

Chapter 4

Demographic, Housing, and Economic Trends

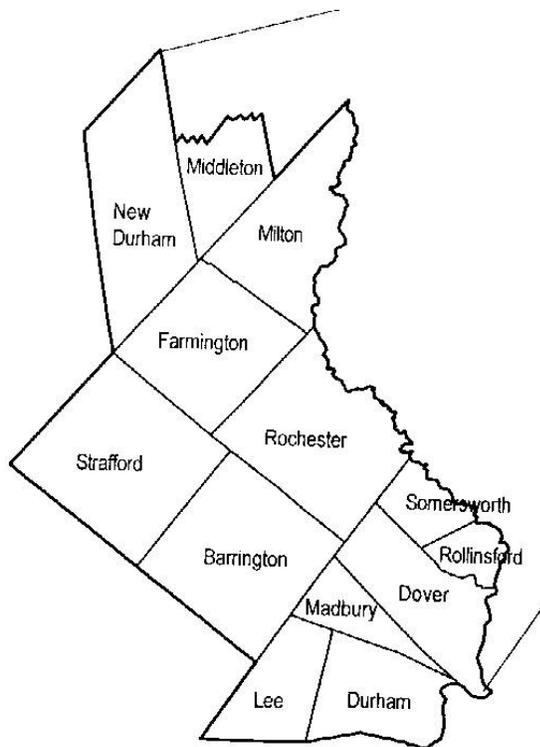


Chapter 4

Demographic, Housing, and Economic Trends

1.0 INTRODUCTION

This section of the Master Plan presents trends in Farmington's demographic, economic, and housing characteristics. The analysis of these trends is important because it sets the stage for the evaluation of current conditions, and for projections of future economic activity addressed within the Master Plan. Farmington's economy and the growth pressures imposed on it do not exist in a vacuum. Rather, Farmington functions within a regional economic setting. This economic analysis reports Farmington's trends and characteristics within two market settings:



Farmington Market Area

- A primary market, consisting of Farmington and its immediately surrounding communities (Barrington, Middleton, Milton, New Durham, Rochester and Strafford); and
- A secondary market area consisting of Strafford County.

The significance of this distinction is that communities lying within Farmington's primary market area have a higher degree of interaction with Farmington in terms of commuting and housing market interaction. It is necessary to also consider the secondary market area because communities lying outside the primary market area also have an impact on Farmington, even though the forces are somewhat less strong and somewhat less frequently felt.

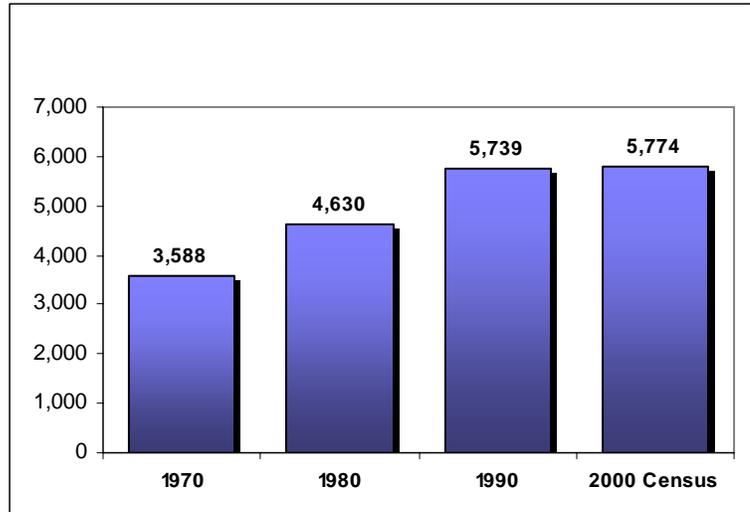
2.0 POPULATION TRENDS

According to the US Census, Farmington's population in the year 2000 stood at 5,774 (Figure 4.1). Census figures indicate that Farmington experienced relatively little population growth during the decade of the 1990s, in contrast to consistent growth of 1,000 – 1,100 in both the 1970s and 1980s.

It appears likely that the US Census undercounted Farmington's population in 2000. This conclusion is based on the following information:

- The Census shows a modest rise of only 77 total housing units in Farmington, yet almost 250 new housing units were added during the 1990s, according to building permit data setting forth new units authorized by building permit.
- The NH Office of Energy and Planning's staff believes that the Census may have undercounted population in some New Hampshire communities and based on a review of Farmington Census data, we believe that Farmington's Census population figures for 2000 are erroneous.
- Farmington has consistently captured 6-7 percent of the county's population growth over the prior 20 years, but the Census population estimate shows it accommodating essentially none of the county's population growth during the 1990s.
- The New Hampshire Office of Energy and Planning forecasts that Farmington will continue to capture 6 percent of the county's population growth during the 2000-2010 period.

Figure 4.1 US Census Farmington Population



Downtown Residential Unit

Inasmuch as the year 2000 is an important data benchmark for this analysis, the Census population counts for Farmington were revised as part of this Master Plan analysis based on analysis of actual new housing units added to the town during the 1990 to 2000 decade. The results of this analysis are shown in Table 4.2.

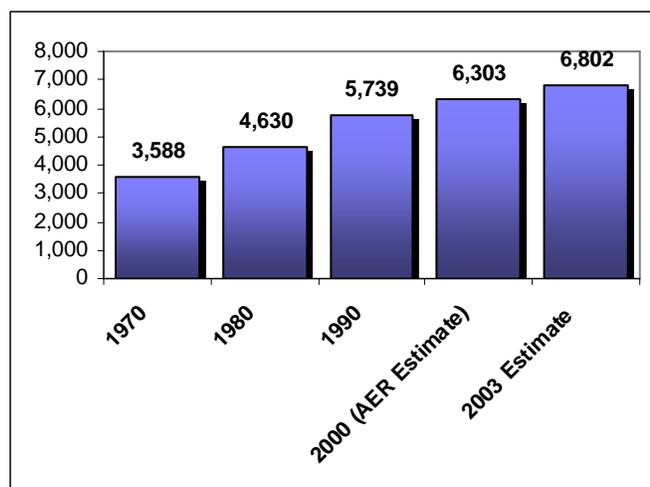
Table 4.2 Revision of US Census Counts

	Census	AER	Difference
Total Housing Units, 1990	2,260	2,260	0
Plus: New Units Permitted 1990-2000	77	238	161
Less: Estimated Units Lost		-25	-25
Year 2000 Units	2,337	2,473	136
Less: Seasonal Units	82	82	0
Year-Round Units	2,255	2,391	136
Year-Round % Occupied	98%	98%	0
Occupied Units	2,146	2,343	197
Population per Occupied Unit	2.69	2.69	0
Population	5,774	6,303	529

Fundamentally, the only change made in the Census count was to update the count of housing units to reflect permitted activity between 1990 and 2000. Maintaining the same occupancy rate for year-round housing and the same population per housing unit as revealed in the Census counts (these figures are more likely to be correct than the overall count of housing units), results in an estimated year 2000 population of 6,369 versus the Census estimate of 5,774. This estimate more accurately reflects Farmington’s year 2000 population.

In addition to counting population, the Census also sets forth population and housing characteristics including rent levels, income, and housing type. This data is based on sampling statistics, meaning that the results are derived from a cross-section of Farmington's total population. The revisions to correct the Census undercounting result in the Farmington population trends depicted in Figure 4.3 and in other forecasts referred to in the Master Plan. Whenever this Master Plan relies on the figures from this analysis, those figures will be referred to as "Revised"

Figure 4.3 Farmington Population Trends Revised Census Estimates



These revised Census figures have been contrasted to the primary market (surrounding communities) and the town's secondary market (Strafford County) in the table below and in Table A at the end of this Chapter.¹

Table 4.4 Population Trends (with Revision)

Area	1970	Farmington as %	1980	Farmington as %	1990	Farmington as %	2000 (revis'd)	Farmington as %	2003 (est.)
Farmington	3,588		4,630		5,739		6,303		6,802
Surrounding Towns	27,228	13%	36,612	13%	48,346	12%	53,435	12%	56,928
Strafford County	70,431	5%	85,408	5%	104,233	6%	112,233	6%	117,841
Portsmouth PMSA	134,648	3%	158,220	3%	186,880	3%	199,323	3%	203,500
State of NH	737,681	0%	920,610	1%	1,109,252	1%	1,235,560	1%	1,291,573

Area	1970-1980	% chng	1980-1990	% chng	1990-2000	% chng	2000-2003	% chng
Farmington	1,042	29%	1,109	24%	564	10%	499	8%
Surrounding Towns	9,384	34%	11,734	32%	5,089	11%	3,493	7%
Strafford County	14,977	21%	18,825	22%	8,000	8%	5,608	5%
Portsmouth PMSA	23,572	18%	28,660	18%	12,443	7%	4,177	2%
State of NH	182,929	25%	188,642	20%	126,308	11%	56,013	5%

All of the areas considered in this Table portray slower population growth during the 1990s than in previous decades. The combined total for Farmington and its surrounding communities, for example, shows growth during the decade of the 1990s to total 5,089, in contrast to growth of 11,734 during the prior decade. A similar slowdown in population growth was experienced in Strafford County and statewide during the 1990s, as compared to the 1970s and the 1980s. This slower population growth is attributable to the 1990-1993 recession from which the state did not fully recover until 1998.

