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All Metals Industries, Inc.
All Staff Contract
Ambrose Brothers, Inc.
Annalee Dolls, Inc.
Applied Economic Research
AutoServ of Tilton
Bloom's Variety
Bonnette, Page & Stone
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Lakes Region Chamber of Commerce
Lakes Region Community College
Lakes Region Linen, Inc.
Lakes Region Planning Commission
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LRGHealthcare
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The Directors wish to acknowledge:

2008 CONTRIBUTORS

Belknap County	Meredith Village Savings Bank
Maxwell Brown, Photographer	Munsey and Brazil Insurance Agency
Mr. & Mrs. James Dirubbo	New Hampshire Electric Cooperative, Inc.
Franklin Savings Bank	NH Alliance of Regional Development Organizations
Gilford Town Library	Ocean Bank
Granite Media Center	Patrick's Pub and Eatery
Gunstock Mountain Resort	Rist-Frost Shumway Engineering
Laconia Savings Bank	Southern NH University – Laconia Center
Lakes Region Linen	Mr. Bill Seed
Leadership Development Services	Tanger Outlet
Meadowbrook Musical Arts Center	TD Banknorth

2008 GRANTS

Citizens Bank
NH Community Development Finance Authority

2008 TAX CREDITS

Northway Bank



2009 Annual Meeting Sponsors

Gold Level

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Silver Level

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Community Partnerships for Affordable Healthcare
Harvard Pilgrim HealthCare, New Hampshire Public Risk Management Exchange (Primex³),
and LRGHealthcare

Bronze Level

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Together We Make a Difference

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Maria Del Rio, *Loan Fund Manager*
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2008 ANNUAL REPORT

Hard Work & Perseverance



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LRGHealthcare (1)

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Christopher Boothby

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Board of Directors

Annual Report 2008

Hard Work and Perseverance!

This was the Belknap County Economic Development Council's mandate of 2008. As everyone knows, it was a tumultuous year. The Wall Street Journal Prime Lending Rate ranged from a high of 7.25% to a low of 3.25%. This 400 basis point swing was significant to lending portfolios everywhere. Correspondingly the same dramatic swings in deposit rates negatively impacted the long-term plans of most investors. Gasoline prices ranged from a peak of around \$4.25 per gallon to a low of just under \$1.50 per gallon. Nationally, the U.S. continued to struggle with its own set of economic issues.

The Belknap County Economic Development Council responded to these changes with expanded business and technical assistance, greater publicity of the Belknap County Revolving Loan Fund, continued support to Leadership Lakes Region, assistance to SCORE Lakes Region branch to foster its expansion to an independent chapter, and continued outreach to the business community. One example of this was hosting the 2008 Economic Outlook jointly with the Lakes Region Chamber of Commerce and sponsored by TD Banknorth.

The BCEDC responded internally with cost saving measures in all general and administrative areas, seeking alternative ways of marketing (local talent) and providing services. Notwithstanding, the credit crunch experienced nationally negatively impacted operations as the Council reassessed the risk level of its lending portfolio.

The Council continues to be well positioned to weather the current economic storm with efforts to increase the Belknap County Revolving Loan Fund in response to increasing demand. BCEDC is equipped with a solid and well-trained staff and enjoys the strong support, experience, and knowledge of its Board of Directors and Loan Review Committee.

Regional Expectations and Strategic Priorities:

The BCEDC and its partner, Lakes Region Planning Commission, were already deeply involved in a Comprehensive Economic Development Strategy (CEDS) in 2008 when local businesses were just starting to sense the end of the longest economic boom in decades. Board members Beyer, Edelstein, Frawley Drake, Koulet and Lipman along with Executive Director Boulanger serve on the CEDS Steering Committee, which has worked to identify project opportunities, refine goals and objectives, and complete the Comprehensive Economic Development Strategy report. The CEDS Steering Committee hosted a Listening Session with Fairpoint Communications and its consulting group, Vital Economy. This translated into opportunities to further the work of the New Economy subcommittee. Executive Director Boulanger also participated in the Connect Northern New England Economic Scenario Model User's Group hosted by Vital Economy as part of FairPoint Communications' Connect NNE



initiative. The User Group worked to develop an Economic Model as a software tool for exploring the workings of regional economies. The tool will be helpful in assessing new projects to the area to assist with regional planning and comparing the potential impact of competing projects. The year ended with the completion of the CEDS report, available online at www.lakesrpc.org/CEDS. The subcommittees, formed out of the strategic planning process, continue their research, initiatives, and still meet regularly. The CEDS committee will meet through 2009 to provide the subcommittees ongoing support and direction as they identify their strategic priorities for the next five to ten years. Upon acceptance of the completed CEDS report by the U.S. Economic Development Administration (EDA), the Lakes Region will be eligible to apply to the EDA for federal funding of qualified projects.

