of Investigation (Crime Statistics)
- Intown Manchester Economic Study, Phase One



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