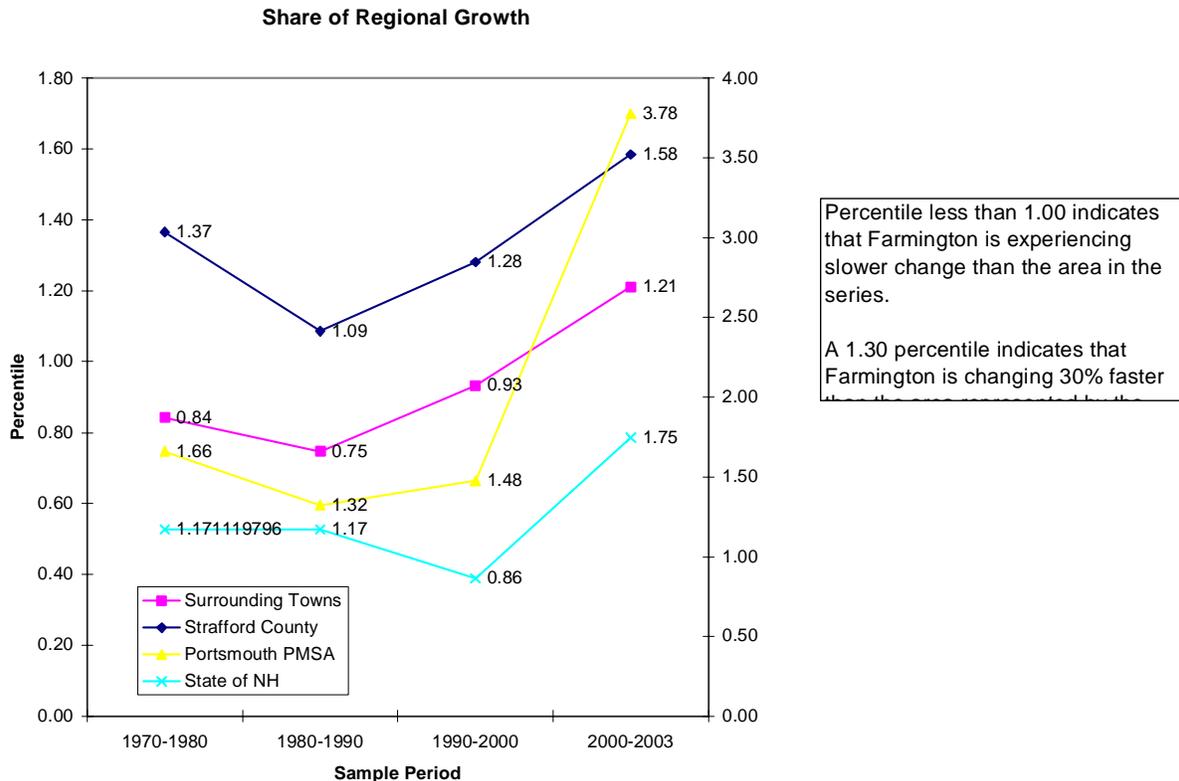
Farmington's population growth rate (as revised) during the 1990s was 10 percent. This is slower than during the 1970s and 1980s, in keeping with the trend in surrounding towns and Strafford County. The town's growth during the 1990s was essentially the same as that of the surrounding communities, and a bit faster than that experienced in Strafford County. The town's population growth essentially matched that of the state of New Hampshire, which experienced an 11 percent population growth rate during the 1990s. Farmington's share of the surrounding communities' population growth remained in the 9-11 percent range. Its share of the County's population growth was in the 6 to 7 percent range in each decade since 1970.

Table 4.4 also incorporates an estimate of the 2003 population for Farmington, the surrounding towns and Strafford County. The 2003 estimate for Farmington is AER's estimate, derived by adding the population growth experienced in Farmington (according to the NH Office of Energy and Planning's 2003 population estimates) to the revised AER 2000 Census estimate. The results indicate that Farmington experienced a surge in population growth between 2000 and 2003. The NH Office of Energy and Planning estimates that between 2000 and 2003

¹ "PMSA" stands for Primary Metropolitan Statistical Area. It is comprised of communities that are viewed by the US Census Bureau as having strong, to somewhat strong, economic linkages.

Farmington's population increased by 8 percent, nearly matching the 10 percent population growth sustained in the town during the entire decade of the 1990s.

This faster growth is also depicted in the following chart:



The faster pace of new housing construction in Farmington during the past several years, as discussed in a following sub-section of this analysis, confirms this increased pace of population growth. The Table also reveals that Farmington, in the initial years of this decade, has received a higher share of the growth occurring in the surrounding towns and Strafford County. Since the year 2000, Farmington accommodated 14 percent of the growth among surrounding communities and 9 percent of the County's growth, in contrast to 11 percent and 7 percent respectively in the 1990s.

We attribute this rising share of growth to several factors:

- Farmington had a generally accommodative stance regarding residential development: it did not impose high barriers to new residential development.
- In the past, Farmington had a reputation as an undesirable community. This reputation is fading, bringing more development pressures on the community.
- Communities closer to major Seacoast employment centers (especially Portsmouth, Rye, Hampton, Dover, Durham) either found much of their land suitable for residential

development became developed or the communities adopted strong controls on the amount and pace of residential development.

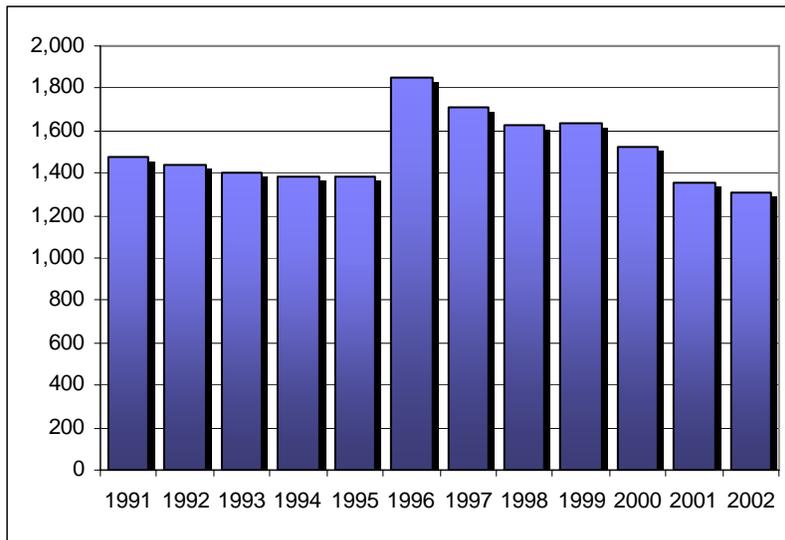
In the absence of changes in Farmington’s development controls, these trends toward accelerating growth in Farmington are likely to continue.

3.0 EMPLOYMENT TRENDS

Employment growth (measured in terms of the number of jobs within an area) is the driving force behind the demand for new housing units and for population growth. The relationship between employment growth and population/housing activity in Farmington is driven by the regional economy in interaction with the overall desirability of a community as a place to live. Census figures indicated that in the year 2000, 80 percent of Farmington’s residents commuted to jobs outside of Farmington.



Figure 4.5 Farmington Private Employment



Nonetheless, the employment base within the town is important to the community because there is a preference for working close to home and the community’s employers are a vital source of nonresidential tax base.

The total number of jobs in Farmington peaked in 1996 at just over 1,800 (Figure 4.5).² Since then employment losses occurred primarily as a result of the reduction in jobs at Collins

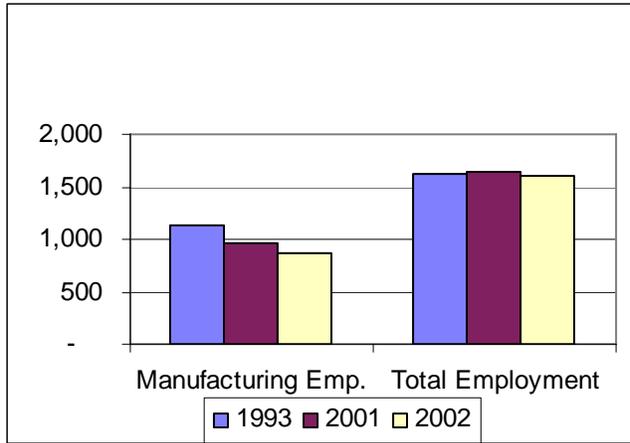
and Aikman, the town’s largest manufacturing employer. In 2002 the total number of jobs in Farmington was nearly the same as in 1991.

A marked shift in employment has occurred within the town. The town has experienced a loss of manufacturing jobs (Figure 4.6). The replacement of manufacturing jobs with nonmanufacturing jobs is not ideal, but is consistent with national economic trends. This loss of manufacturing employment has been offset by increases in non-manufacturing employment, primarily in the

² The source of wage and employment data cited in this chapter is the NH Employment Security Commission.

retail trade and services sectors. The issue is that the nonmanufacturing jobs pay lower wages, and offer fewer benefits, than the manufacturing jobs they are replacing.

Figure 4.6 Regional/Farmington Employment Trends



As to the overall employment situation, according to the 2000 Census there were a total of 2,900 workers living in Farmington, while the town’s employers provided 1,600 jobs (including government jobs). This means that the town is a net exporter of workers—that the town’s job base is smaller than its workforce. The Table below illustrates employment trends in Farmington and Strafford County. The same trend of gains in nonmanufacturing employment offsetting manufacturing employment losses occurred in Strafford County, with the same effect—a generally less prosperous job base. Rising government employment in Farmington includes education workers.

Between 1993 and 2002, Strafford County shed a total of 3,913 manufacturing jobs, a 40 percent loss—as compared to a 20 percent decline state-wide. During this timeframe, Cabletron, a major manufacturing employer in Rochester, ceased operations, and smaller manufacturing firms either closed or reduced their employment levels. As was the case in Farmington, these manufacturing employment losses were offset by employment gains in the government and nonmanufacturing sectors. As a result, the county was able to sustain an overall employment growth during this period of 4,635 jobs or 12 percent. Unfortunately, the employment gains were primarily in the retail and service sectors, which pay lower wages than the manufacturing jobs lost. During this timeframe Farmington’s share of the county’s total employment declined from 4.2 percent to 3.7 percent.