Belknap County trends have been relatively stable through the declining national economy. The County continues to boast low unemployment, rising per capita personal income, and a healthy population base. Belknap County's mean annual wage has increased year over year, nearly doubling since 1990. Micropolitan Laconia is ranked in the top 10th percentile out of the 577 identified Micropolitans.

Revolving Loan Fund

The BCEDC manages a \$3 million county-wide Revolving Loan Fund which provides gap financing to projects supporting Economic Development through either the retention or creation of employment opportunities, growing or developing a valued community business member, or redeveloping a site or building into a new use. The fund was started with a \$500,000 loan from Rural Development, a division of the United States Department of Agriculture (USDA); with this loan, the BCEDC became New Hampshire's first "Intermediary Relender". Several Community Development Block Grants (CDBG), a second loan from USDA and reinvested revenues, other grants and donations grew the fund to its \$3 million level today. The BCEDC is always ready to assess new CDBG opportunities and is in the process of applying for a third loan from USDA in anticipation of increased demand over the next 12-18 months.



The Council's priority, since launching the fund, has been to assist businesses in accessing conventional financing or creative alternatives. The RLF is designed to supplement, not replace, conventional lending. The RLF has a variety of lending programs, offering loans up to \$500,000 tailored to the needs of local businesses, whether sole proprietors or publicly traded companies. Since inception, the RLF has made 44 loans totaling \$7 million, leveraged in excess of \$65 million in other financing, and helped either create or save more than 1,600 jobs.

This year, BCEDC responded to 15 direct loan applications from businesses seeking approximately \$2 million from the RLF. The Board, on the recommendation of the Loan Review Committee, approved six loans totaling \$803,000, which leveraged approximately \$10 million in other financing. Four loans paid in full either through excess cash flow, normal amortization, or management transition.

During the year several new members of the community joined the Loan Review Committee and the group revisited the policies and procedures of the fund. The members of the Loan Review Committee have been generous in donating both their time and expertise in reviewing loans and assisting in drafting of applicable policies. The Committee is chaired by Mike Persson, Lawson & Persson, PC, and includes Andy Bonte, Franklin Savings Bank; Greg Goddard, Gunstock Mountain Resort; Lou Guevin, Laconia Savings Bank; David Haley, Munsey and Brazil Insurance Agency; Sam Laverack, Meredith Village Savings Bank; Don Nicoletta, Northway Bank; Sean Sullivan, Nathan Wechsler & Company; and Michael Toomey, TD Banknorth, N.A. The Council is grateful to them and to all who have supported its efforts through the years.

Business Assistance/Technical Assistance

Approximately 200 entities sought assistance varying from information on zoning regulations, hiring workforce, rules and regulations on subdivisions, to extended counseling on starting a business, financing an expansion, etc. In addition, our two websites have created efficiencies in responding to inquiries by providing resources and answers at the click of a mouse.

More than 135 businesses, organizations, or aspiring entrepreneurs received extended assistance: 109 Belknap County entrepreneurs and businesses received extended assistance from a SCORE counselor. SCORE continues to be a valued partner in providing much needed business assistance and technical assistance. BCEDC's professional staff provided extended assistance to 27 businesses and organizations.

