

## 4. ECONOMY

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### Recent Economic Highlights

*“Wiscasset is in a transition period from primary dependence on a single taxpayer, to an era of expanding and diversifying the tax base.”<sup>1</sup>*

- **Maine Yankee.** The Maine Yankee nuclear power plant, the state’s only nuclear plant, closed in 1997. This was a destabilizing event in the economic history of the town. The plant was, of course, the largest property taxpayer in Wiscasset and Lincoln County. Wiscasset lost 35% of its property valuation as a result of the closure.
- **Mason Station.** The Mason Station electric power generation facility, the second largest taxpayer, was also decommissioned.
- **Business Plan.** The firm Stafford Business Advisors was hired in August 2000 to prepare an economic development strategy. The Business Plan was published in December of 2000.
- **Wiscasset Regional Development Corporation.** After<sup>2</sup> over a year of negotiations among the four partners, Town of Wiscasset, Lincoln County, the Chewonki Foundation and Coastal Enterprises Inc., the Wiscasset Regional Development Corporation (WRDC) was established in September of 2002. The WRDC was successful in securing a \$1 million federal grant to hire staff to pursue development efforts to replace Maine Yankee.
- **Waterfront Master Plan.** The Waterfront Master Advisory Committee completed its plan in October of 2002. The selectmen unanimously adopted its recommendations.
- **Town Office of Economic and Community Development.** The Office of Economic and Community Development, a new department of the Town government, was authorized and established in March of 2003.
- **Maine Yankee Backland Properties.** The Town of Wiscasset received authorization by voters on December 9, of 2003, to spend approximately \$2.6 million through bonding to acquire the Maine Yankee backland properties for redevelopment and pay for phase I improvements. The town was successful in immediately attracting private investment both in the form of a new developer-owner and the project’s first tenant.<sup>3</sup>

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<sup>1</sup> Andrew Gilmore, then Director of Economic Development, Annual Report, Town of Wiscasset, Year Ending December 31, 2003

<sup>2</sup> Annual Report Town of Wiscasset, Year ending December 31 2002

<sup>3</sup> Annual Report, Town of Wiscasset, Year ending December 31, 2003

## Previous Studies

**Comprehensive Plan of 1989.** The State Planning Office, in its review, praised the Economic Development section of the Plan, especially the link to regional issues and land use planning. Interestingly enough, and still very relevant, the State Planning Office liked the policy to study the problem of broadening the tax base (obviously front and center today).

**Wiscasset Riverfront Vision, 1991.** In the early 1990's, Wiscasset commissioned a Riverfront Study with the assistance of Holly Dominie, who also worked on the 1989 Comprehensive Plan. There was wide community input into the construction of the final document, as noted in the forward to the study. This process is an example of successful planning. The plan was followed up in the 90's with a series of town meetings. Many of the report's recommendations have been implemented

**Business Plan for Economic Development, 2000.** This plan, prepared by Stafford Business Advisors, was intended to be "the initial step in a long-term effort to rebuild and stabilize the property tax base that was seriously affected by the premature closure of the Maine Yankee nuclear power facility." Over the course of five months, the firm conducted an intense public education and involvement effort. Their staff interviewed about 75 people or organizations, held six community meetings on different aspects of development, and administered a survey to which 157 people responded. The results were a set of goal statements and proposed strategies. The overall goals of the plan were to:

- Have the Town of Wiscasset actively control its economic destiny and in particular to control the redevelopment of the Maine Yankee site and possibly other major properties in the town.
- Give Wiscasset the means to affect this control, through creation of a public-private partnership with regional businesses, non-profit and government agencies. Use this partnership to attract outside investments as an alternative to the use of town reserve funds.
- Seek capital-intensive investments that stabilize and rebuild the property tax base of Wiscasset within 8 to 10 years.
- Ensure that future economic development is diversified, both in terms of type and location for the economic health of the entire town, rather than focusing on a single development or a single site.

**The Waterfront Master Plan, 2002.** Stafford Business Advisors prepared the plan under the direction of the Waterfront Master Plan Advisory Committee. It included a summary of current conditions and offers strategies for economic development of the waterfront. It recommended preserving the working waterfront:

- "Commercial fishing, including worm digging, is important to Wiscasset, giving employment to residents and contributing to the Town's character..."
- "In the village waterfront, new development should be small in scale, in keeping with existing conditions. . . . Larger-scale development including heavy commercial and light industrial uses would be appropriate at Mason Station.
- "Mixed uses are appropriate between Main Street, the Creamery [Pier] and Town Landing. . . . The ideal mixed-use plan would contain businesses that meet the year-round needs of residents and that relate in some way to the working waterfront. Food stores, laundries and hardware stores would be examples of types of businesses that could serve both markets."

The Plan endorsed the idea of a ferry terminal and rail station on the waterfront north of the bridge. Some of the specific recommendations of the Realization of the Riverfront Vision and Waterfront Master Plan have been implemented:

- Purchase of Creamery Property, construction of pier on that site (1989-1995).
- Purchase of old Sherman Lot for municipal parking (1991).
- Expansion of wastewater facility to meet new EPA and DEP regulations (1991-1993).
- Addition of floats at town waterfront landing (1992-1995).
- Opening of space for more moorings (ongoing).
- Implementation of Shellfish Ordinance (1993).
- Creation of public launching facility off Old Ferry Road (1994-1995).
- Creation of Waterfront Committee (1999).
- Implementation of waterfront fees (2003).
- Identification of potential train station sites for forthcoming passenger rail service (2002).
- Installation of pump-out facility at waterfront (2003).