Table 4.7 Employment Trends: Farmington and Strafford County

	1993	2001	2002	Change 1993-02	Percent Change 1993-02
Farmington					
Manufacturing Emp.	1,123	969	872	(251)	-22%
Non-Manufacturing Emp.	275	388	436	161	59%
Total Private Employment	1,398	1,357	1,308	(90)	-6%
Government Employment	226	279	299	73	32%
Total Employment	1,624	1,636	1,607	(17)	-1%
Strafford county					
Manufacturing Emp.	9,756	7,326	5,843	(3,913)	-40%
Non-Manufacturing Emp.	20,345	27,495	27,841	7,496	37%
Total Private Employment	30,101	34,821	33,684	3,583	12%
Government Employment	8,138	8,824	9,190	1,052	13%
Total Employment	38,239	43,645	42,874	4,635	12%
Farmington Share of County	4.2%	3.7%	3.7%		
Source: NH Employment Security and AER					
<i>demographics 1/ population</i>					

The loss of manufacturing jobs in Farmington is disturbing because there is only one major manufacturing employer, Collins and Aikman. This supplier to the automobile industry has faced increased international competition and been pressured to increase the productivity of remaining workers.

The “creative economy” is an emerging growth sector, which can help offset manufacturing employment losses. As noted by the New England Creative Economy Council:³

Efforts in the business, foundation and art/craft/artisan communities are gaining momentum with conferences, endorsements and partnerships between the nonprofit and business communities.

Creative economy business efforts in New Hampshire abound, through work at organizations like New Hampshire Business Committee for the Arts, and with creative community efforts supported by banks such as Ocean National Bank. In a joint effort with Vermont, the Upper Valley Community Foundation is working on an Arts Initiative and exploring options for a future conference on the creative economy in the upper valley.

Artist and artisan-led efforts like New Hampshire Furniture Masters Association – a thriving consortium of woodworkers in New Hampshire that works to both preserve furniture making

³ <http://www.creativeeconomy.org/cne/nh.html>

traditions and promote commerce by linking artisans to customers – exemplify success within New Hampshire's creative industries segment of the creative economy.

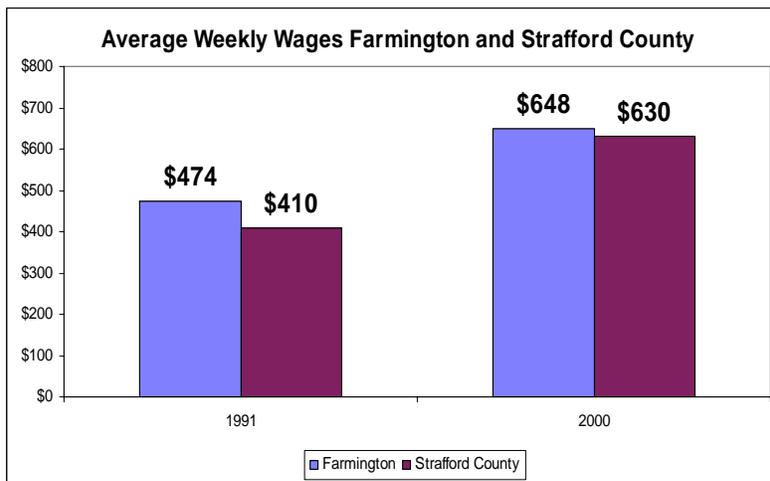
According to the US Census there were no Farmington residents earning their primary wage from the arts industries, but there is a major concentration of arts-related employment in Portsmouth, which could provide a basis for expansion in Farmington as the cost of space and housing in Portsmouth moves beyond the reach of most artists.

Home-based businesses can also offset non-manufacturing employment losses, without a major disruption to the economy. According to the US Census there were 55 Farmington residents that worked at home.

Non profit enterprises are a growing part of the economy. In the year 2000, the Census reports there were 137 Farmington residents employed by non profit agencies.

An analysis of wage data shows that wages in Farmington are, on average, comparable to those in the County. In the year 2000 Farmington's average weekly wage stood at \$648, in contrast to a county-wide figure of \$630 (Figure 4.8). This data reflects the jobs located in Farmington, irrespective of whether they are held by residents of Farmington or commuters from other communities.

Figure 4.8



4.0 HOUSING TRENDS

A community's housing inventory is a critical element in its Master Plan. Housing represents the largest component of developed land in a community. It is also the largest component of the community's tax base, and the dominant element in the growth pressures a community experiences. Between the 1990 and 2000 Census, Farmington experienced a net increase of 213 housing units⁴. This represents a 9 percent increase in the town's housing inventory during the decade.



Residential Structure

Table 4.9 Housing Inventory Trends

	1990	2000 (revised)	Change 1990-2000*	% Change 1990-2000*
All Occupied units	2,032	2,343	311	15.3%
1 Owner	1,431	1,700	269	18.8%
2 Renter	601	643	42	7.0%
All Vacant Units	228	130	-98	-43.0%
1 Vacant	28	13	-15	-53.6%
2 For Sale	74	35	-39	-52.7%
3 Seasonal	65	82	17	26.2%
Year round units	2,195	2,391	196	8.9%
Total Units	2,260	2,473	213	9.4%
Vacancy Rate	5%		-5%	-100.0%

The total number of occupied units in Farmington grew at a faster rate (15%) than the total number of housing units. This is because units that were vacant at the beginning of the decade became occupied during the decade. This is significant to the Master Plan because *occupied* housing units generate the demand for public services including schools.

Figure 4.10 on the following page contrasts housing trends in Farmington with those in surrounding communities and in the County. Farmington's share of the surrounding towns' total housing units stood at 11 percent in both 1990 and 2000, reflecting the fact that the housing inventory in Farmington was growing at about the same pace as that of surrounding towns during the decade. Similarly, Farmington maintained a constant share

⁴ Census figures revised by AER.

Figure 4.10

Housing Inventory Trends														
Housing 1990														
Housing 2000														
Change 1990-2000														
Comparative Change Ratio														
	Fton	Surr	Cnty	Farmington as a % of Surr	Fton	Surr	Cnty	Farmington as a % of Surr	Fton	Surr	Cnty	Farmington as a % of Surr	County	County
All Occupied units	2,032	17,880	37,744	11%	2,343	20,406	42,581	11%	2,473	22,714	45,539	11%	1.08	1.19
1 Owner	1,431	13,332	24,453	11%	1,700	15,013	27,458	11%	1,888	12,666	12,336	11%	1.49	1.53
2 Renter	601	4,548	13,291	13%	643	5,393	15,123	12%	595	10,048	13,203	12%	0.38	0.51
All Vacant Units	228	3,012	4,643	8%	130	2,308	2,958	6%	235	10,078	13,203	6%	1.84	1.18
1 Vacant	28	392	657	7%	13	129	202	10%	13	129	202	10%	0.80	0.77
2 For Sale	74	621	1,572	12%	35	181	370	19%	35	181	370	19%	0.74	0.69
3 Seasonal	65	1,637	1,794	4%	82	1,669	1,823	5%	82	1,669	1,823	5%	1.38	1.16
Year round units	2,195	19,255	40,593	11%	2,391	21,045	43,716	11%	2,391	21,045	43,716	11%	0.96	1.15
Total Units	2,260	20,892	42,387	11%	2,473	22,714	45,539	11%	2,473	22,714	45,539	11%	1.08	1.27
Vacancy Rate	5%	5%	5%	100%	5%	5%	5%	100%	5%	5%	5%	100%	1.25	1.25
	Fton	Surr	Cnty	Farmington as a % of Surr	Fton	Surr	Cnty	Farmington as a % of Surr	Fton	Surr	Cnty	Farmington as a % of Surr	County	County
All Occupied units	311	2,526	4,837	12%	15.3%	14.1%	12.8%	12%	15.3%	14.1%	12.8%	12%	1.08	1.19
1 Owner	269	1,681	3,005	16%	18.8%	12.6%	12.3%	16%	18.8%	12.6%	12.3%	16%	1.49	1.53
2 Renter	42	845	1,832	5%	7.0%	18.6%	13.8%	5%	7.0%	18.6%	13.8%	5%	0.38	0.51
All Vacant Units	98	704	1,685	14%	43.0%	23.4%	36.3%	14%	43.0%	23.4%	36.3%	14%	1.84	1.18
1 Vacant	15	263	455	6%	53.6%	67.1%	69.3%	6%	53.6%	67.1%	69.3%	6%	0.80	0.77
2 For Sale	39	440	1,202	9%	52.7%	70.9%	76.5%	9%	52.7%	70.9%	76.5%	9%	0.74	0.69
3 Seasonal	17	32	29	53%	26.2%	2.0%	1.6%	53%	26.2%	2.0%	1.6%	53%	13.38	16.18
Year round units	196	1,790	3,123	11%	8.9%	9.3%	7.7%	11%	8.9%	9.3%	7.7%	11%	0.96	1.15
Total Units	213	1,822	3,152	12%	9.4%	8.7%	7.4%	12%	9.4%	8.7%	7.4%	12%	1.08	1.27
Vacancy Rate	-5%	-4%	-4%	125%	-100.0%	-80.0%	-80.0%	125%	-100.0%	-80.0%	-80.0%	125%	1.25	1.25

of 5 percent of the total housing units in the county (utilizing AER’s revised Census housing count).

Table 4.11, includes the housing inventory for Farmington and Strafford County by unit type. Within Farmington, the most pronounced growth occurred within the mobile home category, which experienced a 25 percent increase in the inventory during the decade. This is in contrast to a loss of mobile home units that occurred countywide during this same period. Farmington has an over-concentration of mobile homes compared to the county. In the year 2000, one out of five housing units (20%) in Farmington was a mobile home, according to Census figures. In contrast, 11 percent of the county’s inventory consisted of mobile homes. The comparable statewide figure was 7 percent.

