C i t y o f E l l s w o r t h

Economic Development Strategy

November, 2007

Prepared by:

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Prepared by Eaton Peabody Consulting Group and Jeffrey Donohoe Associates, November 2007

Executive Summary

In May of 2007, the Ellsworth City Council engaged a team of consultants for the purpose of working with the City staff and the Ellsworth Economic Development Committee to craft a long-term economic development strategy for the community.

The move was prompted primarily by a recent influx of private sector investment that is expected to result in more than 1 million square feet of new retail space in the City's Beckwith Hill area. While the retail growth is expected to add upwards of $80 million in valuation to Ellsworth's tax base and create a number of new employment opportunities, the City's public and private sector leaders recognized the need to establish a strategic approach to economic development as a means of ensuring a healthy diversity in the community's tax and employment base in the years ahead.

To this end, the consultant team was directed to inventory Ellsworth's existing and potential commercial/industrial sites and provide recommendations regarding the preferred development growth patterns to support community economic diversification. This effort would be based upon an evaluation of existing development patterns, a projection of future development growth patterns, and an overview of the municipal fiscal impact of Ellsworth's land use categories.

Further, the consultants were asked to conduct market research regarding a realistic, market-driven evaluation of the types of businesses and industries that Ellsworth is likely to compete for in the future.

Additionally, the consultant team would provide recommendations as to the most effective means for the City to prioritize future economic development projects. At times, development projects compete for limited municipal staff time and funding. The consultants were asked to assist the City in developing the criteria and prioritization on which these competing projects would be judged.

Lastly, the consultant team was asked to provide recommendations regarding the State and municipal public infrastructure and business incentive programs that would best support Ellsworth's desired optimal development growth patterns.

The consultant team, over five months, conducted research, met with local business persons, toured the City, met with City staff and worked with the Economic Development Committee through five meetings to prepare this strategy. The following is intended to serve as a "road map" for the City of Ellsworth's economic development efforts in the years ahead:

<u>Tax Base and Economic Diversification Goal</u> – First and most important is determining the direction of Ellsworth's econonomic development activities. Knowing where the City wants to go is the first step to getting there. We begin by examining Ellsworth's tax base. Municipal governments generate revenue to support governmental services through the value of its land and buildings. Additionally, the mix of development (i.e. residential, retail, office, warehouse, manufacturing, etc.) determines the balance of the local economy. This strategy establishes a goal to achieve the optimum balance of municipal revenues and local economic diversification.

<u>Development Locations</u> – Recommendations are provided to focus growth and development in two primary areas that take advantage of exisiting infrastructure to maximize municipal return on investment.

Targeted Industries – Recommendations are provided on key industries to focus business expansion and attraction efforts, based on market research and new planned investments in telecommunications infrastructure that create a unique comparative advantage for Ellsworth.

Economic Development Action Steps – A series of recommendations are provided to establish a framework on how the municipality can aggressively approach economic development.

It is important to recognize that municipal tax base management and strategic investments alone do not constitute a complete 'economic development program'. Also critical to sustainable economic growth are a skilled workforce, a receptive business climate, and a high quality of life for residents, workers and their families. 'Quality of life' would include housing options, good local schools, public safety, a healthy environment and the presence of recreation and culture-related activities. Though these elements of sustainable economic development were not the emphasis of this project, the City should assuredly consider these factors as also critical to Ellsworth's future prosperity.

Tax Base and Build Out Analysis

As part of the baseline analysis for the Ellsworth Economic Development Strategy, the Ellsworth Assessor's database (Spring 2007 post-revaluation data) was reviewed. The database provides overview information on parcel size, parcel ownership and use, among other factors. A summary of the compilation of this review appears in the Table below.

