

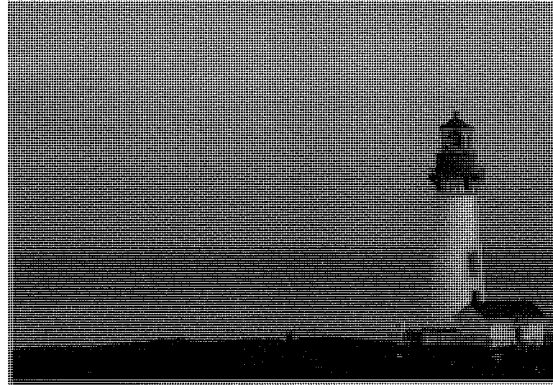
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**2002
MIDCOAST
MAINE**



**COMPREHENSIVE
ECONOMIC DEVELOPMENT
STRATEGY**

Prepared by
The 2002 Midcoast Economic
Strategy Committee

Approved by
The Lincoln County Commissioners and the
Board of the Midcoast Council for
Business Development and Planning

August, 2002

Sponsored by
MidCoast Council for Business Development and Planning
and the
Lincoln County Economic Development Office

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INTRODUCTION

This is a Comprehensive Economic Development Strategy (CEDS) for the midcoast region, which consists of Lincoln and Sagadahoc Counties and the town of Brunswick. The CEDS consists of an economic analysis of the region; vision, goals, objectives, and actions for economic development in the region; a list of prioritized economic projects; and performance measures to determine progress in meeting the economic goals.

Midcoast Maine has experienced economic distress in recent years. Three major layoffs, at a shoe plant, a nuclear power plant, and a computer services company, together accounted for 1,000 jobs lost in an economy of less than 40,000 jobs. In addition, because the midcoast region is home to two of Maine's largest employers, Bath Iron Works (BIW) and Brunswick Naval Air Station (BNAS), it is vulnerable to future economic and social dislocation that might result from defense cutbacks; not only the loss of direct jobs, but also among local retail and service establishments that depend on BIW/BNAS employees as customers.

The economic adjustment problems spurred two regional economic development organizations, the MidCoast Council for Business Development and Planning (MCBDP) and the Lincoln County Economic Development Office (LCEDO), to develop a CEDS for the region. In September 2001, the organizations received an Economic Adjustment Strategy Grant from the U.S. Economic Development Administration (EDA) to identify economic opportunities and develop market-based strategies that will increase private sector investment and job creation in the region.

MCBDP and LCEDO formed a 40-member Midcoast Economic Strategy Committee, which then prepared the CEDS. The Strategy Committee represents all major economic interests in the region and takes advantage of local skills and resources. Planning Decisions, Inc., an economic research and planning firm, was hired to assist with preparation of the CEDS.

The CEDS will be submitted to the EDA for approval and will be reviewed and updated annually by the Strategy Committee. Questions about the CEDS can be directed to MCBDP at 729-0144 or to LCEDO at 882-7552.

Part I: ECONOMIC ANALYSIS

A. Economic Base Analysis

This section provides a description of the midcoast region's economy to serve as the basis for building an economic development strategy to be presented to the Economic Development Administration (EDA) of the U. S. Department of Commerce. As such, the report is basically a way of introducing the midcoast region to EDA. Following this analogy, the report will speak of the region as "us", and will be organized around answering five questions:

1. Where are we?

This will consist of a description of the geography of the region, its population distribution and its major transportation corridors.

2. Who are we?

This will consist of a presentation of the basic demographic facts of the region and a brief analysis of its sources of income.

3. What do we do?

This will consist of an examination of the sources of income and employment in the region by major industrial category.

4. How do we do it?

This will consist of an examination of the structure of businesses in the region by size and labor force characteristics.

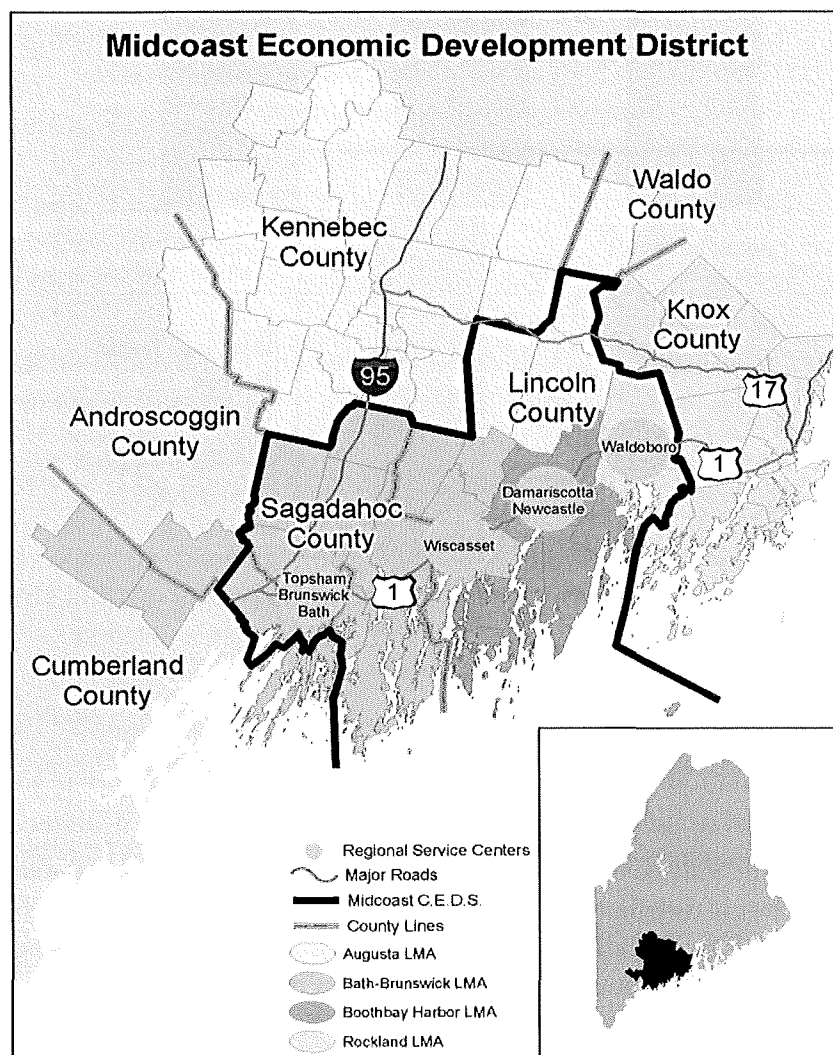
5. What are our major problems/opportunities?

Based on the region's particular characteristics noted above, certain topics emerge as demanding attention. Whether one calls them problems or opportunities is a matter of perspective. The point is that these are the issues that appear to be deserving of attention by the region's leaders in preparing an economic development strategy.

1. Where are we? The midcoast region

The midcoast region is a relatively compact but extremely diverse area. Stretching from Brunswick in the southwest to Somerville in the northeast and up and down the hundreds of peninsulas reaching into the Atlantic, it encompasses over 700 square miles, approximately 2% of the state of Maine. Geographically, there are two major points to be made about the midcoast region: it is organizationally diverse and fragmented; and its population is spreading all over the map.

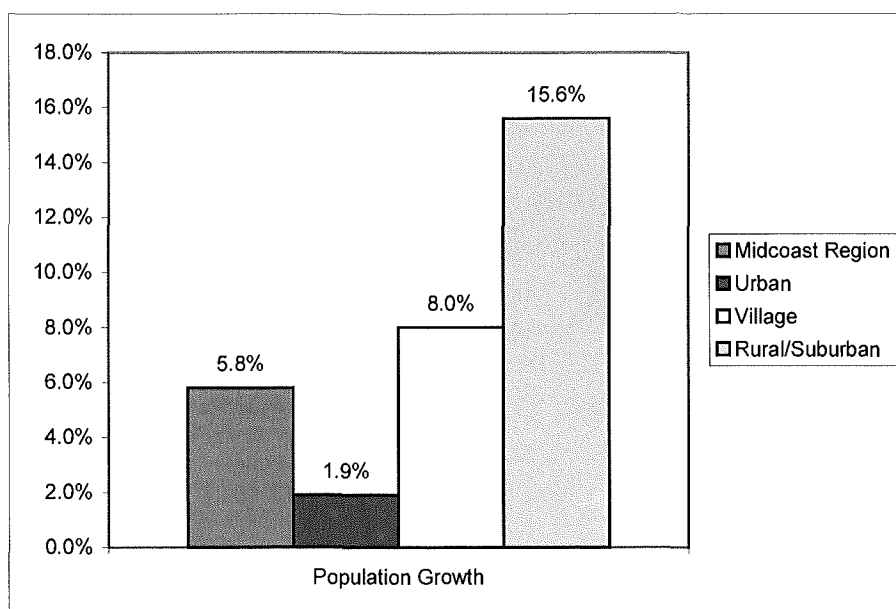
Geographic Diversity



Economically, the region is extraordinarily diverse, encompassing both the state's largest industrial facility – Bath Iron Works – and some of its most rural villages. The region has a long history of marine-based industry, enjoys a wide variety of tourist attractions, and is home to a growing population of retirees attracted by its beautiful natural settings. Organizationally, the region is equally diverse. It encompasses 29 municipalities, a township, a plantation and a gore spread across two counties and a small part of a third. These towns are divided among four separate state-designated Labor Market Areas (LMAs), and they run the gamut from the major urban center of Brunswick to a series of relatively self-contained villages to small rural/suburban areas.

Population Distribution

Chart One
Population Growth by Area, 1990-2000

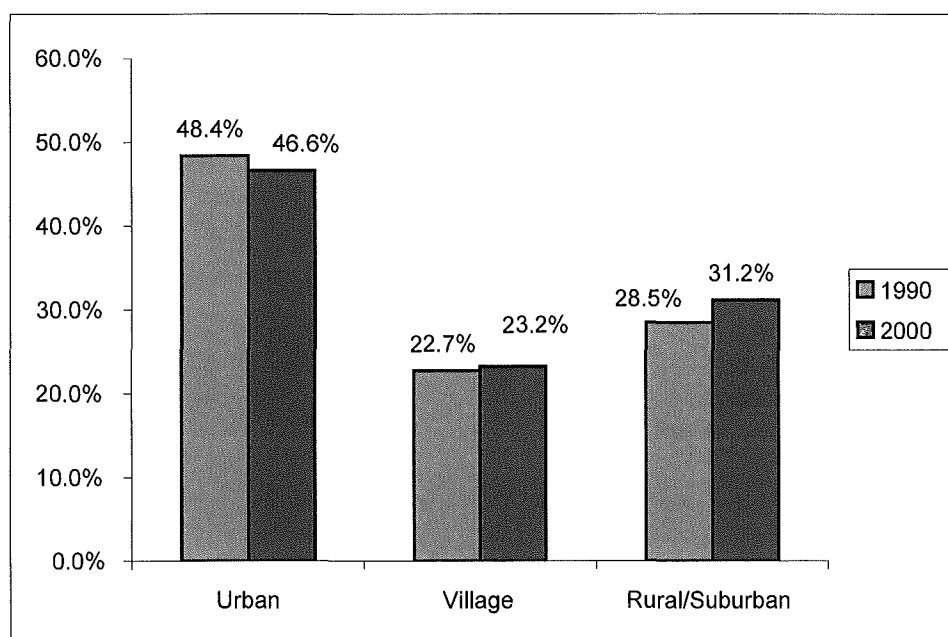


Source: U.S. Census of Population, <http://factfinder.census.gov/servlet/BasicFactsServlet>

While the population of the midcoast region as a whole grew by 5.8% between 1990 and 2000, that growth was very unevenly distributed. The urban center (Brunswick, Topsham, Bath and West Bath) grew by only 1.9%. The villages grew by 8.0%, while the suburban/rural areas grew by 15.6%.* As a result, the pattern of population distribution in the region has changed substantially over the past decade and is likely to continue in a similar fashion in the foreseeable future.

* See Appendix B for a list of the population growth for each town in the region.

Chart Two
Changing Population Distribution, 1990-2000 by area



While the region's urban center still contains nearly half of its population, the share residing in its rural/suburban towns is rising.

2. Who are we? The people of the midcoast region

Having already noted its changing distribution across the landscape, the midcoast's population is best characterized by two major points: its slow rate of growth, and its changing demographic composition.

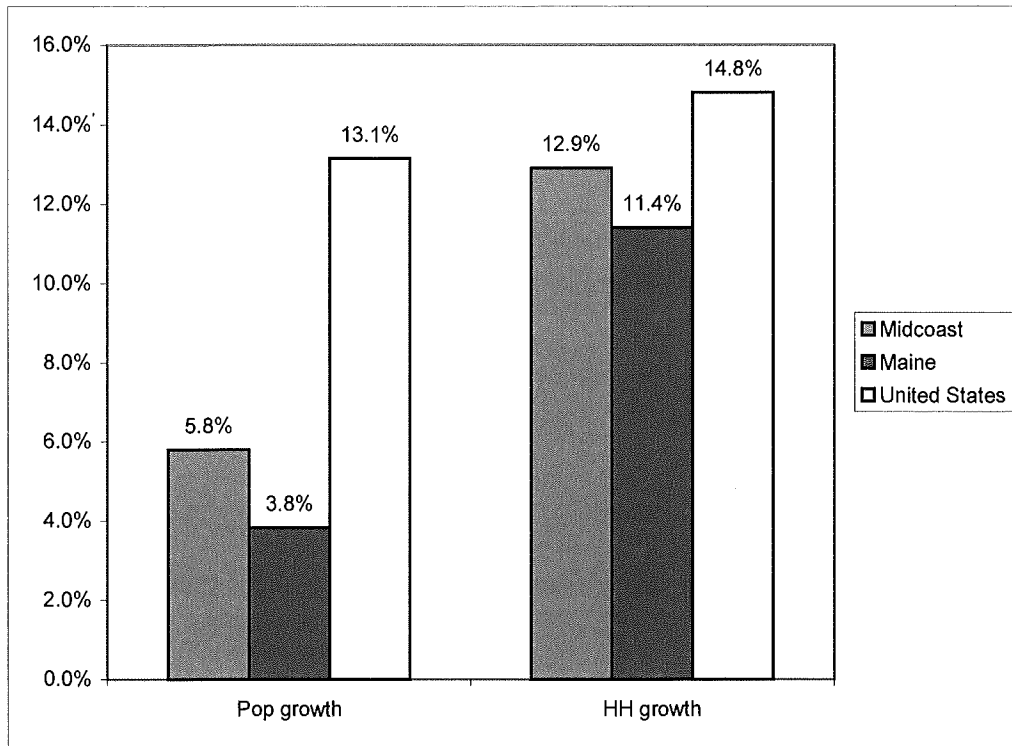
Population Growth

For the United States as a whole, "the population growth of 32.7 million people between 1990 and 2000 represents the largest census-to-census increase in American history." (Marc J. Perry and Paul J. Mackum Population Change and Distribution, 1990-2000, Census 2000 brief, U.S. Bureau of the Census, April, 2001.)

In percentage terms, the increase of 13.2% exceeded the national growth rates of the 1970's and 1980's. Only the baby boom decade of the 1950's had a faster rate of growth.

Maine, however, did not participate in this population boom. At 3.8%, Maine was the 5th slowest growing state in the nation. Only Connecticut, Pennsylvania, West Virginia and North Dakota had slower rates of growth. With a growth rate of 5.8%, the midcoast region grew more rapidly than the state as a whole, but less than the national average.

Chart Three
Relative Population & Household Growth, 1990-2000

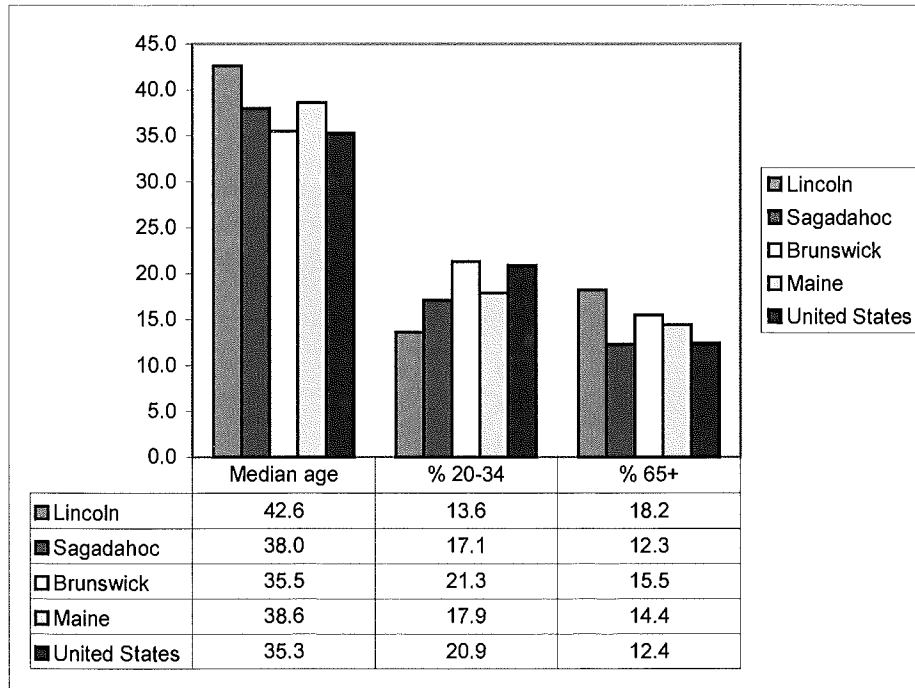


In terms of household growth, however, both Maine and the midcoast region were closer to the national rate. This points to the nature of the population in Maine and the midcoast.

Population Composition

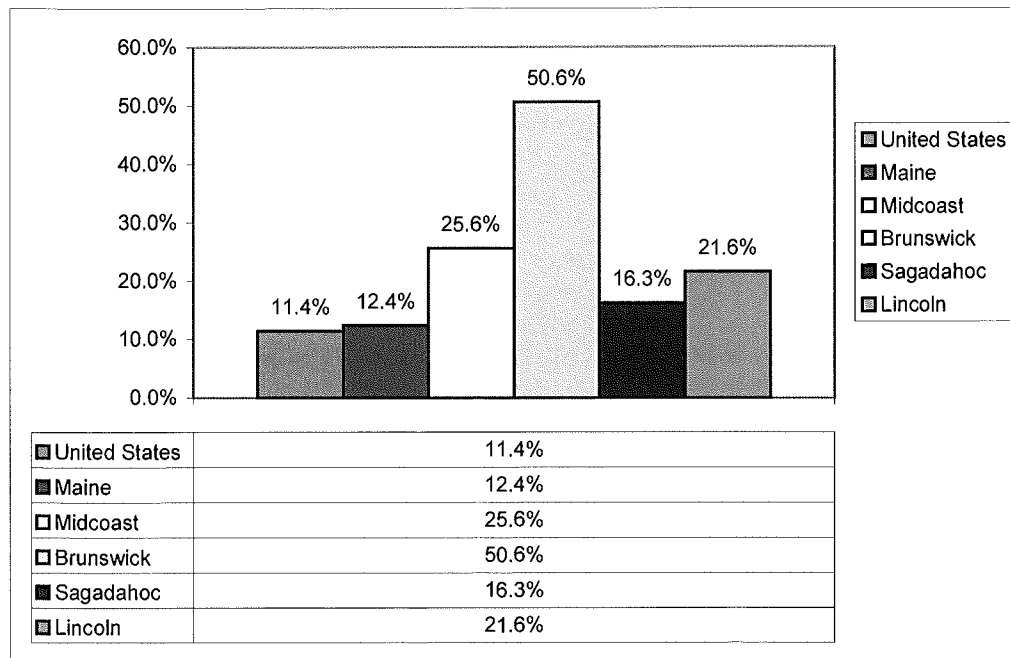
The changing nature of the midcoast's population is further highlighted by an examination of its age structure. This shows that the midcoast is growing older relative to state and national averages, and seeing a decline in its young working age population.

Chart Four
Age Composition of Population, 2000



The population of the midcoast region is older than that of the state or of the U.S. as a whole. Both the midcoast and Maine have smaller proportions of their populations in the young adult years and larger proportions in the post-65 years. These differences, moreover, have increased over the past decade.

Chart Five
Relative Growth of 65+ Population, 1990-2000



Over the past decade, the midcoast region has seen a tremendous increase in the 65+ segment of its population. The region as a whole saw its 65+ population grow at over twice the national rate, and Brunswick saw its rate increase at nearly five times the national average. Its population aged 65+ grew from 2,172 in 1990 to 3,272 in 2000. The result of these changes is seen in the components of population growth.

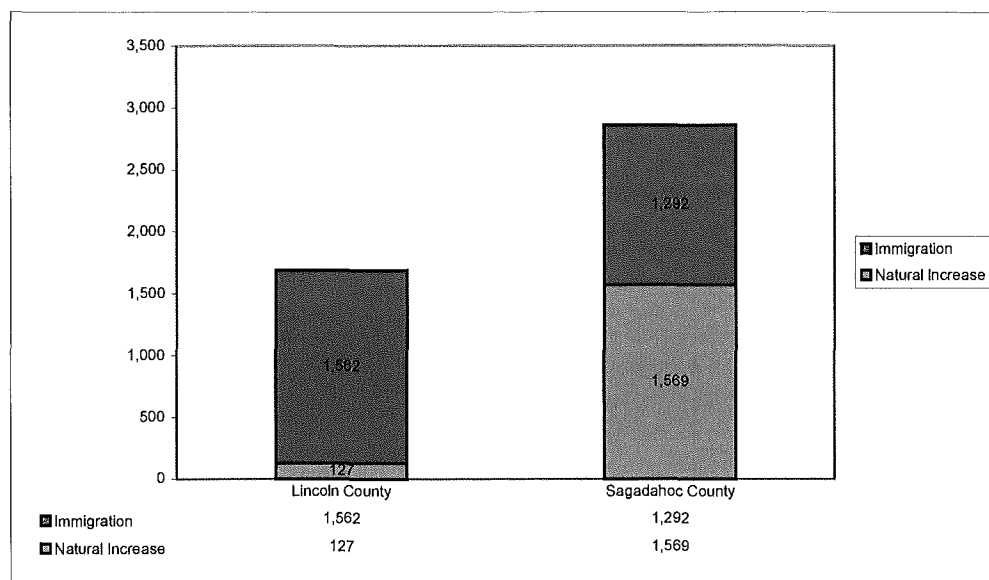
Table One
Rates of Natural Increase, 1990-1999

| <u>Area</u> | <u>Birth Rate</u> | <u>Death Rate</u> | <u>RNI</u> |
|---------------|-------------------|-------------------|------------|
| Sagadahoc | 0.112 | 0.074 | 0.038 |
| Lincoln | 0.097 | 0.095 | 0.002 |
| Maine | 0.110 | 0.097 | 0.013 |
| United States | 0.145 | 0.088 | 0.057 |

Source: U.S. Census, Current Population Reports

As is consistent with its younger population, Sagadahoc County has a higher rate of natural increase than Maine, though lower than that of the U.S. Lincoln County, in contrast, is barely above the equilibrium rate of increase. As a result, while Sagadahoc's increase is about equally divided between natural increase and immigration, Lincoln's is virtually all the result of immigration.

Chart Six
Components of Population Increase, 1990-1999



Much has been said at the state level about the two Maines. The population trends of the midcoast region illustrate a sharp division within just this small region: one an urban and suburban center with a relatively young and growing population; and a second, rural, older and slowly growing region dependent almost entirely on immigration for its population growth.

The economic challenge to the region, therefore, is to recognize the realities of its position within much larger national demographic trends and build an economy based on these facts.

Income and Employment

A second way of describing who we are in the midcoast region is to examine our levels and sources of income.