Farmington’s share of total occupied units, renter-occupied units, owner-occupied units as compared to the surrounding towns and that of Strafford County, was essentially identical to its respective share of total units. For example, Farmington had 11 percent of the surrounding communities’ total housing units, 11 percent of its owner-occupied units and 12 percent of its renter-occupied units. As contrasted to the county, Farmington had a slightly lower share of renter-occupied units than owner-occupied units, a factor that is probably attributable to the presence of the University of New Hampshire, which generates strong rental demand in Durham and Dover. That student-generated demand is not felt in Farmington. Also, taken as a whole, the county is somewhat more urban than the subset of Farmington’s surrounding communities.

Table 4.11 Farmington and Strafford County Housing Inventory

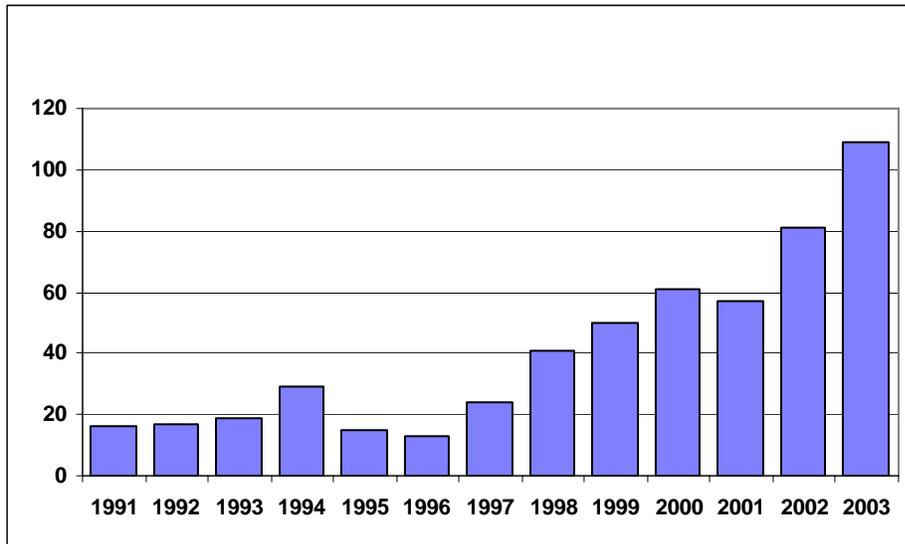
	1990	2000 aer	Change 1990-00	% Change 1990-00
Farmington				
Total Units	2,260	2,473	213	9%
Single Family Units	1,324	1,437	113	9%
SF Owner Occ.	1,102	1,196	94	9%
SF Renter Occ.	109	118	9	9%
Multi-family Units	544	545	1	0%
MF Owner Occ.	52	52	0	0%
MF Renter Occ.	412	493	81	20%
Mobile Home & Other	392	491	99	25%
Mobile Home % of Total	17%	20%		
	1990	2000	Change 1990-00	% Change 1990-00
Strafford County				
Total Units	42,387	45,539	3,152	7%
Single Family Units	22,073	25,095	3,022	14%
SF Owner Occ.	18,197	21,147	2,950	16%
SF Renter Occ.	1,721	2,003	282	16%
Multi-family Units	14,883	15,355	472	3%
MF Owner Occ.	2,062	2,275	213	10%
MF Renter Occ.	10,983	12,482	1,499	14%
Mobile Home & Other	5,431	5,089	-342	-6%
Mobile Home % of Total	13%	11%		

4.1 Building Permit Activity

New housing units authorized by building permits provide an indication of growth trends in more detail than Census figures. This building permit data excludes items such as building additions and remodeling and reports data exclusively on new housing units authorized by building permit. While not all units authorized by building permit are eventually built, past analysis indicates that the overwhelming majority of units authorized by building permit are completed. The source of this building permit data is the NH Office of Energy and Planning which compiles data from New Hampshire's municipalities

Figure 4.12 shows that during the early 1990s, Farmington was generally authorizing 20 or fewer units per year. Beginning in 1997 the pace of new permit authorization increased and it peaked in the year 2003 with 109 units authorized by permit, the highest level in over a decade.

Figure 4.12 New Housing Units by Permit in Farmington



Part of this faster pace of development is attributable to overall housing construction trends in Strafford County. The pace of new housing construction increased in the late 1990s as the inventory of the early 1990s was absorbed.

Figure 4.12.1 New Housing Units By Permit In Strafford County

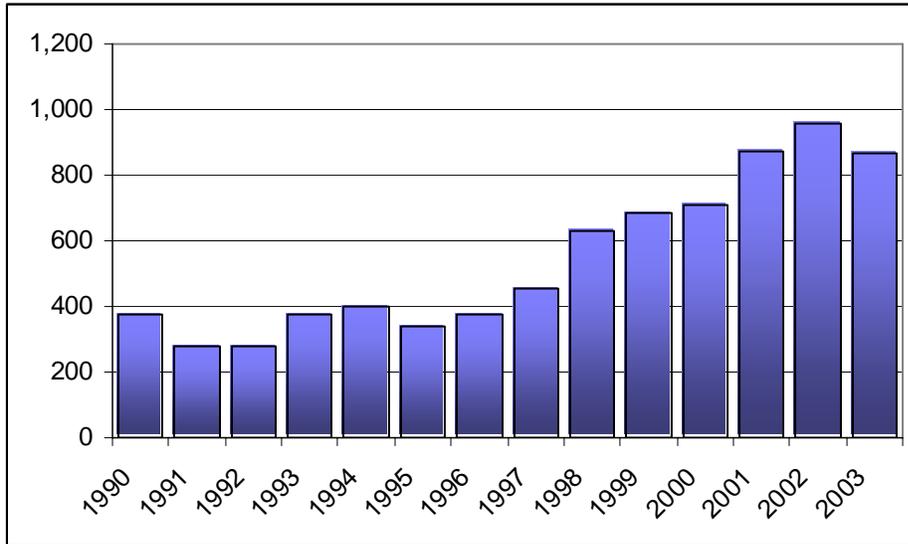
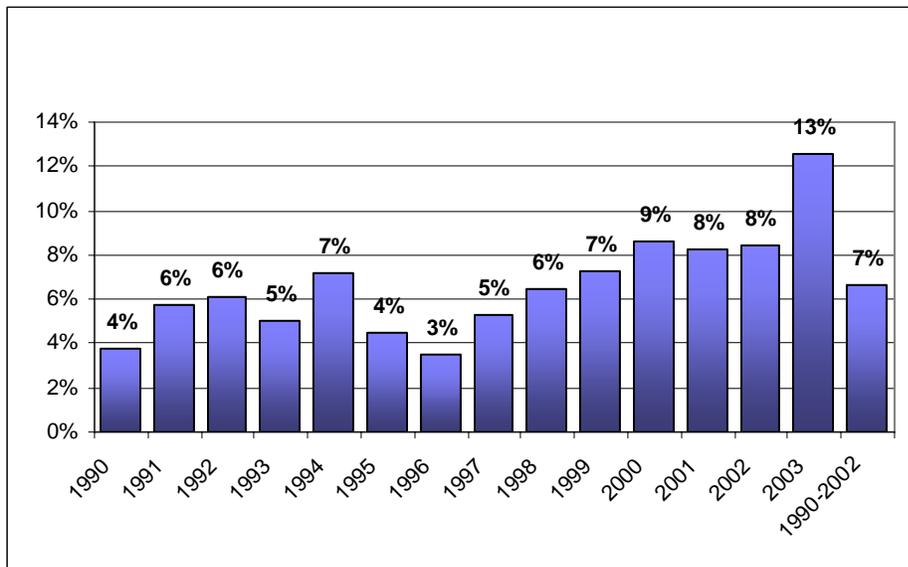


Figure 4.13 displays Farmington’s share of the new housing units authorized by building permit in Strafford County. It shows that Farmington has been adding housing units at an increasing pace relative to the county—that it was absorbing a higher percentage of the county’s building permit activity in the late 1990s and the early part of this decade than in the early 1990s.

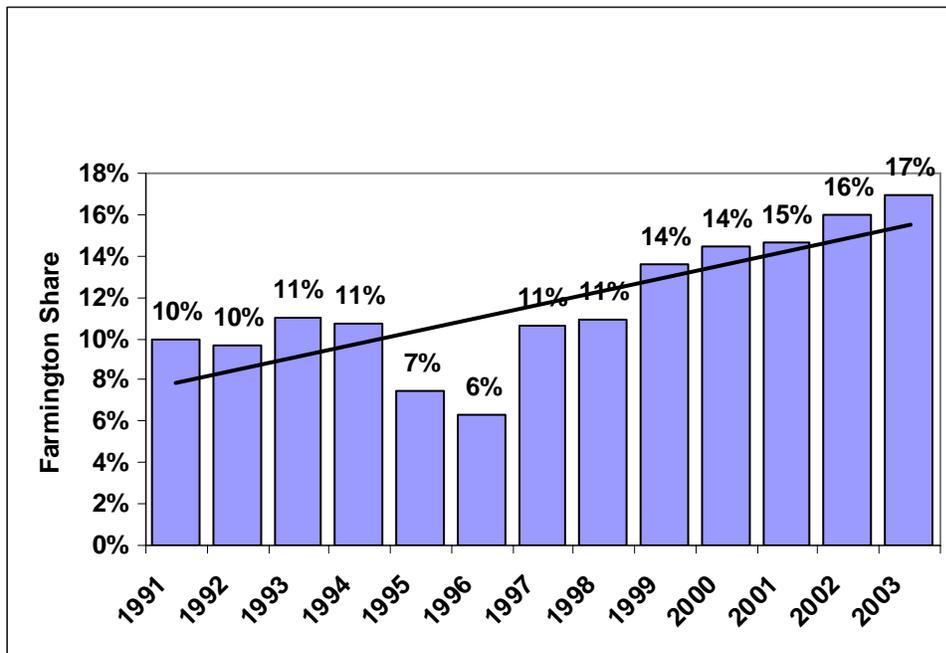
Figure 4.13 Farmington Share of County Permits



Data in the population analysis section of this report indicated that Farmington had 4 percent of the county’s job base, and about 5 percent of its population in the year 2000. Figure 4.13 reveals that Farmington’s share of the county’s housing permit activity in the late 1990s and early 2000s was approaching twice its share of the county’s employment, and a higher percentage of new growth than its share of the county’s year 2000 population. In conclusion, Farmington’s pace of recent residential development is outpacing that of the county and the town has been absorbing a growing share of the county’s growth.

