



FEATURED INTERVIEW



Q&A:

Franklin Pierce
University
Professor
Christina Cliff

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The road ahead for manufacturers in the pandemic

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Data privacy, the tech giants and your business

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New Hampshire banks see a slower 'PPP2' rollout

While many still need help,
other firms feel 'blessed'

BY BOB SANDERS

For Janette Desmond, owner of Kilwins, a candy and ice cream shop in Portsmouth, the newest version of the Paycheck Protection Program is a sweet offer, but she's going to refuse a second helping.

"We qualified, but it's an ethical thing. I don't want everyone paying the way for me," she said.

But Carole Salyer, co-owner with her husband of Donald Salyer Transport in Bow for the last 40 years, has no such hesitation in applying for another \$10,000.

"After working all these years, paying all that we had to pay?" she said. "The big companies were getting it. The little companies should get it too."

Grappone Automotive is a big company for New Hampshire. The Bow-based auto dealer received \$4.25 million last time, but since it has more than 300 employees, it isn't eligible for another loan under the rules of what's being called PPP2.

Besides, said CEO Larry Haynes, the company is doing better.

"The next round be-
PPP2 ROLLOUT, PAGE 16

I-93's long and winding road to completion

Long-awaited
interstate project expected
to fully open in spring

PAGE 8

Selling New Hampshire to the world

Report shows state reaping benefits amid globalization

BY LIISA RAJALA

Even in the midst of a pandemic, New Hampshire remains a desirable location for companies selling globally, according

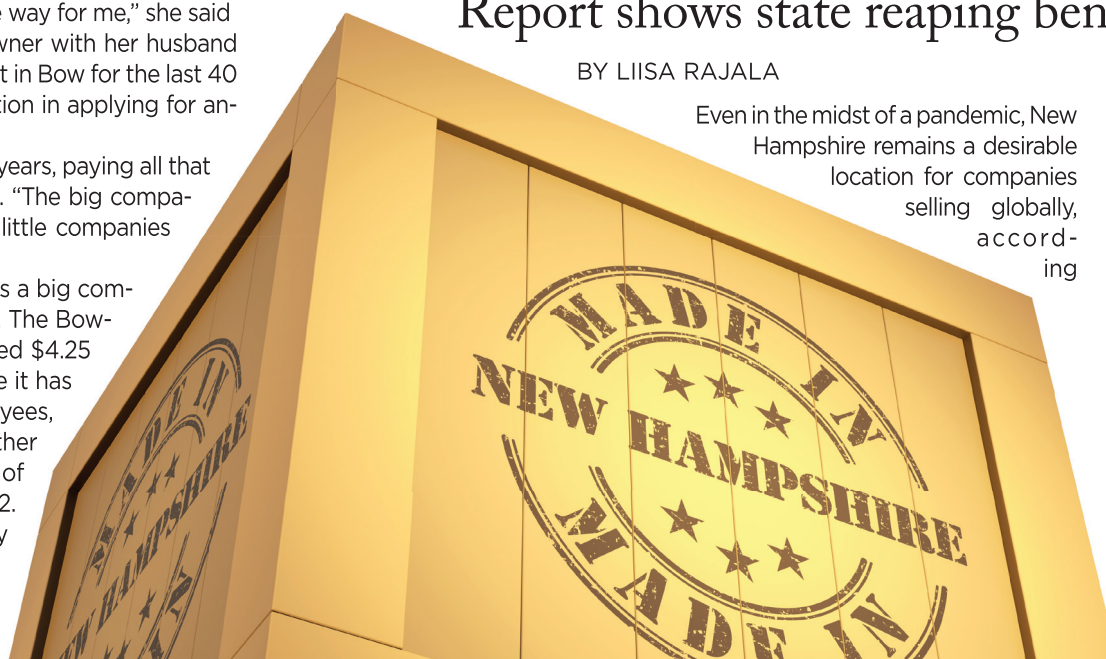
to a report prepared by Plymouth State University.

The 2020 globalization report, presented virtually Jan. 19, points to the resiliency of the state's high-technology and advanced manufacturing industry clusters and its geographical proximity to regional markets.