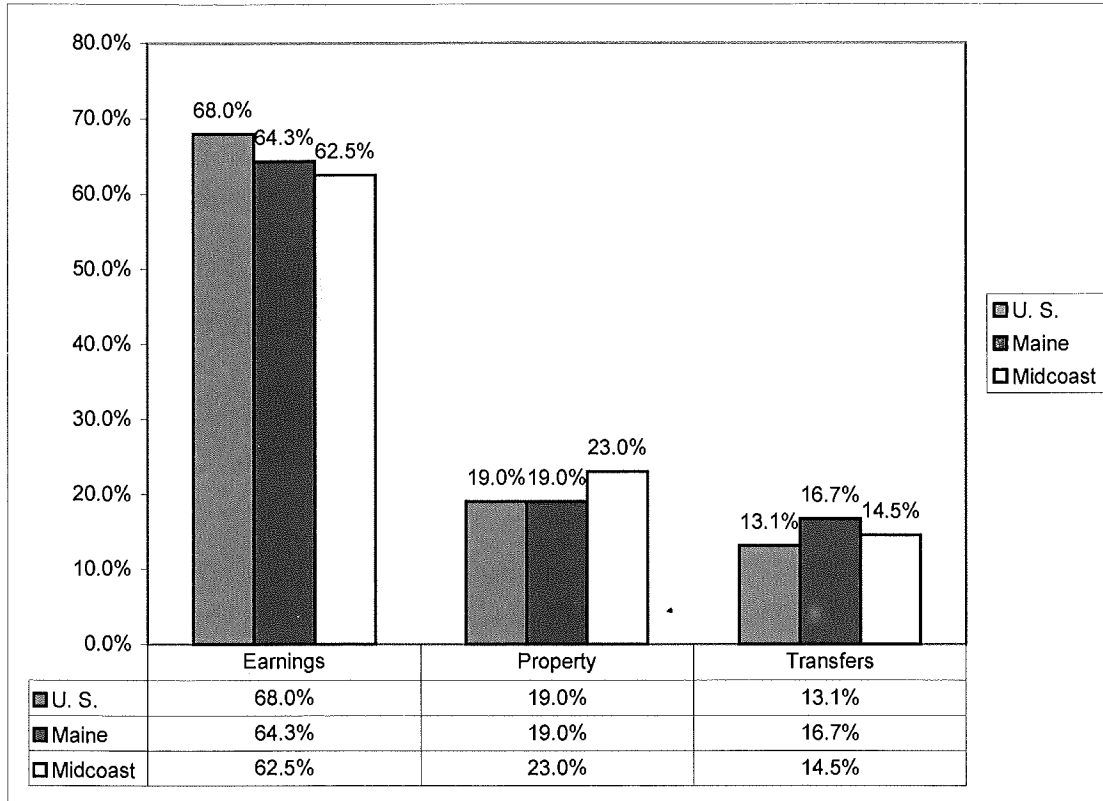
Table Two
Per Capita Income by Area, 1999

| <u>Income by Source</u> | <u>U.S.</u> | <u>Maine</u> | <u>Midcoast</u> | <u>Brunswick</u> | <u>Sagadahoc</u> | <u>Lincoln</u> |
|-----------------------------|----------------|----------------|-----------------|------------------|------------------|----------------|
| Per capita earnings | \$19,405 | \$15,806 | \$15,856 | \$17,589 | \$16,622 | \$13,805 |
| Per capita property | \$5,414 | \$4,663 | \$5,827 | \$4,456 | \$4,556 | \$8,204 |
| <u>Per capita transfers</u> | <u>\$3,727</u> | <u>\$4,113</u> | <u>\$3,681</u> | <u>\$3,884</u> | <u>\$3,157</u> | <u>\$4,138</u> |
| Total per capita income | \$28,546 | \$24,582 | \$25,364 | \$25,929 | \$24,335 | \$26,147 |

Source: BEA, Regional Accounts Data <http://www.bea.doc.gov/bea/regional/reis/>

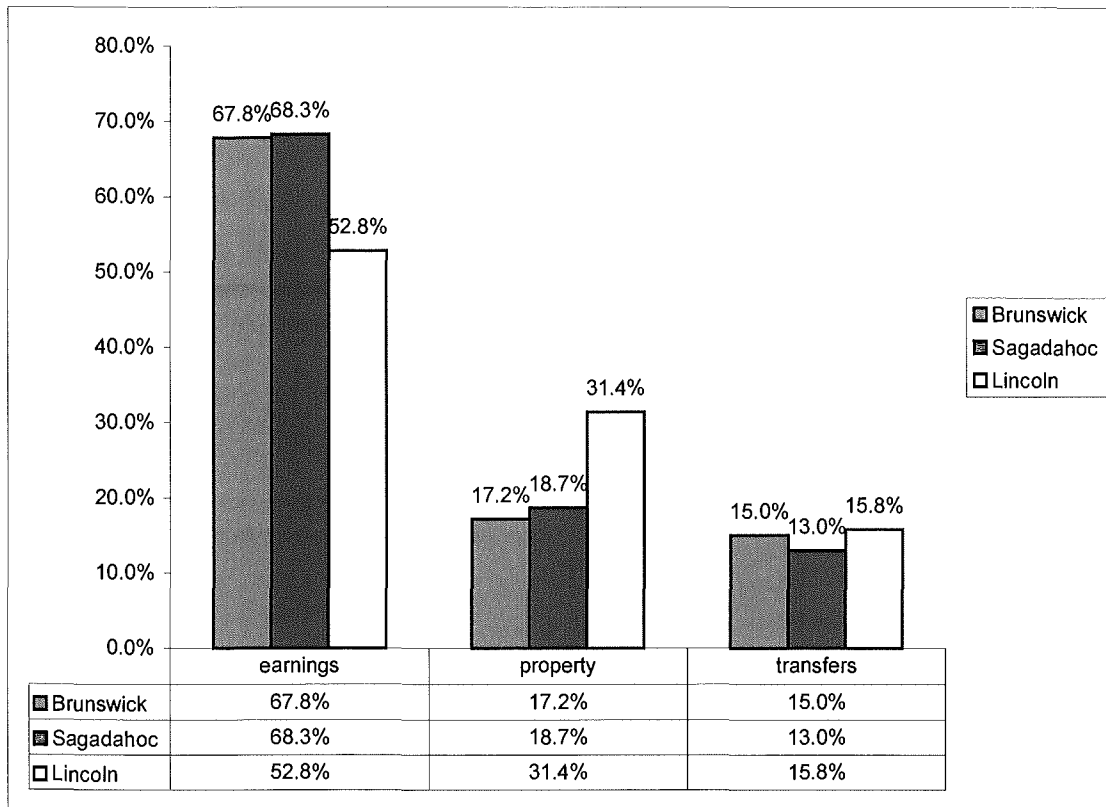
Per capita income for the midcoast region as a whole is 3% higher than the Maine state average, but 11% below the U.S. average. More significant than level, however, is the source of income.

Chart Seven
Income by Source, U.S., Maine, Midcoast, 1999



The midcoast derives less of its income from earnings and more from property (dividends, interest and rent) than either the state of Maine or the U.S. as a whole. Within the region, this division is even greater.

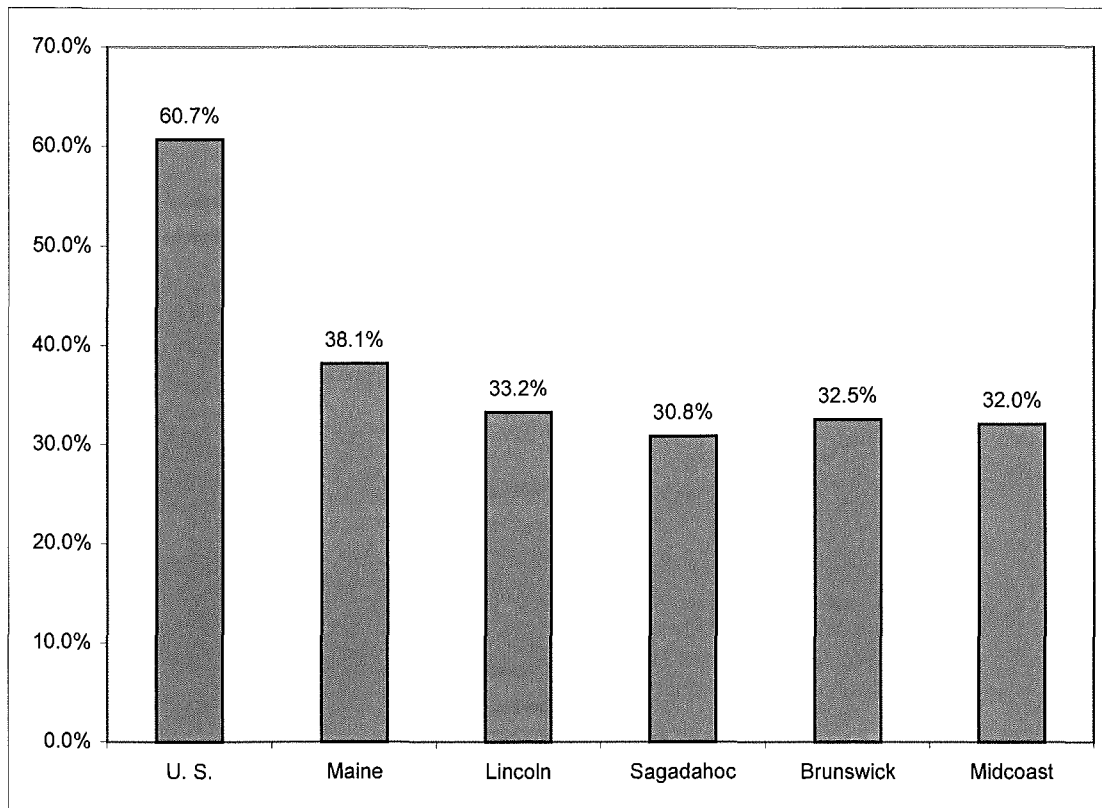
Chart Eight
Income by Source, Midcoast Region, 1999



In Lincoln County, only 52.8% of income comes from earnings, well below state and national averages, while nearly a third comes from property and over 15% comes from transfer payments, both shares well above state and national averages. This reflects the growing share of the population made up of retirees who earn a larger share of their incomes from savings, social security and retirement payments. The dollar values of these income figures are presented in Appendix C.

One consequence of this dependence on unearned income is that income growth in the midcoast region has been slower than state and national averages.

Chart Nine
Growth of Earned Income, 1990-19



From 1990 to 1999, the earnings of midcoast residents increased from \$1.08 billion to \$1.43 billion, an increase of nearly one third. Over the same period, however, the earnings of Maine as a whole increased over 38% and of the U.S. as a whole by over 60%. An examination of the growth of property and transfer income, however, shows a different story. Here, the midcoast exceeds state and national average growth rates.

Chart Ten
Growth of Property Income, 1990-1999

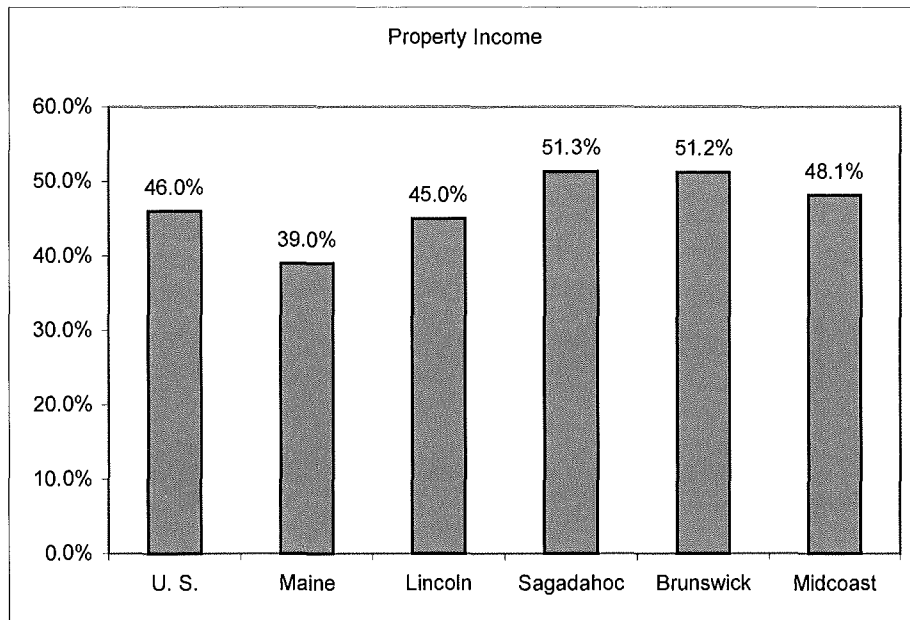
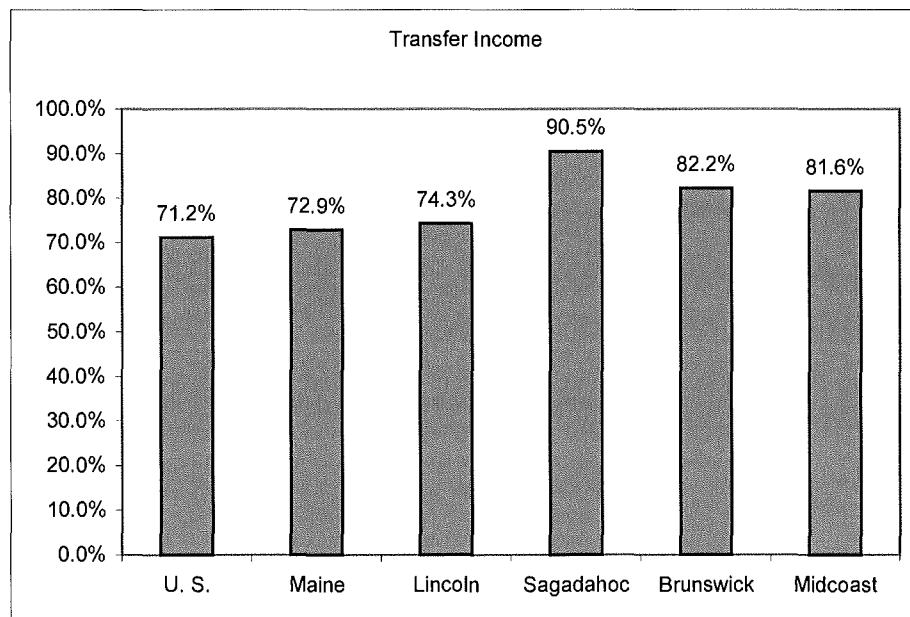


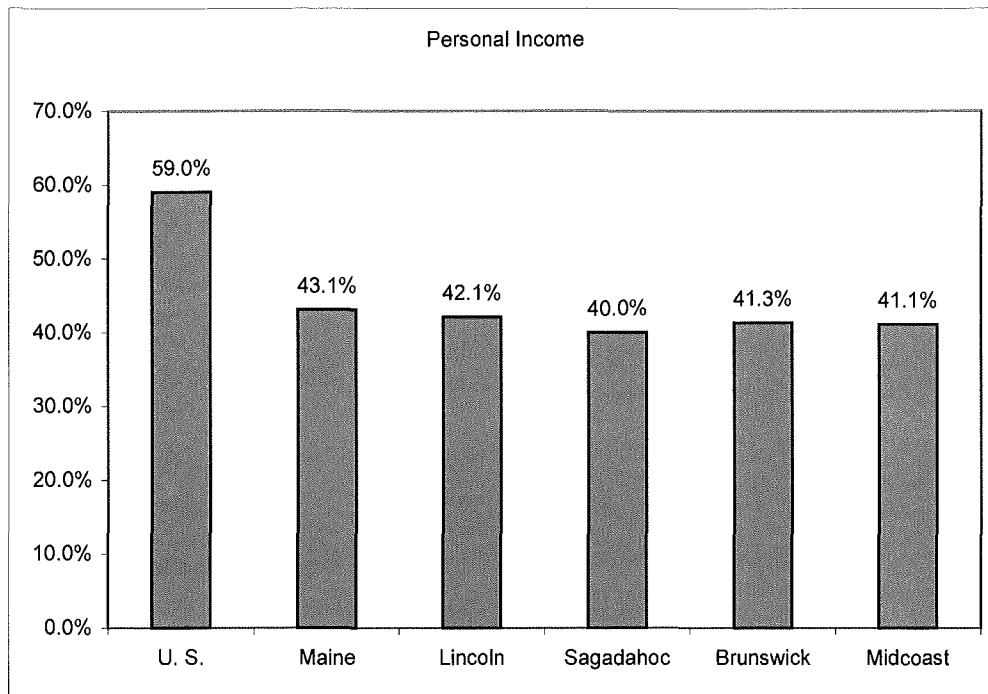
Chart Eleven
Growth of Transfer Income, 1990-1999



Similarly, the growth of transfer income in the midcoast region exceeded the comparable rates for Maine and the U.S.

The result of these differential rates of income growth by source is that the income of the midcoast region as a whole lagged behind state and national rates. In short, higher rates of growth in property and transfer income did not offset the lower rate of growth of earned income.

Chart Twelve
Increase in Personal Income, 1990-1999



To conclude, the midcoast region is one best characterized as geographically diverse and undergoing a long-term demographic change that is having profound impact on its sources and therefore levels of income.

3. What do we do? The jobs and workers of the midcoast region

Having examined the midcoast's major sources of income, the next step in understanding its economic base is to look in more detail at its sources of earned income, to ask, in effect, "What do we do in the midcoast region to earn our income?"

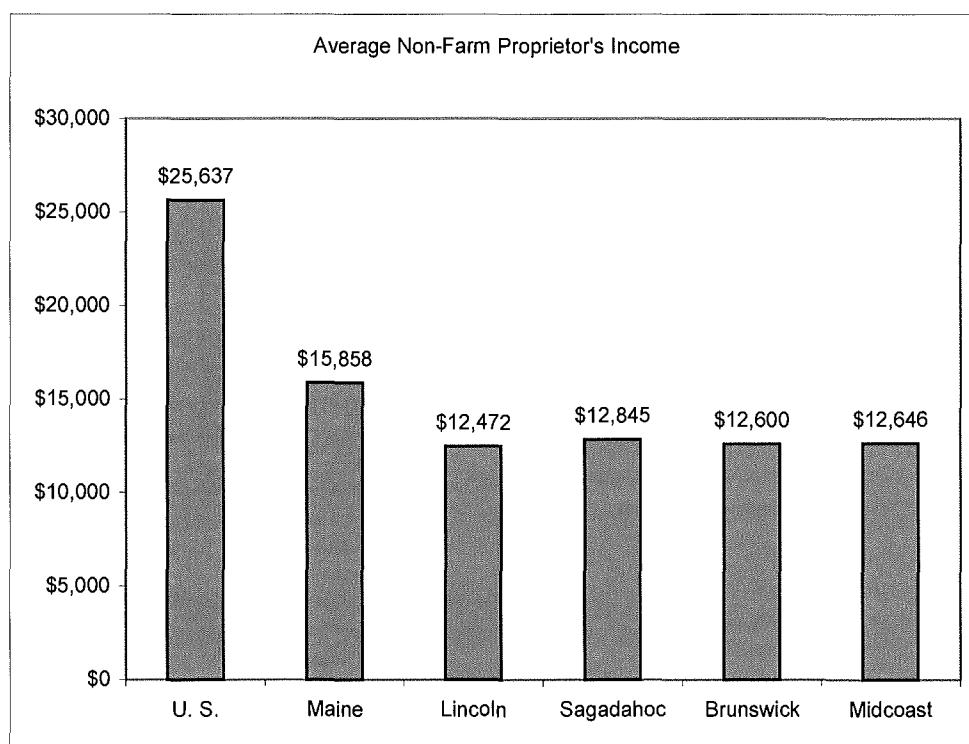
Table Three
Distribution of Employment by Major Category, 1999

| | <u>U.S.</u> | <u>Maine</u> | <u>Lincoln</u> | <u>Sagadahoc</u> | <u>Brunswick</u> | <u>Midcoast</u> |
|----------------------|-------------|--------------|----------------|------------------|------------------|-----------------|
| Wage and salary jobs | 83.4% | 79.8% | 61.9% | 80.5% | 80.0% | 74.2% |
| Proprietors | 16.6% | 20.2% | 38.1% | 19.5% | 20.0% | 25.8% |
| Non-farm proprietors | 15.2% | 19.4% | 36.9% | 18.9% | 19.5% | 25.0% |
| Farm proprietors | 1.4% | 0.9% | 1.2% | 0.6% | 0.4% | 0.8% |

Source: BEA, Regional Accounts Data <http://www.bea.doc.gov/bea/regional/reis/>

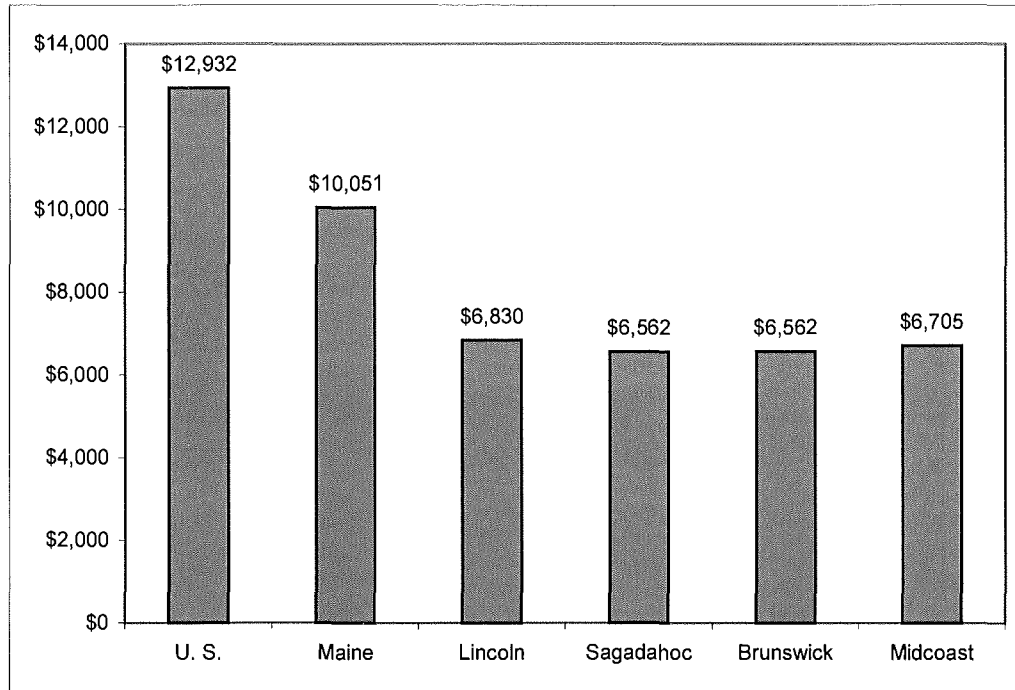
Just as the midcoast region obtained an above-average share of its income from unearned sources, so also does it obtain an above-average share of its earned income from proprietors' income. In short, the midcoast region has an above-average share of its workers in the self-employed category. Because proprietors' income tends to be lower on average than wage and salary income, this fact helps explain the region's overall low-income level.

Chart Thirteen
Average Non-Farm Proprietors' Income by Area, 1999



Clearly, average proprietors' income in all areas of the midcoast region is well below state and national averages. This, together with the above-average share of the region's employment in this sector, helps explain the below-average earnings for the region.

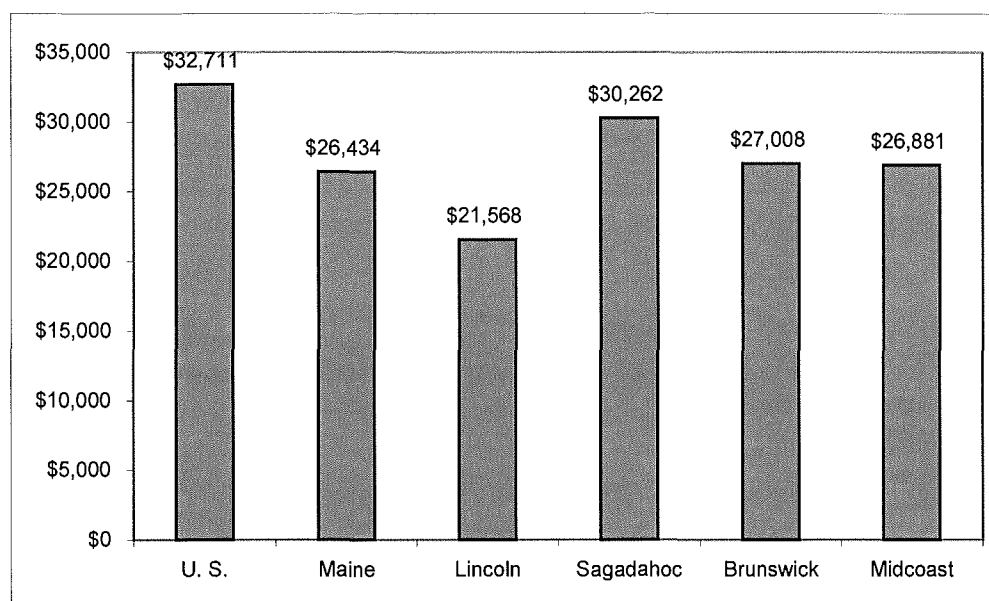
Chart Fourteen
Average Farm Proprietors' Income by Area, 1999



A similar pattern is evident for the midcoast's average farm proprietors' income.

For wage and salary earnings the story is somewhat different. The average per worker (full & part-time) for the region as a whole was slightly above the state average, but lagged behind the U.S. average. In addition, Lincoln County stands out for its markedly lower level.

Chart Fifteen
Average Wage & Salary Earnings by Area, 1999



The next step in understanding the region's economic base is to examine these sources of employment and income more closely. Table Four presents the distribution of employment by sector for the two Labor Market Areas that encompass most of the midcoast region, as well as the comparable data for Maine and the U.S.

Table Four
Employment by Sector and Area, 2000

| <u>Industry Category</u> | <u>Maine</u> | <u>U.S. (th)</u> | <u>Bath-Bruns</u> | <u>BB-BBH</u> |
|--------------------------|---------------|------------------|-------------------|---------------|
| Ag/Forest/Fish | 7,327 | 1,912 | 283 | 118 |
| Construction/Mining | 29,675 | 7,159 | 1,924 | 446 |
| Manufacturing | 84,911 | 18,424 | 7,567 | 588 |
| Transportation/Utilities | 23,573 | 6,792 | 546 | 243 |
| Wholesale | 27,507 | 7,003 | 553 | 169 |
| Retail | 122,698 | 23,302 | 6,010 | 1,843 |
| FIRE | 30,704 | 7,436 | 1,051 | 276 |
| Services | 169,168 | 37,686 | 9,446 | 2,453 |
| State Government | 23,166 | 4,371 | 79 | 72 |
| <u>Local Government</u> | <u>57,384</u> | <u>12,620</u> | <u>3,167</u> | <u>559</u> |
| Total | 576,528 | 126,705 | 30,625 | 6,768 |

Source: Maine Department of Labor, *Maine Employment Statistical Handbook*, Nov., 2001

Without some context within which they can be interpreted, these figures are largely meaningless. Traditionally, this context is provided by comparing a region's relative concentration of income or employment in a given sector to the comparable figure for the U.S. as a whole. Those sectors where a region's relative concentration, called its location quotient, exceeds 1.0 are deemed the

region's base sectors, i.e., those where it has some advantage relative to the U.S. as a whole. This is based on the assumption that above-average concentrations of income or employment indicate some market advantage the region has, some structural condition that supports above-average income or employment in this sector in this region. Table Five lists the location quotients for each sector and area listed in Table Four. Because these categories at the most local level are derived from only a very few businesses, they are not disclosed. Therefore it is often impossible to get precise employment numbers for each sector. For this reason, the figures in Tables Four and Five are taken from the Maine Department of Labor rather than the U.S. Bureau of Economic Analysis.

Table Five
Regional Employment Relative to the U.S.

| <u>Industry Category</u> | <u>Maine</u> | <u>Bath-Brun</u> | <u>BB-BBH</u> |
|--------------------------|--------------|------------------|---------------|
| Ag/For/Fish | 0.84 | 0.61 | 1.16 |
| Construction | 0.91 | 1.11 | 1.17 |
| Manufacturing | 1.01 | 1.70 | 0.60 |
| Transportation/Utilities | 0.76 | 0.33 | 0.67 |
| Wholesale | 0.86 | 0.33 | 0.45 |
| Retail | 1.16 | 1.07 | 1.48 |
| FIRE | 0.91 | 0.58 | 0.69 |
| Services | 0.99 | 1.04 | 1.22 |
| State Government | 1.16 | 0.07 | 0.31 |
| <u>Local Government</u> | 1.00 | 1.04 | 0.83 |

Table Six below lists the average earnings per worker (including full and part-time workers) for these sectors.