Figure 4.14 demonstrates that this same observation holds true when examining Farmington’s share of building permit activity within the surrounding communities. In the year 2000, The line on this chart shows the trend is decidedly upward, meaning that Farmington is absorbing a growing share of growth relative to surrounding communities Farmington had 12 percent of the population of the surrounding communities (after AER’s adjustment to Census figures). In contrast, it has been accommodating 14-17 percent of the recent building permit activity in the surrounding communities, indicating it has been attracting a disproportionately high share of the market area’s residential activity.

Figure 4.14 Farmington’s Share of Surrounding Community Building Permits

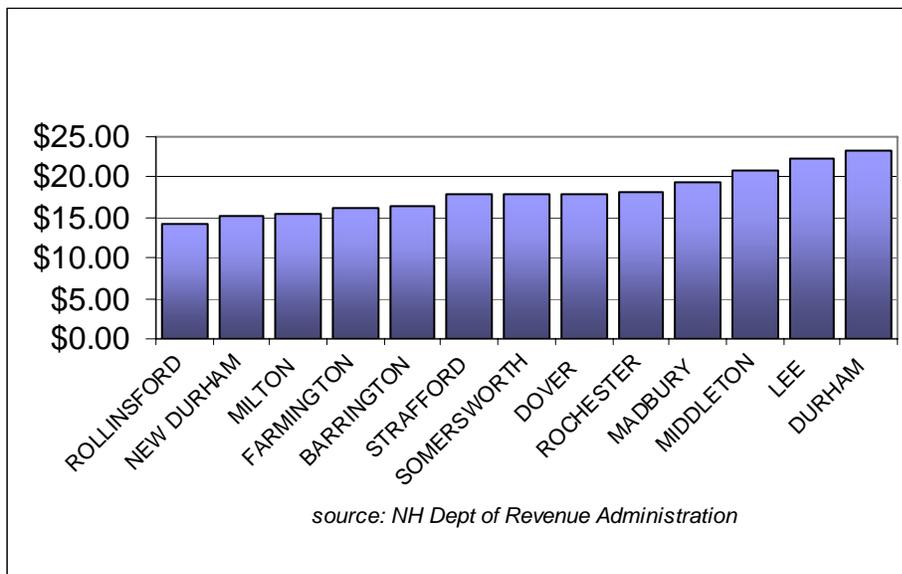


5.0 TAX BASE CONSIDERATIONS

Farmington's ability to support adequate public services is dependent on its tax base because property taxes generally account for two-thirds of local government expenditures in New Hampshire. A healthy tax base is one that shows a balance between property types and one that is expanding in keeping with the demand for public services.

Figure 4.15 shows that Farmington's 2003 tax rate is not exceptionally high in relation to other Strafford County communities.⁵

Figure 4.15 2003 Full Value Tax Rate

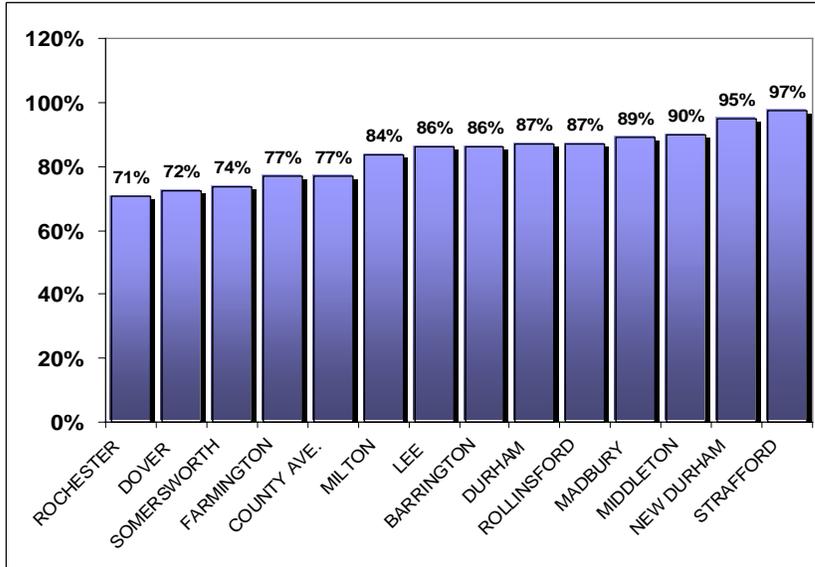


Residential properties account for 77 percent of Farmington's tax base—the same as the average prevailing county-wide (Figure 4.16).



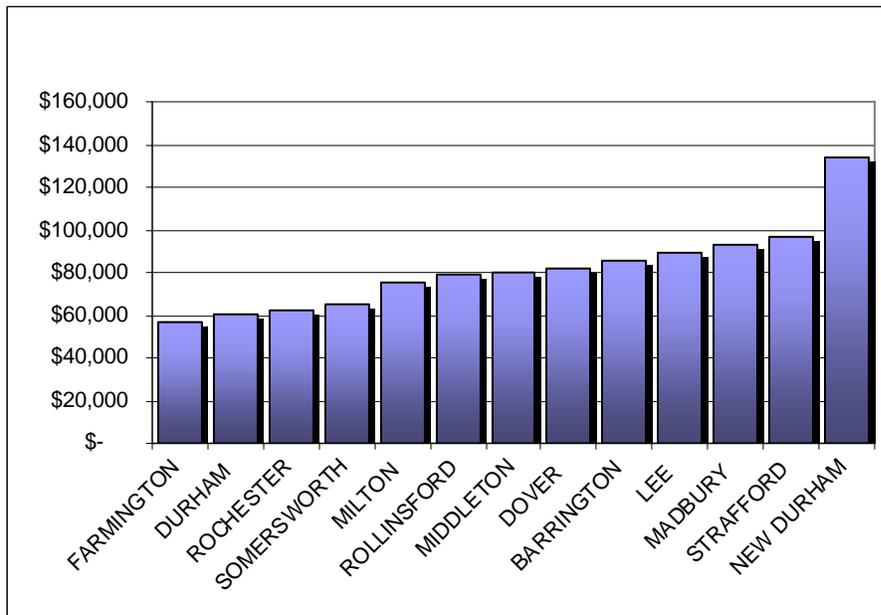
⁵“Full Value Tax Rate” is the local tax rate expressed as a percent of the full market value of taxable property in a community. The NH Dept. of Revenue Administration computes this annually.

Figure 4.16 Residential Assessed Value as a % of Total Assessed Value , 2002



Because a disproportionate share of Farmington’s residential tax base consists of mobile homes, the assessed value per residential unit is lower than that of surrounding communities. This is confirmed in Figure 4.17 which divides the total assessed value (equalized to adjust for different ratios of assessed value to market value) by the community’s population. Farmington’s tax base by this measure is the lowest among all communities in Strafford County.

Figure 4.17 Equalized Tax Base Per Capita, 2003



It does not mean, however, that Farmington’s residential units generate less demand for public services than units in other Stafford County communities. One of the major variables influencing the cost to serve residential units (and town costs, in general) is the number of school age children per occupied housing unit. As seen in Table 4.18, Farmington averages 0.55 school age children per occupied housing unit, one of the highest school age generation rates in the county.

Table 4.18 School Age Population Per Household, 2000

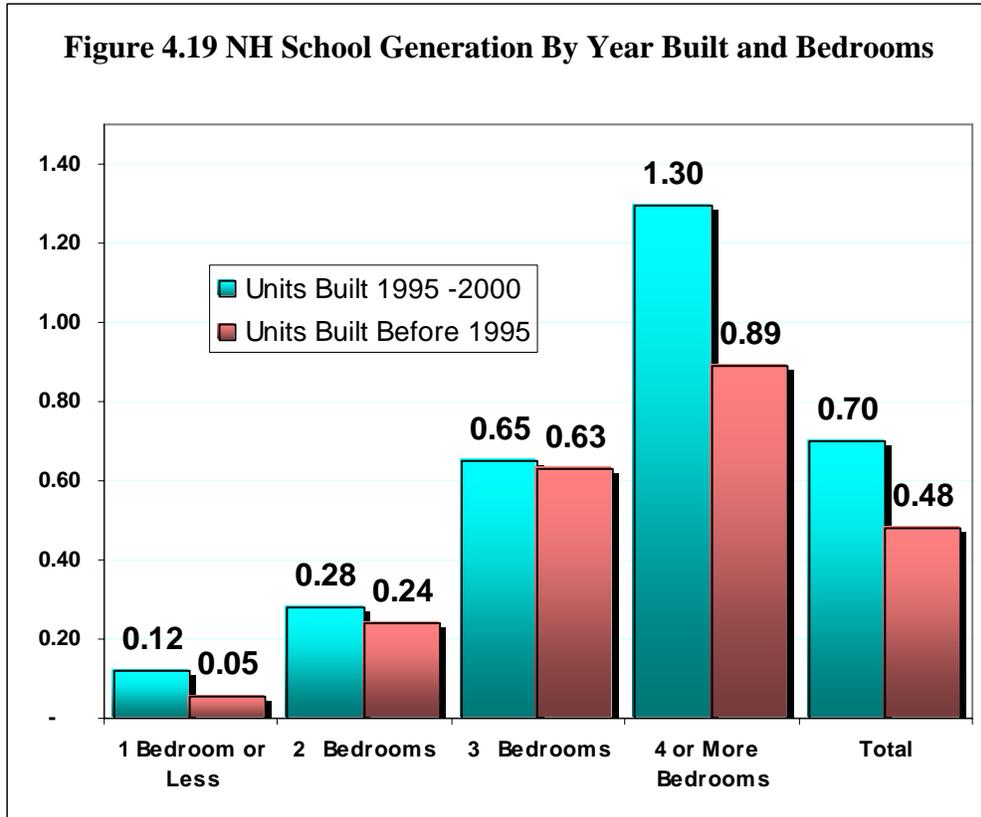
Stafford Co. Municipality	Total H' holds	Pop aged 6 to 17 yrs	Pop 6-17 per H'hold
Barrington town	2,756	1,475	0.54
Dover city	11,573	3,718	0.32
Durham town	2,882	1,139	0.4
Farmington town	2,146	1,183	0.55
Lee town	1,466	933	0.64
Madbury town	534	350	0.66
Middleton town	514	292	0.57
Milton town	1,456	759	0.52
New Durham town	819	429	0.52
Rochester city	11,434	4,873	0.43
Rollinsford town	1,033	450	0.44
Somersworth city	4,687	2,012	0.43
Strafford town	1,281	817	0.64
County Total	42,581	18,430	0.43