Table 1 – Ellsworth Tax Base Summary

Zone	Use	Lots	Total Acres	Total Assessed Value*
I1	Industrial	30	89.7	$7,876,900
I2	Light Industrial & Wholesale	24	872.7	$5,043,700
BP	Business Park	12	24.0	$1,349,900
CLI	Commercial/Light Industrial	109	919.3	$36,425,200
CLI FP	CLI Flood Plain	13	15.9	$4,930,500
CLI DD	CLI Development District	23	142.8	$12,620,300
C1	Commercial	167	61.4	$59,312,500
C1 FP	C1 Flood Plain	10	2.5	$3,264,000
C2	Retail & Service	147	234.5	$77,016,000
C2 FP	C2 Flood Plain	6	11.6	$11,719,000
C2 DD	C2 Development District	106	506.6	$105,429,530
R1A	Urban Residential & Office (Mixed)	114	184.0	$36,719,500
R1	Urban Residential	890	1,435.4	$170,319,500
R1 FP	R1 Flood Plain	19	15.3	$12,491,700
R2	Rural Residential & Farming	2680	31,702.7	$400,910,900
R2 FP	R2 Flood Plain	14	13.3	$1,240,800
R2 DD	R2 Development District	13	252.7	$2,933,900
RP	Resource Protection	2	242.7	$26,300
R3	Natural Resource	833	12,446.3	$133,098,100
	SUBTOTAL	5212	49,173.2	$1,082,728,230
ALL	LESS EXEMPT PROPERTIES	178	2,966.6	$105,976,900
	NET ASSESSED VALUATION	5034	46,206.6	$976,751,330

*= includes 'No Land' values of leased properties, mobile homes in parks, condos, time shares, etc.

- The database shows more than 5,000 land parcels totaling more than 49,000 acres, or approximately 77 square miles (640 acres = 1 square mile);
- Total assessed value of these parcels is nearly $1.1 billion, though this includes $105.9 million in exempt properties, resulting in a net assessed value of around $976.7 million;
- Residential uses are valued at more than $721 million;
- Commercial uses are valued at $361.7 million;
- In terms of acreage, R2-Rural Residential & Farming is by far the largest land use, accounting for more than 31,000 acres. The next largest land use is another predominantly residential zone, R3-Natural Resource, which accounts for another 12,450 acres;
- Exempt properties include those owned by the City and its affiliates, as well as state and federal governmental entities. Property owned by charitable organizations like churches and social services are also considered exempt;
- The table also includes more than 2,200 'no land' accounts, such as condominiums, time shares,

mobile homes in parks, and commercial leases. For the purpose of this analysis, these were included within the accounting of the City's Total Assessed Value, but were not counted in the tally of land parcels.

The Ellsworth tax base was then further aggregated, distributing the entire tax base between residential and commercial uses.

The Table below presents a summary of the properties identified as residential.

Table 2 – Overview of Ellsworth Residential Properties

ACREAGE	LOTS	TOTAL ACRES	TOTAL ASSESSED VALUE
NO LAND	*179*	0.0	$24,829,500
<1 ACRE	1658	857.2	$230,788,100
1 TO 2.99 ACRES	1423	2,323.9	$216,280,000
3 TO 4.99 ACRES	329	1,226.3	$55,307,200
5 TO 9.99 ACRES	366	2,380.8	$75,228,000
10 TO 24.99 ACRES	287	4,502.2	$47,006,400
25 TO 49.99 ACRES	177	6,490.9	$23,505,500
50 TO 74.99 ACRES	91	5,488.0	$12,381,000
75 TO 99.99 ACRES	35	3,029.0	$5,773,300
100 AND OVER ACRES	85	19,810.0	$29,922,200
TOTALS	**4451**	**46,108.3**	**$721,021,200**

Note: does not count 'no land' as lots

- Residential zones account for 94% of Ellsworth's total acreage, and 67% of the total valuation;
- In terms of size, almost 37% of all residential parcels are under one acre, and almost 70% are under three acres in size;
- However, nearly 75% of the total residentially zoned acreage is in 25 acre lots or greater.

The next table presents a summary of the properties identified as commercial.

Table 3 – Overview of Ellsworth Commercial Properties

ACREAGE	LOTS	TOTAL ACRES	TOTAL ASSESSED VALUE
NO LAND	*2044*	0.0	$21,180,400.00
<1 ACRE	432	157.7	$99,386,900.00
1 TO 2.99 ACRES	184	311.1	$71,980,300.00
3 TO 4.99 ACRES	50	181.7	$52,179,200.00
5 TO 9.99 ACRES	33	229.6	$32,928,900.00
10 TO 24.99 ACRES	33	476.0	$46,367,400.00
25 TO 49.99 ACRES	17	553.6	$20,024,730.00
50 TO 74.99 ACRES	5	278.6	$15,598,900.00
75 TO 99.99 ACRES	5	421.8	$1,750,100.00
100 AND OVER ACRES	2	454.9	$310,200.00
TOTALS	**761**	**3,064.9**	**$361,707,030.00**

Note: does not count 'no land' as lots

- Commercial zones account for a little more than 6% of the total acreage of the community, but approximately 33% of the total valuation;
- Of the 761 commercially zoned parcels, more than 600 are under three acres in size;
- However, the remaining parcels account for approximately 75% of the commercially zoned acreage in Ellsworth.