**Midcoast Maine: Comprehensive Economic Development Strategy (CEDS), 2002.** This study was prepared as part of an application to the Federal Economic Development Agency to designate Lincoln and Sagadahoc Counties an Economic Development District.

The CEDS was sponsored by the Midcoast Council for Business Development and Planning (MCBDP) and the Lincoln County Economic Development office. It includes a list of prioritized projects for which funds will be sought including support from the Economic Development Agency.

Major projects recommended by the CEDS include:

1. **Conference and Convention Center.** Develop a Midcoast, medium-sized conference and convention center.
2. **Prototype Shipbuilding Facility.** Create a facility in the Midcoast region to facilitate research and development capabilities.
3. **Regional Bikeway and Walkway Plan.** Develop a regional bikeway and walkway plan.
4. **Midcoast Center for Higher Education.** Provide start-up funding for the center at which to develop and emphasize integrated and coordinated post-secondary programs that are accessible and attractive to the work force.
5. **Early Care and Education Centers.** Develop early care and education centers.
6. **Main Street Maine Program Expansion.** Maximize Main Street Maine funding.
7. **High Speed Internet Access.** Increase broadband high-speed internet access.
8. **Maine Yankee Redevelopment.** Support public infrastructure improvements including new roads and sewer and water expansions.
9. **Other Property.** Develop other commercial property, including an aviation industrial park.

## **Employment /Unemployment**

As shown in Table 1, Wiscasset had a lower unemployment rate in 2000 (3.7%) than either Lincoln County (4.3%) or the State of Maine (4.8%). The town's unemployment rate was also lower than that of Damariscotta (3.9%), Dresden (4.2%) and Westport (7.2%).

**Table 1  
Civilian Labor Force 2000**

	<b>Population 16 and Over</b>	<b>Civilian Labor Force</b>	<b>Employed</b>	<b>Unemployed</b>	<b>Unemployment Rate</b>
<b>Wiscasset</b>	<b>2,829</b>	<b>2,081</b>	<b>2,005</b>	<b>76</b>	<b>3.7%</b>
Alna	536	341	330	11	2.1%
Damariscotta	1,673	877	843	34	3.9%
Dresden	1,268	884	847	37	4.2%
Edgecomb	860	567	546	21	3.7%
Newcastle	1,399	911	891	20	2.2%
Westport	584	359	333	26	7.2%
Woolwich	2,218	1,498	1,472	24	1.6%
<b>Lincoln Co.</b>	<b>26,954</b>	<b>16,918</b>	<b>16,197</b>	<b>721</b>	<b>4.3%</b>
<b>Maine</b>	<b>1,010,318</b>	<b>655,176</b>	<b>624,011</b>	<b>31,165</b>	<b>4.8%</b>

Source: U.S. Census, 2000

Maine Yankee's closure does not seem to be reflected in an increase in unemployment, as shown in Table 2. The statistics contained in Table 2 were obtained from the Maine Department of Labor of Labor (MDOL). The MDOL calculates unemployment rates differently than the Census, which results in slightly different unemployment rates for the year 2000.

**Table 2  
Wiscasset Unemployment Rate 1997-2004**

<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>April '04</b>
5.9%	4.8%	4.0%	3.4%	4.1%	5%	5.4%	3.8%

## **Employment by Industry**

Table 3 contains a breakdown of the labor force by industry for Wiscasset, Lincoln County and the State of Maine as reflected in the 2000 Census. The breakdown for Wiscasset is very similar to that for Lincoln County and the State, with a few minor exceptions.

Wiscasset had a smaller percentage of its residents employed in manufacturing (11.6%) than the County (12.7%) and State (14.2%), as well as a lower percentage employed in education, health and social services (19.3%, versus 22.3% in the County and 23.2% in the State).

**Table 3**  
**Labor Force Employment by Industry**

	Wiscasset		Lincoln County		Maine	
	#	%	#	%	#	%
Agriculture, forestry, fishing, hunting, mining	78	3.9%	1,044	6.4%	16,087	2.6%
Construction	190	9.5%	1,450	9.0%	42,906	6.9%
Manufacturing	233	11.6%	2,058	12.7%	88,885	14.2%
Wholesale trade	40	2.0%	426	2.6%	21,470	3.4%
Retail trade	279	13.9%	2,009	12.4%	84,412	13.5%
Transportation, warehousing, utilities	93	4.6%	525	3.2%	26,857	4.3%
Information	28	1.4%	340	2.1%	15,294	2.5%
Finance, insurance, real estate, rental and leasing	96	4.8%	756	4.7%	38,449	6.2%
Professional, scientific, management, administrative	158	7.9%	1,124	6.9%	43,074	6.9%
Education, health, social services	387	19.3%	3,613	22.3%	144,918	23.2%
Arts, entertainment, recreation, accommodation and food services	159	7.9%	1,088	6.7%	44,606	7.1%
Other services except public administration	139	6.9%	866	5.3%	29,182	4.7%
Public administration	125	6.2%	898	5.5%	27,871	4.5%
<b>Total</b>	<b>2,005</b>	<b>100%</b>	<b>16,197</b>	<b>100%</b>	<b>624,011</b>	<b>100%</b>

Source: U.S. Census, 2000

## Employment by Occupation

Table 4 contains an occupational breakdown for Wiscasset, Lincoln County and the State of Maine as reflected in the 2000 Census. The occupational breakdown for Wiscasset differs somewhat from that of the County and State. Approximately 29.4% of Wiscasset residents were employed in “Management, professional and related occupations” compared to County and State figures (31.7% and 31.5%, respectively). The percentage of Wiscasset residents employed in “Sales and office occupations” (21.9%) was just about the same as the County figure (21.7%), but was less than the State figure (25.9%). Wiscasset had a greater percentage of its residents employed in “Construction, extraction and maintenance” (15.9%) than Lincoln County (12.8%) and Maine 10.3%).