Source: US Census

The net effect of these considerations is that Farmington is tax-base poor. It must fund services by relying on a comparatively low-valued residential tax base. The costs of those services, however, are set in the broader regional market. For example, Farmington must offer regionally competitive salaries to attract quality teachers. Yet, its tax base (equalized for assessment differences) is lower per capita than in any other Stafford County community. As a result, Farmington faces a dilemma: either (1) keep its tax rate competitively low, but fund services at a lower level; or (2) fund services adequately, with a higher than typical tax rate. The choice is more painful for Farmington because it is, by most measures, a moderate income community, as is discussed in the following section of this report.

A detailed analysis of the cost and revenues imposed by new development is beyond the scope of this analysis. AER has analyzed school generation figures for New Hampshire communities relying on unpublished Census data. That data reveals that New Hampshire’s newer housing units generate an average of 0.7 school children per unit (Figure 4.19). Although there is variation from community to community based on school expenditures and funding sources,

AER’s experience in multiple communities indicates that single family residences valued at under \$250,000 do not generate enough revenue to fully fund school and municipal costs. Most of the newer units added in Farmington fall below this level.



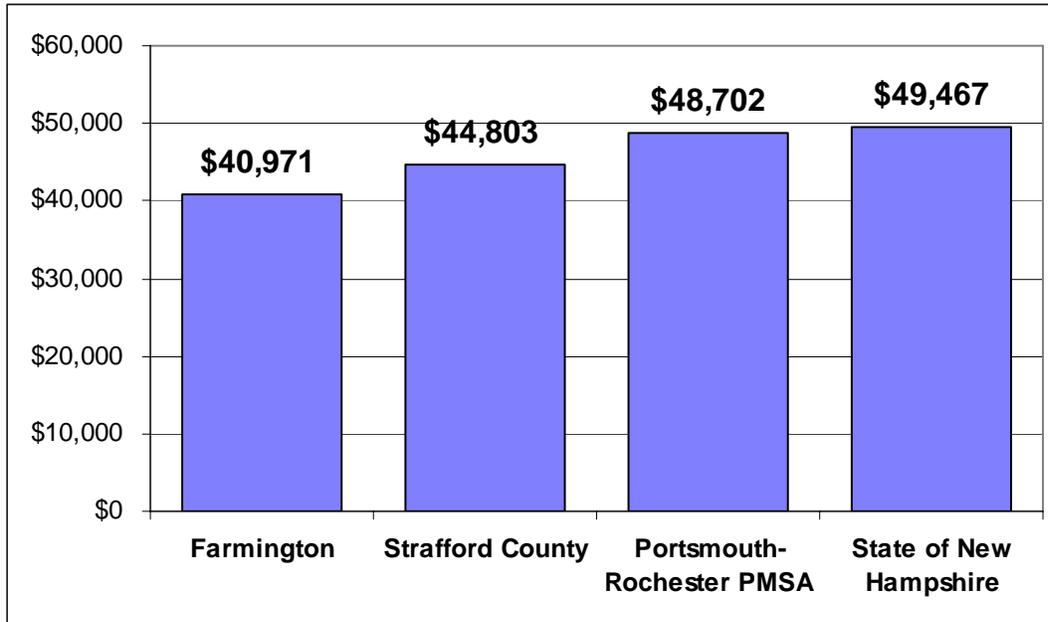
6.0 SOCIO-ECONOMIC CHARACTERISTICS

Communities tend to have distinct socio-economic characteristics. These characteristics arise from a variety of forces including:

- The town’s economic history—in Farmington’s case as a rural, agricultural, trade and manufacturing center.
- Regional forces—in Farmington’s case its location on the edge of the Portsmouth-Dover-Rochester metropolitan area.
- Transportation—in Farmington’s case its principal traffic corridor, Route 11, linking to points east and west.
- The housing inventory—in Farmington’s case a predominance of moderate income, single family housing with a particular concentration of mobile homes.
- Town preferences—the choices the town makes regarding growth policies, the level of public services provided, and the extent to which Farmington adheres to its policies set forth in its Master Plan.

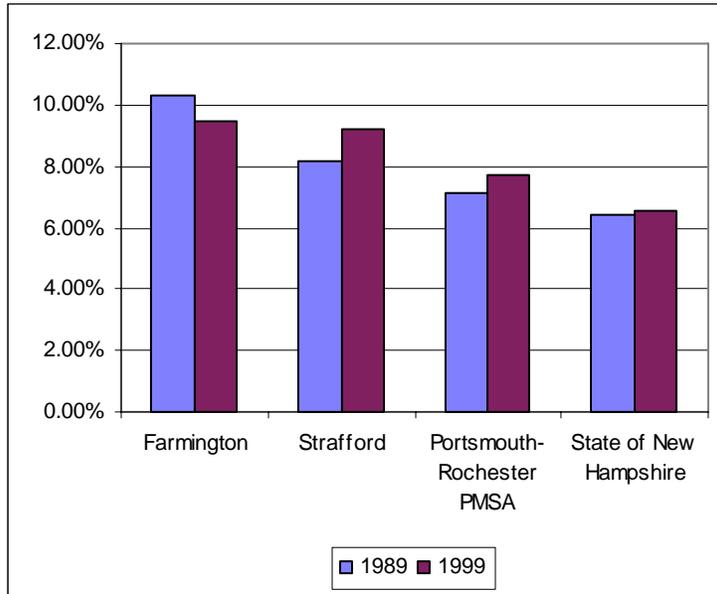
The socio economic data in this section of the report is drawn from the US Census. Farmington is predominantly a moderate income community. Its average household income is about 10 percent lower than that of Strafford County, and about 20 percent below the state average (Figure 4.20).

Figure 4.20 Median Household Income, 1999



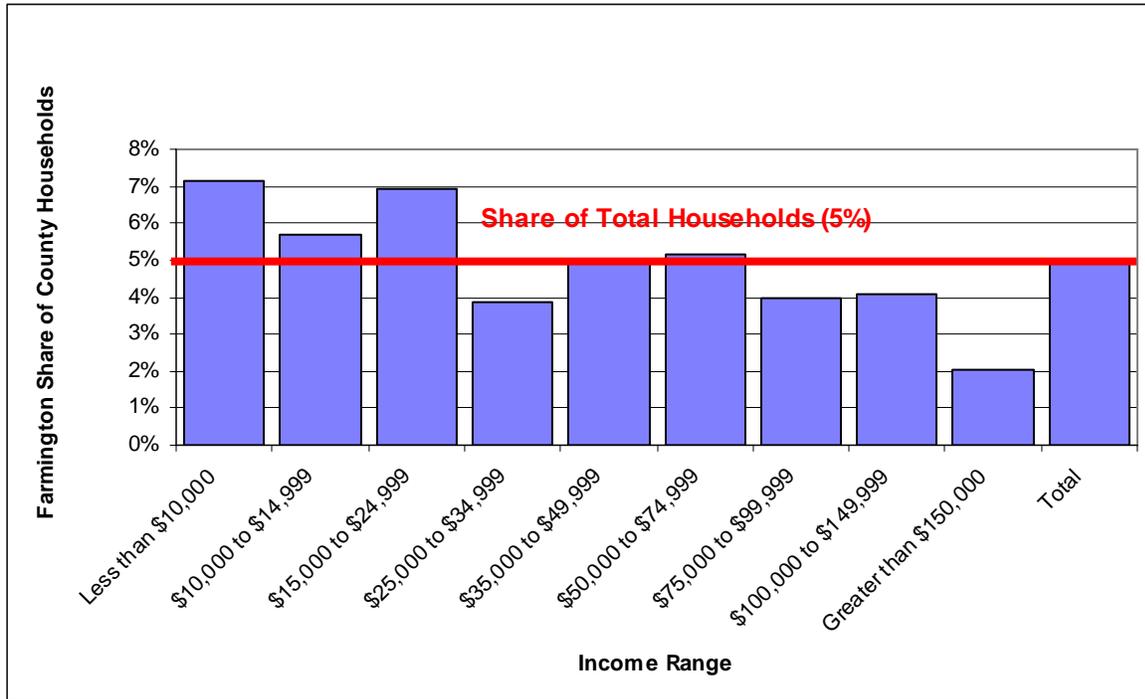
Farmington’s lower average income is not attributable to a predominance of people living below the poverty line. The incidence of poverty in Farmington is not much higher than the Strafford County rate (Figure 4.21). The poverty rate in Farmington is higher than the state-wide average and the average for the Portsmouth-Rochester Primary Metropolitan Statistical Area (PMSA), which includes seacoast communities in both Strafford and Rockingham counties.