Table Six
Average Earnings per Worker by Area, 1999

| | <u>United States</u> | <u>Maine</u> | <u>Bath-Brun</u> | <u>BB-BBH</u> |
|---------------------------------|----------------------|--------------|------------------|---------------|
| Private employment | \$34,043 | \$25,758 | \$27,008 | \$20,731 |
| Ag. services, forestry, fishing | \$18,987 | \$14,368 | \$19,279 | \$19,172 |
| Construction | \$36,219 | \$29,374 | \$31,478 | \$23,624 |
| Manufacturing | \$47,042 | \$36,361 | \$35,433 | \$24,362 |
| Transportation and utilities | \$48,630 | \$35,945 | \$38,375 | \$27,376 |
| Wholesale trade | \$47,182 | \$35,552 | \$25,286 | \$22,163 |
| Retail trade | \$18,412 | \$16,932 | \$15,661 | \$15,390 |
| FIRE | \$40,764 | \$29,247 | \$30,033 | \$29,877 |
| Services | \$31,322 | \$23,823 | \$24,832 | \$20,992 |
| State Government | \$37,787 | \$30,588 | \$28,753 | \$35,901 |
| Local Government | \$36,620 | \$24,684 | \$25,958 | \$22,348 |

Source: BEA & Maine DOL

Several important conclusions emerge from an examination of these figures.

- The Bath-Brunswick LMA has a huge concentration in manufacturing (clearly the result of the Bath Iron Works facility), and this helps explain its above-average earnings, both in the manufacturing sector and for the LMA as a whole.
- Both LMAs have positive ratios in Retail Trade and Services (especially the Boothbay Harbor LMA). This illustrates the region's dependence upon tourism (and perhaps its above-average ratio of unearned income). However, when combined with the below-average wages paid in these sectors, this dependence helps explain the region's overall below-average income.
- Both LMAs have positive ratios in the construction sector. This reflects the strength of the region both as a service sector and as a desirable place to build a home.
- Finally, the Boothbay Harbor LMA has a positive ratio in the agriculture/forestry/fishing sector, illustrating the importance of its natural resource-based industries and further helping to explain its overall below-average income level.

In addition to looking at the region's current economic structure, it is important to examine its growth over the recent past in order to identify significant trends that might indicate directions for economic policy. Table Seven following presents these figures.

Table Seven
Indices of Growth, 1993-2000

| <u>a. Civilian Labor Force</u> | <u>1993</u> | <u>2000</u> | <u>growth</u> |
|--------------------------------|-------------|-------------|---------------|
| Maine | 631,000 | 688,800 | 9.2% |
| Bath-Brunswick LMA | 34,310 | 35,910 | 4.7% |
| Boothbay Harbor LMA | 8,220 | 9,410 | 14.5% |
| <u>b. Employment</u> | | | |
| Maine | 520,780 | 604,720 | 16.1% |
| Bath-Brunswick LMA | 30,280 | 32,700 | 8.0% |
| Boothbay Harbor LMA | 5,640 | 6,960 | 23.4% |
| <u>c. Manufacturing</u> | | | |
| Maine | 90,850 | 84,910 | -6.5% |
| Bath-Brunswick LMA | 9,340 | 7,570 | -19.0% |
| Boothbay Harbor LMA | 420 | 590 | 40.5% |
| <u>d. Retail</u> | | | |
| Maine | 106,930 | 122,700 | 14.7% |
| Bath-Brunswick LMA | 5,350 | 6,010 | 12.3% |
| Boothbay Harbor LMA | 1,580 | 1,840 | 16.5% |
| <u>e. Service</u> | | | |
| Maine | 136,680 | 185,290 | 35.6% |
| Bath-Brunswick LMA | 7,390 | 10,640 | 44.0% |
| Boothbay Harbor LMA | 1,990 | 2,660 | 33.7% |
| <u>f. Tourism</u> | | | |
| Maine | 65,560 | 76,540 | 16.7% |
| Bath-Brunswick LMA | 2,900 | 3,660 | 26.2% |
| Boothbay Harbor LMA | 840 | 1,390 | 65.5% |

Source: Maine DOL, *Maine Employment Statistical Handbook*, 1993 & 2000.

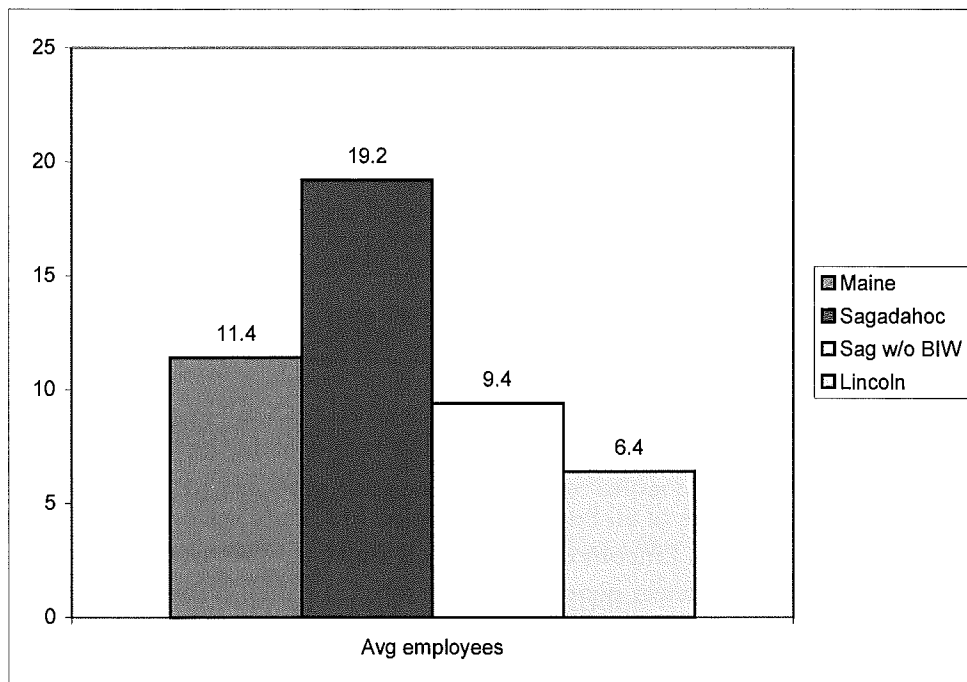
Again, several points can be made about these figures that have significance in understanding the region's economic base.

- The Boothbay Harbor LMA saw both its civilian labor force and its employment grow faster than its overall population and substantially faster than the comparable figures for the state as a whole.
- While manufacturing is a small portion of the Boothbay Harbor LMA's overall employment, manufacturing employment in the region grew much faster than the state average for that sector.
- While the retail and service sectors made up above-average shares of the midcoast region's overall employment, these sectors grew at approximately the same rate as the state average.
- The tourism industry (here taken to be the combination of eating and drinking establishments, lodging establishments, miscellaneous retail and amusement services) did grow faster in the midcoast region than in the state as a whole.

4. How do we do it? The midcoast's business structure

One final point needs to be examined to complete the story of the midcoast's economic base. That is the nature of its business structure. While it is often said that Maine is a small business state, the point is doubly true for the midcoast region, even given the presence in the region of the state's largest industrial complex at the Bath Iron Works. This fact is illustrated in the following charts.

Chart Sixteen
Average Number of Employees per Business by Area, 2000

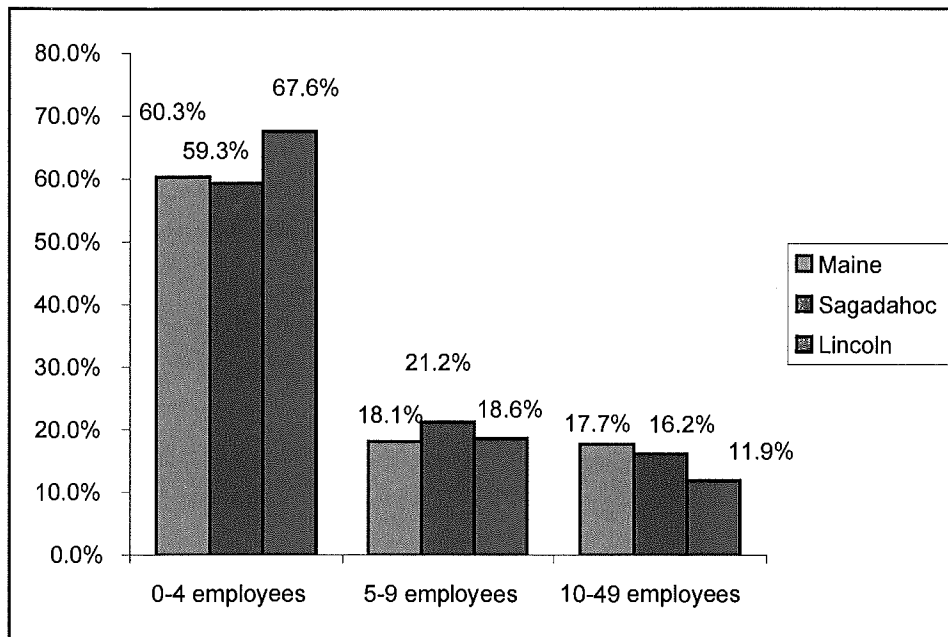


Source: Maine Department of Labor, *Maine Employment Statistical Handbook*, Nov., 2001

In Lincoln County, the average size of businesses, as measured by employees per business, is just above half of the state average. For Sagadahoc County, the figure is well above the state average. This, however, is almost entirely the result of the effect of BIW. If the 33 manufacturing employers are excluded from the county total, the average size per firm falls to 9.4, nearly 20% below the state average.

Another way of demonstrating the midcoast's dependence upon very small business is to examine the percentage of all businesses falling into specified employment size categories.

Chart Seventeen
Distribution of Employers by Employment Size



Source: Maine Department of Labor, *Maine Employment Statistical Handbook*, Nov., 2001

For Maine as a whole, just over 60% of all businesses employ four or fewer people. Sagadahoc County is just below that share, but Lincoln County is well above it. Two of every three employers in Lincoln County employ four or fewer people. Conversely, Lincoln County has just about the state average of 18% of its employers in the five to nine employee category and a much lower share of its employers in the 10 to 49 employee size category.

While a study of the cost of housing in the region is beyond the scope of this project, it should be noted that one of the consequences of the attractiveness of the midcoast region to tourists and retirees is an increase in housing prices. This, when combined with the small size of most employers in the region and their relatively low pay, creates a problem of finding affordable housing for the region's workers. Table Eight presents at least a gross measure of this problem.

Table Eight
Property Valuation in Relation to Wages, Midcoast Region, 2000

| | <u>Per Capita land & building valuation</u> | <u>Average wage & salary income</u> | <u>Valuation per \$ salary</u> |
|-----------|---|---|--|
| Maine | \$51,033 | \$26,434 | 1.93 |
| Sagadahoc | \$85,891 | \$30,262 | 2.84 |
| Lincoln | \$56,907 | \$21,568 | 2.64 |
| Brunswick | \$46,439 | \$27,008 | 1.72 |

Sources: Maine Bureau of Taxation and Department of Labor

While total municipal valuation is not a precise measure of housing costs, it does give some indication of the cost of property in a region. For Maine as a whole, the per capita value of all assessed land and buildings in 2000 was just over \$51,000, which was nearly twice the state's average wage and salary income of \$26,434. For Sagadahoc and Lincoln Counties, these ratios were between two and one-half to three times their average wage and salary incomes.

5. What are our major problems/opportunities?

The purpose of an economic base study is to highlight within the overwhelming complexity of an entire economy those central facts that define its basic character and, as a result, to identify several areas where public policy can have the greatest positive impact. For the economy of the midcoast region these central facts are:

- the changing demographic structure of the population;
- the very small and geographically scattered nature of its businesses; and
- the continued attractiveness of its land and coast as a place to visit and to live to the people of the greater Boston area, the northeastern U.S. and even beyond.

Taken in various combinations, these three facts may be considered a problem (declining share of population aged 20 to 34 means fewer workers) or an opportunity (young, energetic retirees may bring valuable experience to the labor force if businesses accommodate employment to their needs). The following list is intended to explore some of the implications of these three facts and to suggest areas where public economic development activity may be appropriate.

- a. **Expand the availability of training programs for workers (and potential workers), business managers and high school students.**

In discussions of the globalization of the economy, it has become a cliché to say that we all must acquire the attitude of lifelong learners, that workers will have three or four careers, and that businesses will have to change their technologies constantly and re-invent themselves every decade. Most midcoast businesses are very small, employing fewer than four people. In addition, a recent survey of workers indicated that over 50% had been in their current job over four years and that over 14% had been in their job over 15 years. That same survey indicated that only 18% of employers had used the state technical college system for employee training programs and that only 11% had used the university system. Finally, a survey of businesses conducted by the Maine Economic Development Directors' Association (MEDDA) indicated that business management assistance was the least desired state economic development program.*

Together these facts point to a clear need to deliver education and training to workers to fill the new needs of changing businesses, to owners and managers to anticipate how their businesses will be required to change in order to survive, to high school students to heighten awareness of the demands of the world and the attitude of lifelong learning, and even to newly-arrived immigrants, retired or not, who may have the experience and energy to help strengthen the economy if an avenue is opened.

- b. **Recognize retirees and retirement income as a fundamental and growing base industry.**

Increasing numbers of people are moving to the midcoast region because of its natural beauty and the safety and ease of its small town life. Many of these people also bring a desire for cultural and commercial activities not now present or as fully developed as they might be. One of the reasons the retail and service sectors have location quotients above one in this region is because of the spending of property and transfer income that would not otherwise be here. Careful planning of urban and village developments that conserve pedestrian friendly spaces and promote community activities can help support not only traditional retail establishments such as restaurants and shops, but also cultural centers such as museums, theatres and galleries. It is interesting to note in this regard that employment in membership organizations in the region grew by approximately 20% from 1993 to 2000, to nearly 1,500 people.

*USM Center for Business & Economic Research [A Profile of the Workforce in Lincoln and Sagadahoc Counties](#), October 1, 2001.

MEDDA [Mature & Dominant Industries Study](#), business survey results, November 2000.

c. Address the growing problem of affordable housing.

South of Portland the disparity between average incomes and average home prices has become a significant impediment to economic development. The Portsmouth, NH-Southern York County area was recently rated the 10th least affordable location in the country. In the midcoast region, the desirability of coastal land and the growing population of retirees has already raised the housing/income ratio. When combined with the slowing rate of natural increase, this fact presents a major problem for businesses seeking new employees (and another reason for emphasizing workforce training). Clearly, efforts to help create affordable housing will contribute to an economic development program for the midcoast region.

d. Develop greater value from the tourist industry.

Clearly the tourism industry is an important component of the region's economic base, especially in the Boothbay Harbor region. The problems with the tourism industry from an economic development perspective are its seasonality and its tendency to require only low-skill, low-wage jobs. One way to address these problems is to develop tourism packages designed to get visitors here for specific times, ideally other than summer, and for involvement in planned activities such as hiking, biking, sailing, climbing, fishing, kayaking, etc. To the extent that these activities involve longer stays and engage "experts" in the activity undertaken, they will help stretch the season and raise pay, thus adding value to this traditional industry.

e. Focus business creation and attraction efforts on the inter-industry connections (suppliers of and buyers from) the marine research industry already established in the region and to the Brunswick Naval Air Station.

Much has been written about the effectiveness of building economic "clusters" as an economic development strategy. This notion risks becoming like a newer version of the industrial park "build it and they will come" strategy. While the idea of building a biotech center is probably unrealistic, very carefully identifying the inter-industry connections to the various existing marine research facilities and sharing this information with local businesses can create business opportunities. Just such connections were what made the Lincoln County business forum a success last year. In an economy dominated by extremely small businesses, many small opportunities leading to many small changes is better suited to the region's fundamental economic base than grandiose hopes to create a new "cluster."

B. Economic Adjustment Problems

This CEDS was developed with funding assistance from an EDA Economic Adjustment Strategy Grant. The area is eligible for the grant because it has experienced the closure or restructuring of industrial firms, essential to area economies. The economic adjustment problems in the region consist of three major layoffs and the vulnerability of a heavily defense-dependent region.

The three major layoffs at a shoe plant, a nuclear power plant, and a computer services company, together created 1,000 jobs lost in an economy of less than 40,000 jobs. They were jobs that paid higher than average for the midcoast. The companies were all part of the export base of the region, companies which sold to customers outside the region, and brought money in. They also were companies that made purchases from local suppliers. Their loss is being felt severely during the economic recession.

In addition, the economy of the region is highly dependent on defense-related jobs. The midcoast region is home to two of the largest employers in Maine, Bath Iron Works (BIW) and Brunswick Naval Air Station (BNAS). BIW has been the dominant force in the regional economy for 100 years. The current defense review in Washington has made the local economy vulnerable to closures at the BNAS or to reductions at BIW. Changes in military policies and spending could have a huge impact on the midcoast region's economy. The region is vulnerable to future economic and social dislocation that might result from defense cutbacks; not only the loss of direct jobs, but also among local retail and service establishments that depend on BIW/BNAS employees as customers.

Etonic Shoe Mill Closure

The town of Richmond in Sagadahoc County experienced the closure of its largest employer, the Etonic Shoe Mill, in the fall of 2000. Etonic entered the golf shoe business in 1955 and reached peak employment of 350 people in 1975. By April 1999, the company decided to outsource its work to worldwide suppliers, reducing its workforce further. By September 1999, 100 long-time shoe workers were laid off – out of a town with a total labor force of only 1,400 people. The plant closing also left an empty 60,000 square foot manufacturing facility. In May 2001, the town of Richmond purchased the building. The goal of the town is to turn the building into a home for multiple small to mid-sized businesses. The town currently has four businesses leasing space at the plant, which has been renamed the Richmond Business and Manufacturing Center. But those four businesses, employing a total of about 40 workers, occupy only 30% of the space. More tenants are needed to fill more space, help pay the cost of maintaining the building, and provide more job opportunities for local residents.

Maine Yankee Nuclear Power Plant Decommissioning

The Maine Yankee nuclear power plant, located in the Lincoln County town of Wiscasset, closed in 1997 and is currently in the process of decommissioning. By 2004 nearly all of its current 500 jobs will be gone. The Maine Yankee plant was the largest property taxpayer in Wiscasset and in Lincoln County. Wiscasset lost 35% of its property valuation as a result of the closure, and can expect to lose more in the future. Employment at the Maine Yankee plant was 590 at the time of closure, and is approximately 500 today (67 Maine Yankee, 280 subcontractors, 160 decommissioning workers). The decommissioning process is expected to be complete in 2005, at which time there will be only a handful of security workers left on the site.

The vacant site offers 800 acres about one mile south of Wiscasset. Three sites are potentially redevelopable: 350 acres at Ferry Road North; 70 acres at Ferry Road South; and 120 acres at Bailey Point. The sites should be released from the Maine Yankee nuclear power plant license in 2005. Redevelopment possibilities include energy related uses; mixed-use development including a business park, an industrial park, research and development facilities, residential development, and conservation and recreation uses; and a conventional business park. All redevelopment requires significant infrastructure improvements including roads, sewer, and water.

EnvisioNet Layoffs and Bankruptcy

EnvisioNet offered a full suite of computer support solutions to the high technology industry. The company was one of the best-paying employers along the midcoast, and represented a much-needed influx of high technology work. Major cutbacks from its major customer, Microsoft, forced the closing of two call centers and corporate offices in Brunswick in May of 2001. This resulted in the loss of more than 500 year-round local jobs. A month after the layoff announcement, the company filed a petition before U.S. bankruptcy court. The company was sold to Microdyne in late 2001. The remaining workforce has shrunk from over 2,000 to about 800 people. The closing also left four vacant buildings in Brunswick.

Threat of Closure of Brunswick Naval Air Station

Local officials are also concerned that another leg of the local economy, the Brunswick Naval Air Station (BNAS), is under threat of closure. The BNAS Task Force has been reactivated to defend the BNAS from being closed. The threat comes from the current proposal under discussion in Washington about having new base closings in order to save defense dollars. The Air Station employs 4,200 military personnel and 700 civilians and provides \$187 million to the local economy.

Bath Iron Works Vulnerability to Defense Spending Changes

Bath Iron Works, a subsidiary of General Dynamics Corp., is the largest employer in the region. BIW is a defense supplier and is vulnerable to cutbacks depending upon how the Pentagon's "top-down" review comes out. BIW currently builds Aegis destroyers for the U.S. Navy, and is a national leader in surface combat design and construction. The company employs 6,700 full-time employees and contributes \$250 million in salaries and \$20 million in supply purchases to the local economy.

C. Sector Analysis

Strategy Committee members identified economic sectors that play an important role in the midcoast economy and wrote sector reports based on their areas of expertise. These reports offer a more in-depth look at issues affecting the economic health of the region. A summary of each follows:

1. Shellfish Aquaculture

Aquaculture is the controlled cultivation of aquatic plants and animals during all or part of their life cycle for either commercial purposes or the enhancement of wild stocks. Lincoln County has the greatest concentration of shellfish aquaculture in Maine with four shellfish hatcheries and 13 grow-out businesses utilizing 26 lease sites. The sector is concentrated on the Damariscotta and Sheepscot rivers, partly due to the combination of optimum water temperature and salinity resulting in rapid shellfish growth. Species produced for seed or grow-out include American oysters, mussels, hard-shell and soft-shell clams. Lease sites are generally 1-2 acres in size and shellfish are grown via suspension culture (in floating trays or on ropes) or bottom culture (seeding the bottom with shellfish stock). Businesses are family-owned with an estimated 2-5 employees. The sector probably employs no more than 50 individuals with some seasonal variation. Annual sales of seed and grown-out shellfish have been estimated at \$1.2 million dollars.

Opportunities: University of Maine's Darling Marine Center has received state funding to establish a formal aquaculture business incubator on-site. The incubator will provide flowing seawater labs and office space for two start-up businesses beginning in Spring 2002. The Small Business Development Center will provide ongoing business planning services to the start-ups. The incubator should ensure continuing new aquaculture business development in the region.

The state of Maine has also set an economic goal to transform aquaculture into a major growth industry by building on Maine's natural assets, maritime heritage, and proximity to major east coast markets.

Threats: Access to capital should be strategically addressed, including the more extensive use of state and federal grant and lending programs and increased involvement of traditional lending institutions. Applied research on a broad range of topics from genetics to engineering must be undertaken, and the results communicated to entrepreneurs in the field. Barriers limit new entrants to the industry, including the lack of training opportunities, the rigorous leasing process and the lack of information on suitable sites.

2. Commercial Fishing

The midcoast's fishing ports produce landings valued at more than \$10 million annually. The landings include a variety of species: groundfish, lobster, urchin, shrimp, scallop, marine worms, clams and tuna, to name the most common. Lobster accounts for the bulk of landings at midcoast ports, though Boothbay Harbor, South Bristol and Cundy's Harbor have groundfishing fleets.

Beyond direct fishing employment, the ports support ancillary seafood processing businesses, the marine trades, especially boat building, and the transportation sector.

Opportunities: There continues to be strong lobster landings. A strong lobster fishery allows fishermen to stay in the sector, support related marine trades, and subsidize waterfront infrastructure until such time as groundfish stocks increase. South Bristol and Boothbay Harbor also support seafood-processing businesses based on the port's presence.

Threats: Reduced effort regulations and enlarged closed areas proposed by the National Marine Fisheries Service may force small, inshore ground fishermen out of the sector. Real estate pressure on coastal property threatens the viability of commercial fishing and its waterfront infrastructure in the midcoast.

3. Marine Trades

Marine trades include specialties such as boatbuilding, boat transport/storage, boatyards and boat and motor dealers. Boatbuilding is the most important manufacturing industry in the Boothbay labor market, accounting for 38% of manufacturing jobs. Marine trades employment is stable, with summer employment only 5% higher than average annual employment. The majority of marine trades jobs pay wages above the statewide average of \$12.75. Total direct and indirect marine trades (non-BIW) employment in Lincoln and Sagadahoc Counties is estimated at 425.

Opportunities: Continued use of composites in boatbuilding will drive growth of the composites sector in Maine, both manufacture of the materials and their application to manufacturing processes and products. The boatbuilding sector is also growing a workforce increasingly skilled in applying composites to construction and manufacturing. Continued research and development funding by Maine Technology Institute in the advanced materials-composites sector provides an opportunity for growth in the boatbuilding sector (more information on composites is provided in the next section on clusters).

Threats: Advanced research and development of new boatbuilding materials is dependent on continuing legislative support and funding for the Maine Technology Institute. Private sector investment in the boatbuilding and composites industries must also continue.

4. Tourism

The midcoast region is one of Maine's premier tourism destinations. The region spans a large geographic area comprised of sizable inland sectors and an extraordinary amount of coastline primarily formed by several peninsulas separated by three major rivers (Kennebec, Sheepscot and Damariscotta).

Seasonal destination tourism in the region is attracted largely to the Boothbay Peninsula with significant amounts of ancillary tourism activity created throughout the coastal areas and, year-round, near the Naval Air Station in Brunswick. The midcoast region has long been a haven for significant numbers of summer colonies and urbanites seeking the quiet charm of coastal communities. Increasingly, the region draws visitors for the outdoor adventure (boating, hiking,

kayaking, biking), eco-tourism (gardening, farming, archaeological, environmental) and other arts and heritage (arts, maritime, historical) sectors. Regional tourism is primarily concentrated seasonally between July and September, with shoulder seasons in May, June and October. The majority of tourism-related businesses are small, with 1-5 employees.

Opportunities: The region's primary tourism base is the drive market in the greater New England and mid-Atlantic regions. At a minimum, tourism funding provides a 2-1 return on investment; returns have proven to be as high as 17-1. Yet Maine ranks 48th out of the 50 states in tourism funding. Also, since the September 11 terrorist attacks, tourism interest in Maine's traditionally "safe" and "traditional" culture has increased significantly.