The professional staff has participated with various communities/organizations on events and long-term initiatives including community forums and economic development planning. This includes programs and workshops with Main Street communities, meetings with Town Boards and community groups. The Executive Director served as Economic Development Program Day Chair for Leadership Lakes Region and advised on the organization of a Lakes Region Job Fair. Clients served during 2008 include local investors interested in resurrecting a performing arts center, city/town planners seeking to identify opportunities and developments, the Laconia Gilford Business Park advisory committee meetings on park status. The staff continued work with re-use projects, including Bloom's Variety Store, Granite Media Center (industry clustered tenant space and production facilities), Beacon Street West (the former Allen-Rogers facility, 76 units of housing and future commercial space under development), as well as other major development or conservation properties in Alton, Barnstead, Belmont, Gilford, Laconia, Meredith, New Hampton, and Tilton. The staff handled several requests for relocating or new facility assistance and continued to provide "Belknap County – The Place We Call Home" packets to new businesses and key new business/organization leadership. In addition, more than 10 requests from area owners, realtors, and state industrial agents on sale/lease and reuse of existing property were handled.



Outreach and Marketing

During 2008, the Council expanded its outreach in person, in print, and through various electronic means. A monthly e-newsletter sent to incorporators, investors and other business friends was redesigned and reinstated; "F.Y.I." is also available on-line at www.bcedc.org. The Council also redesigned, renamed, and increased the frequency of its print newsletter, *Belknap Matters*. Three editions are now to be published annually and it is available on-line at www.bcedc.org. Council staff created and designed a newsletter for the Comprehensive Economic Development Strategy (February 2008 and November 2008 editions available on line at www.lakesrpc.org/ceds) and redesigned and rewrote the BCEDC Revolving Loan Fund materials. Print ads were designed and placed in the NH Division of Economic Development's publication, *Innovate in the Granite State*, and with the Lakes Region Association's annual *Where To Guide*.

The business website, www.bcedc.org, provides a plethora of useful business information including the BCEDC's own services, commercial lending options, topical reports, direct links to registering a business, traffic counts, commercial property listings, businesses for sale, and links to local and state government. During 2008, this site registered an average of 700 Unique Visitors per month with more than 227,500 hits over the course of the year. The lifestyle website, www.liveworkandplaynh.com, promotes Belknap County as a place to live and work, offering a host of links to municipalities, schools and colleges,



recreation, music, and cultural venues, and other resources. The website has averaged 239 Unique Visitors per month with over 97,900 hits over the course of the year.

To chart its direction for the next five years and maximize its financial, human, and volunteer resources, the BCEDC staff and Board of Directors participated in a Strategic Planning Retreat, facilitated by Investor Robert McElwee of Leadership Development Services and generously hosted by the new Gilford Town Library. The retreat helped to identify the Council's strengths, opportunities, and need to better promote its services.

The BCEDC collaborated with the Lakes Region Chamber of Commerce on a four-part workshop series, "Adventures in a Flat Land." In June, the Council hosted an education and information session for Incorporators called "BCEDC over Bagels." The BCEDC continues to collaborate with SNHU on the development of initiatives that help both entities fulfill their mission and provides administrative and office facilities to our SCORE partners.

The Executive Director has continued service in the Laconia Rotary Club and was a member of the Class of 2008 and speaker for Leadership Lakes Region. The Program Coordinator is currently a member of the Leadership Lakes Region Class of 2009.

Together We Make a Difference

The economic vitality of the region requires the commitment of many, and it is this support of the BCEDC through 17 years that is responsible for our achievements. We extend our sincere appreciation to the Belknap County Commissioners and Delegation. The quality of assistance the Council offers to Belknap County communities, businesses and organizations could not be realized without your continued support. From the first dollar you granted us in 1991 and the additional \$1.375 million in contributions through 2008, we have built more than \$3 million in assets; these funds are used to enhance economic opportunities for Belknap County residents. We are indeed indebted to you for this trust. Likewise, your collaborative vision has helped us orchestrate more than \$5 million in grants that have benefited the county.

An organization is only as dynamic as its people; we thank both our staff and volunteers for their commitment. Special thanks to the staff in the County's Financial Office; we appreciate Deborah Shackett, Marie Mora, and Angela Bovill for the extra distance they go in assisting us. We owe a continued debt to Southern New Hampshire University for housing our Business Information Center library and providing us with our offices and meeting space, which has greatly enhanced our delivery of services and programs.

We truly make a difference because of the generous support of our member-investors. These businesses and individuals recognize that working together to enhance economic opportunities benefits everyone.

As we celebrate 17 years of service to Belknap County, we rededicate ourselves to hard work and perseverance. We envision the possibilities and opportunities our future holds.

Respectfully submitted,

Greg Goddard

Chair, Board of Directors