In order to understand the development potential in Ellsworth, the parcels currently identified as vacant are being evaluated. In our search of the Assessor's database, we identified more than 1,450 parcels as vacant, city-wide. Note: exempt properties that were included in the initial summary have been removed for this exercise, with the exception of those parcels owned by the City that have been specifically earmarked to support commercial development (i.e. Commerce Park).

Additionally, in this table, vacant acreage that is currently active in the state's tree growth program is highlighted, though that designation does not preclude future development from occurring on that acreage. According to the City's Planning Department, the parcel currently being developed for a Super Wal-Mart was previously part of the tree growth program.

Table 4 – Summary of Vacant Parcels in Ellsworth*

ACREAGE	LOTS	TOTAL ACRES	*In Tree Growth*	TOTAL ASSESSED VALUE
<1 ACRE	331	177.2	*0*	$11,900,500
1 TO 2.99 ACRES	454	752.5	*4.75*	$21,465,500
3 TO 4.99 ACRES	117	434.3	*10*	$9,994,500
5 TO 9.99 ACRES	151	1,011.2	*10*	$6,619,000
10 TO 24.99 ACRES	150	2,368.0	*522.6*	$17,003,400
25 TO 49.99 ACRES	109	3,914.6	*1278.85*	$6,348,130
50 TO 74.99 ACRES	55	3,354.8	*1152.1*	$3,490,400
75 TO 99.99 ACRES	26	2,296.7	*1024.7*	$2,780,300
100 AND OVER ACRES	65	15,349.6	*11681.09*	$8,032,700
TOTALS	**1458**	**29,658.9**	***15684.09***	**$87,634,430**

- The vacant parcels total more than 29,000 acres and represent approximately 60% of Ellsworth's total land area;
- About half of that acreage is currently active in the aforementioned tree growth program;
- Half of the currently available lots are under three acres in size;
- However, only 1,360 of the nearly 30,000 available acreage is in lots that are less than five acres in size. Upwards of 15,000 acres is in lots that are at least 100 acres in size, or greater.

* The consultants recognize that there may be 'underutilized' properties which are shown as developed, but are largely vacant or could be redeveloped to a higher and better use.

In determining the potential impact of the development of vacant properties on the City of Ellsworth, it is important to gain an understanding of the associated zoning for these parcels, and the associated development potential of each property.

The table below provides a summary of the number of lots and acreage available in each zoning district.

Table 5 – Zoning Districts of All Vacant Parcels

VACANT PROPERTIES	LOTS	TOTAL ACRES	*In Tree Growth*	TOTAL ASSESSED VALUE
IA-INDUSTRIAL	11	25.9	*0*	$373,600
I2-LIGHT INDUSTRIAL &WHOLESALE	10	783.13	*244.6*	$950,300
BP-BUSINESS PARK	10	21.46	*0*	$565,100
CLI-COMMERCIAL/LIGHT INDUSTRIAL	29	405.99	*23.18*	$2,413,300
CLI-FLOOD PLAIN	1	0.6	*0*	$2,100
CLI-DEVELOPMENT DISTRICT	8	63.75	*0*	$2,205,700
C1-COMMERCIAL	11	2.34	*0*	$444,100
C1FP - FLOOD PLAIN				
C2-RETAIL & SERVICE	23	44.4	*0*	$2,147,700
C2-DEVELOPMENT DISTRICT	26	237.98	*39.76*	$14,142,330
C2FP-FLOOD PLAIN				
R1A-URBAN RESIDENTIAL AND OFFICE	7	12.33	*0*	$180,600
R1-URBAN RESIDENTIAL	111	459.39	*160.7*	$4,775,000
R1-FLOOD PLAIN	1	0.15	*0*	$2,200
R2-RURAL RESIDENTIAL AND FARMING	883	20,832.48	*1,1692.9*	$42,336,700
R2-DEVELOPMENT DISTRICT	4	207.21	*0*	$355,700
R2-FLOOD PLAIN	2	4.24	*0*	$111,600
RP-RESOURCE PROTECTION	2	242.7	*0*	$26,300
R3-NATURAL RESOURCE	319	6,314.81	*3,522.95*	$16,602,100
TOTALS	**1458**	**29,658.86**	***15,684.09***	**$87,634,430**