**Table 4  
Labor Force by Occupation – 2000**

	Wiscasset		Lincoln County		Maine	
	#	%	#	%	#	%
Management, professional and related	589	29.4%	5,142	31.7%	196,862	31.5%
Service	328	16.4%	2,501	15.4%	95,601	15.3%
Sales and office	440	21.9%	3,522	21.7%	161,480	25.9%
Farming, fishing and forestry	59	2.9%	830	5.1%	10,338	1.7%
Construction, extraction, maintenance	319	15.9%	2,066	12.8%	64,064	10.3%
Production, transportation, material moving	270	13.5%	2,136	13.2%	95,666	15.3%
<b>Total</b>	<b>2,005</b>	<b>100%</b>	<b>16,197</b>	<b>100%</b>	<b>624,011</b>	<b>100%</b>

Source: U.S. Census, 2000

### Commuting to Work

As shown in Table 5, a greater percentage of Wiscasset residents (78.4%) drove alone to work by car, truck or van compared to others in the County (76.5%). The Town's percentage is about the same as Maine's (78.6%). Mean travel time to work for Wiscasset residents (21.6 minutes) was lower than for Lincoln County (23.4 minutes) and the State of Maine (22.7 minutes). Approximately 4.2% of the workforce in Wiscasset worked at home in 2000. Comparable figures for the County and State were 6.2% and 4.4%, respectively.

**Table 5  
Commuting to Work**

	Wiscasset		Lincoln County		Maine	
	#	%	#	%	#	%
Workers 16 and over	1,974	100%	15,869	100%	615,144	100%
Car, truck or van – drove alone	1,547	78.4%	12,141	76.5%	483,317	78.6%
Car, truck or van - carpooled	226	11.4%	1,945	12.3%	69,208	11.3%
Public Transportation	-	-	39	0.2%	5,217	0.8%
Walked	94	4.8%	603	3.8%	24,700	4.0%
Other Means	24	1.2%	162	1.0%	5,740	0.9%
Worked at Home	83	4.2%	979	6.2%	26,962	4.4%
Mean Travel Time to Work in minutes	21.6	-	23.4	-	22.7	-

Source: U.S. Census, 2000

## Place of Work, Wiscasset Residents

According to the 2000 Census, of the 1,974 residents of Wiscasset who reported their job locations, 603, or about 30.5%, were employed in Wiscasset. The remaining 69.9% worked outside the community. The principal job locations outside Wiscasset were Bath (296 persons, or 15.0%), Brunswick (165 persons, or 8.4%), and Damariscotta (127 persons, or 6.4%).

<b>Place</b>	<b>#</b>	<b>%</b>	<b>Place</b>	<b>#</b>	<b>%</b>
Wiscasset	603	30.5%	Portland	47	2.4%
Bath	296	15.0%	Topsham	46	2.3%
Brunswick	165	8.4%	Westport	43	2.2%
Damariscotta	127	6.4%	Boothbay	43	2.2%
Boothbay Hrbr	63	3.2%	Newcastle	40	2.0%
Augusta	56	2.8%	Other	390	19.8%
Edgecomb	55	2.8%	<b>Total</b>	<b>1,974</b>	<b>100%</b>

Source: U.S. Census, 2000

## Residence of People Who Work in Wiscasset

The Census also provides information on where people live who work in Wiscasset. In 2000, 1,890 people reported working in Wiscasset. Of this total, 603 workers, or 31.9%, reported living in Wiscasset.

<b>Place</b>	<b>#</b>	<b>%</b>	<b>Place</b>	<b>#</b>	<b>%</b>
Wiscasset	603	31.9%	Richmond	56	3.0%
Brunswick	82	4.3%	Alna	54	2.9%
Woolwich	66	3.5%	Westport	49	2.6%
Edgecomb	62	3.3%	Bristol	49	2.6%
Newcastle	58	3.1%	Freeport	46	2.4%
Boothbay	57	3.0%	Other	652	34.5%
Dresden	56	3.0%	<b>Total</b>	<b>1,890</b>	<b>100%</b>

Source: U.S. Census, 2000

## Taxable Consumer Retail Sales

Taxable consumer sales can be used as a measure of economic activity within a region and within a community. As shown in Table 8, the growth of consumer retail sales for the period 2000 to 2004 in Lincoln County (5.6%) lagged overall state growth (16.7%). Within the immediate region, there were a number of dramatic changes during that same period. In Wiscasset, consumer retail sales declined by 12.9%. Other towns experiencing declines were Edgecomb (-19.1%) and Newcastle (-15.9%).

The only communities showing strong growth were Nobleboro (89.3%) and Damariscotta (43.7%). In the year 2000, consumer retail sales in Wiscasset exceeded those of all communities shown in the table, including Damariscotta. However, in 2004, consumer retail sales in Damariscotta exceeded sales in Wiscasset.