Figure 4.21 Income Below Poverty Level 1989 vs. 1999



Farmington has a disproportionate share of the County’s low income people living just above the poverty line, and a disproportionately small share of the County’s affluent households. Figure 4.22 depicts the number of Farmington households in a given income category as a percent of the number of households in that same income category in Strafford County, based on US Census data. In 2000, 5 percent of the county’s households lived in Farmington. If the distribution of Farmington’s households across income categories was the same as in the county, Farmington would have that same 5 percent of the county’s households in each income category. In fact, Farmington has a disproportionate share of the county’s low income households.

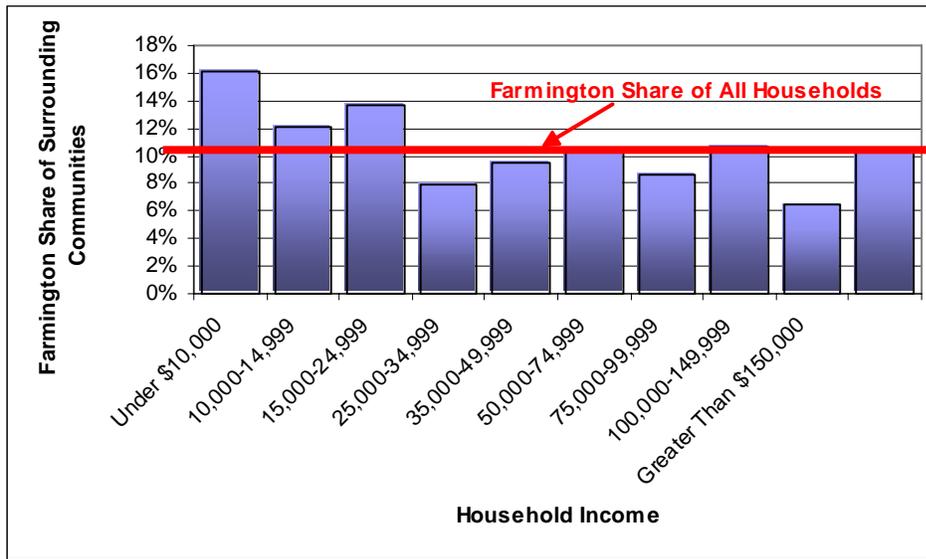
Figure 4.22 Farmington Households By Income Category as a % of Strafford County, 2000 Census



The standard definition of low income household is “Households earning less than 60% of the county’s median income. Farmington’s median income in the US Census was \$44,800. Sixty percent of this is \$26,900. Farmington had a disproportionate share of the county’s households earning below this figure (about 7% in each of the three income categories set forth in Figure 4.22, versus 5 percent of total households). Stated in other terms, 32 percent of Farmington’s households fell in the low income categories, versus 24 percent County-wide.

Similarly, Farmington had a higher share of low income households when compared to surrounding communities:

4.22.1 Farmington Share of Surrounding Community Households By Income

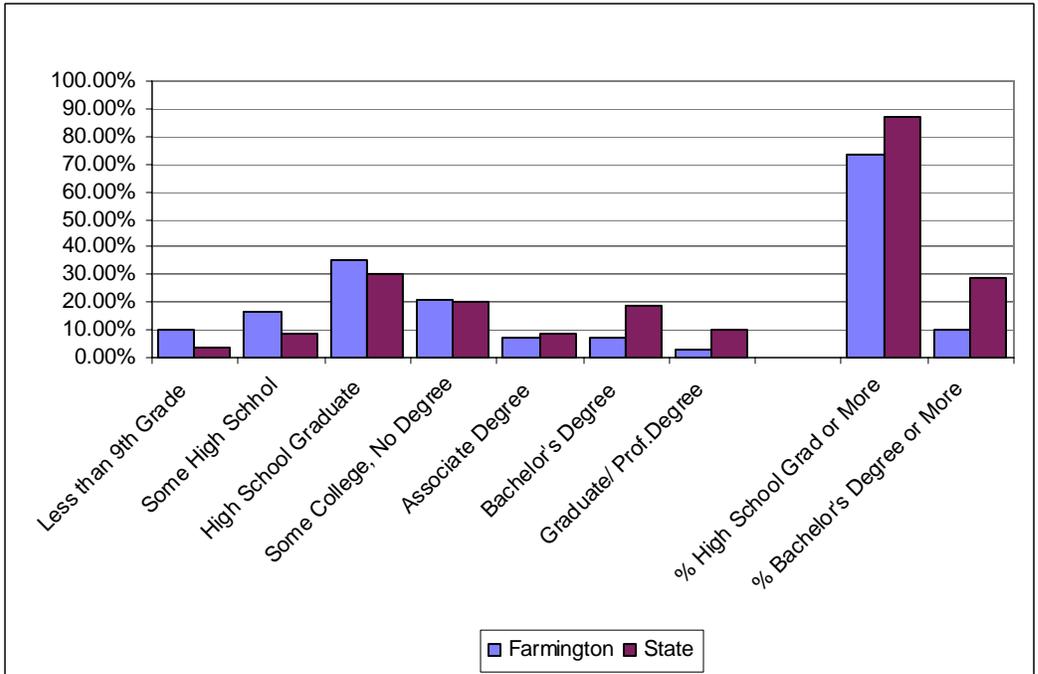


There is, of course, a direct relationship between earnings and educational attainment. Farmington compares unfavorably to the state (it is inappropriate to compare Farmington to the county because of the presence of the University of New Hampshire).

According to the US Census, almost one-third of Farmington's adult residents lack a high school degree, versus about 10 percent state-wide (Figure 4.23). Conversely, only 10 percent of Farmington residents have a Bachelor's degree or more—in contrast to 30 percent state-wide. With less education, Farmington residents compete in a very education-oriented economy. In fact, the loss of manufacturing jobs in both Farmington and the County since the year 2000, means that Farmington residents are having a more difficult time maintaining their standard of living. They have to compete in a regional economy that has fewer good-paying blue collar jobs.

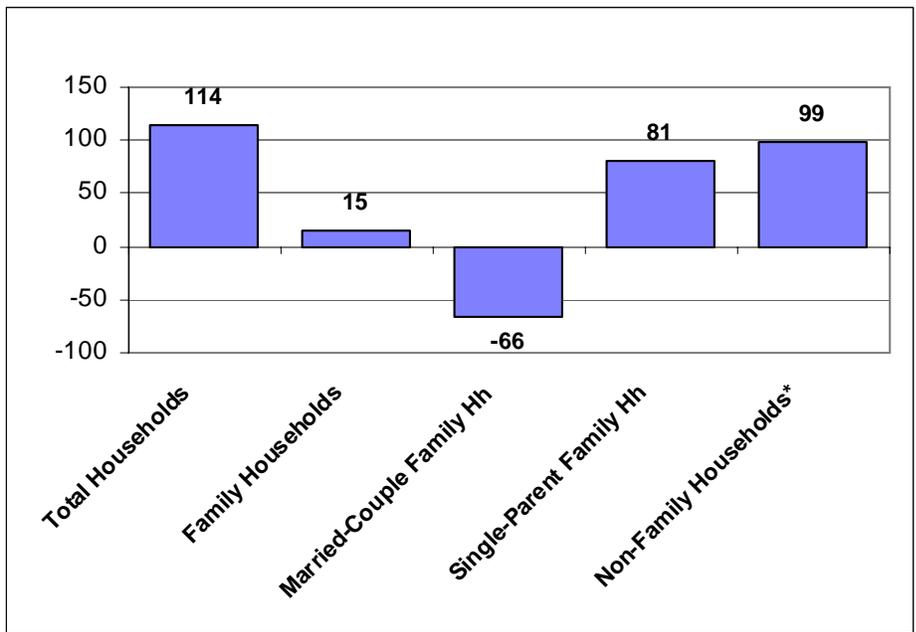
Farmington should work to break the cycle by bringing in educational opportunities, and thinking of educational opportunities as business opportunities for the community. Educational opportunities provide advancement opportunities for residents, and may prove to be a positive economic development strategy for the town.

Figure 4.23 Educational Attainment



Yet another factor contributes to Farmington’s sub-par income profile. That is, the character of the households occupying Farmington’s housing units is changing. Traditional married couple family households are on the decline in Farmington, while single person and non-family households are increasing (Figure 4.24).

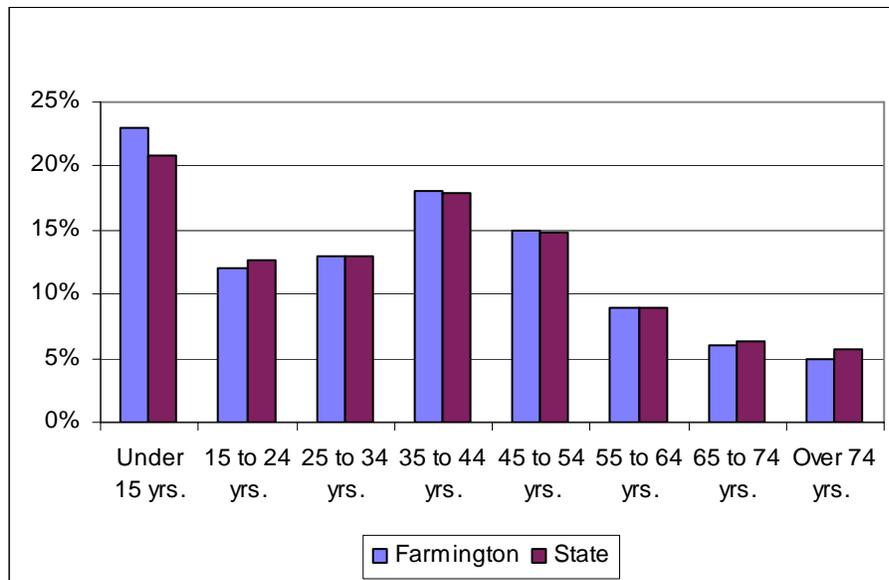
Figure 4.24 Change By Type of Household, 1990-00



A traditional way for blue collar families to raise their standard of living is for both parents to work. But, during the 1990s there came to be fewer of these traditional families and more single parent households getting by on a single wage.