Threats: Business expansion in season is challenged in many areas due to insufficient visitor/employee parking and limited employee housing. Business expansion beyond the shoulder seasons is limited in many coastal communities as a result of seasonal water issues. Employee and visitor movement within the region is challenged by the geographic configuration of the region (land masses/peninsulas separated by large waterways) and vehicle congestion along the Route 1 corridor. Employers traditionally drew employees from local communities (year-round and summer residents). However, low statewide unemployment, earlier school start dates, and summer travel have resulted in an employee crunch; many employers are forced to hire from outside the country.

5. Retirement Industry

The midcoast has in place the assets people are seeking for retirement living. The region's natural beauty, quality of life, and small-town values have long attracted older households. These retirees are an economic force, bringing assets, pensions and investment income earned elsewhere into the region. Retirees support a range of industries, from home building to restaurants to health care to finance to travel and tourism.

The 65+ population in the midcoast region is growing at over twice the national rate. Americans are retiring earlier (many by their mid-50s), and many do not intend to drop out of the working world; they just want to pursue an entirely different second career. Retirees put little pressure on local resources, as they do not have school-age children, and they tend to support their own long-term care when they need it.

Retirement communities here draw about 45 percent of residents from summer people who moved here in retirement or from longtime residents; 45 percent from those who moved here to be near relatives; and 10 percent from people drawn here by tourism. The four existing independent living retirement communities in the midcoast (The Highlands, Thornton Oaks, Schooner Cove, St. Andrew's Village) together offer 262 apartments and 174 cottage units, along with several long-term care options.

Opportunities: The retirement industry is recession-proof. Retiree spending goes on regardless of the business cycle.

Threats: While many retirement communities have been built to serve the upper-income retirees, there are few options for low and moderate-income seniors. Many local elders without means are forced to stay alone in their own homes far beyond the time it is safe for them to do so.

6. Entrepreneurship

Entrepreneurship encompasses the full range of small business activities. Midcoast entrepreneurs include small to mid-sized manufacturing, retail and service businesses, as well as artists and artisans, specialty food producers, high technology and traditional marine industries. In Lincoln County, small businesses employing fewer than four people account for 38% of all employment; in Sagadahoc, they account for nearly 20% of all jobs. According to the 1997 Census of Women-Owned Businesses, there were 2,000 women-owned businesses in Lincoln and Sagadahoc Counties with 1,150 jobs and \$108.4 million in sales.

Women are starting businesses at a rate that is twice that of their male counterparts. The number of women-owned businesses doubled in Maine between 1982 and 1997. According to the Labor Market survey, 14% of the region's workers are self-employed and more than 75% of those individuals like it that way. They are uninterested in working for someone else. Support of entrepreneurship, microenterprise, and women's business development involves a shift away from traditional business development to a focus on human resource development and capacity building.

Opportunities: Entrepreneurs provide much of the new job growth in the region.

Threats: Entrepreneurs in rural areas have difficulty accessing the services they need to grow and expand.

7. Agriculture

The midcoast area has several small to mid-sized agricultural enterprises. They tend to be independent operations with a variety of needs but no common voice to articulate their needs. Marketing opportunities, storage, tax relief, and sprawl pressure are some of the key issues for local farmers.

Agricultural enterprises in the area vary greatly. Local farms range from only an acre to hundreds of acres. Products include mixed vegetables, small fruits, tree fruits, flowers, dairy, hay, grains, perennial plants, meat animals, and alternative animals such as llamas, poultry products, Christmas trees, and maple syrup.

Opportunities: Products are marketed in many ways including on/off-site farm stands, local farmer's markets, pick your own, restaurant deliveries, local/chain grocery stores, local/out-of-state meat and dairy processors, and value-added products such as jams, cheese, and wool. Farmers need expanded marketing opportunities for their products.

Threats: Land use issues are of concern to farmers. Loss of farmlands/open space, conflicts involving spraying, runoff, smells, trespassing, and traffic affect both the farmer and the community. Taxation of farmlands in a developing area is an important issue. Passing farms from generation to generation is a related problem.

8. Cultural/Arts Industry

The arts and culture sector consists of nonprofit institutions and organizations – museums, art centers, music presenters, art/craft galleries, photographers, furniture makers, wooden boatbuilders, visual artists, musicians, and craftspeople who earn a part or all of their income from arts and culture work. A recent report by the New England Council enlarges this sector and terms it the “creative economy,” including those in applied arts – architecture and graphic design; literary arts – writing and publishing; and media – radio, television and film production.

Cultural directories, funded by the Maine Arts Commission, document the number of individuals, businesses and nonprofits in the midcoast arts and culture sector as almost 1,000.

Opportunities: The Chocolate Church and the Maine State Music Theatre are two important entities in the region’s arts community. More than 30 artists have formed RAZ, the Richmond Art Zone, a regional artist cooperative. The group could assist with marketing, plan festivals, and share gallery and studio space.

Threats: The region’s art community has evolved over time in an organic and unorganized fashion, and lacks a high-visibility arts center. The arts community is also isolated and hidden among the towns and islands and would benefit from more public visibility.

D. Key Clusters

(1) BATH IRON WORKS CLUSTER ANALYSIS³

Reductions in defense spending for ships and other mobile battle armor began in the early 90’s. Concomitant with this reduction, the Navy instituted revised overall plans for the acquisition and maintenance of large ships. In fact, all the military services focused on sustainability of current weapons systems and the institution of lighter, faster, smarter war fighting machinery.

It should be noted here that details of current BIW work and research are developed from secondary sources, and that BIW wishes to maintain a neutral position in relation to this survey and any discussion of industrial park development in Lincoln and Sagadahoc Counties. For that reason, interviews were not done with BIW personnel. The material forming this analysis is taken from publicly available documents.

The immediate consequence was a sharp reduction in ship orders and a sharp downturn in new work and employment levels at BIW. At the same time the Navy opened competitive bidding and required collaborative design-and-build strategies. This forced competitors to work together on design teams. BIW responded with:

- highly competitive bids;
- major changes in operations technologies, such as the installation of Manufacturing Resource Planning (MRP) systems; and
- the institution of research and development activities as a dedicated function of the company.

In the face of these changes, and over a much longer period of time, weapons systems manufacturers have become aggregators of high technology systems. For these companies to be profitable, they have had to institute both lean manufacturing systems and stringent purchasing and quality control processes. In addition, the Navy issued a new mandate regarding cost reduction, sustainability, and shorter cycle times for delivery of ships.

These internal changes have had repercussions through the chain of suppliers as well. The Navy estimates that 60% to 70% of the cost of weapons systems lies in the work and materials costs of parts suppliers. The challenge has been to maintain ongoing supplier relations while reducing costs, increasing quality, and demanding on-time delivery. Procurement is a key element, and downward pressure on price requires major changes in the supply chain in terms of price and performance.

BIW purchased goods and services from over 50 Maine companies during the AEGIS program. Only four of these 50 firms are in Lincoln and Sagadahoc Counties. Other suppliers are scattered across the state with the bulk of the firms in southern Maine. Across the nation, the AEGIS program has involved over 1,900 contractors in 49 states. Manufacturers of electrical and mechanical components, shipbuilders, computer programmers and developers, and system integrators represent just a small portion of the people that make up the AEGIS supply chain.

Heavy steel fabrication is an “in-yard” function. However, high technology components aggregated by BIW and its partners form an ever-wider portion of the “cost-dense” elements of the modern naval vessel. Only one Maine firm in the list contributes what may be termed a high technology-manufactured part to the AEGIS process. The value of supply-chain relations with BIW for the state of Maine cannot be considered as having a significant impact on the statewide or local economies. Nor is there a significant supply-chain cluster in Maine.

a. Nationwide Picture

This is not only a Maine phenomenon. While the impact of shipbuilding is immense for both the Maine (over \$4 billion during the period from 1985 to 1999) and Mississippi economies, value-chain clusters within the respective states do not appear to be one of the benefits of that impact.

There is little reason to expect that these relationships will change in future construction projects. BIW, now redesigning its yard with the assistance of a large tax holiday from the state of Maine, was required by the assistance law to extend its efforts to enroll Maine firms in its supply chain. These efforts have extended over two years. The result is unimpressive, which can be attributed to several factors, including: 1) types of contracted work available to SMEs, 2) unwillingness to be involved in a paper-laden procurement process, 3) reluctance to take on military contract work, and 4) lack of a match between Maine SMEs and BIW needs.

b. Research and Development at BIW

BIW has added a Research and Development (R&D) capacity at the Bath facility. The staff is charged with several areas of research for the modern ship design envisioned by the Navy. The future of this R&D activity holds some interesting options that may be important to Maine firms.

BIW has been given the lead in the Great Lakes Composite Alliance, a research cluster now based in North Carolina, but using Maine capacity in various ways. The Alliance is charged with and funded to develop composite replacement parts for shipboard structures. This work is part of a much wider strategy to design lighter and more sustainable weapons systems. The contract with the Navy has led to expanded use of composites tooling facilities in Maine and work with the emerging composites cluster in the state.

Marine composites can be described as an emerging cluster in Maine's economy. Maine is home to a major international manufacturer of fiber sub-straits for composite manufacturing. It also has several state-of-the-art boatbuilding facilities and other composite materials firms that provide related composites research and manufacturing expertise to the defense, marine materials, and industrial markets.

The University of Maine, Orono (UMO) is recognized as a national center for composite materials research. The center at UMO is currently engaged with BIW and others in design and testing of composite components for high-speed ferry construction. This unique design and fabrication research may be a core capacity for an expanded future in composites at BIW. Current Navy research and manufacturing technology focus is heavily invested in composites research. The combination of an emerging cluster of composites companies, lead research capacity at the University, defense contract work in composites at BIW, and a future promise of heavy defense investment in composites for lightweight war machinery are a series of promising links for cluster development.

These types of activities portend exciting possibilities for Maine firms and joint research capacities at BIW and UMO. The leveraging of this type of activity by informed development policy may well be a key to the growth of an emerging cluster or clusters in the local economy.

c. Possible Futures

The emerging composites cluster in Maine and the BIW leadership role in a national defense agenda should be of considerable interest to development activity in Lincoln and Sagadahoc Counties. The type of activity currently supported by composites in Maine ranges from simple lay-up construction of small boats and containment vessels to highly sophisticated carbon/carbon fiber rocket component design and construction. Composites research in Maine ranges from composites-reinforced wooden bridge components to highly sophisticated design and test simulations requiring super computer modeling capacity. These types of non-trade-based dependencies with high knowledge spillover potentials are keys to future development, and sector and cluster growth.

A look at the highly successful marine industries in Boothbay and other single firm enclaves in Maine, e.g. Hinckley and Sabre yachts, shows two sides to an industry. One view based on SIC Codes classifies these firms in transportation industries. A view looking at inputs and outputs might find reason to call these firms composites manufacturers. This paints a much broader view of opportunities and clustering capacity.

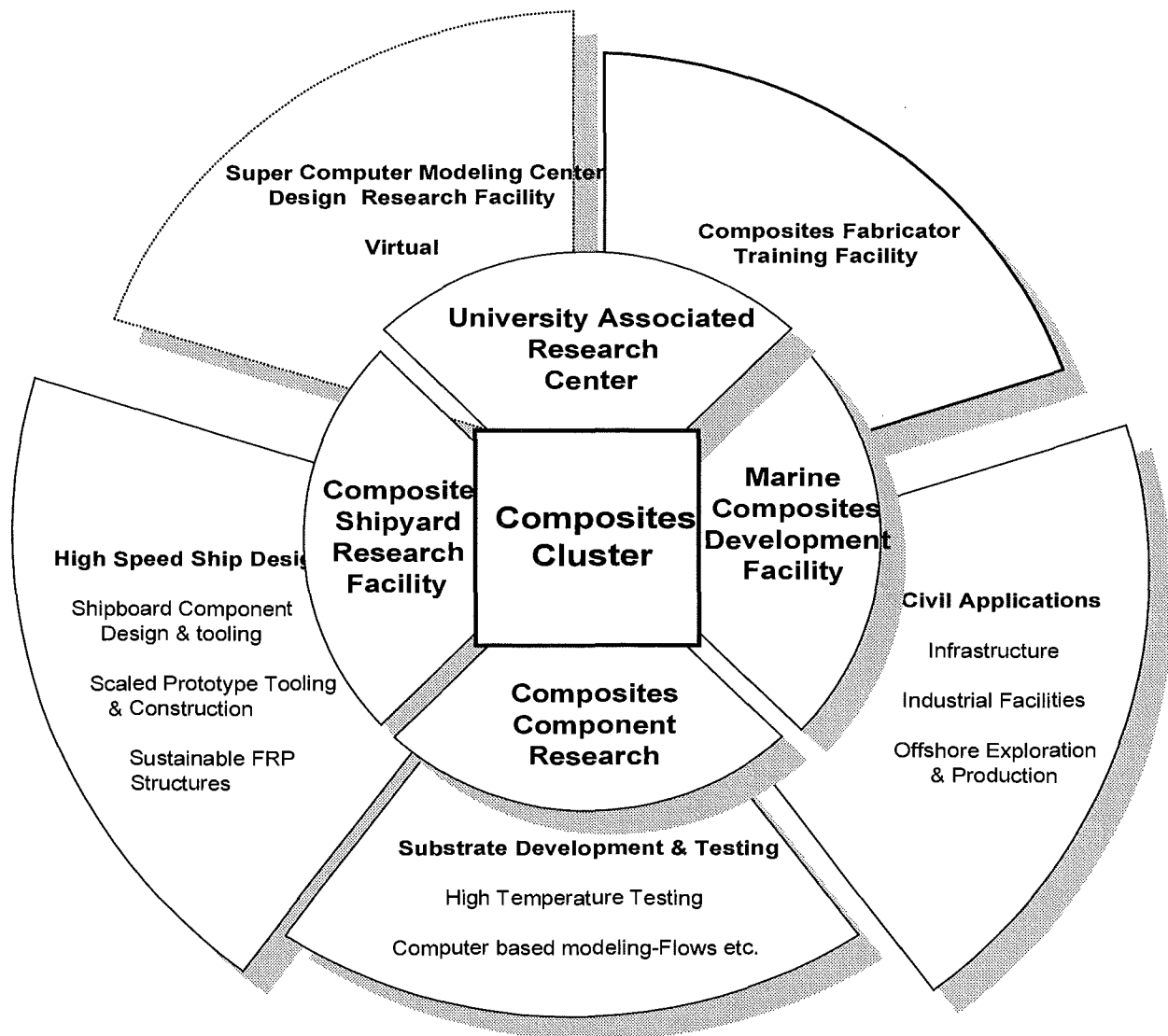
Advances in composites design and fabrication technologies may make it possible to create entirely new products and associations among firms, industries, and other economic agents. The increased market power achieved through brokered buying and selling, availability of specialized facilities and shared infrastructure, and reduced risk of uncertainty in clustered capacity are the created advantages of proximity. These are available building blocks for the composites cluster in Maine, which could be focused on the two-county region.

Can a region create a cluster policy and facilities necessary to focus cluster activity and development? What might be a magnet for cluster formation or extension in the environment as described here?

The graphic on page 37 illustrates how an emerging composites cluster might group activity and interchange of knowledge toward a new structure of relationships based on:

- supply-chain relationships, as well as on strategic business opportunities that grow out of inter-firm alliances;
- traditional regional market factor advantages (labor pools and localized knowledge spillover); and
- the role of non-business institutions such as university research capacity and business associations, and the R&D capacity at BIW.

The heavy weight given to research facilities and research capacity at distant facilities has a great deal to do with the relatively new market for most of the Fiber Reinforced Plastic (FRP) work currently viewed as the market of the future.



This market involves the development of:

- civil engineered structures, roadways, poles, booms, bridges, etc.;
- panels, and performs that can be used in vehicles;
- corrosion resistant equipment applications (part of the Navy's key interest);
- offshore oil platforms; and
- utility poles and cross members.

Brunswick Technologies, a key player in the Maine and global composites technology picture, currently sells only about 10% of its product in the “white steel” market, a market with immense upside potential. White steel applications include bridge support beams and other highway infrastructure where replacement of metal with corrosion-resistant materials is a key objective. Automotive applications for FRP are projected to reach 4 billion pounds within the next few years. These market figures, as well as key industry players in Maine manufacturing and research, make composites an important option for further examination and development.

d. Development Scenario

Cluster theory commonly posits seven policy recommendations that support cluster growth and development:

- elimination of regulatory distortions;
- provision of institutional platforms for experimentation and cooperation;
- human capital creation through spending on education;
- raising public awareness of potential opportunities;
- procurement-based creation of demand;
- a prioritized and focused agenda of research and development support schemes; and
- use of the cluster concept as a business location marketing strategy.

There are three factors in our current analysis that point to opportunity in terms of industrial location strategies: 1) an emerging cluster; 2) a growing R&D base with nationally recognized capacities; 3) a major defense contractor with an ongoing procurement relationship also charged with a lead role in developing composites as base product for defense renewal. In addition, the Maine Technology Initiative includes a funding potential for commercialization of R&D with a focus on composites. The University is engaged in expanding composites research, and has already invested heavily in facilities and capacity. UMO currently has an R&D relationship with BIW and its soon-to-be-realized super computer center is a virtual resource to all types of design activities in this area. Marine industry markets exist for shoreline facilities (docks, retainer wall segments, etc.) and other civil structures. These are options that build on current supplier and manufacturer capacity in Maine.

On the downside, a large composite research shipyard/construction facility, while a key element in our graphic, is of doubtful development potential. Such a facility would depend heavily on federal participation through the Navy. Currently, the complex design and build relationships among BIW, Avondale² and other major shipbuilders, as well as the dispersed nature of the R&D effort in composites, do not lend themselves to development of such a focused factory facility.

2. Avondale has a large and quite modern FRP facility in New Orleans, with over 40 employees.

e. Action Portfolio

Further development of the Composites Cluster and a focus of that development in the two-county area may be facilitated by the following actions:

- Development and support of a relationship with the Maine Composites Alliance.
- Support for an industrial policy effort by the Maine Department of Economic and Community Development in the area of composite materials.
- Development of a UMO presence in the two-county area through high-speed data/video connections, research sharing forums, etc.
- Engagement of BIW in constructive dialogue regarding their role as a development engine in the composites field.
- An operating alliance with the Maine Manufacturing Extension Partnership and their joint venture with the National Institute of Standards, Composites Research Laboratory.
- Application assistance for firms wishing to access the MTI fund for commercialization of R&D in composite materials.
- Development of a composites-focused business location marketing strategy.
- Engagement of the Technical College System in dialogue about a specialty training facility in composite materials to be located in the area.

A key for the success in this sector is the active engagement of Bath Iron Works. It was the intent of the Maine Legislature and Governor in 1997, when they passed the law providing BIW with up to \$60 million in tax credits, that they would cooperate with efforts such as this one. The precise language of the law (36 MSRA Chapter 919):

§6858. Maine Preference

“As part of the contractual inducement for the qualified applicant to make a qualified investment and for the State to provide the credit pursuant to this chapter, the qualified applicant agrees when awarding contracts, purchasing supplies or subcontracting work related to a qualified investment or qualified ship to give, to the greatest extent possible, preference to Maine workers, companies and bidders provided the supplies, products and bids meet the standards required by the qualified applicant for best value, including, without limitation, quality and delivery, and are competitively priced.

The applicant further agrees in conjunction with the Department of Economic and Community Development to sponsor regional seminars for Maine businesses on how to do business with the qualified applicant.”

(2) MARINE RESEARCH AND DEVELOPMENT CLUSTER

The commercialization of research and the movement of promising marine technologies and products into the marketplace remains a small and unfulfilled promise in the national economy. The world's oceans remain the vast and largely untapped resource of tomorrow, an abused and underutilized opportunity to be managed and harvested.

Nationally, hundreds of small companies harvest medicinal compounds, food additives and other processing chemicals from algae. However, research and development in the marine resource community remains largely an academic discipline. The largest and best known marine research facilities in the U.S. have been in existence for decades, and are world renowned for their research capacity and quality of work. Yet, commercial application of existing research from these facilities is an unfulfilled promise. For example, firms spun out of the Woods Hole Oceanographic Institute remain few and relatively small. They depend heavily on federal contract dollars and one in five is growing at an acceptable rate to attract equity capital.

Maine has considerable capability at the Universities of Maine and New England, small firms, and individuals involved in marine research and product development. Bigelow Laboratory in West Boothbay has a world-class reputation in marine algae research. This research and its relation to the needs of ocean management and biotechnology are on the cusp of promising development. However, these developments are difficult to husband, and costly to foster.

The commercialization of R&D in the academic and federal laboratory systems of the United States, for example, has been and remains a challenge for development. The federal laboratory system and NASA are rich repositories of intellectual property. The lab system has been put on notice over the last decade that shrinking support will demand a higher velocity of commercialization efforts. Millions of dollars are spent annually on technology transfer activity and yet the results are a dim image of the promise. No systematic means of technology transfer has come from this effort. Technology transfer officers at the labs readily admit that the process is without clear and definable systems and predictable results.

The challenge faced by Bigelow, Darling Marine Center and other marine research facilities in Maine is much like the challenge faced by the larger federal system. The important work of the research environment is often far from the entrepreneurial thrust of the marketplace. The demand for monitoring and husbanding the marine environment should be one of the critical priorities of the coming century. Funding for research efforts on marine systems is likely to grow rapidly over the next decade. This is good news for the research interests of the state. It will also present a growth opportunity in commercialization potential. Movement of commercially viable technologies out of the lab and into the marketplace will be a much more difficult process, one that requires a considerable base of institutionalized support in the form of technical, financial and marketing assistance.

A realistic expectation for this development must clearly consider that research-based marine industries will remain small and must be active in an equally small national and international market.

a. Current Regional Activity - an example

Both Darling and Bigelow have begun to spin out commercial entities. These first efforts will need both financial and technical support. Fluid Imaging Technologies is the first such company to spin out the Bigelow program. FIT will remain a largely virtual company focused on flow spectrometry with a proprietary imaging system that will be contract manufactured. FIT has developed out of and is being currently assisted by federal grant-supported programs. These programs are federal efforts to assist manufacturing and commercialize R&D efforts. The technology has been developed under federal research support from the National Science Foundation. FIT will be a prime candidate for funding from the MTI. The range of support activities includes business planning, technology, technology partnering, market strategy work and marketing and sales assistance. Eventual financial needs will require venture or angel capital.

Remote sensing applications are receiving focused attention from the State Planning Office and currently a remote sensing facility is being put in place at the Brunswick Naval Air Station to act as the leading edge for the coming age of ocean monitoring and ocean management and storm action prediction. This project and attendant research along the sea-land margins will be heavily funded over the coming decade.

The Darling Center is spinning off its first venture now in early stages of development. The tank culture of shellfish spat and tank-based grow out facilities may soon be a major player in aquaculture development activity along the coast.

Great Eastern Mussel Co. in Tenants Harbor is experimenting with raft culture of mussels based on European models of large area rafting of hanging shellfish growing facilities. These sea-based facilities could extend up and down the coastline providing interesting environmental monitoring and marine environment management issues amendable to the types of research done at Darling and Bigelow.

Bigelow is a small, but prestigious, ocean systems laboratory. The lab is a collegial research facility with a strong record of achievement in plankton and other ocean nutrient systems research. Bigelow has an equally strong commitment to education in marine sciences and operates an extensive program of educational offerings in conjunction with the University of New England.

Bigelow is currently embarking on a multi-million dollar capital campaign and examining the feasibility of facilities relocation in Southport. The vision for the facility is to expand within its mission while remaining collegial. The outer limit of that growth would comfortably be no more than 100 total research and staff.

Bigelow is actively engaged in the development of the Gulf of Maine Ocean Observing System (GOMOOS) and the Executive Director serves on the board overseeing the development of that program. The potential impact of GOMOOS on the marine research community is extensive. Sponsoring partners include the Office of Naval Research (ONR), National Oceanographic Atmospheric Administration (NOAA) and others. This project holds great potential for development of marine research capacity within Maine, serving a wider region of the North Atlantic arc from Long Island Sound to the Bay of Fundy and offshore. Growth of research interest in the tasks outlined for the current system and the natural accretion of other research project work based on ocean systems monitoring will make GOMOOS a magnet for research funding across federal agencies and private research interests.

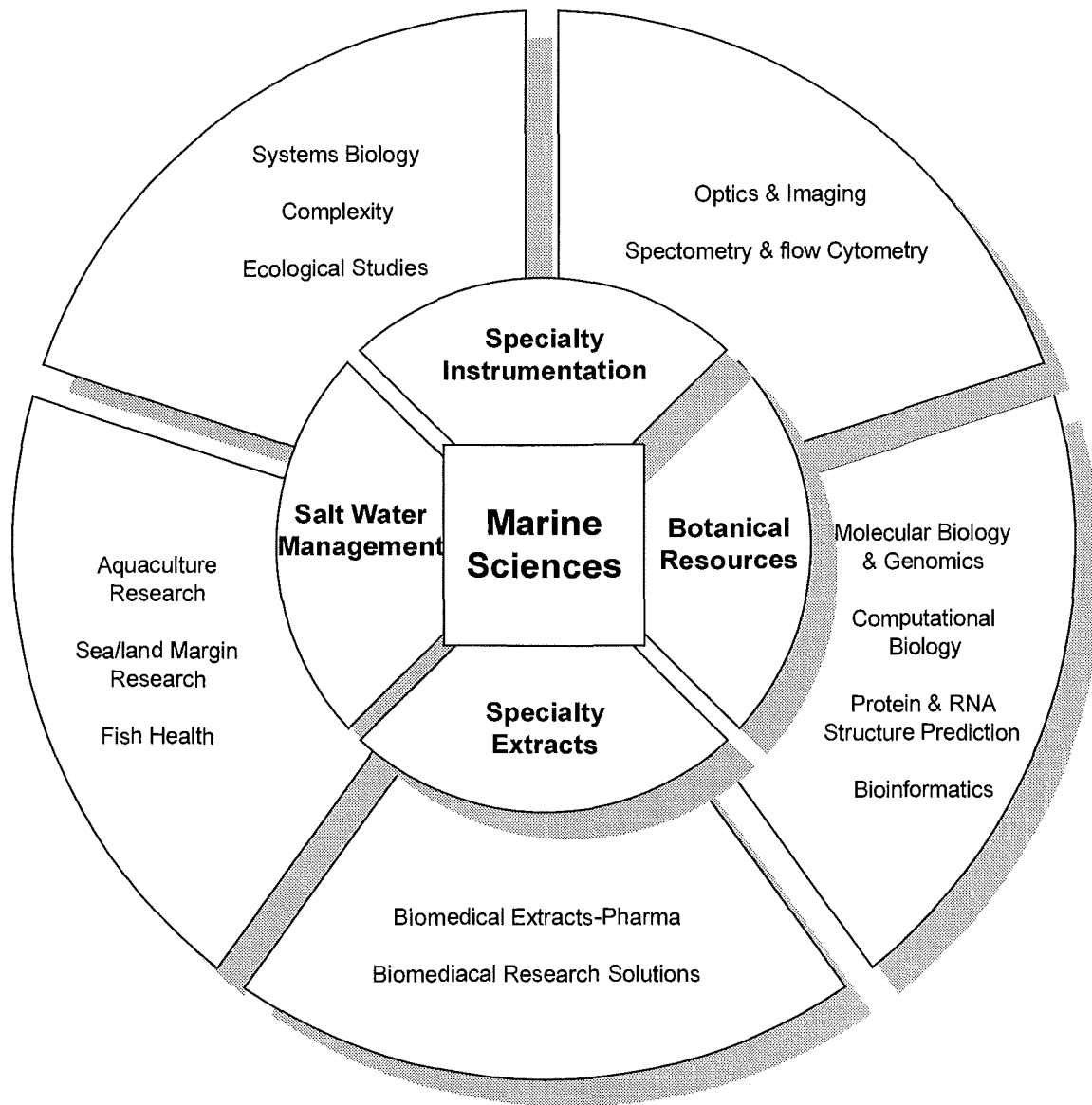
Bigelow has a critical role to play in the development of a marine sciences cluster. The seminal work of the lab touches areas of systems biology, sea/land margin research, spectrometry and flow cytometry, computational biology, and biomedical research. While the lab is comfortable with its role as researcher/educator, commercial spin-off activity is also part of its new picture of itself and a high potential role for future work.