Area	2000	2001	2002	2003	2004	% Change 2000-2004
<b>Wiscasset</b>	<b>83,344.6</b>	<b>82,983.8</b>	<b>84,291.7</b>	<b>75,138.4</b>	<b>72,629.5</b>	<b>-12.9%</b>
Dresden	1,837.8	1,754.8	2,037.6	1,974.0	1,853.9	0.9%
Damariscotta	52,013.1	53,209.8	68,509.1	68,489.7	74,738.7	43.7%
Edgecomb	5,107.5	5,005.6	5,467.9	4,577.2	4,132.6	-19.1%
Newcastle	23,390.0	22,343.6	22,113.3	18,893.5	19,674.8	-15.9%
Woolwich	16,537.0	22,177.1	23,512.5	24,229.5	23,841.4	44.2
<b>Lincoln County</b>	<b>304,857.8</b>	<b>307,189.8</b>	<b>328,972.6</b>	<b>311,555.5</b>	<b>322,067.5</b>	<b>5.6%</b>
<b>Maine</b>	<b>12,165,700</b>	<b>12,413,335</b>	<b>12,977,160</b>	<b>13,589,216</b>	<b>14,200,882</b>	<b>16.7%</b>

Source: Maine Revenue Services

## Economic Development Assets and Opportunities

**Railroad.**<sup>4</sup> The Maine Department of Transportation owns the rail line connecting Brunswick and Rockland. The Rail line runs along the coast, crossing the Sheepscot from about the Middle School to just south of Clark's point. State officials plan to run passenger trains on this route, linking with the Amtrak service in Brunswick to the west and with buses or ferries where the tracks pass through coastal towns to the east.

**The Sheepscot River.** The Sheepscot River is a major asset, adding to the beauty and the economic potential of the town. It is an important waterway connecting Wiscasset with the open sea. Wide and deep where it joins Sheepscot Bay, it runs straight north, narrowing gradually but maintaining deep navigable water throughout. In the south, the river is 175 feet deep. Approaching Wiscasset, the depth is in the 60 foot range, more than ample for ocean commerce. Near the village, the river shoals up, with 13 feet of depth near Main Street Pier.

<sup>4</sup> Information on Railroad, River, Waterfront is copied directly from Recommendations for Economic Development on Wiscasset's Waterfront, The Waterfront Master Plan Advisory Committee, Judy Foss, Chair, October 2002

**The Waterfront.** The waterfront, the historical village district and the downtown are closely associated. Much of the commercial downtown and the waterfront overlap. The working waterfront extends from Joppa Cove on the north to White's Island on the south. The Mason Station is also considered part of the working waterfront...

The working waterfront consists of about eight acres of land. It is about one-half mile long, divided into two roughly equal parts by Route One. The distance between the river's edge and Water Street varies, averaging perhaps 150 feet in width. Railroad tracks run the length of the district near the shore. Just south of the Davey Bridge, the town has built a large platform on pilings, known for historical reasons as the Creamery Pier, also known as the Main Street Pier.

**Town Landing.** The Town Landing, also called Wiscasset Waterfront Park, is a well-developed and intensively-used marine center on the river's edge at the south end of Water Street. Both lobster harvesters and recreational boaters use this site. There are 50 paved parking spaces, six stalls for storing boat trailers, two public rest rooms, two boat launching ramps and three substantial piers with floats.

The northernmost of these piers is called Pedestrian Pier, with picnic tables and a low rise "bandstand." The attached floats provide public access and overnight berthing for visiting boats on a fee basis. The middle pier, called Main Pier or Memorial Pier, has public floats on one face and floats dedicated for use by lobstermen on the other. The pier is strong enough for use by heavy trucks.

The third and final pier, called Old Town Landing, is a finger pier with a boat launch ramp on each side. A gangway leads to a small square float used for public access and to support the boat-launching activity.

**Main Street Pier.** The town-owned Main Street Pier, also called Creamery Pier, is immediately south of the point where Route 1 crosses the Sheepscot River in Wiscasset. Approximately 150 by 100 feet, it is a wooden platform that rests on pilings over the river. Simple benches are built into its railings. Because of its ideal location on the river next to the business district, it has strong potential for both commercial and public access uses.

The Rockland Branch railroad tracks pass along its west side. Adjacent to the north side is a paved parking lot owned by the Maine Department of Transportation and available for public use. The Main Street Pier is separated from Town Landing by 600 feet of private shoreline containing a rough footpath along the remains of the narrow gauge railroad spur.

**Scenic Resources:** The historic architecture of the village along with the town's conserved open spaces and its rural character are assets that have attracted investment in the town.

**Non-profit Organizations and Institutions:** Wiscasset has a cluster of non-profit organizations that have regional and even national standing and bring interest, talent and employment to the town. These include the Chewonki Foundation, The Wiscasset Public Library, Coastal Enterprises, Inc., Save our Sheepscot, the Sheepscot Valley Children's House and the Maine Art Gallery. Two houses in the village are owned by Historic New England. There are also at least five churches in the town.

**A Diversified Business Base:** Wiscasset has a diverse mix of small and moderate-scale businesses, some geared toward local users, others toward tourists, many toward both groups, and some toward consumers of specialized services. This mix assures that there is no economic monopoly in the town and that local people still have the chance to succeed in business.

In the village, businesses include antiques stores, art galleries, gift stores, restaurants, banks, a specialty foods store, professional offices including medical, legal, insurance, real estate and accounting, a flower shop, a clothing store, a day care center, a preschool, an internet provider, a newspaper office, a travel agency, a butcher shop, a seamstress/tailor, a barber and a beauty salon, a car mechanic, a chainsaw store, an auto parts store, and two gas stations with convenience stores. Along Route 27 there are small businesses close to town and several moderate-sized and small businesses north of Huntoon Hill Road. Along Route 1 there is a typical mix of commercial uses. The southern part of the town provides to businesses four modes of available transportation: highway, air, rail, and water. There continues to be significant marine-related industry in the town. Bloodworms are a particularly successful Sheepscot River “crop.” The town also has an organic farm.