In their study, Professors Roxana Wright and Chen Wu examined publicly available international business activity by Granite State firms as well as in-state business activity and acquisitions by foreign firms, from March 2020 through the end of the year.

The report revealed "25 notable investment and expansion projects or activities initiated by or involving foreign firms" in 2020, as well as five acquisitions involving foreign and New Hampshire-based companies, seven production or service expansion investments or new contracts, 10 distribution agreements or actions,

SELLING NEW HAMPSHIRE, PAGE 18





COVER STORY

I-93's long
and winding
road to
*completion*Long-awaited interstate project
expected to fully open in spring

BY MICHAEL KITCH

Above: An aerial
shot of Exit 3 and NH
Route 111.At right: An aerial shot of the
I-93 and I-293 interchange.

(NH DOT photos)

Come spring, the coronavirus willing, the New Hampshire Department of Transportation will celebrate the completion of the widening of Interstate 93 between Salem and Manchester, which the agency calls “one of the most ambitious projects” it has ever undertaken.

The goal — to hasten the flow of traffic and enhance the safety of motorists — was as simple as the project was complex. When I-93 originally opened in the early 1960s, it carried 60,000 to 70,000 vehicles a day. By the turn of the century, traffic had swelled to near 115,000 vehicles a day and was projected to reach 140,000 by 2020.

The number of accidents rose correspondingly. At the same time, as infrastructure aged, 14 of the 43 bridges on the highway were added to the state's red list of structurally deficient spans. And at interchanges, ramps were built to unsuitable grades, and deceleration and acceleration lanes to unsuitable lengths.

In the 1980s, the DOT began considering how best to increase the capacity of the highway. State and federal agencies, along with local officials and residents, weighed a half-dozen alternatives at more than 50 meetings before choosing to add two travel lanes in each direction between Salem and Manchester — a distance of 20 miles. By the end of the decade, design, planning and preparation, including right-of-way acquisition, utility relocation and environmental permitting, was underway.

The Federal Highway Administration (FHWA) approved the project in June 2005, but work stalled before it began. In February 2006, the Conservation Law Foundation filed suit in federal court to

halt the project, claiming that traffic volume would soon overtake the widened highway and spill onto secondary roads with adverse impacts on air and water quality throughout the corridor. Instead, the CLF pressed for commuter rail service to alleviate congestion on the highway.

Although work to widen the highway was stayed, the state and CLF agreed that other projects could proceed. To reduce traffic volume during construction and mitigate the impact of the project on air quality, park-and-ride lots were opened at Exits 2, 4, 5 in 2007 and 2008 with total spaces for some

The expansion of
I-93 has taken nearly
40 years of planning.

1,600 vehicles. A fourth lot at Windham with 140 spaces opened in 2017. Bus service was expanded, with terminals at Exits 2, 4 and 5, and by November 2008 Boston Express was making 22 round-trips to Boston on weekdays and 18 on weekends.

Quickened pace

At the same time, DOT began advertising and awarding contracts for the rehabilitation and reconstruction of bridges and ramps at the five interchanges along the corridor.

By 2009, work was completed at Exit 1 — where seven bridges were replaced — begun at Exit 5

and contracted at Exit 4. And the new Cross Street Bridge over the highway in Salem, the first of 20 red-list bridges to be replaced, was opened to traffic.

A second environmental impact statement as the result of the CLF suit was completed in 2010, and later that year the FHWA reaffirmed its initial approval of the plan to widen the highway to four lanes. However, completion of the fourth lane was contingent on approval of measures to ensure levels of road salt remained within prescribed limits, particularly in four watersheds between Exits 2 and 5. Consequently, DOT planned to widen the highway incrementally, building the footprint for four lanes, but paving and opening only three.

With the decision, the pace of work quickened. DOT began advertising and awarding contracts for widening the highway itself while work continued at interchanges and on bridges. Between 2011 and 2015, three lanes in both directions were completed and opened from the Massachusetts border through Exit 3 — a distance of six miles.

Funding needs

Meanwhile, costs had risen. In 2007, as concrete, asphalt and steel prices rose 15% a year for three years, the original estimate for the project of \$425 million in 2002 jumped to \$781 million, and by 2011 neared \$800 million.