Applications research to the development of marine-based pharmaceutical extracts is a growth opportunity. Relatively little commercial activity is currently underway along the Maine coast. The biological and plankton/algae based research at Bigelow can provide a critical bioinformatics data for expanded research in this area. Development of this resource may well depend on funding from users of the resource. This may include contract data provision to large pharmaceutical firms.

b. Possible Futures

Maine has no institutionalized or systematic early stage support efforts for R&D commercialization. The MTI process is newly underway in Maine and developing rapidly into an important factor for R&D commercialization activity. However, the legislation and funding are currently only a two-year effort. Equity capital is still largely an unmet promise in Maine and current flows in regional venture funds are directed at fast growth e-commerce and related start-ups. Again, the market size for marine industry companies and the history of slow growth of most spin-offs from venerable institutions such as Woods Hole Oceanographic Institute, do not portend a change in the interest levels of venture capital firms.

The biotech/pharmacy connection is possibly a window to the venture market. However, unpredictable or slow growth in these areas still presents critical problems for venture funding.



Based on the research interests at Bigelow and a review of spin-off development at other marine R&D facilities, the graphic above develops a relational cluster of potential commercialization activity. This cluster does not include reference to the remote sensing activity underway at Brunswick, but does assume some spillover in the systems biology and sea/land margin research areas. Aquaculture is not included in this graphic, though interactions with the aquaculture community, as already discussed, would result in a minor value-chain relationship with this hypothetical model. Active engagement of the University and the Darling Center are a backdrop to this largely Bigelow-focused opportunity analysis. Small firms such as Micro Technologies in Richmond would participate in this cluster by virtue of ongoing fish health research and current product development activity in fish reproduction.

It must be re-emphasized that development of R&D-based companies, technology transfer, and commercialization of research are very long-range activities. By the nature of the market these firms will be small and remain so through their life cycle.

The most likely areas of rapid growth in federally funded research can be expected in systems biology and sea margin areas. This is an area of particular interest to the National Oceanographic and Atmospheric Administration. The focus area relates also to the remote sensing center currently under development in Brunswick. Competition for funding in this area will be intense. While this area of research interest is critical to ocean management and weather prediction and other ocean management activity, commercialization from these systems-studies disciplines does not appear to be a particularly fertile area of focus.

Historically hard technologies, developed as integral to research activities of a center like Bigelow or Woods Hole, tend to be some of the first spin-off ventures from research-based institutions. Review of this activity elsewhere indicates slow growth trending up over the past five years, but no exceptional market opportunity. This could well be due to lack of cross selling activity on the part of companies focused on a particular field. It is most certainly due to specificity of application inherent in the product.

By far the most interesting areas for development are related to biotechnology and range from data sales for bioinformatics use, to botanical and biomedical/pharmaceutical research and extracted compounds. These areas are attractive to equity investors, provide huge market opportunity in relation to big pharmaceutical sales potential, and also offer small niche market opportunities for start-up companies.

c. Development Scenario

The superb marine environment in Lincoln and Sagadahoc Counties and the presence of a first-rate research institution provides positional advantage to the area. The historical performance and important specialty at Bigelow is currently an underutilized resource for bioinformatics and genome research, and will be especially important to marine ecosystem studies that must become an expanded priority of the federal government.

Commercial application of research is a challenge that requires a focused and intense effort in support systems development and business cluster formation. The critical policy issues identified above apply here as well. Particular focus must be given to a prioritized agenda of research and development support schemes. Transfer of technology to the market place through cooperative research and development agendas involving large corporate "user /partners" requires special attention.

Cluster development requires critical mass, especially on the commercialization side of the activity divide. A dual strategy of start-up support and recruitment of small firms to relocate in Maine should be considered a critical element in creating measurable and rapid growth in this sector.

d. Action Portfolio

Further development of a Marine Sciences cluster in the two-county area may be facilitated by the following actions:

- Intensified researcher awareness of market opportunity and tools for commercialization available to them.
- Corporate user marketing and awareness programs directed at large company sponsorship of R&D activity.
- Relationship development with a regional market focused group such as the Massachusetts Ocean Technology Network.
- Development of a fertile R&D support scheme that will support access to federal research dollars, company relocation, and training.
- Support of capital and research funding acquisition through grant and business plan development assistance.

E. Infrastructure Analysis

1. Water

Municipal water is available in four of the ten towns in Sagadahoc County, seven of the 18 towns in Lincoln County, and in the town of Brunswick. The towns in Sagadahoc and Lincoln Counties are Bath, Bowdoinham, Topsham, Richmond, Wiscasset, Waldoboro, Boothbay, Boothbay Harbor, Damariscotta, Newcastle, and Nobleboro.

2. Sewer

Municipal sewer is available in three of the ten towns in Sagadahoc County, six of the 18 towns in Lincoln County, and in the town of Brunswick. The towns in Sagadahoc and Lincoln Counties include Bath, Topsham, Richmond, Wiscasset, Waldoboro, Boothbay, Boothbay Harbor, Damariscotta, Newcastle, and Nobleboro.

3. Information Technology

There is a lack of affordable, high-speed Internet access in rural areas. The majority of Internet access in the region is 56K dial-up provided by local Internet Service Providers (ISP) via local telephone exchanges. 56K dial-up is available throughout Sagadahoc, Lincoln, and Cumberland Counties. Local cable TV companies have been the first to offer affordable high-speed Internet access to the larger communities in the region. In rural areas, they are rebuilding their networks to enable this service, but have yet to commit to an implementation schedule for most communities. Local telephone companies, in conjunction with local Internet providers, currently offer DSL and ISDN in communities where demand is sufficient to warrant the investment. DSL is available or soon to be available in the towns of Damariscotta, Bristol, South Portland, Bremen, Newcastle, Boothbay, and Boothbay Harbor. Wireless technology requires a series of broadcast antennas that process traffic to and from a small mesh antenna at the customer's site. Wireless allows multiple

computers to access the Internet, but has the highest initial cost to the consumer when compared to cable, DSL or ISDN.

Deregulation in the telecommunications industry has increased cooperation between incumbents and so-called “competitive carriers” who wish to offer alternatives. Rural markets often lack sufficient customer concentration to justify major new investments by either party.

4. Three Phase Power

Businesses throughout the midcoast, particularly small manufacturers, face expensive energy choices when seeking to upgrade, expand, or relocate their facilities within the midcoast area. In the wake of statewide utility restructuring, it is now more difficult to upgrade a facility from single-phase power to 3-phase power. The need to do so is often driven by the need for larger, more efficient electrical equipment. Current utility regulations no longer allow for the cost of a line upgrade to be shared by the utility's customers at large. This places a heavy financial burden on the business in question, and often affects the viability of the project. Some businesses make do by operating 3-phase machinery on a single-phase line with a rotary phase converter, or by staggering equipment operation times to manage with existing capacity. Some install on-site power with an internal combustion system, a micro turbine, or fuel cell generators. All three on-site options require significant upfront costs.

5. Transportation Systems

Route 1 traverses the midcoast region and has a significant impact on virtually every community in the area. During the peak summer months, congestion on Route 1 has a significant impact on commercial, commuter, and tourist traffic that has the potential to stifle growth and development in all sectors. The Maine Department of Transportation (MDOT) is reviewing options for a Route 1 bypass through Wiscasset. A Route 1 study in Bath is also about to be undertaken.

Route 95 runs through Brunswick, Topsham, Bowdoin, Bowdoinham, and Richmond and is becoming an increasingly appealing corridor for retail and commercial development.

The successful deployment of Amtrak passenger service between Portland and Boston, combined with the investment of \$30 million by the MDOT, provide the opportunity for a viable alternative transportation plan for the midcoast region, the first practical option in over 40 years. The railway at the junction of the Brunswick-Augusta and Brunswick-Bath lines could be restored to enhance access between Richmond-Topsham and Bath.

The development of a marine highway also offers possibilities. A ferry terminal in Bath is being examined by MDOT.

6. Energy

Central Maine Power Company of Augusta, Maine provides electric power to Sagadahoc and Lincoln Counties, and Brunswick. Electricity from CMP is generated from various sources including rivers, oil, uranium, wood, and garbage. Currently, there is one generating plant in the area – Mason Station in Wiscasset.

F. Other Factors Affecting Economic Performance

1. Land Use Patterns

As described in the economic base analysis, the midcoast region population is shifting from cities and towns to rural and suburban areas. People are looking for the quality of life associated with small communities with recreation and quiet living. Local urban residents are buying homes in the surrounding towns where it is more affordable, but still close to employment. This trend towards sprawl is rapidly changing the landscape in the midcoast region. What was once farmland and open space is now filling with homes spread out along rural roadways.

2. Housing

The cost of housing in the region is strongly affected by its proximity to the coast. The closer the ocean, the higher the price of housing. If housing continues its upward spiral, many workers and seniors will be unable to live in the area affecting the region's ability to grow and prosper.

Lincoln County has become more and more unaffordable over the past decade. Rents have increased over 75% in the past 4 years to \$750 for an average 2-bedroom apartment. The homeownership affordability index for the county is now .89, meaning the average worker can only afford 89% of the average price of a home. On the other hand, Sagadahoc County is still relatively affordable. Average 2-bedroom rents are under \$600 and the homeownership affordability index is 1.01.

There has also been substantially growth in the number of seasonal housing units. The town of Brunswick and coastal towns in Lincoln and Sagadahoc Counties all experienced at least a 30% increase in the number of seasonal units from 1990 to 2000. Seasonal units in coastal towns in Lincoln County increased from 3,742 in 1990 to 4,900 in 2000 and made up over 30% of total housing units in the county. Seasonal units in Sagadahoc County coastal towns increased from 1,230 in 1990 to 1,638 in 2000 and made up 17% of total housing units. Although Brunswick's seasonal units increased from 169 in 1990 to 220 in 2000, they are only 2.5% of the total housing market in the town.

The region provides many residential options for upper-income elderly. However, there are few options available to lower-income seniors, especially assisted living facilities. Maine State Housing Authority has rated the Bath-Boothbay region as a high need area for subsidized assisted living for the elderly.

3. Health Services

There are four major medical centers in the region. The Mid Coast Hospital is located in Brunswick, Parkview Hospital is also in Brunswick, Miles Memorial Hospital is in Damariscotta, and St. Andrew Hospital and Healthcare Center is located in Boothbay. The Mid Coast Hospital is the eighth largest hospital in Maine with 144 acute beds and 16 long-term care beds.

4. Education and Training

Changes in the workplace have outpaced changes in the workforce development system. Consequently, the evolving needs of employers are often not met by the skills of the workforce. With the labor force already fully engaged, the best way to increase skill levels and ultimately wages for existing workers is to expand participation in ongoing education and training programs. Typically, those most in need of training are least likely to participate.

Employers find it difficult to hire qualified workers. Although high school graduation rates are among the highest in the U.S., post-secondary rates are among the lowest. There is also an absence of effective career preparation programs in most of the high schools.

The table below shows the education levels of the workforce in the region. Statewide, 15% of the workforce do not have a high school degree, 15% have a bachelor's degree, and 8% have an advanced degree.

Educational Attainment for Population 25 Years Old and Older, 2000

| | Lincoln County | Sagadahoc County | Brunswick |
|-----------------------|----------------|------------------|-----------|
| No high school degree | 12% | 12% | 12% |
| High school degree | 35% | 36% | 27% |
| Some college | 20% | 19% | 20% |
| Associate's degree | 7% | 8% | 6% |
| Bachelor's degree | 17% | 16% | 20% |
| Advanced degree | 10% | 9% | 15% |

Bowdoin College, a private four-year liberal arts college, is located in Brunswick. Two University of Maine campuses, one in Portland and one in Augusta, are within an easy commute for the majority of residents in Lincoln and Sagadahoc Counties, and Brunswick.

A former hospital in Bath has been converted into the state's first community college. The school is a collaboration between the state's technical college system and the University of Maine system, offering 2-year and 4-year technical or academic degree programs to about 500 students.

5. Child Care

There are few affordable child care options in the region. There are over 5,000 children ages 5 or under in the region. There are 145 day care providers in Lincoln and Sagadahoc providing slots for 2,454 children. Only 24 day care providers currently have vacancies for a total of 95 children. The biggest obstacle to child care is cost. Average weekly care for children under 5 is over \$100.

Thirty-four percent of respondents to a workforce survey indicated that they require child care in order to be able to work. Of those who need care, 54% indicated that it is hard to find adequate child care. The number of women with children in the workforce continues to increase with welfare reform, increasing the need for affordable child care.

6. Downtowns

The region's downtowns and service centers support the businesses and the workers of the region. Service center communities and their downtowns in the midcoast region tend to be smaller, but are no less important in serving the resident and tourist population. In fact, the "charm" of the midcoast downtowns can be considered a strength so long as their function of providing essential goods and services can be maintained. Route 1 snakes through many of the region's downtowns and has important implications on how these areas function, and issues involving bypasses or access management and strip development along it are important issues to the communities and downtowns in the region.

The City of Bath is one of four "Main Street Maine" communities participating in the Maine Downtown Center's Main Street Program this year. Other downtown planning and improvement projects are either underway or in the planning stages in a number of midcoast communities.

7. Cultural and Recreational Facilities

There are four State Parks in the region including Dodge Point Management Unit in Newcastle, Reid State Park in Georgetown, Damariscotta Lake State Park in Jefferson, and Popham Beach State Park in Phippsburg. All have water frontage. Together these parks encompass over 1,067 acres. Activities to enjoy include hiking, cross-country skiing, skating, swimming, and fishing. Reid State Park is host to the endangered least terns and the piping plovers.

The region is home to many museums and historical sites. The cultural facilities include the Boothbay Railway Museum, Bowdoin College Museum of Art, Castle Tucker, Chapman Hill House, Friendship Museum, Hawthorne and Longfellow Library, and the Fisherman's Museum. There are also three State Historic Sites in the region including Fort William Henry in Damariscotta, Fort Edgecomb in Edgecomb, and Fort Popham in Phippsburg.

8. Public Safety

Maine has a low crime rate, and the midcoast area has a lower rate than the rest of the state. In 2001, Maine had a total crime rate of 27 per 1,000 people. Both Lincoln County and Sagadahoc County had lower total crime rates, 17 and 22 respectively. Brunswick had a similar total crime rate compared to Maine, 26 per 1,000 people. Maine and the region have low violent crime rates of 1 per 1,000 people or less. In Lincoln County, the violent crimes accounted for 6% of the total crimes. In Sagadahoc County, the violent crimes accounted for 2% of the total crimes, and in Brunswick, 4% of the total crimes were violent crimes.

9. Air Quality

According to the Maine Department of Environmental Protection, in 2002 the region had a total of 5 days when ozone exceeded public health limits. On these days, ozone was measured at an 8-hour average of 85 ppb or greater. During the same year, Maine as a whole had 17 ozone exceedance days.

10. Water Quality

The section of midcoast Maine area covered by this strategy has a number of marine resources of economic significance. Harvesting lobsters, softshell clams and marine worms is an important component, as is shellfish aquaculture, which has shown steady increases over the last decade. The lobster and softshell clam industries remain healthy in the region. A number of local groups monitor clam flats for water quality with support from the state's Department of Marine Resources. Several coastal areas have seen improved water quality allowing productive clam flats to be opened to commercial harvesting, such as along the Medomak River in Waldoboro. Local planning assistance through state and regional planning agencies, plus stormwater management training provided by the Department of Environmental Protection and the State Planning Office, is helping to ensure that development in the region doesn't adversely impact important shellfish and other marine resources. Maine's Coastal Program not only supports the planning and protection of coastal resources in the midcoast area, but also provides financial and technical assistance supporting coastal access for both commercial and recreation purposes, as do the Departments of Inland Fisheries and Wildlife and Conservation.

11. Hazardous Waste Contamination

Maine Yankee in Wiscasset is a former nuclear power plant currently in the process of being cleaned up. The Brunswick Naval Air Station has been working over the last two decades to clean up several scattered pollution sites. There are ten smaller sites in the region that are listed as active on the state of Maine Uncontrolled Hazardous Substance Sites Program, meaning there is some level of remediation activity being conducted.

12. Brownfields

This section of the midcoast was not as heavily industrialized as some other Maine coastal areas so there are fewer sites with soil contamination requiring restoration. Currently, the City of Bath has two active brownfield restoration sites. One site is along Bath's waterfront adjacent to the downtown. Successful restoration of several properties in this area will offer a significant boost to Bath's already active Main Street program. An application for EPA funding for this area was submitted in March, 2003. Another proposed brownfield restoration site is at the former "lay down" area used by Bath Iron Works downstream from Bath Downtown. A possible use for this site, once it is restored, is a park.

13. Other Environmental Factors

Cities and towns in the midcoast area have a plethora of information available digitally and on paper from the state. Maine's "Beginning with Habitat" project is designed specifically to address the needs of municipal planners seeking information on rare plant, natural communities, and significant wildlife resources gathered from state agency surveys. Data from the federal U.S. Fish and Wildlife Service is also available through Beginning with Habitat data, which is accessed by contacting Maine's Natural Areas Program in the Department of Conservation. Beginning with Habitat data is used at the local level to help local planners to direct development away from

environmentally sensitive areas. Developers also use the Beginning with Habitat data and the services of the Maine Natural Areas Program to determine if prospective sites for development have sensitive resources located on or near them – thus streamlining the local and state permitting process.

Maine's Natural Areas Program provides information on wetlands and riparian areas to towns and developers. Wetlands characteristics are rated and scored using 6 different factors, and digital mapping of wetlands and riparian zones (with buffer areas delineated) is available, along with interpretive services provided by the Program.

14. Economic Development Partners

There are numerous economic development actors in the region. Below is a list of the public, nonprofit, and private groups engaged in economic development. All were either represented on the CEDS Advisory Committee or consulted in the process of putting together this plan.

Bath-Brunswick Region Chamber of Commerce
Bath Business Association
Boothbay Harbor Region Chamber of Commerce
Boothbay Region Economic Development
Brunswick Intown Group
Brunswick Resources Corporation
Coastal Enterprises, Inc.
Damariscotta Region Chamber of Commerce
Kathy Durgin-Leighton (Economic Development Director for Bowdoinham)
Genesis Community Loan Fund
Diane Kew (DECD Midcoast Business Development Specialist)
Lincoln County Board of Realtors
Lincoln County Business Education Partnership
Lincoln County Commissioners
Lincoln County Economic Development Office
Lincoln County Legislative Delegation
Lincoln & Sagadahoc County Business Showcase Steering Committee
Maine Career Center
Maine Composite Alliance
Maine Small Business Development Center
Maine State Planning Office
MidCoast Council for Business Development and Planning
S.C.O.R.E (Service Core of Retired Executives)
Al Smith (Community Development Director for Bath)
SMTC - Business and Industry Division
Stafford Associates
Darryl Sterling & Dave Tilton (Maine Department of Economic & Community Development)
Topsham Development, Inc.
Wiscasset Regional Development Corporation

Part II: VISION, GOALS, AND OBJECTIVES

A. Process for Developing Vision, Goals, and Objectives

- Ongoing discussions and reports at public meetings of the Lincoln County Commissioners and the board of the MidCoast Council for Business Development and Planning (MCBDP);
- Seven meetings of a special 40-member midcoast CEDS Advisory Committee (appointed by the Commissioners and MCBDP Board), which included representatives of business, local government, farming, education, labor, utilities, job training, community development, public health, women, elderly, state legislators, state agencies, and county commissioners (see Appendix A);
- Frequent meetings of an 8-member CEDS Steering Committee;
- Two community forums with over 30 people attending (Appendix A); and
- Seventeen economic issue papers contributed by 18 local volunteers.

Within this process, there was ongoing discussion, from the first day to the last, of local issues, goals, and priorities – and changes were made up to the very last meeting. Here are some details on the individual elements.

The heart of the *vision* statement was developed at a 2-hour CEDS Advisory Committee on March 21, 2002. There committee members wrote on cards at their seats the kinds of things they would like to see happening in the region in 20 years. The ideas and phrases were transferred to easel pads and the sheets were pasted all around the room. Then members discussed the ideas among themselves and refined the language. The consultant took all of the sheets back to the office, and drafted a vision statement incorporating the ideas. This was brought back to the CEDS Advisory Committee at its May 9 meeting for further revisions. It then was reviewed in community forums before being approved by the CEDS Committee on June 6, 2002. It was subsequently approved by both the Lincoln County Commissioners and the MCBDP Board at publicly advertised meetings. The vision was reaffirmed again by the CEDS Committee on March 26, 2003.

The *goals* grew out of discussions of issues at the CEDS Committee meetings of November 28, 2001, January 31, 2002, and March 21, 2002. At the March 21 meeting the consultant led the group through an exercise to identify goals. Committee members wrote down the most important goals they would like to have accomplished. Those goals were put up on the wall and consolidated by the group. These were affirmed at subsequent meetings in the same process as that described for the vision above.

The *objectives* arose from a discussion of the economic base study provided by the consultant to the CEDS Committee on January 31, 2002, and from the vision as adopted by the group in the process described above. The consultant drafted long and short-term objectives and presented them to the CEDS Advisory Committee on March 26, 2003, for their revision and approval.

The *strategies* and *proposed actions* provided a subtext to discussions from the first meeting to the last. At the first CEDS Advisory Committee meeting on November 2, 2001, members identified 35 issues that the plan should address. In January 18 members volunteered to provide 17 issue papers discussing the key subjects in more depth – describing the problems, identifying possible strategies and solutions. In March the CEDS Advisory Committee identified key goals through the process described above. At the May meeting each goal was put on a separate sheet of paper around the wall. Key potential actions that members had already identified were listed beneath each goal. Members also added new actions to the goals, in the process explaining to the group what was being proposed. The 20 members then were given 10 dots apiece. They were able to go around the room and put a dot next to the top ten actions they thought the region needed to achieve its vision. Guidelines adopted by the group for this exercise included:

- What are the expected benefits?
- What activities address the greatest need or best enhance the area's competitive advantage?
- What activities are the best uses of limited resources?
- What activities have the most positive economic, environmental, and social impacts?

The consultant wrote up the exercise, and the Committee reviewed and revised the priority lists in June, 2002. In response to comments from EDA, the staff added descriptive detail to the actions, and this was approved by the CEDS Advisory Committee on March 26, 2003.

B. Vision for Midcoast Maine

Midcoast Maine is characterized by diversity – a large shipyard and many small boat builders; shopping centers and Main Streets; marine researchers and clammers; craftspeople and manufacturers; lakes and oceanfronts; forests and farms; senior housing and youth camps; sailboats and draggers.

There is a blending of those who have recently moved to the area with those whose families have lived here for generations. Tradition goes hand in hand with innovation in ideas, industries, and communities.

Midcoast Maine has a shared common identity that reaches from Brunswick to Waldoboro, from Richmond to East Boothbay. That identity involves thriving, safe communities; vibrant working waterfronts; year-round employment opportunities; and downtowns where a parking space is hard to find in February!

Business activity is visible throughout the region. There are diverse employment opportunities in manufacturing, retail, and service sectors. There is a dynamic, diversified, high quality, entrepreneurial small business sector.

Families of all ages and incomes can afford to live here. There are above-average wages and low unemployment. People can find affordable, comfortable places to live that support smart growth. Native produce can be found in every grocery store in the region. Health care is accessible and affordable for people of all income levels. People live healthy lifestyles and raise healthy families.

A comprehensive and efficient regional transportation system encompasses water, rail, bus, and trails, even skateboards! There is a hike and bike trail from Brunswick to Belfast and a commuter train from Richmond to Rockland to Portland.

Midcoast Maine is home to the best education system. It boasts an early care, pre-school, and K-12+ system that is affordable, accessible, and high quality. There is a centrally located first-rate learning center and access to quality post-secondary research facilities.

Midcoast Maine is a model for cooperative and collective social and economic solutions. It achieves this vision by creating a regional strategy that creates jobs, raises income levels, diversifies the economy, and improves the quality of life, while protecting the environment. People look at the midcoast region and say, "They did it right!"