**Public Water and Sewer.** See public facilities section of this Plan.

**Wiscasset Municipal Airport.**<sup>5</sup> The Wiscasset Municipal Airport has been serving Lincoln and Sagadahoc Counties since 1960. Sixty-five percent of general aviation flights are conducted for business and public services that need transportation more flexible than airlines can offer. The airport serves a wide variety of users including Life Flight and Angel Flight medical evacuations, businesses and vacationers for access to Midcoast Maine, law enforcement agencies, power line and pipeline patrols, the National Guard and federal government.

The airport contributes to the Town’s general fund through hangar property taxes which amounted to \$13,404 in 2003. An Airport Master Plan Update was completed by Dufresne-Henry, Inc., in February 2001. Pursuant to that plan, design and engineering work was started in 2003 to extend the parallel taxiway to the end of Runway 7. Construction on this 2,100 foot extension is slated for 2005-06. Twenty-four T-style hangars were completed on the east end of the runway and a proposal was accepted to develop additional hangars on the west end. There were approximately 8,700 total airport operations in 2003, up from 7,670 in 2002.

**Telecommunications.** Cable infrastructure provides service throughout town with only remote areas currently not being served. The new build-out is almost complete, bringing the capacity up to a 760 MHz system with 2-way broadband and enhanced digital services available in the summer of 2004. The Town has DSL high-speed available with a three-mile cable distance service area from the Central Office (C.O.) located downtown across from Le Garage.

Satellite technology has been available in Wiscasset for several years in addition to traditional dial-up service. Several entities in town have T-1 or T-3 broad band capacities for voice, data and digital signals including CEI, the Mason Station and Maine Yankee properties. The existence of this extensive IT (Internet Technology) infrastructure will enable developers of those properties to offer this service to prospective investors.

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<sup>5</sup> Information gathered from 2003 Annual report submitted by the Wiscasset Airport Committee

**3-Phase Power.** The availability of 3-phase power is somewhat limited in all of Lincoln County. However, it is available in Wiscasset and this infrastructure has been expanded as part of the Phase I build-out of Ferry Crossing (Maine Yankee). It is available to the technology park. Because of the impressive electric infrastructure in Wiscasset, the town has an edge in offering that amenity to commercial enterprises

## State Programs

**TIF- Tax Increment Financing (TIF).**<sup>6</sup> TIF is a tool that permits a municipality to participate in project financing by using some or all of the new property taxes from a capital investment within a designated district. The municipality has the option of using the “captured” taxes to:

- retire bonds it has issued for the project;
- make payments directly to the developer to help pay project costs;
- fund other eligible economic development activities in town; and
- reimburse or pay capital financing, real property assembly, professional services, and other costs normally born by the developer.

TIF districts may be designated for a period up to 30 years. Bonds may be issued under this program for up to 20 years. The revenues can also be used by the town outside the designated district including:

- Certain infrastructure improvements associated with the project, such as:
  - sewage treatment plants, water treatment plants or other environmental protection devices;
  - storm or sanitary sewer lines and water lines;
  - electrical lines;
  - improvements to fire stations; and
  - amenities on streets.
- Costs for economic development, environmental improvements or employment training within the municipality:
  - Environmental improvement projects developed by the municipality for commercial use or related to commercial activities;
  - Permanent economic development revolving loan funds or investment funds to support commercial and industrial activities;
  - Employment training to provide skills development for residents of the municipality. These costs may not exceed 20% of the total project costs and must be designated as training funds in the development program; and
  - Quality child care costs, including finance costs and construction, staffing, training, certification and accreditation costs related to child care.

Revenues cannot be used for facilities, buildings or portions of buildings used predominantly for the general conduct of government, or for public recreational purposes. Examples include city halls and other headquarters of government where the governing body meets regularly, courthouses, jails, police stations and other state and local government office buildings, recreation centers, athletic fields and swimming pools.

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<sup>6</sup> The information on Tif's is copied from "Municipal Tax Increment Financing" by the Maine Department of Economic and Community Development, Publication current as of October 1, 2003

The designation of a TIF district requires a public hearing and the majority vote of the municipal legislative body and must be approved by the Commissioner of the Department of Economic and Community Development.

**Employment Tax Increment Financing (ETIF).** This program returns 30, 50, or 75 percent of income tax withholding to companies who add at least 5 new workers (not necessarily local). To qualify, employees must be paid a wage equal to or above the per capita wage in their county, and be provided group health insurance and access to a qualified retirement program.

**Pine Tree Development Zones.** Wiscasset has already been designated by the Governor as a Pine Tree Development Zone. It is a program passed by the Legislature in 2003. It uses a combination of tax incentives to spur economic development in targeted areas of the state where unemployment is high and wages are low.

Benefits include:

- Return of 80% of the income tax paid by the company;
- A 100% refund of corporate income tax and insurance premium tax for years 1-5 and 50% for years 6-10.
- A local option TIF that will not be counted against the town's existing TIF area and value caps;
- Effective July 1, 2005, a 100% sales and use tax exemption to zone-related construction material and equipment purchases.

Eligible businesses must be engaged in manufacturing in one of Maine's seven targeted technology sectors: biotechnology, aquaculture and marine technology, composite materials technology, environmental technology, advanced technologies for forestry, agriculture, information and precision manufacturing technology.