The project was funded exclusively with federal dollars, both grants and borrowings. In 2005, the Legislature authorized borrowing \$195 million in GARVEE bonds, which are retired with funds from future federal highway grants, to supplement the state's annual share of federal highway aid, then

FROM PAGE 8

about \$160 million. A second GARVEE bond for \$115 million was issued in 2012.

Since the project stalled in 2007, concern grew that investment in I-93 would shrink the share of federal funding needed to sustain maintenance and repair of roads and bridges across the state, without which both the pace of deterioration and the cost of rehabilitation would increase. And dwindling real returns from the state gas tax, last raised in 1991, had begun to crimp returns to the state highway fund. At the time, Rep. Fred King of Colebrook remarked, “The 10-year highway plan that was really a 35-year plan just became a 37-year plan.”

In 2013, the funding issue was stalemated in the Legislature. The House passed an increase in the gas tax, which the Senate rejected, and the Senate authorized casino gambling, which the House rejected.

Chris Clement, then commissioner of transportation, feared the failure to find money to sustain the project risked further delays and higher costs as well as prompting contractors to seek work elsewhere. And he added that, without more funds, DOT itself could be in deficit by 2015, which could lead to reducing staff and trimming services. “We cannot let the rest of the state starve on the back of I-93,” Clement said at the time.

The stalemate was broken the next year with legislation authored by Sen. Jim Rausch, R-Derry, who sponsored the bill authorizing the first GARVEE bond to begin the I-93 project.

Senate Bill 367 increased the gas tax from 18 to 22 cents per gallon, raising \$34 million a year, and authorized a \$200 million borrowing to complete the widening of I-93. The financing package provided \$102.5 million for highway and bridge work between 2016 and 2033 as well as \$4 million in municipal block grants and \$6.8 million for municipal bridge aid each year.

53 contracts, 20 contractors

Two years later, this initiative was restructured and enhanced after the state secured a loan through the Transportation Infrastructure Finance Innovation Act (TIFIA). The loan funded the competition of I-93 while enabling the state to increase investment in other highways >

Investment, development track I-93 widening

The widening of Interstate 93 from Salem to Manchester has been accompanied by a spate of investment and development along the length of the corridor, furthering the economic and social integration of southeastern New Hampshire with northeastern Massachusetts.

Two major mixed-use developments bracket the corridor – Tuscan Village in Salem to the south and Woodmont Commons in Londonderry to the north.

Adjacent to Exit 1 of I-93, Tuscan Village is expected to provide nearly 3 million square feet of commercial and residential space on the 170 acres where thoroughbreds once ran at the Rockingham Park race track. The project will add 700,000 square feet of retail space to the sector, representing nearly a third of local employment – a reflection of the town’s advantage as the first stop across a border marked by the absence of a sales tax. And Mass General Brigham, formerly Partners HealthCare, has invested \$400 million in a 122,500-square-foot outpatient facility at Tuscan Village.

At the same time, Walmart is expanding its superstore to 220,000 square feet – 40,000 square feet shy of the massive chain’s largest store – and last year Cinemark opened the town’s first movie theater in 17 years at the Mall at Rockingham Park.

In 2001, Salem’s master plan noted that “even after reconstruction, I-93 and the other major routes that converge (I-495, NH 28, NH 38/97 and NH 111) in and near Salem will continue to generate traffic volumes and congestion that push local roads to their capacity.”

When the plan was updated in 2016, a year after work on the highway through the town was completed, the Rockingham Planning Commission found the widening of I-93 has done little to reduce congestion.”

In Londonderry, Woodmont Commons straddles I-93. To the west, work has begun to develop an “urban village” on 400 acres bordering the highway over the next 20 years. The future of another 200 acres to the east is “something of an unknown,” said attorney Ari Pollack, who has shepherded the project through the planning and permitting process.

He explained that access to the property from I-93 hinges on construction of Exit 4A and a mile-long connector road. Mean-

while, a number of options, including warehouse, manufacturing and office space as well as residential development, are being considered.

Woodmont Commons is a mix of residential and commercial properties, including apartments, condominiums, townhouses and single-family homes, along with retail, hotel and office space. Pollack described it as “a live, work, play” community projected to be completed over 20 years.

