



FROM: Suzi Pegg, Economic Development Director

DATE: 26th October, 2020

SUBJECT November Economic Development Report

Recommendation

Accept this report.

Social Media/ Marketing

The priority continues to focus on keeping our business community up to date on federal, state and local assistance. All SM platforms are being utilized on a regular basis with many agencies cross sharing to help keep the public updated. From the EDD most of this information is in regards to the available funding opportunities and updates coming from the Feds or the State.

City of Concord Podcast

The podcast for October was hosted by the EDD with her guest, Tim Sink from the Greater Concord Chamber of Commerce. The discussion informed the listeners on recent updates from the City, COVID funding and Chamber initiatives. The broadcast can be found on the City website.

Measures:

Economic Development Director Target Visits/Leads for FY2021: 150

Target leads/visits/calls for September/October: 31

Target leads/visits/calls/ Zoom mtgs for FY 2021to date: 55

Updates:

Ledyard National Bank, headquartered in Hanover, New Hampshire, expanded its services in Concord, NH by opening its full-service banking branch on Monday, October 19, 2020 at 74 South Main Street. Ledyard's first Concord office, offering wealth

management, commercial and mortgage banking services, opened on Pillsbury Street at the end of 2016.

HRKNSScowork at 11 South Main Street in Concord is making great progress with its construction build out. This will be Concord's first incubator. Please follow on Instagram ([@hrknsscwork](#)) and Facebook ([HRKNSScowork](#)) to see updates.

The U.S. Small Business Administration, in consultation with the Treasury Department, has released a simpler loan forgiveness application for Paycheck Protection Program (PPP) loans of \$50,000 or less. This action streamlines the PPP forgiveness process to provide financial and administrative relief to America's smallest businesses.

New: Main Street Relief Fund 2.0

Last month, Governor Chris Sununu authorized the allocation and expenditure of \$100 million from the CARES Act Coronavirus Relief Fund ("flex funds") for MSRF 2.0 in order to continue providing economic support to New Hampshire small businesses suffering from business interruptions as a result of COVID-19.

MSRF 2.0 supports both (1) businesses that did not receive grants from the initial round of MSRF or the General Assistance & Preservation (GAP) Fund, and (2) businesses that received grants of less than the maximum \$350,000 from the initial round of MSRF or the GAP Fund. Businesses that received a Self Employed Livelihood Fund (SELF) grant are not eligible for MSRF 2.0.

The \$100 million MSRF 2.0 will be shared among new recipients and prior recipients of MSRF and GAP Fund grants using a pro-rata formula based on gross receipts losses adjusted for other COVID-19-related funding received from all sources, including all grants received from GOFERR flex funds programs. MSRF 2.0 grants will be offset by GOFERR program grants previously received on a dollar-for-dollar basis, including, particularly, from the initial round of MSRF and the GAP Fund. The maximum amount received from MSRF 2.0 cannot exceed \$350,000, including grants received from the initial round of MSRF and the GAP Fund.

Important Dates & Timeline:

- Application Period: October 19, 2020 – October 30, 2020
- Deadline to Submit Completed Application: 4:00 PM on October 30, 2020

Details have been shared by the City through social media, posting on the website and direct outreach to city businesses.

Report

How COVID is impacting real estate markets



To follow up on the last economic development report on the current vacancy rate of downtown Concord and Loudon Road as part of the City's overall economic development performance in light of COVID, this month's report will dive a little deeper into the real estate trends which are being seen across the USA. As a city, we need to pay attention to these new trends especially as we have no idea right now when or even if these current conditions will end and the impact on the economy in the near and longer term future.

Housing prices outside of major cities have seen increases as city dwellers with the means to relocate move to less densely populated areas. According to Bloomberg (09/16/20) the densest, most expensive cities, such as New York City and San Francisco, have seen more out-migration than others. Real estate brokers in New York City have also noticed an interesting trend of essential workers, such as healthcare workers, looking to move within walking distance of work if they don't have to rely on public transportation (The New York Times- 09/04/20). Concord is currently seeing an increase in enquires regarding the real estate market from residents in the Boston and the New York area.

Industrial property looks like it will remain strong as the pandemic has underwritten the importance of supply chain with an ongoing trend of re-shoring taking place across the USA, increasing demand for manufacturing properties. The need for distribution centers

has also increased as e-commerce is taking a sharp upward trend as more individuals order essential supplies online rather than visit a grocery store in person. In fact, it is thought that an estimated 75 – 100 million square feet of additional cold storage will be needed to accommodate the increase in grocery delivery and pick up orders.

As we have recently seen, retailers and restaurants continue to be heavily impacted by the pandemic. Some observers are saying that anything from 10%- 40% of restaurants may eventually close. As a city we are doing all we can to help these essential businesses by sharing details on financial lifelines from the State and the federal government. The City itself is also offering help for restaurants in the form of small grants to help modify indoor dining spaces as the outdoor spaces are closed up for the season. There is an ongoing trend that is showing e-commerce accelerating and retailers needing a larger portion of space for storage and fulfillment. Another consumer behavior shift has been the abandoning of store and brand loyalty in favor of proximity, availability, and safety.

When it comes to tourism and lodging, industry experts estimate that profitability will fall 46 percent in 2020, and Cushman & Wakefield reports that 5 to 15 percent of hotels may close permanently. State and local hotel tax revenue is estimated to drop \$16.8 million in 2020, with California, New York, and Florida likely to be the hardest hit. The hotel industry is expected to recover in 2 to 5 years, with trends toward smaller common areas and touchless entries.

In summary, Concord probably will not see the extreme impact of some of these trends seen across the USA, but it will be impacted in some way. From an economic development perspective, it is important to continue to monitor these trends and look for any which may offer any opportunity for business growth such as the distribution centers.