C. Long and Short-Term Objectives

At its January 31, 2002 meeting, the CEDS Advisory Committee heard an economic base presentation provided by its consultant (included in the analysis section of this report). That economic base study identified several overarching issues in the region. They included:

- Job growth in the Bath-Brunswick area has lagged behind the rest of Maine;
- Incomes are not growing as fast as the nation;
- In particular, wages for working people are lagging even further behind the state and nation;
- The region's workforce is getting older, and many lack the skills needed for a modern economy;
- Small businesses predominate on the coast, and entrepreneurship is critical to the area's future economic growth; and
- Scattered sprawl-style development is taking away from the quality of life in the area.

The ultimate test of success for the CEDS in midcoast Maine is whether it can counteract these issues. The 14 goals and multiple actions described in the following section are all designed to impact these fundamentals. The issues have been translated into measurable outcomes in order to develop short and long-term objectives.

The first test is simply job growth. Employment growth is one sign that opportunities are increasing.

The second test is income. A successful strategy and program should lead to per capita incomes moving closer to the national average.

The third test is higher wages. Because this area has many affluent retirees, the per capita income data understates the wage gap that exists in the area. In other words, while per capita income is 89% of the national average, wages are only 82% of the national average. Better paying jobs are a key outcome the region is endeavoring to accomplish.

The labor force in the region is aging. In order to keep up on the skills needed in a modern economy, and to justify the higher wages being sought, the workforce needs to buy into the ethic and practice of lifelong learning. Currently, less than a third of workers have taken a course in the last two years. The fourth test is whether this number is growing.

The midcoast area is an incubator for small businesses. One test of area vitality and health is whether there are continuing small business start-ups. Tracking the total number of businesses is the fifth test of how the region is doing.

Like the rest of the state, midcoast Maine is experiencing sprawl, or the spreading out of residential development. The problem is that this is taking away from the rural character, making it more difficult to farm, and increasing traffic congestion. One of the objectives of this strategy is to focus economic development – and with it, houses and stores – in the city, town, and village centers in the region. The sixth test addresses this aim.

The complete set of objectives is shown in the following chart:

| OBJECTIVES | Most Recent Data (and date) | 2003 To Date | 2003 Target | 2012 Target | Data Source |
|---|--------------------------------|-----------------|----------------|----------------|---|
| 1. Total covered employment | 39,830 (2001) | n.a. | 40,000 | 45,000 | Maine Department of Labor |
| 2. Per capita income % of US average | 89% (1999) | n.a. | 90% | 95% | US Census |
| 3. Average wage and salary income % of US average | 82% (1999) | n.a. | 85% | 90% | Maine Department of Labor |
| 4. Worker participation in continuing education | 31.9% (2001) | n.a. | 33.3% | 40% | Center for Business & Economic Research, Univ. of So. Maine |
| 5. Total number of businesses in Sagadahoc & Lincoln Counties | 2,077 (1999) | n.a. | 2,100 | 2,500 | County Business Patterns, US Census |
| 6. Percentage of population in city, town and village centers | 69.2% (2000) | n.a. | 70% | 75% | Maine State Planning Office |

Many of the objectives for the midcoast area coincide with those of the state of Maine. The state's benchmark is to increase employment each year through 2005. The midcoast objective is to increase employment an average of one percent in the next nine years. According to the Maine Economic Growth Council in 2001, Maine's per capita income was about 12 percent less than the United States average. The state's benchmark is to rank 25th among the 50 states on per capita income by 2005. In 2001, Maine had 43.8% of the population living in regional service centers;

the benchmark is to increase it to 50% by 2010. The objective for the midcoast area is to increase the percent of population living in regional service centers to 75% by 2012.

D. Goals

To achieve the vision described above, and to impact the measurable outcomes contained in the objectives, the following 14 goals must be reached. These goals have arisen out of several meetings, issues papers, and public forums in the region.

Goal A – Grow Small Business Entrepreneurship

Goal B – Develop and Redevelop Commercial Property and Infrastructure

Goal C – Strengthen Coastal Infrastructure to Support Commercial Fishing and Marine Trades

Goal D – Expand Research and Development Activities

Goal E – Expand Tourism to Year-Round and Strengthen Tourist-Related Activities

Goal F – Strengthen Other Traditional Industries such as Farming, Forestry, and Arts and Crafts

Goal G – Build a Skilled and Educated Workforce from Preschool to Adult

Goal H – Invest in City, Town, and Village Centers

Goal I – Create Affordable Housing

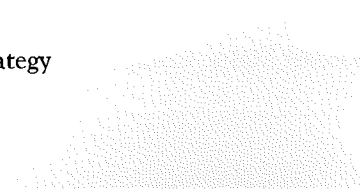
Goal J – Create an Efficient Infrastructure of Transportation

Goal K – Develop a Strong Telecommunications System

Goal L – Promote and Capitalize on a Strong Shipbuilding Presence at BIW and the Airbase in Brunswick

Goal M – Coordinate and Strengthen Regional Capacity for Economic Development Planning

Goal N – Balance Development and Growth with Protecting Rural Character, Natural Resources, and Traditional Communities



E. Strategies

The following are shorthand summaries of the research and discussions undertaken by the CEDS Advisory Committee throughout the process. The specific actions to implement the strategies are described in the next section (Project List).

Goal A – Grow Small Business Entrepreneurship

Because there are a great variety of small business types in the region, the strategy to help them must also be multi-faceted. Family-owned businesses must be helped to work through “succession” strategies. Women-owned businesses need help building peer-to-peer networks, especially in small rural towns. Affordable financing is needed. Business services that support small business networks also need expansion.

Goal B – Develop and Redevelop Commercial Property and Infrastructure

The region has a number of old facilities that are now unused – most notably the Maine Yankee Power Plant, but also former Etonic and EnvisionNet facilities, and others. Older sites need to be fixed up and marketed. In addition, there is also a need for new business parks.

Goal C – Strengthen Coastal Infrastructure to Support Commercial Fishing and Marine Trades

Commercial fishing is struggling in coastal Maine. Access to piers and land needs to be assured through public investment. Marketing help is needed. Conservation plans need to be developed in a way that will allow the industry to continue.

Goal D – Expand Research and Development Activities

Research and development is one of the emerging industries in the region with great potential for the future. Bath Iron Works, the Bigelow Laboratory, and the Darling Marine Center, are all engaged in cutting-edge marine and technology research. Exploiting this competitive advantage is key to the region’s economic future.

Goal E – Expand Tourism to Year-Round and Strengthen Tourist-Related Activities

There are plenty of summer visitors in coastal Maine, but few in the other three seasons. A sector relying on seasonal and part-time jobs can never be a provider of good wages. The industry must be transformed into a year-round one by developing attractions for the fall, winter, and spring months.

Goal F – Strengthen Other Traditional Industries such as Farming, Forestry, and Arts and Crafts

Consistent with the heritage of small business, farming, logging, woodworking, and crafts have traditionally been important sources of income and employment in this area. Marketing and promotion are needed to keep these businesses viable in the future.

Goal G – Build a Skilled and Educated Workforce from Preschool to Adult

In the long run, the competitive advantage of this area, like the rest of the world, must be with the education and skills of its workers. In the past, the midcoast region had less access to higher education than other parts of Maine. But a newly-opened Bath Center for Higher Learning offers great potential for lifelong learning opportunities. More is needed also for pre-schoolers, for school-to-work transitions, and for special populations.

Goal H – Invest in City, Town, and Village Centers

The area has a number of Main Streets and village and town centers that are an essential part of the region's attractiveness, quality of life, and tourism vitality. It is important that future commercial and business help to keep these centers viable and thriving.

Goal I – Create Affordable Housing

Year-round residents must compete with wealthier retirees and seasonal buyers for housing. As a result, the cost of housing is more out of line with resident incomes in coastal Maine than anywhere else in the state. In particular, housing is needed for young people, workers, people with disabilities, and people of modest incomes.

Goal J – Create an Efficient Infrastructure of Transportation

The region lacks a major highway, a major public airport, and passenger rail service. It also suffers from tourist season traffic jams. Some proposed solutions (such as bypass roads) would have major environmental and aesthetic impacts. It is important that the region develop a comprehensive approach that encourages the use of alternative transportation modes.

Goal K – Develop a Strong Telecommunications System

Coastal Maine can attract entrepreneurs, even with its limited transportation options, if it has good Internet service. Current Internet access is uneven.

Goal L – Promote and Capitalize on a Strong Shipbuilding Presence at BIW and the Airbase in Brunswick

There are two major defense-related employers in the Bath-Brunswick region – Brunswick Naval Air Station and Bath Iron Works. An overdependence on defense can be a problem, which is why small business development is an important goal. On the other hand, these employers and their facilities can be leveraged to provide more economic opportunity locally.

Goal M – Coordinate and Strengthen Regional Capacity for Economic Development Planning

The process of developing this CEDS plan has reopened discussions about how more regional cooperation might enhance the area. Creating an EDD is the first step.

Goal N – Balance Development and Growth with Protecting Rural Character, Natural Resources, and Traditional Communities

This is the flip side of Goal H – the region needs to invest in its centers, and preserve its rural and scenic areas.

Part III: ACTIONS and PRIORITIES

A. Project List and Implementation Schedule

The following provides a list of the actions, or projects, needed to accomplish the goals and strategies. The projects are listed in priority order within each goal area, with 1 being the highest priority. Priorities were voted on by the CEDS Advisory Committee at its May, 2002 meeting, and were adjusted and reaffirmed at several subsequent meetings.

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal A – Grow Small Business Entrepreneurship | | | | |
|--|--|-----------------------|------------------------------|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| A1. Women's Business Center Expansion – Peer-to-peer networks and outreach for women-owned businesses in small rural communities. Environmental Impact: N Potential Jobs Created: M | Women's Business Center at Coastal Enterprises, Inc. (CEI) | \$300,000 | CEI, SBA, EDA, CDBG, Private | Spring 2003 – CDBG matching funds applied for. Summer 2003 – increase TA. 2004 – Apply for EDA and CDBG funding to expand midcoast presence. |
| A2. Microenterprise Fund for Low-Income Business Owners – Increase access for small midcoast businesses. Environmental Impact: N Potential Jobs Created: M | CEI | \$500,000-\$1 million | CEI, SBA, FAME, EDA | 2002 - 2006 |
| A.3 Business Succession Assistance Program – Advise businesses on how to develop plans for when current owner can no longer operate the business. Environmental Impact: N Potential Jobs Created: M | CEI | \$300,000 | CEI, SBA, FAME, EDA | 2003-2006 |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;
 Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|---|---------------|-----------|------------|---------------------------------|
| A4. Market Audit Study – Identify potential business service opportunities that will strengthen the capabilities available to all sold businesses. | MCBDP & LCEDO | \$100,000 | EDA, State | 2004 + Obtain funding for study |
| Environmental Impact: N Potential Jobs Created: S | | | | |

| Goal B – Develop and Redevelop Commercial Property and Infrastructure | | | | |
|--|--|------------------|--------------------------------------|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| B1. Aviation Industrial Park – Utilize town-owned Wiscasset airport land to add to region's industrial/commercial real estate inventory. Environmental Impact: L Potential Jobs Created: S | Wiscasset FAA | \$4.5 million | State, EDA | Open |
| B2. Maine Yankee Redevelopment – Support public infrastructure improvements to the Maine Yankee property to encourage redevelopment of the site. These include major improvements to the existing road structure on or near the site, possibly new roads to service the development, and improvements to sanitary and water systems. Environmental Impact: H (remediation underway) Potential Jobs Created: M | Wiscasset Regional Redevelopment Corporation | \$50-100 million | WRDC, EDA, State, Private Investment | 2002-2003 – Organize and incorporate WRDC. 2003 – Complete & publicly approve redevelopment concept. Receive HUD funding. 2003-2004 – Apply for grants for infrastructure development. |
| B3. Topsham Sewer and Water Extension-East Side Commercial – Expand infrastructure to Topsham commercial areas to increase development opportunities. Environmental Impact: L Potential Jobs Created: R | Town of Topsham | \$2.5 million | State, EDA | 2003 - Develop site plans. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;
Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|---|----------------------------|-------------|----------------------------|---|
| B4. Brunswick Business Park – Development of a new business park in Brunswick Environmental Impact: L Potential Jobs Created: M | Town of Brunswick | \$5 million | EDA, Local, Private, DECD | 2003 + – Identify potential locations. |
| B5. Waldoboro Sewer and Water Extension- Environmental Industrial Park – Increase Waldoboro’s commercial base prospects by extending water and sewer to this subregional industrial/business park. Environmental Impact: L Potential Jobs Created: M | Town of Waldoboro | \$750,000 | State, EDA | 2003+ |
| B6. Regional Industrial Park with Regional Revenue Sharing – Regional office/industrial/R&D space expansion to expand regional commercial capacity and revenue base. Environmental Impact: L Potential Jobs Created: R | Regional Development Corp. | \$1 million | State, EDA, Private | 2004+ |
| B7. Leasehold improvements-EnvioNet buildings – Support site re-development and expansion to attract technology-related industry. Environmental Impact: N Potential Jobs Created: M | MCBDP | n/a | State, EDA, Private, Local | October 2003+ – Seek funding for improvement. |
| B8. Leasehold and infrastructure improvements to Etonic Mill – Support re-development and expansion of existing site to facilitate occupancy. Environmental Impact: N Potential Jobs Created: M | Town of Richmond | n/a | State, EDA, Private, Local | September 2003+ – Seek CDBG EDI funding. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|---|------------------|---------------|-------------------------------|--------------------------------------|
| B9. Wing Farm Industrial Park Expansion - Provide for infrastructure needs to expand park. Environmental Impact: N Potential Jobs Created: M | City of Bath | n/a | EDA, Local, Private | June 2003+ - Start feasibility plan. |
| B10. Rte. 209 Commercial Park - Expand infrastructure to increase development opportunities. Environmental Impact: L Potential Jobs Created: M | City of Bath | n/a | EDA, Local, Private | 2003+ |
| B11. Sewer and Water Extension-Boothbay Industrial Park - Increase development infrastructure for this underdeveloped and underutilized sub regional industrial/business park. Environmental Impact: L Potential Jobs Created: M | Town of Boothbay | \$2-4 million | EDA, State, Rural Development | 2003-2005 |

| Goal C - Strengthen Marine and Maritime Infrastructure | | | | |
|---|-------------------|----------------|---------------------------|------------|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| C1. Mason Station Dock and Rail Restoration - Restore rail access and deep-water dock at this former coal-fired power station. Environmental Impact: H Potential Jobs Created: M | Town of Wiscasset | \$2-3 million | State, EDA, Private | 2004 |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;
Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|--|----------------------------------|-----------|---------------------|---|
| C2. Boothbay Harbor Master Plan – Fully exploit existing marine trade and infrastructure to diversify local tourist-based economy. Environmental Impact: N Potential Jobs Created: S | Town of Boothbay Harbor | \$50,000 | State, EDA, Private | 2003-2004 |
| C3. Shellfish Marketing Strategy Study – Develop a market strategy for other shellfish similar to “Maine Lobster”. Environmental Impact: N Potential Jobs Created: S | LCEDO and MCBDP | \$100,000 | State, EDA | September 2003 – Obtain funding to implement study. |
| C4. Regional Shellfish Management Plan – Develop regional shellfish management plan for coastal towns. Environmental Impact: + Potential Jobs Created: S | Coastal towns | \$200,00 | State, EDA | September 2004 – Obtain funding to implement study. |
| C5. Marine Railway – Build Marine Railway for East Boothbay shipbuilder, Hodgdon Yachts, to launch high-end, industry-related marine craft. Environmental Impact: H Potential Jobs Created: M | Town of Boothbay, Hodgdon Yachts | \$350,000 | EDA, State, MADA | Summer 2003 – Complete. |
| C6. Midsize Shipbuilding Facility – Develop facility to facilitate and increase shipbuilding cluster. Environmental Impact: H Potential Jobs Created: M | City of Bath | n/a | State, EDA, Private | 2004 – Identify potential sites for development. |

Key: *Environmental Impact:* +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal D – Expand Research and Development | | | | |
|--|---------------------------------------|-----------------------|---|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| D1. Prototype Shipbuilding Facility – Create facility in the midcoast region to facilitate research and development capabilities. <i>Environmental Impact: L</i> <i>Potential Jobs Created: M</i> | MCBDP and LCEDO | \$2.4 million | DOD, EDA, Bath Iron Works | 2004 – Identify potential sites for development. |
| D2. Ocean Sciences Research and Education Facility – Expand research facilities for Bigelow’s planned relocation to East Boothbay. <i>Environmental Impact: L</i> <i>Potential Jobs Created: M</i> | Bigelow Laboratory for Ocean Sciences | \$15 million | Bigelow, Private, Foundations, EDA, State | 2003-2006 |
| D3. GOMOOS/Darling Marine Center Expansion – Create marine-related development jobs. <i>Environmental Impact: L</i> <i>Potential Jobs Created: M</i> | Darling Marine Center | \$3-5 million | EDA, State, Private | 2004+ |
| D4. Biodiesel Production Facility – Establish, promote, and implement a midcoast Maine biodiesel fuel project that demonstrates the efficient use of biomass energy resources and technologies. <i>Environmental Impact: +</i> <i>Potential Jobs Created: S</i> | Chewonki Foundation | \$2.4 million | State, EDA, Private | 2002-2003 |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal E – Expand Tourism | | | | |
|---|---------------------------|----------------|---|---|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| E1. Conference and Convention Center – Develop medium-sized midcoast conference and convention center. Environmental Impact: L Potential Jobs Created: M | Midcoast EDD | \$1-3 million | EDA, State, Local, Private | 2003-2005 – Develop feasibility study. |
| E2. Maine State Music Theater Facility – Expand capacity of the State Music Theater. Environmental Impact: N Potential Jobs Created: S | Maine State Music Theater | \$200,000 | Maine Arts Commission, Foundations, Private | 2003 – Identify sites and relocate. |
| E3. Cultural Heritage Tourism Program - Connect tourism to the arts and culture heritage to extend the tourism season. Environmental Impact: N Potential Jobs Created: S | MCBDP and LCEDO | \$100,000 | Maine Arts Commission, Foundations, Private, DECD | January 2004 – Create program for 2005 season. |
| E4. Chocolate Church Renovations – Expand seating capacity. Make structural improvements to increase access to cultural events. Environmental Impact: N Potential Jobs Created: S | Chocolate Church | n/a | Maine Arts Commission, Foundations, Private | 2003 – Develop improvement plan. |
| E5. Midcoast Tourism Council Office – Develop a tourism marketing office to compete more effectively with international travel, as well as with tourism to other coastal Maine destinations. Environmental Impact: N Potential Jobs Created: S | Midcoast Chambers | \$200,000 | EDA, State | 2002-2005 – Identify locations, develop plans, funding for staff. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal F – Strengthen Traditional Industries | | | | |
|--|------------------|------------------------|---|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| F1. Agricultural Promotion Program – Develop new marketing opportunities for the midcoast agriculture community to sell its products and services locally and nationally. Environmental Impact: N Potential Jobs Created: S | LCEDO and MCBDP | \$75,000- \$100,000 | USDA, RHED, DECD, Regional | 2004 – Develop promotional plan for 2005 season. |
| F2. Farmers Cooperative – Develop a farmers’ cooperative to increase marketing economies of scale opportunities for small local farms. Environmental Impact: N Potential Jobs Created: S | LCEDO and MCBDP | n/a | USDA, RHED, DECD, Regional | 2005+ – Identify site, funding, and operations requirements. |
| F3. Farmers’ Markets – Provide funding for an expansion of farmers’ markets throughout the midcoast’s towns and village centers. Environmental Impact: N Potential Jobs Created: S | n/a | n/a | USDA, RHED, DECD, Regional | 2004 – Develop promotional plan for 2005 season. |
| F4. Art Museum – Promote the region’s rich cultural life with the development of a regional arts museum. Environmental Impact: L Potential Jobs Created: S | n/a | n/a | Maine Arts Commission, Foundations, Private | 2006+ |
| F5. Crafts Cooperative - Develop a cooperative to increase marketing opportunities for local artists. Environmental Impact: N Potential Jobs Created: S | n/a | n/a | Maine Arts Commission, Foundations, Private | 2004 – Identify site, funding, and operations. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal G – Build a Skilled and Educated Workforce | | | | |
|--|---|-----------------------|----------------------------------|---|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| G1. Midcoast Center for Higher Learning – Provide start-up funding for the center in which to develop and emphasize integrated and coordinated post-secondary programs that are accessible and attractive to the workforce. <i>Environmental Impact: L</i> <i>Potential Jobs Created: S</i> | University, Technical College | \$2.4 million | EDA, DECD, Private, Regional | 2002-2004 – Develop concept, site, plans, and construction. |
| G2. Early Care and Education Centers – Develop and expand early care and education centers in which to facilitate and support early care and education for preschoolers. <i>Environmental Impact: N</i> <i>Potential Jobs Created: S</i> | Family Focus | \$1.4 million | USDA, CEI, EDA | 2002-2004 |
| G3. Hospitality Program – Create hospitality industry curriculum and develop training opportunities in the hospitality sector to support and sustain labor demand for the tourism industry. <i>Environmental Impact: N</i> <i>Potential Jobs Created: S</i> | University, Technical College, Adult Education, and the Lincoln County Business Education Partnership | n/a | EDA, Local, Regional | 2004 – Identify partners, develop curriculum for fall 2005. |
| G4. Connecting Education to Jobs Program – Support school-to-career bridges by developing programs to connect education to the job market. <i>Environmental Impact: N</i> <i>Potential Jobs Created: N</i> | Local high school | n/a | Departments of Labor & Education | 2005+ – Identify partners, develop curriculum. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|--|---|-----|--------------------------------|--|
| G5. Learning Communities Program – Expand concept of lifelong learning throughout region with weekend seminars, evening courses, or one-time programs. Environmental Impact: N Potential Jobs Created: S | University, Technical College, Adult Ed., & the Lincoln County Business Education Partnership | n/a | Department of Education Grants | 2004+ – Identify partners, develop curriculum. |
| G6. Entrepreneurship Education Program – Integrate entrepreneurship education into education system. Strengthen current programs to effectively support micro-businesses at different stages of development and to respond to needs of different populations. Environmental Impact: N Potential Jobs Created: S | University, Technical College, Adult Education, and the Lincoln County Business Education Partnership | n/a | Chamber of Commerce | 2004+ – Develop curriculum for 2005. |

| Goal H – Invest in City, Town, and Village Centers | | | | |
|--|----------------------------|----------------|-------------------------------|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| H1. Main Street Program Expansion – Maximize use of Maine’s Main Street funding and programming throughout midcoast towns. Environmental Impact: N Potential Jobs Created: S | Midcoast towns | \$300,000 | MDF, Local, CDBG | Fall 2003 – Promote program for 2004 CDBG funding cycle. |
| H2. Tax Increment Financing for Downtown Housing – Educate towns in the use of tax increment financing to support downtown housing programs by helping them establish policies and districts. Environmental Impact: N Potential Jobs Created: S | MCBDP, CEI, Lincoln County | n/a | Maine State Housing Authority | 2004 |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|--|----------------------|----------------|----------------------------|--|
| H3. Damariscotta Downtown Revitalization – Support ongoing partnership between the town and the state’s Department of Transportation and Community Development Office to create and implement a downtown revitalization plan that maximizes seasonal and year-round businesses and increases downtown affordable housing. Environmental Impact: N Potential Jobs Created: S | Town of Damariscotta | \$10 million | EDA, State | 2003 – Complete Downtown plan with CDBG funding. 2004 +- Coordinate downtown improvements with MDOT, CDBG, and other funding sources. |
| H4. Wiscasset Waterfront Redevelopment – Support Wiscasset’s waterfront redevelopment to maximize the town’s vision and resources. Environmental Impact: N Potential Jobs Created: S | Town of Wiscasset | \$6-10 million | State, EDA, local, private | 2004-2006 |
| H5. Topsham Park and Performance Center – Develop site to offer recreation and cultural activities and enhance quality of life for area residents and visitors. Environmental Impact: L Potential Jobs Created: S | Town of Topsham | \$500,000 | State, EDA, local, private | 2004 – Develop site plans, start construction. |
| H6. Topsham Lower Village Redevelopment – Support downtown revitalization efforts to facilitate and enhance economic opportunities. Environmental Impact: L Potential Jobs Created: S | Town of Topsham | n/a | State, EDA, local, private | 2002 – Obtain town approval, develop site plans. |
| H7. Downtown Hotel – Develop hotel to provide additional lodging accommodations to support tourism, organized groups and events. Environmental Impact: L Potential Jobs Created: M | City of Bath | n/a | EDA, local, private | 2003+ – Identify partners, site and permitting. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;
 Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal I – Create Affordable Housing | | | | |
|--|------------------|-----------------------|----------------------------------|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| I1. Boothbay Workforce Rental Housing – Develop workforce housing in Boothbay. Environmental Impact: L Potential Jobs Created: S | Town of Boothbay | \$4.2 million | CEI, MSHA, EDA | 2003-2004 |
| I2. Inclusionary Zoning Infrastructure Pilot Project – Develop infrastructure for inclusionary zoning in midcoast towns. Environmental Impact: L Potential Jobs Created: N | Midcoast towns | \$50,000 | DECD, MSHA, EDA | 2004 – Develop study. |
| I3. Smart Codes – Develop ‘smart codes’ for new residential construction in midcoast towns. Environmental Impact: L Potential Jobs Created: N | Midcoast towns | \$50,000 | DECD, MSHA, EDA, SPO | 2004+ |
| I4. Mobile Home Replacement Housing Program – Create replacement housing programs for substandard mobile homes. Environmental Impact: N Potential Jobs Created: N | MCBDP & LCEDO | \$500,000 | MSHA, State, local | 2005 - Identify partners, funding sources. |
| I5. Supportive Housing for People with Disabilities – Acquire and rehab 4-8-unit project in partnership with service provider to create permanent housing for disabled clients. Environmental Impact: L Potential Jobs Created: S | CEI | \$500,000 | CEI, MSHA, EDA | Fall 2003 – Acquisition. Winter/Spring 2003-2004 – Rehab. Summer 2004 – Occupancy. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|--|-----|-----------|----------------------|-----------|
| I6. Soft Second Mortgage Fund – Create a soft second mortgage program for low and moderate-income homebuyers. <i>Environmental Impact: N</i> <i>Potential Jobs Created: N</i> | CEI | \$500,000 | CEI, MSHA, FHLB, EDA | 2003-2008 |
|--|-----|-----------|----------------------|-----------|

| Goal J – Create an Efficient Transportation Infrastructure | | | | |
|--|-------------------|-----------------------|----------------------------------|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| J1. Portland to Brunswick to Topsham to Richmond Rail – Develop plan for an integrated rail system for the region. <i>Environmental Impact: L</i> <i>Potential Jobs Created: M</i> | MCBDP and LCEDO | n/a | MDOT, EDA, Federal, State, Local | 2004 – Obtain funds for feasibility study. 2005 – Implement plan. |
| J2. Newcastle Passenger Train Station – Develop village train station to support expansion of midcoast train network. <i>Environmental Impact: L</i> <i>Potential Jobs Created: S</i> | Town of Newcastle | \$800,000 | State, EDA | 2003-2004 |
| J3. Brunswick Train Station Redevelopment – Redevelop train station to support plan for an integrated rail system for the region. <i>Environmental Impact: L</i> <i>Potential Jobs Created: S</i> | Town of Brunswick | \$10-15 million | State, EDA | 2002-2005 – Develop site plans. |
| J4. Seasonal Rail-to-Ferry Facility – Support high-speed ferries and ferry facilities. <i>Environmental Impact: L</i> <i>Potential Jobs Created: S</i> | Town of Wiscasset | \$200,000 | State, EDA | 2002-2004 |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|---|--|---------------|-----------------------|---|
| J5. High-Speed Ferry – Support high-speed ferries and ferry facilities. <i>Environmental Impact: L</i> <i>Potential Jobs Created: S</i> | n/a | n/a | Federal, State, Local | 2004+ |
| J6. Airport Park and Ride Station – Develop park and ride station to connect regional airport with increased commercial development. <i>Environmental Impact: +</i> <i>Potential Jobs Created: N</i> | Town of Wiscasset | \$1.2 million | State, EDA | 2002-2004 |
| J7. Rte. 27 Corridor Access Management Study – Support economic development infrastructure recommendations from the recently completed and approved Study. <i>Environmental Impact: +</i> <i>Potential Jobs Created: N</i> | Towns of Edgecomb, Boothbay, Boothbay Harbor | \$100,000 | MDOT | Fall 2002 – Complete study. Spring 2003 – Infrastructure survey complete. 2004 - Implement recommendations. |

| Goal K – Develop a Strong Telecommunications System | | | | |
|---|------------------|-----------------------|---|-------------------|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| K1. High-Speed Internet Access Expansion – Increase broadband high-speed Internet access by expanding local Internet service providers' access to infrastructure capital for expansion of service. <i>Environmental Impact: L</i> <i>Potential Jobs Created: M</i> | LCEDO | n/a | Federal, State, Local, local Internet Service Providers and Telecommunications Companies. | 2002+ |