As the widening project drew to a close, officials in towns along the corridor fielded inquiries from developers.

“We’ve had lots of interest for both commercial and residential development and a lot for mixed-use projects,” said Beverly Donovan, Derry’s economic development director. She added that the town has invested in infrastructure and adjusted its zoning to create development opportunities.

In Windham, Rex Norman, community development director, said despite interest from developers, the town lacked the resources for significant residential projects and the infrastructure – especially water and sewer – for commercial and industrial projects. Moreover, when surveyed, residents assigned high priority to preserving open space, protecting water quality and low priority to both residential and commercial growth while citing traffic volume as a major problem.

Some 90% of the freight, by tonnage and value, passing in, out and through New Hampshire is carried by truck, much of it on I-93, which has recently become a magnet for warehouses and distribution centers.

Last year, The Kane Company of Portsmouth purchased the Manchester Logistics Center, 725,000 square feet of warehouse space on 38 acres at the Manchester Airport. “We like the airport’s position within five miles of I-93, I-293, Route 3 and Route 101,” said Michael Kane, adding that the building is “right on the runway.”

Luke Pickett, vice president of finance for Kane, referred to the “Amazonization of America,” which has put a premium on just-in-time inventory and delivery, and in turn increased demand for well-positioned warehousing and distribution centers.

In January, two developers announced plans for warehousing and distribution centers in Hooksett. Granite Woods LLC abandoned plans for a mixed-use development that would have included a hotel, restaurant, winery and entertainment venue on 60 acres off Hackett Hill Road, south of the Hooksett Toll Plaza. Instead, it now plans to build two buildings – one 500,000 square feet and another 150,000 square feet – as a distribution center to be known as Granite Woods Commerce Park.

At the same time, Silver City NH LLC paid \$7.2 million for 54 acres on Hackett Hill Road, where it seeks to build a 594,000-square-foot distribution center alongside a 104,000-square-foot warehouse or industrial building.

William Thibeault, manager of Silver City, told the Union Leader his company recently purchased a shopping mall in Taunton, Mass., which it intends to replace with a distribution center. “That is really the future of these big industrial or commercial sites,” he said.

Yet another proposed distribution center is off of Route 3 in Hudson, at the site of the former Green Meadow Golf Club.

The Hudson Logistics Center, intended to serve as a fulfillment center for Amazon, would easily be the largest. Hillwood Investment Properties seeks to construct three buildings – two of 1 million square feet apiece and another of 522,000 square feet – on the 374 acres once home to the Green Meadow Golf Club. Altogether, they would have 363 loading docks and parking for 842 tractor trailers.

Remarking on development along the corridor, Bill Norton of Manchester-based real estate firm Norton Asset Management noted that manufacturing was the missing piece. “We haven’t seen that yet,” he said, “but we’re going to.” **NHBR**





COVER STORY

From 'boulevard' to development engine

In 1897, well before automobiles were commonplace, Frank West Rollins, who two years later became New Hampshire's 47th governor, envisioned a "boulevard" running from the Massachusetts border northward, perhaps even through Franconia Notch.

That vision became reality with construction of Interstate 93, which began in 1961. By 1977, 123 miles were complete from Salem to Littleton, although a gap of eight miles remained, but it was closed with the opening of Franconia Notch Parkway in 1988.

I-93 bound New Hampshire to metropolitan Boston with immediate and profound effects. The state's population grew 21.5% in the 1960s, 24.8% in the '70s, 20.5% in the '80s and 11.4% in the '90s, more than doubling from 606,921 to 1,235,786 by the turn of the century.

Population numbers nearly tripled in Rockingham County and more than doubled in Hillsborough County as the two counties flanking the southern stretch of the highway accounted for 60% of the increase. Today, the same two counties account for more than half the state's population and employment while covering less than a fifth of its area.

In the four towns crossed by the first 20 miles of the highway — Salem, Windham, Derry and Londonderry — populations jumped fourfold between 1960 and 2000. Salem grew from 9,210 to 28,112, Windham from 1,317 to 10,709, Derry from 6,987 to 34,021 and Londonderry from 2,457 to 23,236. Today, Derry, Salem and Londonderry are among the 10 most populous municipalities in the state, and Windham ranks 19th.