**Gateway 1.** Currently Wiscasset is participating in the Maine Department of Transportation's long-term initiative to integrate transportation and land use planning in towns along the Route 1 corridor from Freeport to Stockton Springs. Wiscasset joined many of these towns in signing a "Memorandum of Understanding" of the Gateway 1 goals in 2004. While this state initiative provides no direct funding to the town, the plan that emerges from Gateway 1 will have municipal planning and economic impacts

## **Opportunities<sup>7</sup>**

The CEDS (Comprehensive Economic Development Strategy) for the Midcoast (Lincoln and Sagadahoc Counties) identifies a number of development opportunities that seem particularly relevant to Wiscasset:

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<sup>7</sup> The Source of the following list of opportunities is the 2002 Midcoast Comprehensive Economic Development Strategy, application to EDA ( henceforth referred to as CEDS

1. **Retirees.** While the loss of young people in the population is a problem, retirees and retirement income are a fundamental and growing base industry.

Retirees bring with them skills and leadership. The property tax they pay is a net revenue gain, because they don't have children to educate. Many of these people bring with them a desire for cultural and commercial activities neither currently available nor fully developed. One of the reasons that some retail and service sectors have located in this region is the spending of property and transfer income that would not be here without the presence of retirees.

Careful planning of village developments that conserve pedestrian-friendly space and promote community activities can help support not only traditional retail establishments, such as restaurants and shops, but also cultural centers, such as museums, theaters and galleries.

2. **Available Land.** The CEDS report indicates that there are about 800 acres of vacant land roughly one mile south of the village including 350 acres at Ferry Road North, 70 acres at Ferry Road South and 120 acres at Bailey Point. Redevelopment will require significant infrastructure improvements including roads, sewer and water.
3. **The Marine Environment.** The superb marine environment in Lincoln and Sagadahoc Counties and the presence of a first-rate research institution, Bigelow Laboratories in Boothbay Harbor, 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 ecosystems studies.

## Constraints

Constraints to development in the midcoast region include a diminishing 20-45 year-old population, lack of affordable housing, a shortage of affordable and available day care for workers in the family formation years, and not enough workers trained in high technology industries.

There is, of course, the bypass issue. If nothing else, the summer traffic jam is an impediment to economic development in the village and the waterfront.

1. **Demographics.** The changing demographic structure of the population has its pros and cons. As shown in the population section of this Plan, there was a 14% decrease in the number of 20-39-year-olds and an increase in the 40 - 85+ age group in the last ten years. The percentage of people between the ages of 40 and 65 increased by 37%. The median age of Wiscasset's population increased from 34.7 years to 39.2 years.

The constraint side of the decreasing numbers of working-age people is that businesses, particularly in highly skilled technological industries, may have to bring in employees.

2. **Affordable Housing.** The CEDS report states that "South of Portland, the disparity between average incomes and average home prices has become a significant impediment to economic development. . . .in the Midcoast region, the desirability of coastal land and the growing population of retirees have already raised the housing/income ratio. When combined with the slowing rate of natural increase of the population, this fact presents a major problem for businesses seeking new employees."<sup>8</sup> The status of affordable housing is discussed in greater depth in the housing section of this Plan.
3. **Educational Attainment.** "The evolving needs of employers are often not met by the skills of the workforce.... Employers find it difficult to hire qualified workers. Although high school graduation rates are among the highest in the US, post-secondary rates are among the lowest. There is also an absence of effective career preparation programs in most of the high schools."<sup>9</sup> This constraint is being partially addressed by the opening of a community college in the former Bath Hospital. The program is offering two-year and four-year technical or academic degree programs to about 500 students.
4. **Child Care.** "There are few affordable child-care options in the region. Only 24 day care providers currently have vacancies for a total of 95 children in the entire region. The biggest obstacle to child care is cost. Average weekly care for children under five 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."<sup>10</sup>
5. **Inadequate Zoning Ordinances.** Wiscasset has a limited and outdated zoning ordinance that has been amended over time to meet specific needs. It is in one respect business-friendly

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<sup>8</sup> 2002 Midcoast, Maine Comprehensive Economic Development Strategy henceforth Midcoast CEDS

<sup>9</sup> 2002 Midcoast CEDS

<sup>10</sup> Same as above

because it allows business everywhere and the standards for business are quite permissive. However, they leave the town open for any kind of business to be developed anywhere, sometimes without attention to consistency with the character of the historic village and the quality of life afforded by open spaces and natural resources. The ordinance lacks established performance standards.

Developers are constrained because they cannot predict how the town will respond to their proposals. They often face months of disputes and wrangling, due to public opposition. “Current zoning laws present a major obstacle to development of the village waterfront. They are highly restrictive, requiring very large lot sizes, low-density development, and unrealistic setbacks.”<sup>11</sup>

The adoption of this Comprehensive Plan should help clarify what the public wants. The hiring of a professional planner to work with the Planning Board is a step in the direction of removing this constraint. Codifying and simplifying the zoning ordinances is overdue.

6. **Administrative Staff Support.** The 1989 Plan recommended that the Town hire a professional manager. That became a reality in 2002. The need for assistance in economic development became more and more apparent after the closing of Maine Yankee. The Town hired Stafford Business Advisors in 2002, and finally hired an economic development director in 2003. A town planner was also hired in June of 2004. As funds become tight the temptation is to not hire professional staff. However, Wiscasset is in a unique situation because of the urgent need to replace the financial void left by the loss of Maine Yankee.

## Public Opinion

The public had a number of opportunities to participate in the preparation of this Plan. There were at least five public participation venues used in preparing this section of the Plan:

- Interviews conducted by a planning consultant in the summer and fall of 2003;
- The vision developed in the “What do you Want Where in Wiscasset” (WWW) session of March 6, 2004;
- The opinion survey undertaken in the summer of 2004;
- Surveys conducted by Stafford Business Advisors in 2000; and
- Advice and input provided through discussions of the Wiscasset Comprehensive Plan Committee, whose members were chosen to represent the population of Wiscasset.
- Numerous public informational meetings in 2006 and the “public always welcome” policy of the ongoing Comprehensive Plan Committee meetings.