Key: *Environmental Impact:* +=Positive, N=None, L=Low, H=High;
Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal L - Promote and Capitalize on BIW and BNAS | | | | |
|--|-------------------|----------------|---------------------------|---|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| L1. BNAS Dual Use Study - Update study to identify opportunities for joint use to support and sustain the base. <i>Environmental Impact: L</i> <i>Potential Jobs Created: M</i> | Town of Brunswick | \$50,000 | DOD, State, EDA, local | 2003 - Obtain funds to update study. |
| L2. BNAS Task Force - Support the Task Force with resources and funding for 2005 Base Closure process and to update report to defend against closure in potential BRAC proceedings. <i>Environmental Impact: N</i> <i>Potential Jobs Created: M</i> | Town of Brunswick | n/a | DOD, State, EDA | January 2003 - Obtain funds to update report, support task force efforts. |
| L3. BIW Local Vendor Program - Expand local vendor opportunities at BIW and increase level of local suppliers. <i>Environmental Impact: N</i> <i>Potential Jobs Created: S</i> | MCBDP | n/a | DOD, State, EDA | 2004+ - Identify vendors. |

Key: Environmental Impact: +=Positive, N=None, L=Low, H=High;

Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| Goal M – Regional Capacity for Economic Development Planning | | | | |
|--|----------------------------------|----------------|---------------------------|---|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| M1. CEDS Planning Grant – Apply for planning grant for annual update of the CEDS. This funding will help integrate a regional economic plan across all social, economic, and business development organizations. The plan will capitalize on opportunities to develop regional solutions. Environmental Impact: N Potential Jobs Created: S | Midcoast EDD | \$50,000 | EDA | July 2002 - Create strategy committee to develop CEDS. |
| M2. Midcoast Economic Development District – Support this new midcoast community and economic development regional approach for developing innovative, collaborative, and cost sharing and saving opportunities to access federal resources. Environmental Impact: N Potential Jobs Created: S | MCBDP and Lincoln County | \$50,000 | EDA | Spring 2003 – Strategy fully approved. Summer & Fall 2003 – Complete full EDD application. Fall/Winter 2003 – Submit EDD application. |
| M3. Regional Development Corporation – Create a regional development corporation to develop industrial parks where a local economic development group is lacking. Environmental Impact: N Potential Jobs Created: M | Regional Development Corporation | n/a | EDA, DECD, Local | 2004+ |
| M4. Regional Transportation Authority – Create a regional group for the purpose of planning for key investments in roads, trains, waterfronts, and trails, and to apply for grants and bonds to implement those decisions. Environmental Impact: N Potential Jobs Created: S | MCBDP and Lincoln County | n/a | MDOT, EDA, Local | 2004+ |

Key: *Environmental Impact:* +=Positive, N=None, L=Low, H=High;
Potential Jobs Created: N=None, S=Small Scale (<100), M=Major Employer (>100), R=Regional Employer (>500)

| | | | | |
|---|--------------------------------|--------------|------------|-------------------------|
| M5. Joint County Jail – Support future infrastructure development of an ongoing regional approach towards reducing recidivism among the counties’ short-term incarcerated populations. <i>Environmental Impact:</i> L <i>Potential Jobs Created:</i> S | Lincoln and Sagadahoc Counties | \$18 million | State, EDA | 2003+ – Identify sites. |
|---|--------------------------------|--------------|------------|-------------------------|

| Goal N – Balance Development and Growth | | | | |
|---|--------------------------------|----------------|---------------------------|--|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| N1. Regional Bikeway and Walkway Plan – Develop and expand regional bikeways and walkways. <i>Environmental Impact:</i> L <i>Potential Jobs Created:</i> N | MCBDP and LCEDO | \$300,000 | MDOT, Private, regional | September 2004 – Identify bikeways, walkways. |
| N2. Park and Recreation Inventory – Develop a shared inventory of parks and recreational areas and create a regional recreation plan with interlocal agreements. <i>Environmental Impact:</i> N <i>Potential Jobs Created:</i> N | Lincoln and Sagadahoc Counties | n/a | State, Private, Regional | March 2004 – Secure funds for inventory study. |

B. Project Priority List

Strategy Committee members prioritized projects that would fit with action plans and strategies and fulfill goals. After review and discussion of the projects, committee members voted on the projects that would contribute the most economic benefit to the region. The priority projects as selected by the Strategy Committee are presented below in priority order, with the first project being the highest priority.

| Project Priority List | | | | |
|--|---------------------------------|-----------------------|-----------------------------------|-------------------|
| Project Description | Applicant | Estimated Cost | Potential Source of Funds | Time Frame |
| E1. Conference and Convention Center – Develop a midcoast medium-sized conference and convention center. | Midcoast EDD | \$1-3 million | EDA, State, Local, Private | 2003-2005 |
| D1. Prototype Shipbuilding Facility – Create facility in the midcoast region to facilitate research and development capabilities. | MCBDP and LCEDO | \$2-4 million | EDA, DECD, DOD, Private, Regional | 2004+ |
| M1. CEDS Planning Grant – Apply for planning grant for annual update of the CEDS. This funding will help integrate a regional economic plan across all social, economic, and business development organizations. The plan will capitalize on opportunities to develop regional solutions. | Midcoast EDD | \$50,000 | EDA | 2002 |
| N1. Regional Bikeway and Walkway Plan – Develop and expand regional bikeways and walkways. | MCBDP and LCEDO | \$2-4 million | MDOT, Private, Regional | 2004+ |
| G1. Midcoast Center for Higher Learning – Provide start-up funding for the center in which to develop and emphasize integrated and coordinated post-secondary programs that are accessible and attractive to the workforce. | Bath Center for Higher Learning | \$2-4 million | EDA, DECD, Private, Regional | 2003 – Complete. |
| I1. Boothbay Workforce Rental Housing – Develop workforce housing in Boothbay region. | CEI | \$4-5 million | MSHA, CEI, EDA | 2003 |
| G2. Early Care and Education Centers – Develop and expand early care and education centers in which to facilitate and support early care and education for preschoolers. | Family Focus | \$1.4 million | USDA, CEI, EDA | 2002-2004 |

| | | | | |
|--|--|-----------------------|---|--|
| A1. Women's Business Center Expansion – Support women-owned small businesses by building peer-to-peer networks and outreach to small rural communities. | CEI | \$300,000 | CEI, SBA, EDA, Private | Spring 2003 – CDBG matching funds applied for Summer/Fall. 2003 – Increase TA. 2004 – Access EDA and CDBG funding to expand midcoast presence. |
| F1. Agricultural Promotion Program – Develop new marketing opportunities for the midcoast agriculture community to sell its products and services locally and nationally. | LCEDO and MCBDP | \$75,000-\$100,000 | EDA, USDA, RHED, DECD, regional | 2003 |
| H1. Main Street Program Expansion – Maximize use of Maine's Main Street funding and programming throughout midcoast towns. | Towns | \$300,000 | EDA, MDF, Local, CDBG | 2004 |
| K1. High-Speed Internet Access Expansion – Increase broadband high-speed Internet access by expanding local Internet service providers' access to infrastructure capital for expansion of service. | LCEDO | n/a | EDA, State, Local, Private, Local Internet Service Providers and Telecommunications Companies | 2003+ |
| L1. BNAS Dual Use Study – Update study to identify opportunities for joint use to support and sustain the base. | Town of Brunswick | \$50,000 | EDA, DOD, State, Local | 2003 |
| A2. Microenterprise Fund for Low-Income Business Owners – Increase access to small midcoast businesses (a region where two of every three businesses employs four or fewer people). | CEI | \$500,000-\$1 million | EDA, SBA, CDBG | 2003 |
| B2. Maine Yankee Redevelopment – Support public infrastructure improvements to the Maine Yankee property to encourage redevelopment of the site. Significant infrastructure improvements include major improvements to the existing road structure on or near the site, possibly new roads to service the development and improvements to sanitary and water systems. | Wiscasset Regional Redevelopment Corporation | \$50-100 million | WRDC, EDA, State, Private Investment | 2002 – 2003 – Organize and incorporate development corporation. 2003 – Complete & publicly approve redevelopment concept & and receive HUD funding. 2003-2004 – Apply for grants for infrastructure development. |

| | | | | |
|--|--|---|---|-----------|
| Redevelopment of Commercial Property including: B1. Aviation Industrial Park B8. Etonic Mill B7. EnvisioNet buildings | Wiscasset FAA, Town of Richmond, Town of Brunswick | \$4.5 million \$500,000 \$500,000 | Federal, State, Local | 2003-2004 |
| D2. Ocean Sciences Research and Education Facility – Expand research facilities for Bigelow's planned relocation to East Boothbay. | Bigelow Laboratory for Ocean Sciences | \$15 million | Bigelow, Private, Foundations, EDA, State | 2002-2006 |
| I2. Inclusionary Zoning Infrastructure Pilot Project – Develop infrastructure for inclusionary zoning in midcoast towns. | Towns | \$50,000 | DECD, MSHA, EDA | 2004+ |
| E2. Maine State Music Theater Facility – Expand the capacity of the Maine State Music Theater. | Maine State Music Theater | \$200,000 | Maine Arts Commission, Foundations, Private | 2004 |
| J1. Portland to Brunswick to Topsham to Richmond Rail - Develop plan for an integrated rail system for the region. | MCBDP, LCEDO, and Town of Newcastle | \$300,000+ | Federal, State, Local | 2003+ |

Part IV: EVALUATION

A. Process

The midcoast CEDS Advisory Committee will hold an annual meeting (or series of meetings) to evaluate progress in the past year and to set new priorities for the coming year.

The evaluation/priority setting process will proceed as follows:

1. The CEDS Committee will review measurable progress on its six overarching *objectives* (see chart below). This will provide an overview to the Committee on where the region is going, and provide a general context for reviewing performance within each of the 14 goal areas.

| OBJECTIVES | Most recent data (and date) | 2003 to date | 2003 target | 2012 target | Data source |
|--|-----------------------------|--------------|-------------|-------------|---|
| 1. Total covered employment | 39,830 (2001) | n/a | 40,000 | 45,000 | Maine Department of Labor |
| 2. Per capita income % of US average | 89% (1999) | n/a | 90% | 95% | US Census |
| 3. Average wage and salary income % of US average | 82% (1999) | n/a | 85% | 90% | Maine Department of Labor |
| 4. Worker participation in continuing education | 31.9% (2001) | n/a | 33.3% | 40% | Center for Business, University of Southern Maine |
| 5. Total number of businesses (Sagadahoc and Lincoln Counties) | 2,077 (1999) | n/a | 2,100 | 2,500 | County Business Patterns, US Census |
| 6. Percentage of population in city, town, and village centers | 69.2% (2000) | n/a | 70% | 75% | Maine State Planning Office |

2. Next, the CEDS Committee will review measurable progress on achieving its 14 *goal benchmarks*. A series of benchmarks is proposed for reviewing these areas (see Part B of this section below). The benchmarks will be researched in the coming year of the CEDS program, and baseline data will be available for the 2004 update.

3. With the economic information as background, the CEDS Committee will then review *progress on implementing the priority projects* contained in this plan. If the priority projects have been implemented, yet the region's economic objectives and the goal benchmarks do not show improvement, then there can be a discussion of whether indeed the right projects are on the list. For projects not implemented, the reasons why will be evaluated, and some may drop off the list at this point.
4. Finally, the CEDS Advisory Committee will revisit the priority list in light of the new information. Do new projects need to be added? Do some goal areas and projects fall in terms of priority because of changes in the economy? Do others rise in priority? Where are the new opportunities?

After a discussion of all of these factors, CEDS Advisory Committee members will go through a voting process similar to the one used in this plan to identify priority projects for the coming year.

Staff from the Lincoln County Economic Development Office and the MidCoast Council for Business Development and Planning will staff the update process.

B. Possible Goal Benchmarks

Associated with each goal are benchmarks to identify whether outcomes are achieved. The purpose is to measure how successful the midcoast region is in achieving its economic goals. For the first year of the CEDS the benchmarks should be used as instruments of inquiry; in other words, the best available data should be gathered. As the CEDS is refined each year, the benchmarks (and goals) can be adjusted. The proposed benchmarks include:

Goal A – Grow Small Business Entrepreneurship

- Number of net new businesses in the region (county business patterns).

Goal B – Develop and Redevelop Commercial Property and Infrastructure

- Number of square feet of current vacant space at Maine Yankee, Etonic Mill, and EnvioNet sites that have been leased (local data).
- Rate of increase of commercial space added in industrial parks (local data).

Goal C – Strengthen Marine and Maritime Infrastructure

- Value of landings (Maine Dept. of Marine Resources).
- Value of food processing (census of manufacturing).
- Employment in shipbuilding net of BIW (Maine Dept. of Labor)

Goal D – Expand Research and Development Activities

- Number of jobs in research and development industries (Maine Dept. of Labor).
- Federal funding for research and development (Census Consolidated Federal Funds Report).

Goal E – Expand Tourism to Year-Round

- Restaurant and lodging sales generated in September through May as a percentage of annual sales (Maine Retail Sales Quarterly Report).
- Seasonal unemployment rates (Maine Dept. of Labor).

Goal F – Strengthen Other Traditional Industries

- Number of farmers markets (local data).
- Number of acres in productive farmland (U.S.D.A. Census of Agriculture).
- Value of agricultural products sold (U.S.D.A. Census of Agriculture).

Goal G – Build a Skilled and Educated Workforce

- Percentage of people with college degrees (U.S. Census).
- Day care slots to births over last 5 years (local data and Vital Statistics).
- Percentage of children entering kindergarten with pre-literacy skills (Muskie School Maine Roads to Quality and Success by Six).
- Percentage of workers making a living wage (Maine Dept. of Labor).

Goal H – Invest in City, Town, and Village Centers

- Number of new Main Street programs started (local data).
- Number of CDBG Downtown Revitalization grants awarded in area (Maine Department of Economic and Community Development).
- Number of downtown and Main Street associations formed (local data).

Goal I – Create Affordable Housing

- Number of First-Time Homebuyer Loans closed (Maine State Housing Authority).
- Homeownership affordability index (Maine State Housing Authority).
- Renter affordability index (Maine State Housing Authority).
- Percent of homes built in service center communities (Maine State Housing Authority).

Goal J – Create an Efficient Transportation Infrastructure

- Creation of passenger rail service (local data).
- Commuter time to work (U.S. Census).
- Number of trips with alternative modes of transportation. (Maine Dept. of Transportation).

Goal K – Develop a Strong Telecommunications System

- Number of businesses using high-speed Internet access (Internet provider survey).

Goal L – Promote and Capitalize on BIW and BNAS

- Employment at BIW and BNAS (local data).
- DOD contracts awarded to BIW (U.S. Census Consolidated Funds Report).
- Number and dollar amount of subcontracts from BIW to local businesses (BIW).

Goal M – Coordinate and Strengthen Regional Capacity for Economic Development Planning

- Formation of Economic Development District.
- Receipt of annual EDA planning grants.

Goal N – Balance Development and Growth

- Commuting distance to work (U.S. Census).
- Percent of people who walk to services in their communities (Maine Development Foundation Annual Survey of Maine Citizens).

APPENDIX A: COMMUNITY PARTICIPATION

2002-3 Midcoast Economic Strategy Committee

The Strategy Committee represents all major interests in the region and takes advantage of local skills and resources. It includes representation from local governments, business, industry, finance, agriculture, the professions, organized labor, utilities, education, community organizations, public health agencies, the aged and women. Due to the scarcity of non-White residents in the region (97% White) the Strategy Committee was unable to find a willing, qualified minority to serve on the committee. Outreach to minorities will be performed to ensure adequate representation in the future. Members were selected for their leadership capabilities, their future roles in implementing a CEDS, and their ability to link employment, training, and the community. A list of Strategy Committee members is attached.

Meetings

Seven Strategy Committee meetings were held beginning in November 2001 and continuing through March of 2003. The purpose of the meetings was to develop a comprehensive economic development strategy for the midcoast region. The Lincoln County Economic Development Office, MidCoast Business Planning and Development, and Planning Decisions, Inc, assisted them. The U.S. Economic Development Administration provided funding assistance. Agendas, minutes, and sign-in sheets for all meetings are attached. All meetings were open to the public. Press was invited to all meetings.

In addition, two public forums were held around the comprehensive economic development strategy. These forums were co-sponsored by the Damariscotta Chamber of Commerce and the Boothbay Harbor Region Chamber of Commerce. These meetings were an attempt to reach out to those who may be affected by the economic development strategy but were unable to participate in the Strategy Committee meetings. Comments from the forums were incorporated into the final report. A list of attendees and a summary of the public forums are attached.

2002 MIDCOAST MAINE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY COMMITTEE

| | Last | First | Company/Organization |
|-------------------------------|-------------|--------------|--|
| Co-Chairs | Blodgett | Bill | Lincoln County Commissioners |
| | Doughty | Alan | Bath Iron Works |
| Local Government | Smith | Lee | Town of Waldoboro |
| | Anderson | John | Town of Boothbay |
| | Hample | Frank | Town of Somerville |
| | DeVecchio | John | Town of Whitefield |
| | Bubier | John | City of Bath |
| | Gerrish | Don | Town of Brunswick |
| | Rice | Mike | Town of Phippsburg |
| | Robbins | Jay | Town of Richmond |
| | Luke | Keith | Topsham Development, Inc. |
| Business & Industry | Pennington | Sam | The Maine Antique Digest |
| | Patch | Dave | Technology Systems, Inc. |
| | Kleinstiver | Jaimie | Boothbay Harbor Region Chamber of Commerce |
| | Tetrev | Rick | BNAS Task Force |
| | Burgess | Keith | Maine Composites |
| Agriculture/Natural Resources | Sergeant | George | Maine Organic Farmers & Growers Association Morris Farm |
| Education | Luke | Peggy Schick | Bowdoin College |
| Organized Labor | Portela | John | Local S-6 |
| Utilities | Manning | Shirley | Tidewater Telecom, Inc. |
| Employment & Training | Kearny | Kathleen | Coastal Enterprises, Inc. |
| | Broussard | Tom | Career Prospects |
| Community Organizations | Phillips | Ron | Coastal Enterprises, Inc. |
| Public Health | Farrell | Colleen | Mid Coast Hospital |
| | Pinkham | Peggy | St. Andrews Hospital and Health Care Center |
| Women | Golden | Ellen | Coastal Enterprises, Inc. |
| | Vitelli | Eloise | Maine Center for Women, Work, and Community |
| | Hennin | Patsy | Shelter Institute |
| Elderly | McPherson | Beth | Genesis Fund, Inc. |
| Professionals | Finnegan | Mike | Maine State Housing Authority |
| | Hall | Chris | Maine State Representative |
| | Harrison | Paul | Lincoln County Economic Development Office |
| | Sneddon | Jeff | MidCoast Council for Business Development & Planning |

2002 Midcoast Economic Strategy Committee

AGENDA

Wednesday, November 28, 2001

7:00-9:00 p.m.

Lincoln County Communications Building

Route 1

Wiscasset, ME

Agenda Topics

Welcome and Introductions

- Bill Blodgett and Alan Doughty, 2002 Midcoast Economic Strategy Committee co-chairs

Purpose of Committee

- Paul Harrison, Lincoln County Economic Development Office; and Jeff Sneddon, MidCoast Council for Business Development and Planning

Economic Strategy Process

- Sandy Blitz, consultant and former U.S. Economic Development Administration representative

Timeline for Development of Strategy

- Valerie Iverson, Planning Decisions

Next Meetings

- Valerie Iverson, Planning Decisions

2002 Midcoast Economic Strategy Committee

Meeting Minutes November 28, 2001

Attendees: Alan Doughty, Bill Blodgett, Jeff Sneddon, Paul Harrison, Keith Luke, Peggy Schick Luke, Samuel Pennington, Lee Smith, John DeVecchio, John Anderson, Jaimie Kleinstiver, Roxanne Andrews, Stephen Cole, George Sergeant, John Portela, Kathleen Kearney, Ellen Golden, Don Gerrish, Chris Hall, Tom Broussard, Eloise Vitelli, Michael Rice, John Bubier, Jay Robbins, David Patch, Keith Burgess

Staff: Frank O'Hara and Valerie Iverson, Planning Decisions, Sandy Blitz, Emesbee Associates

Guests: Charlotte Boynton, Wiscasset Newspaper, and Chris Cousins, Times Record

Bill Blodgett and Alan Doughty, co-chairs, opened the meeting by welcoming the committee. The committee introduced themselves and answered the question, "What are the major economic issues facing the midcoast region?"

- Two sectors in the region to exploit: composites and information technology
- Move away from the Route 1 mentality and move people around the region
- The region is the only area of the state without a Comprehensive Economic Strategy-fill this hole and become the last Economic Development District in Maine
- Growth in elderly population-seniors aging in place, retirees moving in, assisted living need
- Education-creating a technical college in Bath and helping people stay in the region
- Taxes on waterfront property
- Regionalization of services-schools, solid waste, etc.
- Workforce development
- Bring Lincoln, Sagadahoc, and Brunswick together
- Micro business development
- Women's business development
- An environment that supports entrepreneurship
- Livable wage jobs-higher wages and benefits
- Affordable housing-the young are being displaced
- Sustainable agriculture-sustainable for the environment and the farmer
- Aquaculture
- Boat building
- Maine Yankee redevelopment
- Regional transportation
- Many seasonal businesses-need for year-round businesses, diversification

- Transportation infrastructure-transportation of goods and services
- High-speed Internet capacity
- Quality of life and environment
- Strong downtowns in region
- Marine resources
- Attract CEOs for the quality of life-“go to the country clubs”
- Develop a unified voice in Augusta
- Region is attractive to live in for young, families
- Training opportunities
- Energy
- Historic features ~ architecture, sense of place
- Arts, culture
- New capital
- Support existing economic drivers ~ defense, tourism, retirement
- Re-capitalize commercial fishing industry
- Dependent care

Paul Harrison, Lincoln County Economic Development Office and Jeff Sneddon, MidCoast Council for Business Planning and Development, gave an overview of their organizations and their roles in developing a regional economic strategy.

Sandy Blitz, staff, gave a review of the economic strategy process. Two examples of projects that received funding from the U.S. Economic Development Administration as a result of an economic strategy are the Bates Mill in ‘ and a skilled training center in Millinocket.

Valerie Iverson, staff, reviewed the timeline for the development of an economic strategy.

Next meetings were established. All meetings will be held at 7:30 a.m. on the following dates:

Thursday, January 31, 2002, 7:30 a.m.

Thursday, March 21, 2001, 7:30 a.m.

Thursday, April 25, 2001, 7:30 a.m.

Thursday, June 6, 2001, 7:30 a.m.

The January 31st meeting will be held at Curtis Memorial Library in Brunswick. Future meetings locations will be determined at a later date.

2002 Midcoast Economic Strategy Committee

AGENDA

Wednesday, January 31, 2002

7:30-9:00 a.m.

Curtis Memorial Library

23 Pleasant Street

Brunswick, Maine

Agenda Topics

Welcome and Introductions

- Paul Harrison, Lincoln County Economic Development Office and Jeff Sneddon, MidCoast Council for Business Development & Planning

Approval of Minutes

- Valerie Iverson, Planning Decisions

Local Announcements

Economic Base Report

- Chuck Lawton, Planning Decisions

Identify Topics for Sector Reports

- Valerie Iverson, Planning Decisions

Next Meeting

- Valerie Iverson, Planning Decisions

2002 Midcoast Economic Strategy Committee

Meeting Minutes

January 31, 2002

Attendees: Keith Burgess, Keith Luke, Peggy Schick Like, Eloise Vitelli, Virginia Powers, Stephen Cole, John Portela, John Anderson, Jaimie Kleinstiver, Jim Unker, Frank Hample, George Sergeant, Kathleen Kearney, Ellen Golden, Don Gerrish, Ron Phillips, John DelVecchio, Jeff Sneddon, Paul Harrison

Staff: Valerie Iverson and Chuck Lawton, Planning Decisions

The meeting was held from 7:30 to 9:10 a.m. at the Curtis Memorial Library in Brunswick. Jeff Sneddon and Paul Harrison filled in as co-chairs of the meeting. The committee introduced themselves and made local economic development announcements.