Other towns along the I-93 corridor grew at a comparable pace. Population increased eightfold in Merrimack, fivefold in Bedford, fourfold in Hudson, threefold in Milford and Hooksett, and it doubled in Goffstown.

This year, the federal government added Rockingham and Strafford counties, home to 41% of the population of New Hampshire, to the Boston-Cambridge-Newton Metropolitan Statistical Area, or MSA, the tenth largest in the country with 4,875,390 people. MSA's are defined and delineated by a "high degree of social and economic integration."

The highway has left its mark all along its length by placing the pleasures of the Lakes Region, White Mountains and Great North Woods within easy reach of the metropolitan populations of the Northeast. Ski resorts have thrived in the winter, while



When he was New Hampshire's governor in the 1890s, Frank West Rollins envisioned a 'boulevard' running north from the Massachusetts border.

the high country became a year-round destination for hikers, climbers, campers and leaf peepers.

New Hampshire has long been a haven for seasonal homes, which represent a tenth of all housing units in the state, a share topped only by Maine and Vermont.

Since construction of I-93 began, the number of seasonal homes counted by the U.S. Census has almost doubled, from 33,882 in 1960 to 66,103 in 2015, with 70% of them in the four northern counties of Belknap, Grafton, Carroll and Coos. The highest concentrations of seasonal homes are in the Lakes Region, through which the highway passes. **NHBR**



An early NH DOT vehicle.

FROM PAGE 9

and bridges between 2016 and 2025.

The state borrowed \$200 million at 1.09% with principal payments deferred for nine years from 2016 to 2025. During the deferral period, between \$19.2 million and \$23.6 million in revenue from the increased gas tax are being allocated to highway and bridge repair as well as to \$4 million in municipal highway block grants and \$6.8 million to municipal bridge aid. During the period, DOT expects to resurface 1,800 miles of roadway and remove 23 bridges from the red list. Altogether, the TIFIA financing will provide \$257 million for roads and bridges — more than twice the amount originally projected by SB 367.

"In transportation," Gov. Maggie Hassan said at the time, "many times the expansion of major facilities comes at the expense of investing in existing infrastructure. TIFIA is allowing us to do both."

Contracts to continue widening the highway were awarded in 2016, with completion of the fourth lane representing the largest share of the remaining work. At the same time, at the bridge over Route 102 at Exit 4 — the longest span in the corridor — was completed and ramps at the interchange were reconstructed. As 2020 drew to a close, the essential elements of the project were complete.

Altogether, 80 lane miles of highway were built and paved, 45 bridges constructed or rehabilitated and five interchanges restructured and improved. Some 1,000 acres were conserved to offset wetlands impacts, manage stormwater runoff and safeguard water quality. And the corridor was fitted with an intelligent transportation system to provide the traveling public and emergency responders with information about traffic and weather conditions on the highway in real time.

All told, the work was broken into 53 contracts — 29 of them more than \$1 million apiece — and undertaken by 20 prime contractors. Among them were R.S. Audley Inc. of Bow, George R. Cairns & Sons Inc. of Windham, Alvin J. Coleman & Sons Inc. of Albany, Weaver Brothers Construction Co. of Bow, E.D. Sweet Inc. of Concord, and Severino Trucking Company of Candia. Continental Paving of Londonderry and Pike Industries of Belmont shared much of the final paving work.

One piece of the puzzle remains: Exit 4A, just north of Exit 4 at Derry, which was not part of the original I-93 project.

The diamond interchange is designed to ease congestion from the traffic spilling into downtown Derry from Exit 4 by providing access to Folsom Road and Tsienneto Road, both of which are slated for improvement as part of the project. The exit also provides access to 200 acres in Londonderry owned by Pillsbury Realty Development, developer of Woodmont Commons.

The 4A project was estimated to cost \$56.8 million, but bids exceeded that by \$30 million, and, with another \$30 million in land acquisition costs, the total cost rose to \$120 million. DOT officials have indicated the project, which has been on the drawing board for 30 years, will be stalled for another two. **NHBR**



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