**In-Depth Interviews.** Nineteen community leaders<sup>12</sup> were asked the same set of questions. The face to face interviews took place, mostly in people’s homes, or in the case of the Selectmen, at the Town Office. Each interview afforded an opportunity to explore some issues in greater depth reflecting the

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<sup>11</sup> Recommendations for Economic Development on Wiscasset’s Waterfront: The Waterfront Master Plan Advisory Committee, October , 2002

<sup>12</sup> Members of the then Wiscasset Comprehensive Plan Committee, the Selectmen, one Planning Board member

person's interests. Some of the questions were quantifiable, others are summarized. There were quite a few questions related to economic development.

**Avoiding Haphazard Route One Development.** On a scale of 1 to 5, where 1 is not important and 5 is very important, people were asked to rank the importance of avoiding haphazard development on US Route 1. The average score was 4.6 - obviously very important.

**Reasons for Bringing in New Businesses.** In an open-ended question, people were asked the reasons for bringing in new business, in priority of importance: The most prevalent reason was to increase the tax base, create tax revenue and lower taxes. Twelve people ranked this as the highest priority. Jobs and reversing the loss of young people were mentioned by five. Other reasons included service needs, not to have to drive so far for jobs or services, community balance, the need to support education and relieve those suffering from high taxes.

**Unacceptable Businesses.** Another open ended question was "Are there any businesses that are not acceptable?" Answers included the need to have a choice, no smelly or out of scale junk yards, no big boxes, no franchises, no chemical plant, adult book store, pig farm, casino, or smokestack business. Wal-Mart was mentioned by a number of people as undesirable.

**Desirable Future Growth.** People were asked to rank on a scale of 1 to 5 the type of growth they want to see, where a 5 is a wish to encourage, and 1 is discourage. The average responses are as follows:

Single home for retirees	4.4
Affordable housing, detached units, duplexes,	3.6
Light manufacturing	4.7
Industry at Maine Yankee	4.5
Profession, service, office complex	4.9
Retail shops	4.8
Small manufacturing firm	4.1
Hotel/motel	3.9
Fast food restaurant	2.4
Sit down restaurant	3.5
Large big box stores	1.7

**Future Waterfront Development.** People were asked what they would like to see happen on the waterfront. Some ideas included: leave more space, need a master plan, chandlery, be more welcoming, new train station, keep height low, outdoor eatery like Five Islands in Georgetown, sell fish and fish products, market in the AM, tiny shops along boardwalk, beautify, dwarf trees, large tourist boats are not good idea as they would scrape up the river bottom, fit harmoniously into present village.

**Economic Viability of Village.** People were asked what would make the village more economically viable. Responses included: make it more of a destination, there is nothing now to keep the tourist here, small grocery and discount store, if traffic were removed it would become economically viable.

**Acceptability of Route 1.** People were asked about the acceptability of Route 1 traffic

patterns. The average score was 2, where 5 is acceptable and 1 is not.

**Economic Equilibrium.** People were asked whether they could imagine that Wiscasset would reach economic equilibrium whereby the town would have enough businesses to support the education and services that are needed. The general response was that if we replace Maine Yankee with an equivalent tax revenue source, we would regain our equilibrium.

**Over-Regulation.** People were asked about the extent to which there was too much regulation with respect to certain items relevant to economic development. A rating of 5 meant an acceptable level of regulation; a rating of 3 meant don't know, and a rating of 1 meant level of regulation not acceptable.

Access management, explained	4.5
Landscaping standards - buffer US Route 1	4.2
Aesthetic design standards for businesses	4.4
The present zoning ordinance	2.1
The mix of residential and business in rural area	2.6

**Degree of Local Agreement.** People were asked for their perception of the degree of agreement on various issues, where 5 is accord and 1 is discord.

The future of Maine Yankee	3.8
The future of the waterfront	3.3
How US Route 1 should develop	2.8

**Summary:** There appears to be much more agreement on how Wiscasset should develop than is perceived. People don't really like the way US Route 1 has developed. They want light, clean industry to lower the taxes and provide local jobs. There is agreement that the Maine Yankee site should be developed for light industry or businesses and professional offices. Big boxes or franchises and quick eateries are not viewed favorably. There is interest in retail development in the village and waterfront. The idea of mixing businesses and residential in rural areas, as is now allowed, was not viewed favorably. There is agreement that the zoning ordinance needs serious work. There was also support for aesthetic standards for businesses.

**The WWW of March 6, 2004.** People were asked to develop a neighborhood by neighborhood vision. The following "future visions" are closely related to economic development:

**Northeast Neighborhood:** Make the race track more community friendly. Consider the possibility of a small industrial area around the track.

**Northwest Neighborhood:** Preserve large tracts for working forests and farms.

**Downtown and Waterfront:** Once there is a bypass, this area can become a prime destination area for tourists, who could arrive by train, boat, on foot, or being shuttled from nearby parking lots.

The vision includes more diversity of business including those serving residents such as a

grocery store; creative use of Mason Station for hotel or culinary institute; revitalization of the train station; a strong working waterfront where fishing is encouraged; a solution to parking at the post office; and use of the Middle School parking lot.