Farmington’s age structure is not significantly different than the state’s, with the exception that the population under age 15 is a slightly higher percent of total population in Farmington than in the state (Figure 4.25). This does increase the cost of providing educational services in Farmington. It is important to note that the nation will soon be experiencing a large increase in the senior citizen population, and this will impact local governments.

Figure 4.25 Population By Age, Farmington and State, 2000



7.0 POPULATION AND HOUSING PROJECTIONS

Population and housing projections are estimates of future population and housing. Farmington’s future population and housing levels are not dictated to it, but rather are a product of the town’s growth management policies and its investment in services and capital improvements. The Master Plan presents several alternative projections, recognizing that the town has the ability to manage its growth through its ordinances and general growth policies.

Scenario A: State Forecast

The State of New Hampshire Office of Energy and Planning (OEP) is the designated agency preparing population projections for the State, its counties and its local communities. The state’s forecast for Farmington and Strafford County’s constituent communities are:

Municipality	NH Office of Energy & Planning					January 2005				
	----- Projections -----					Differences				
	2005	2010	2015	2020	2025	03-05	05-10	10-15	15-20	20-25
Farmington	6,430	6,910	7,350	7,760	8,150	150	480	440	400	390
Barrington	8,210	8,860	9,480	10,050	10,600	240	640	620	570	560
Dover	28,750	29,640	30,280	30,860	31,390	420	890	640	580	530
Durham	13,330	14,210	14,990	15,710	16,410	290	870	790	720	710
Lee	4,420	4,770	5,100	5,400	5,690	100	340	330	300	300
Madbury	1,740	1,850	1,950	2,040	2,130	40	110	100	90	90
Middleton	1,650	1,800	1,940	2,070	2,200	40	150	140	130	130
Milton	4,360	4,710	5,040	5,340	5,630	110	350	330	300	290
New Durham	2,500	2,870	3,220	3,550	3,870	110	370	360	330	320
Rochester	30,270	32,140	33,940	35,590	37,210	630	1,860	1,800	1,650	1,620
Rollinsford	2,740	2,920	3,070	3,210	3,350	60	170	150	140	140
Somersworth	11,900	12,190	12,440	13,050	13,650	150	290	250	610	600
Strafford	4,030	4,330	4,620	4,890	5,150	140	300	290	270	260
Strafford Co.	120,330	127,180	133,430	139,510	145,440	2,490	6,850	6,250	6,080	5,940

The state anticipates that Farmington’s population will grow by 400 to 500 residents every 5 years through the year 2025, at which point the town’s population will total 8,150.

The state’s forecast builds on the year 2000 population reported by the US Census. As previously discussed in this chapter that year 2000 Census count appears to have understated the town’s population. This being the case, the OEP projection for Farmington is probably low, because it begins with an undercounted year 2000 Census population for the town.

With this in mind, a revised population projection for the town has been prepared taking into account the revised year 2000 population figures previously reported in this chapter of the Master Plan. That recalculation estimated that the Census undercounted Farmington’s year 2000 population by 525 in reporting a population of 5,775 versus this Master Plan’s estimate of 6,300 (rounded figures). This revision consisted of adding the 525 undercounted figure to each of the state’s projected figures for the town. The housing projection was developed by dividing the population by an average household size and then adding vacant/seasonal units to derive an estimate of Total Housing Units.

Farmington Population and Housing Projections:					
Scenario A: Benchmarked State Projections					
	Population	Occupied Housing	Vacant and Seasonal Housing	Total Housing	Population per Occupied Unit
2000	6,300	2,340	130	2,470	2.69
2005	6,955	2,600	140	2,740	2.67
2010	7,435	2,810	150	2,960	2.65
2015	7,875	2,990	160	3,150	2.63
2020	8,285	3,170	170	3,340	2.61
2025	8,675	3,350	180	3,530	2.59
Change					
	Population	Occupied Housing	Vacant and Seasonal Housing	Total Housing	
2000-2005	655	260	10	270	
2005-2010	480	210	10	220	
2010-2015	440	180	10	190	
2015-2020	410	180	10	190	
2020-2025	390	180	10	190	
<i>Adjusts State OEP projection to revised year 2000 population</i>					

Under this scenario, Farmington’s population rises to 8,675 by the year 2025 and its housing inventory would rise to 3,530 units.

Scenario B: Recent Housing Construction Trends

A second scenario is also calculated. Under this scenario, the town’s Census population count is adjusted (as in Scenario A) and also, the town’s recent pace of housing construction (averaging 70 units per year) has been assumed to continue. Under this scenario the town’s population rises to 10,460 in the year 2025 and its total housing inventory increases to 4,220 units—nearly double the adjusted year 2000 Census figure.

Farmington Population and Housing Projections:					
Scenario B: Recent Growth Trends					
	Population	Occupied Housing	Vacant and Seasonal Housing	Total Housing	Population per Occupied Unit
2000	6,300	2,340	130	2,470	2.69
2005	7,160	2,680	140	2,820	2.67
2010	8,000	3,020	150	3,170	2.65
2015	8,840	3,360	160	3,520	2.63
2020	9,660	3,700	170	3,870	2.61
2025	10,460	4,040	180	4,220	2.59
	Population	Occupied Housing	Vacant and Seasonal Housing	Total Housing	
2000-2005	860	340	10	350	
2005-2010	840	340	10	350	
2010-2015	840	340	10	350	
2015-2020	820	340	10	350	
2020-2025	800	340	10	350	
<i>Adjusts State OEP projection to revised year 2000 population</i>					
<i>and assumes construction of 70 housing units per year</i>					

These two scenarios set a supportable range of possible future levels of population and housing. It is appropriate that these be tested against the town's ongoing rate of new housing construction, and revised periodically.

Ultimately, the town's future population and housing levels will be structured by the regional economy's performance (over which the town has little influence) and the town's growth policies (over which the town has considerable influence).

8.0 LAND USE IMPLICATION AND POTENTIAL ACTIONS

There is a high degree of correlation between the socio-economic characteristics of Farmington residents and the points raised in this chapter of the master plan. Farmington is primarily a moderate income community. Its tax base consists of moderately priced housing units, (with a particularly high concentration of mobile homes), which carry lower values than in other communities in the county. Given this tax base, Farmington struggles to adequately fund services and maintain a competitive tax rate. To the extent Farmington reduces the quantity or quality of services, it diminishes its appeal to upper income households who could support higher residential property values. As an alternative, if the town elected to fund a higher level of

services, it would require a higher tax rate, imposing a more difficult burden on its existing moderate income residents.

Land Use Implications

Farmington's population, housing stock, and economic conditions have a direct impact on the function and character of the community. Here are a few items to consider related to the residents and the economy in Farmington:

- 1) The relationship between employment growth and population/housing activity in Farmington is driven by the regional economy in interaction with the overall desirability of the community as a place to live.
- 2) Housing represents the largest component of developed land in Farmington. It is also the largest component of Farmington's tax base, and the dominant element in the growth pressures and demand for services that the community experiences.
- 3) Within Farmington, the most pronounced growth in housing units has occurred within the mobile home category, which experienced a 25 percent increase in the inventory during the last decade. Farmington now has an over-concentration of mobile homes compared to the county.
- 4) A healthy tax base is one that shows a balance between property types, and one that is expanding in keeping with the demand for public services. Which is currently not characteristic of Farmington.
- 5) The loss of Collins and Aikman would deal a significant blow to Farmington's economy and its tax base.
- 6) Farmington is tax-base poor. It is currently funding services by relying on a comparatively low-valued residential tax base. The costs of those services, however, are set in the broader regional market which Farmington is unable to keep pace with. As a result, Farmington faces a dilemma: either (1) keep its tax rate competitively low, but fund services at a lower level, or (2) fund services adequately, with a higher than typical tax rate.
- 7) The character of the households occupying Farmington's housing units is changing. Traditional married couple family households are on the decline in Farmington, while single person and non-family households are increasing.
- 8) Farmington's aging population may place a very different demand on town services in the future as the number of seniors increases nationally.
- 9) A healthy mix of accessory units in single-family homes, and higher end residential units, would provide a greater mix of housing opportunities for Farmington's diverse population while supporting the tax base and demand for local services.

10) Housing located within the downtown area can reduce some of the transportation costs for residents by providing transportation options, locate residents near potential employment opportunities, and accommodate some of the demand for future housing units in Farmington.

Potential Actions

There are an array of possible actions the Town may want to consider pursuing as it evaluates the demographic, housing, and economic trends in Farmington and the related land use implications. This section will be used to identify the specific actions for Farmington to take upon completion of the master plan.

- 1) Consider having a cost of community services study prepared. This would clarify what various land uses provide in tax revenue and what they demand in services. A first step would be to review studies completed in other communities to see if the analysis is relevant to Farmington.
- 2) Create an awareness of the services that will be required by a larger elderly population. This may include greater demand for transportation, housing options, access to healthcare, and other programs.
- 3) Ensure that Farmington's regulations continue to provide opportunities for a diverse mix of housing unit types that can accommodate the changing composition of Farmington's households and support the desired level of services.
- 4) Work with the School Board to better incorporate school properties into community life by providing space for programs and services that would otherwise be housed elsewhere with additional costs.
- 5) Encourage the redevelopment of downtown properties to incorporate a mix of uses including a variety of housing types.
- 6) Strengthen Farmington's market position as a regional employment center, through positive promotion and marketing, to attract desirable growth, development, and redevelopment investments that will support the tax base.
- 7) Continue to strengthen the downtown as the historic center of commerce, serving as a complement to surrounding residential districts and the core of the community.
- 8) Adopt and enforce regulations that improve the quality and value of new residential and non-residential development.
- 9) In recognition of the disproportionate share of mobile homes in Farmington, restrict the development of new mobile home parks and subdivisions.