The minutes of the previous meeting were approved with a revision of adding “Dependent Care” to the list of economic issues facing the midcoast region.

Chuck Lawton of Planning Decisions distributed a report and made a presentation entitled, “An Economic Base Study of the midcoast Region”. The report reviewed where we are, who we are, what we do, and how we do it in regards to the economy of the midcoast region. The presentation was followed by a short discussion.

Valerie Iverson of Planning Decisions reviewed the list of economic issues/sectors identified by the committee at the previous meeting. There was a short discussion about ways to prioritize and categorize the issues. Various committee members selected economic sectors that they had expertise in and volunteered to prepare short Background Research Sector Reports. These sector reports will be presented at the next meeting and will serve as the foundation, along with the economic base study, to make informed decisions about economic strategies and projects.

Next meeting is Thursday, March 21, 2002, 7:30 a.m. to 9:00 a.m. at the Lincoln County Communications Building in Wiscasset.

2002 Midcoast Economic Strategy Committee

**Sponsored by the MidCoast Council for Business Development & Planning and
the Lincoln County Economic Development Office**

AGENDA

Thursday, March 21, 2002

7:30-9:00 a.m.

Lincoln County Communications Building

Route 1

Wiscasset, ME

Agenda Topics

Welcome and Introductions 7:30-7:35

- Bill Blodgett and Alan Doughty, 2002 Midcoast Economic Strategy Committee co-chairs

Recap Process and Timeline 7:35-7:45

- Frank O'Hara and Valerie Iverson, Planning Decisions

Summary of Sector Reports 7:45-8:00

- Valerie Iverson, Planning Decisions

Exercise for Vision and Goals 8:00-9:00

- Frank O'Hara, Planning Decisions

2002 Midcoast Economic Strategy Committee

Meeting Minutes

March 21, 2002

Attendees: Bill Blodgett, Alan Doughty, Jay Robbins, Frank Hample, Patsy Hennin, Stephen Cole, Christa Baade (for Kathleen Kearney), John Portela, Ellen Golden, Chris Hall, Jaimie Kleinstiver, John Anderson, George Sergeant, Beth McPherson, Keith Luke, John DeVecchio, Jeff Sneddon, Paul Harrison

Staff: Valerie Iverson and Frank O'Hara, Planning Decisions

The meeting was held from 7:30 to 9:00 a.m. at the Lincoln County Communications Building in Wiscasset. Bill Blodgett and Alan Doughty co-chaired of the meeting. The committee introduced themselves.

Valerie Iverson recapped the process of developing a midcoast economic development strategy; reviewed the progress made to date; and reviewed the timeline for completing the strategy report. Due to the fact that the original schedule envisioned 2-hour night meetings, which was changed by the committee to 1½-morning meetings, the committee agreed to add another meeting on Thursday, May 9 at 7:30 a.m. At this meeting, the committee will review strategies and prioritize projects. The group is still on time to complete the strategy report and submit it to EDA in June 2002.

Valerie Iverson reviewed the issue reports received to date.

Frank O'Hara led the group in 2 exercises: What phrase would you use to describe how the region would look or feel, or what would be going on, if the region were thriving economically? Within the next year, what's the biggest, most important goal the area could achieve on its way to a vision? The input from the committee will be used to develop a vision statement, goals, and performance measures for the strategy report.

The meeting was adjourned at 9:00.

2002 Midcoast Economic Strategy Committee

AGENDA

Thursday, May 9, 2002

7:30-9:00 a.m.

Auditorium, Bath City Hall

Bath, ME

Agenda Topics

Welcome and Introductions 7:30-7:40

- Alan Doughty, 2002 Midcoast Economic Strategy Committee co-chair

Approval of Minutes 7:40-7:45

- Bill Blodgett, 2002 Midcoast Economic Strategy Committee co-chair

Review and Revise Vision Statement 7:45-8:00

- Valerie Iverson, Planning Decisions

Review and Revise Economic Goals 8:00-8:15

- Valerie Iverson, Planning Decisions

Review and Add Projects 8:15-8:45

- Frank O'Hara, Planning Decisions

Identify Priority Projects 8:45-9:00

- Frank O'Hara, Planning Decisions

2002 Midcoast Economic Strategy Committee

Meeting Minutes

May 9, 2002

Attendees: Rick Tetrev, Don Gerrish, Jeff Sneddon, Michael Finnegan, Alan Doughty, Bill Blodgett, Lee Smith, Frank Hample, George Sergeant, Paul Harrison, Beth McPherson, David Patch, Patsy Henin, Stephen Cole, Ellen Golden, Keith Luke, Peggy Shick Luke, John DeVecchio, Kathleen Kearney, John Bubier

Guests: Sharon Abair, Boothbay YMCA Child Care, Lee Parker, Family Focus

Staff: Valerie Iverson and Frank O'Hara, Planning Decisions

The meeting was held from 7:30 to 9:00 a.m. at the Bath City Hall in Bath. Bill Blodgett and Alan Doughty co-chaired of the meeting. The committee introduced themselves.

Minutes of the previous meeting were approved.

The committee made revisions to the Vision Statement.

The committee made revisions to the Economic Goals.

The committee reviewed and added economic projects to be accomplished under each goal. Committee members voted for their 10 most important projects for the region.

The meeting was adjourned at 9:00.

2002 Midcoast Economic Strategy Committee

**Sponsored by the MidCoast Council for Business Development & Planning and
the Lincoln County Economic Development Office**

AGENDA

Thursday, June 6, 2002

7:30-9:00 a.m.

**Lincoln County Communications Building
Route 1, Wiscasset, ME**

Agenda Topics

Introductions and Approval of Minutes 7:30-7:35

- **Bill Blodgett and Alan Doughty, 2002 Midcoast Economic Strategy Committee co-chairs**

Where are we ? 7:35-7:45

- **Valerie Iverson, Planning Decisions**

Project Priority List 7:45-8:00

- **Frank O'Hara, Planning Decisions**

Evaluation 8:00-8:15

- **Frank O'Hara, Planning Decisions**

Review Report 8:15-8:30

- **Frank O'Hara, Planning Decisions**

Vote of Approval 8:30-8:45

- **Frank O'Hara, Planning Decisions**

Next Steps 8:45-9:00

- **Frank O'Hara, Planning Decisions**

2002 Midcoast Economic Strategy Committee

Meeting Minutes

June 6, 2002

Attendees: Jeff Sneddon, Alan Doughty, Frank Hample, George Sergeant, Paul Harrison, Ellen Golden, John DelVecchio, Kathleen Kearney, John Portela, Jaime Kleinstiver

Staff: Valerie Iverson and Frank O'Hara, Planning Decisions

The meeting was held from 7:30 to 9:00 a.m. at the Lincoln County Communications Building in Wiscasset. Alan Doughty chaired the meeting.

Minutes of the previous meeting were unanimously approved.

The committee reviewed the project priority list. Maine Yankee Redevelopment was added to the priority list. Boothbay Workforce Housing was changed to Workforce Housing including workforce housing in Boothbay. The Portland to Richmond Rail and the Newcastle Train Station were combined. Aviation Park, Etonic mill redevelopment, and EnvisioNet redevelopment were incorporated into a new priority entitled Redevelopment of Commercial Property. The cost of the Bikeway/Walkway was increased to \$2-4 million. The project priority list with the revisions was unanimously approved.

The committee reviewed the Evaluation section of the report. The following performance measures were added:

- Goal 5 – Seasonal unemployment rates (Department of Labor)
- Goal 7 – Children entering kindergarten with pre-literacy skills (Muskie Institute, Maine Roads to Quality, Success by Six)
- Goal 7 – Number of jobs paying living wages (Department of Labor)
- Goal 8 – Number of CDBG Downtown Revitalization grants awarded (DECD)
- Goal 8 – Number of downtown and Main Street associations formed (local data)
- Goal 12 – Number and dollar amount of subcontracts from BIW to local businesses (BIW)

The performance measures with the revisions were unanimously approved.

The committee recommended the following revisions to the CEDS report.

- Add a section about three-phase power under the section: Other Factors Affecting Economic Performance.
- Add the public forum attendance list and summary of comments to Appendix A.

The Comprehensive Economic Development Strategy with the revisions was unanimously approved.

The meeting was adjourned at 8:40.

2002 Midcoast Economic Strategy Committee

Meeting Minutes

June 27, 2002

Attendees: Bill Blodgett, Alan Doughty, Jeff Sneddon, Don Gerrish, Frank Hample, George Sergeant, Paul Harrison, David Patch, John DeVecchio, Keith Luke, John Bubier, Jacqueline Wardell (for Ron Phillips), John Portela

Staff: Frank O'Hara, Planning Decisions

The meeting was held from 7:30 to 9:00 a.m. at the Brunswick Library. Bill Blodgett and Alan Doughty chaired the meeting.

Minutes of the previous meeting were unanimously approved.

The committee reviewed a memo from Frank O'Hara on a possible regional governance structure dated June 26, 2002. A discussion about the role of the organization ensued. Jeff Sneddon pointed out that the Steering Committee had approved a different sentence on page 3 of the memo. That sentence should read, "Within these general principles, the corporation is authorized to contract through the MidCoast Council for Business Development and Planning (MCBDP) and the Lincoln County Economic Development Office for the administration of the development district... etc." Jackie Wardell expressed concern that the role of the development district would grow in the future. Don Gerrish said that the district was designed as an "honest broker," and that trust would have to grow over time in each other. John Portela moved approval of the memo with Sneddon's correction; David Patch seconded the motion; the motion was approved unanimously.

There was a discussion about the procedure for going forward. O'Hara agreed that Planning Decisions would copy the plan for all committee members after it had been approved by the Lincoln County Commissioners and the Board of the MidCoast Council for Business Development and Planning. Bill Blodgett asked for a one-page summary for the Lincoln County Commissioners. Alan asked that a letter be prepared to thank committee members for their participation. O'Hara said he would prepare a draft by-laws for the new group and work with Harrison and Sneddon to transition administration to their respective groups.

Alan Doughty and Bill Blodgett thanked the group for their work. The meeting was adjourned at 9:00.

2002 Midcoast CEDS Community Forum Attendees May 22, 2002 and May 30, 2002

| Name | Business or Organization | Town |
|---------------------|--|-----------------|
| Jim Amaral | Borealis Breads | Alna/Waldoboro |
| Steve Cole | CEI | Wiscasset |
| Al Trescott | Rocky Hill Design | Damariscotta |
| Roy Barnes | Selectman | Wiscasset |
| Judy Flanagan | Selectman | Wiscasset |
| Steve Jarrett | Selectman | Wiscasset |
| Warren Hatch | Administrator | Damariscotta |
| Heather O'Bryan | Damariscotta Region Chamber of Commerce | Damariscotta |
| Ken Tatro | Lincoln County News | Newcastle |
| Paula Gibbs | Wiscasset Newspaper | Wiscasset |
| Bill Blodgett | Lincoln County Commissioner | Waldoboro |
| Gene Boothby | Muscongus Bay Realty | Damariscotta |
| Dick McLean | Selectman | Damariscotta |
| Chris Hall | State Representative | Bristol |
| Robert Morse | Atlantic Labs | Waldoboro |
| Doug Baston | Town of Alna | Alna |
| Ken Steele | Damariscotta Bank & Trust | Damariscotta |
| Robert Harris | Selectman | Damariscotta |
| Charlie Ault | Union Trust | Waldoboro |
| Charlotte Davenport | Selectman | Waldoboro |
| Ralph Lombardi | Muscongus Bay Realty | Damariscotta |
| Phil Wright | Selectman | Newcastle |
| John Morris | Planning Board | Waldoboro |
| Bob Faunce | Land Use Planner | Lincoln County |
| Ron Phillips | CEI | Wiscasset |
| Jaimie Kleinstiver | Boothbay Harbor Region Chamber of Commerce | Boothbay Harbor |
| Don Means | First National Bank of Damariscotta | Damariscotta |
| Frank Hample | Selectman | Somerville |
| Diane Kew | Department of Economic and Community Development | Midcoast |
| Dave Patch | Technology Systems, Inc. | Wiscasset |

Summary of the Midcoast CEDS Community Forums May 22, 2002 and May 30, 2002

The following is a summary of the comments shared by attendants at both the Boothbay May 22nd and Damariscotta May 30th meeting:

- Lack of affordable housing for a range of incomes – issue discussed the most in depth at both the May 22nd and May 30th meetings
- Negative Attitude toward growth
- Skilled & Educated Workforce
- Shift funding off property taxes onto sales or income tax
- Local Issues:
 - Need assistance with planning for and supporting existing and new growth, such as assistance with comprehensive plans
 - Assistance with planning for and implementing Downtown Revitalization; both with promoting and encouraging new growth (Waldoboro) and with dealing with the impact of significant growth (Damariscotta)
 - Similar to the last point, but mentioned specifically by Waldoboro and Damariscotta selectmen, downtown parking capacity is a significant issue, both in terms of its limits and local capacity to address it
 - Onerous local regulations on local businesses that are redundant to existing state regs
- Limited telecommunications and utilities infrastructure inhibits commercial growth
- Need to take better advantage of existing and new technologies that allow businesses to run well and provide opportunities in industries that would attract and financially allow young people to stay in Lincoln County
- Need a county wide inventory and information clearing house on commercial properties
- Need a convention center
- Demographic shifts are negatively impacting working “native” people/families – how do we properly plan for this growth?
- Lack of professional opportunities beyond service sector jobs
- Several local representatives mentioned a problem with facilitating discussions between opposing points of view over growth issues – sides become polarized, discussions end

In terms of the support for the Midcoast Economic Strategy Committee’s work, participants in the May 30th meeting prioritized the Committee’s overall goals as follows:

1. Balance Growth with Protecting Natural Resources & Communities and Supporting Small Business tied for highest priority
2. Create Affordable Housing (for a range of incomes)
3. Creating an Efficient Transportation and Telecommunications Infrastructure
4. Develop Commercial Property
5. Support Year Round Tourism, Build a Skilled and Educated Workforce, and Coordinate and Strengthen Regional & Local Economic Development Initiatives all received one vote

**Midcoast Economic Development District Board of Directors
and
Midcoast Economic Development Strategy Committee**

MEETING AGENDA

March 26, 2003

7:30-9:30 a.m.

Bath City Hall

1. Introductions
2. Vote on MCEDD Bylaws
3. Vote to appoint Officers

| | |
|----------------|---------------|
| President | Bill Blodgett |
| Vice-President | Art Mayo |
| Treasurer | Lee Smith |
| Secretary | John Portela |

4. Update on Incorporation status
5. Schedule Executive Committee meeting (to discuss MCEDD Board member terms, MCEDD budget, LCEDO-MCEDD MOU, outreach to the Maine Delegation)
6. Review Strategy revisions
7. Vote on Strategy revisions (Strategy Committee vote)
8. 2003 Strategy Update Schedule

MCEDD Midcoast Economic Development District

Meeting Minutes

Date of meeting: 03/26/03

7:30-9:00 a.m. Bath City Hall

Municipal Members

| | |
|---------------|--|
| John Anderson | Town Manager, Boothbay |
| Bill Blodgett | Lincoln County Commissioner |
| Gary Brown | Town Manager, Topsham |
| John Bubier | City Manager, Bath |
| Chet Garrison | Selectman, West Bath |
| Don Gerrish | Town Manager, Brunswick |
| Frank Hample | Selectman, Somerville |
| David King | Selectman, Woolwich |
| David Kinney | Town Manager, Wiscasset |
| George Parker | Chairman of Planning Board, Damariscotta |
| Vacant | Town Manager, Richmond |
| Lee Smith | Town Manager, Waldoboro |

Non-government Members

| | |
|-----------------|-------------------------------|
| Kevin Gildart | Business and Industry |
| Arthur Mayo | Education |
| Toby McLeod | Low-income |
| Beth McPherson | Elderly |
| David Patch | Business and Industry |
| Ron Phillips | Community Organizations |
| John Portela | Organized Labor |
| George Seargent | Agriculture/Natural Resources |
| Eloise Vitelli | Women |

Present: John Anderson, Bill Blodgett, Gary Brown, John Bubier, Chet Garrison, Don Gerrish, Frank Hample, David King, Dave Kinney, George Parker, Lee Smith, Darryl Sterling for the Town of Richmond, Arthur Mayo, Toby McLeod, David Patch, John Portela, George Sergeant and Eloise Vitelli.

Absent: Kevin Gildart, Beth McPherson

Staff: Paul Harrison, Jeffrey Sneddon and Suzanne Gill

Midcoast Strategy Committee: John Anderson, Bill Blodgett, John Bubier, Don Gerrish, Frank Hample, Lee Smith, Darryl Sterling for the Town of Richmond, David Patch, John Portela, George Sergeant, Eloise Vitelli, John DelVecchio, Kathleen Kearny, Patsy Hennin

***Others:** Frank O'Hara, Planning Decisions, Steve Cole (proxy for Ron Philips)*

1. **Welcome and Introductions**
2. **Vote on MCEDD Bylaws**

John Anderson motioned to accept the revised bylaws as presented. Frank Hample commented that the recent versions of the bylaws refer to 3 officers and he wanted to know if this had been corrected to reflect the 4 officers MCEDD will be appointing today. Jeff Sneddon responded that this had been corrected. John Anderson's motion was seconded by Chet Garrison and unanimously approved.

3. **Vote to appoint officers**

A motion was made to accept the following slate of officers for MCEDD. This motion was seconded and approved unanimously.

| | |
|----------------|---------------|
| President | Bill Blodgett |
| Vice-President | Art Mayo |
| Treasurer | Lee Smith |
| Secretary | John Portela |

4. **Update on incorporation status**

Paul Harrison stated that the MCEDD incorporation papers had been filed with the Secretary of State on March 24, 2003. The next step would be to file for a 501(C)(3) status. John Bubier commented that if, in the future, MCEDD decides to apply foundation grants, a 501(c)(3) status would be helpful.

5. **Schedule Executive Committee meeting** (to discuss MCEDD Board member terms, MCEDD budget, LCEDO-MCBDP MOU, outreach to the Maine Delegation).

Paul Harrison stated that a MCEDD Executive Committee meeting should be scheduled soon. Don Gerrish commented that the funding issue is a priority, as the Board has not determined how it will fund MCEDD's budget and upcoming expenses. Paul stated that Cassandra Lighty, EDA Community Planner, advised him that, under the current Administration, the EDA is interested in larger projects with substantial private match. Paul recommended that both he and Jeff attend the upcoming EDA Conference in Washington DC next month to learn more about EDA current project funding criteria. Paul stated that, given MCEDD's current lack of funding, his participation would be paid for out of Lincoln County Economic Development Office's budget. Jeff Sneddon stated he would do the same out of the MidCoast Council For Business Development and Planning's budget. Paul also told the board that Sandy Blitz recommended that the possible Brunswick Naval Air Base closure might be a stronger issue than the closing of the Etonic factory or decommissioning of Maine Yankee, as outlined in the 2002 Strategy. Jeff stated the need for MCEDD liability insurance, and also suggested an estimate of \$5,000 to \$7,000 for immediate MCEDD budget needs.

6. Review Strategy revisions

Frank O'Hara, Planning Decisions, reviewed revisions to the 2002 Midcoast Maine Comprehensive Economic Development Strategy made in response to EDA's conditional approval comments. Frank stated that no changes were made to Strategy priorities or projects. The EDA primarily requested more economic data and clarification, tighter measurable evaluations, and more information on project details and environmental impacts. Frank proceeded with a page-by-page review of the revisions. Eloise Vitelli asked if the Strategy reflected the Maine Economic Growth Council's 2003 Measures of Growth. Frank said he review this.

7. Vote of Strategy revisions

John Anderson motioned to accept revisions to the Strategy to date based on the policies and goals of the project and subject to any minor changes deemed necessary. John Portela seconded the motion, a vote was taken, and Strategy committee members unanimously approved the motion.

8. 2003 Strategy update schedule

Don Gerrish recommended that the Executive Committee review the Strategy's project list and make recommendations as to other potential projects at the April 30th Board meeting. Don also advised that MCEDD's Board keep to a monthly meeting schedule.

Frank Hample motioned to re-appoint the members of the 2002 Strategy Committee to the 2003 Strategy Committee for the 2003 Strategy update process. John Portela seconded the motion, a vote was taken, and the motion was unanimously approved.

Meeting Schedule

Full Board Schedule

4/30 LCEDO, Wiscasset

5/28 Bath City Hall

6/25 LCEDO, Wiscasset

Meeting was adjourned at 8:20 a.m.

APPENDIX B: Population Growth by Town

| <u>Population Growth by Town, 1990-2000</u> | | | |
|---|---------------|---------------|-----------------|
| <u>Area</u> | <u>1990</u> | <u>2000</u> | <u>Increase</u> |
| MC Region | 85,085 | 90,006 | 5.8% |
| Brunswick | 20,906 | 21,792 | 4.2% |
| Bath | 9,799 | 9,266 | -5.4% |
| West Bath | 1,716 | 1,798 | 4.8% |
| <u>Topsham</u> | <u>8,746</u> | <u>9,100</u> | <u>4.0%</u> |
| Urban | 41,167 | 41,956 | 1.9% |
| Boothbay | 2,648 | 2,960 | 11.8% |
| Boothbay Harbor | 2,347 | 2,334 | -0.6% |
| Wiscasset | 3,339 | 3,603 | 7.9% |
| Damariscotta | 1,811 | 2,041 | 12.7% |
| Newcastle | 1,538 | 1,748 | 13.7% |
| Waldoboro | 4,601 | 4,916 | 6.8% |
| <u>Richmond</u> | <u>3,072</u> | <u>3,298</u> | <u>7.4%</u> |
| Village | 19,356 | 20,900 | 8.0% |
| Arrowsic | 498 | 477 | -4.2% |
| Bowdoin | 2,207 | 2,727 | 23.6% |
| Bowdoinham | 2,192 | 2,612 | 19.2% |
| Georgetown | 914 | 1,020 | 11.6% |
| Phippsburg | 1,815 | 2,106 | 16.0% |
| Woolwich | 2,570 | 2,810 | 9.3% |
| Alna | 571 | 975 | 70.8% |
| Bremen | 674 | 782 | 16.0% |
| Bristol | 2,326 | 2,644 | 13.7% |
| Dresden | 1,332 | 1,625 | 22.0% |
| Edgecomb | 993 | 1,090 | 9.8% |
| Jefferson | 2,111 | 2,388 | 13.1% |
| Monhegan | 88 | 75 | -14.8% |
| Nobleboro | 1,455 | 1,626 | 11.8% |
| Somerville | 458 | 509 | 11.1% |
| South Bristol | 825 | 897 | 8.7% |
| Southport | 645 | 684 | 6.0% |
| Westport | 663 | 745 | 12.4% |
| <u>Whitefield</u> | <u>1,931</u> | <u>2,273</u> | <u>17.7%</u> |
| Rural/Suburban | 24,268 | 28,065 | 15.6% |

APPENDIX C: Personal Income by Source & Area

Personal Income by Source and Area, 1999

| Personal Income, 1999 (thousand \$) | <u>Lincoln</u> | <u>Sagadahoc</u> | <u>Brunswick</u> | <u>Midcoast</u> |
|---|-----------------|------------------|------------------|------------------|
| Local Area Personal Income | \$835,392 | \$882,544 | \$565,020 | \$2,282,956 |
| >Nonfarm personal income | 832,630 | 881,155 | | |
| >Farm income | 2,762 | 1,389 | | |
| Population (persons) | 31,947 | 36,267 | 21,792 | 90,006 |
| Per capita personal income (dollars) | \$26,149 | \$24,335 | \$25,928 | \$25,364 |
| >Earnings by place of work | 362,557 | 656,581 | 417,469 | \$1,436,607 |
| >less: Personal contrib. for social insurance | 25,107 | 41,006 | 26,073 | \$92,186 |
| >plus: Adjustment for residence | 103,574 | -12,752 | -8,108 | \$82,714 |
| >equals: Net earnings by place of residence | 441,024 | 602,823 | 383,289 | \$1,427,136 |
| >plus: Dividends, interest, and rent | 262,105 | 165,241 | 97,099 | \$524,445 |
| >plus: Transfer payments | <u>132,183</u> | <u>114,480</u> | <u>84,632</u> | <u>\$331,295</u> |
| Personal income | 835,312 | 882,544 | 565,020 | \$2,282,876 |
| of which Income maintenance | 10,413 | 9,456 | 3,424 | 23,293 |
| Unemployment insurance benefit payments | 1,673 | 1,569 | | |
| Retirement and other | <u>120,097</u> | <u>103,455</u> | | |
| Personal income | 835,312 | 882,544 | 565,020 | 2,282,876 |
| " Per capita personal income" | <u>\$26,147</u> | <u>\$24,335</u> | <u>\$25,928</u> | <u>\$25,364</u> |
| " Per capita net earnings" | \$13,805 | \$16,622 | \$17,589 | \$15,856 |
| " Per capita transfer payments" | \$4,138 | \$3,157 | \$3,884 | \$3,681 |
| "Per capita income maintenance" | \$326 | \$261 | \$157 | \$259 |
| "Per capita unemployment insurance benefits" | \$52 | \$43 | \$0 | \$0 |
| "Per capita retirement and other" | \$3,759 | \$2,853 | \$0 | \$0 |
| " Per capita dividends, interest, and rent" | \$8,204 | \$4,556 | \$4,456 | \$5,827 |

Source: BEA, Regional Accounts Data <http://www.bea.doc.gov/bea/regional/reis/>

Brunswick figures were estimated using average wage data from the Maine Department of Labor and extrapolating from the ratios of earned to unearned income between Sagadahoc County and Brunswick as reported in the 1990 Census.