**Wiscasset South:** This area calls for creating a well-designed, buffered, light industrial site east of Route 1. Commercial buildings should be modeled on Camden/Rockport MBNA, in a scale appropriate to the area. No big boxes; encourage working waterfront and rebuild train station. Expand airport without conflicting with residential use.

**Route 1:** Mostly local businesses rather than chains. Limit square footage, buffer strips, architectural site review and setbacks. No big box. Clustering businesses behind Route 1 perhaps through a frontage road.

**Route 27:** Cluster commercial development around Hancock Lumber. Build frontage road for further development.

**Stafford Survey.** Stafford Business Advisors developed a 34-question survey, published it in both newspapers and distributed it at meetings. Volunteers distributed them in neighborhoods, and drop-off points were announced. There were a total of 157 responses: 68% were Wiscasset residents, 22% were retirees and 16% have children in the Wiscasset schools. Survey highlights include:

- 79% support recruiting high-tech employers
- 73% support growing existing businesses
- 68% support recruiting service businesses to support tourism, health care, and retirement living
- 27% support recruiting “heavy industry” that pays good wages year round
- 68% support maximizing opportunities from railroad line extension
- 76% support waterfront development
- 86% support a marina with facilities for visiting boats
- 90% support tour or excursion boats
- 85% support commercial activity at Mason Station pier
- 83% support a dedicated pier for the fishing/lobster industry
- 83% support boat building and boat repair activities
- 69% support more shops serving local needs in the downtown village center

**Comprehensive Plan Survey, Summer, 2004.** Highlights from the 2004 Survey include:

- 82% wish to encourage diverse business with design and landscape standards
- 86% favor encouraging new small retail and restaurant businesses on Route 1 and Route 27
- 69% favor development conforming to landscape and architectural standards throughout town
- 72% favor new businesses to be located on frontage roads parallel to Route 1
- 67% favor new business to be located on frontage roads parallel to Route 27
- 90% favor promoting industrial growth, light manufacturing, research and development at Maine Yankee and near Airport.
- 72% consider historic village to be an economic asset
- 71% favor 20 foot landscape/buffer requirement on Routes 1 and 27

**Planning Issues.** The Comprehensive Planning Committee discussed the following issues at various meetings.

- 1. Urgency to increase tax revenues.** The closure of Maine Yankee in 1997 has caused the tax rate to go from one of the lowest in the state to among the highest. The choices sometimes seem to have narrowed to two unacceptable options: cutting back services, such as education, or drawing from the Town's reserve accounts.

There is near-unanimous agreement in the community that the tax base needs to be increased. The concern is that some businesses may not provide significant net revenue and the sense of urgency might lead to opening the door to any business.

Surveys taken by the Stafford group, as well as interviews and the survey administered in the summer of 2004, indicate that people do not want businesses that would jeopardize the current pleasing character of Wiscasset. This leads into the next issue.

- 2. Balance.** A major issue is how to balance the need for tax-producing commerce with the desire to preserve the very quality of life, scenery, open space and historic character that draws people and businesses to the area. All previous studies and the WWW session indicate that people are concerned and strongly wish to preserve the present unique historic and rural character of Wiscasset. The economic health of the town depends on a broad mix of different types and scales of businesses as reflected in the community surveys.

Good zoning is one answer. Wiscasset already has zoning, so is not faced with the usual resistance to it. Areas that could be zoned for commercial use are those that do not contain unique and rare natural resources, and which are served by public sewer and water. The question is whether this will be acceptable to the public. Public concern may be addressed by standards such as buffers between incompatible uses and increased setbacks and landscaping to improve aesthetics.

Concerns were raised by a few business people that requiring landscaping could reduce visibility or increase development expenses, which in turn could negatively impact the competitiveness of businesses coming into Wiscasset.

- 3. How can we guarantee local jobs?** Everyone's second priority in economic development is to create jobs for local people. How can we do this? There is no guarantee that local people will be hired by the new businesses. Current unemployment is not that high, although many people are employed in low-paying jobs and might prefer to work for more money.
- 4. Local Tax Incentives.** We don't have much control over state tax incentives, such as the Pine Tree Zones, where the reduction in income taxes paid is borne by the state.

One or more TIF districts may be a useful development tool. The idea behind tax increment financing districts (TIFs) is that they encourage business to locate in a particular town. In exchange for "capturing" some percent of the tax revenue to the advantage of the business, a public good is accomplished. Since the primary objective is to increase the tax revenue, the town can, in its negotiations of the TIF contract, assure that benefits accrue to the town as well

as the business.

Using captured tax revenue to build infrastructure to extend water and sewer is probably a win/win situation because that is a clear example of infrastructure improvement that will bring in more businesses which will pay the taxes.

TIFs can be used to accomplish other local objectives: for example, to subsidize or build day care centers to attract young workers; a guarantee to hire a certain percentage of local people at greater than minimum wage, training programs instituted in the schools or support of adult education to upgrade local skills. These are all examples of using a TIF to overcome constraints to economic development.

5. **Affordable Housing.** As noted by the Midcoast CEDS, the lack of affordable housing is a documented constraint to development. A potentially controversial issue to be discussed is whether the town wants to attract young people with families in addition to supplying affordable housing for the elderly.

National REsources has proposed to build worker housing in proximity to the Business Park. The issue of net increased costs to educate the children may be more than the town wishes to bear and may not be a net revenue gain. On the other hand, if the town wishes to address the issue of its aging population, it will have to attract young people who can afford to live in Wiscasset. This raises the question of whether the benefits of a young vibrant work force population, attracting new businesses and increasing the tax base, may outweigh the costs that the Town will have to bear to educate the children of the young families that move into the community.