- As indicated, the largest amount of vacant land (more than 20,000 acres) lies in the 'R2-Rural Residential and Farming' zoning district. Another residentially-based zone, 'R3 Natural Resource', has the second most (more than 6,300 acres);
- The chart also shows nearly 1,600 acres of vacant, commercially-zoned land. 'I2-Light Industrial & Wholesale' tops the list, with more than 780 acres available, followed by 'CLI-Commercial/Light Industrial' (405 acres) and 'C2-Development District', with 238 acres, *some of which is already committed* (some 60 acres) to the big box development underway within the (C2-DD) Beckwith/Triangle Development District.

In order to evaluate the build-out potential for vacant commercial (defined as retail, office and industrial) sites in Ellsworth, the City's zoning ordinance was reviewed to determine the allowable density for each zoning district.

For commercial uses, the 'maximum lot coverage' (shown below as 'MLC'; essentially the developable square footage per acre) was used. A range of potential was used, based on the maximum density allowable, and an amount equal to 50% of the maximum was used as an estimate for the low end of the range. Using 50% of maximum build out is reasonable based on site environmental limitations, development set backs, internal roads, landscape requirements, etc.

Table 6 – Build Out Potential of Vacant Commercial Land

NON-RESIDENTIAL AND MIXED USE CLASSES; VACANT PROPERTIES	LOTS	TOTAL ACRES	Maximum Lot Coverage	DEV. POTENTIAL LOW SF	DEV. POTENTIAL HIGH SF
I1-INDUSTRIAL	11	25.9	0.4	225,641	451,282
I2-LIGHT INDUSTRIAL &WHOLESALE	10	783.13	0.4	6,822,629	13,645,257
BP-BUSINESS PARK	10	21.46	0.7	327,179	654,358
CLI-COMMERCIAL/LIGHT INDUSTRIAL	29	405.99	0.4	3,536,985	7,073,970
CLI-DEVELOPMENT DISTRICT	8	63.75	0.4	555,390	1,110,780
CLI-FLOOD PLAIN	1	0.6	0.4	5,227	10,454
C1-COMMERCIAL	11	2.34	0.4	20,386	40,772
C1FP - FLOOD PLAIN			0.4		
C2-RETAIL & SERVICE	23	44.4	0.3	290,110	580,219
C2-DEVELOPMENT DISTRICT	26	237.98	0.3	1,554,961	3,109,923
C2FP-FLOOD PLAIN			0.3		
R1A-URBAN RESIDENTIAL AND OFFICE	7	12.33	0.4	107,419	214,838
TOTALS	**136**	**1597.88**		**13,445,927**	**26,891,853**

- Vacant commercial land in Ellsworth could support between 13 million and 26 million square feet of new commercial development.
- 'I2-Light Industrial & Wholesale' has the greatest level of development capacity, up to 13 million SF as a high square footage estimate.
- 'CLI-Commercial/Light Industrial is second, with up to an estimated 7 million SF, and 'C2-Development District' is third, with more than 3 million SF of capacity estimated. Note: as referenced in the previous section, this estimate includes some 60 acres (and nearly 1 million square feet) already under development in the Beckwith/Triangle Development District.

Fiscal Impact Analysis

One factor which many communities do not recognize in considering economic development is the fiscal impacts associated with that development. Fiscal Impact Analysis compare the incremental revenues generated by a specific project against the costs for providing municipal services associated with the project. In this case, the analysis will consider classes of projects (residential, retail, office, industrial).

The first step in developing an understanding of the fiscal impacts is to review the community's tax base. According to data from the City's Assessor, the City's has an assessed value of almost $962 million[1], based on the 2007 assessment data. It should be noted that the State of Maine has certified the 2007 data as being equivalent to 100% of market value. The tax base is approximately 62.4% residential, and 37.6% non-residential. These percentages will be used in evaluating fiscal impacts of residential and non-residential development.

Table 1 – Ellsworth Tax Base ($ millions)

Residential	$	600.05	62.4%
Non-Residential	$	361.70	37.6%
Total	$	961.75	100.0%
Source: City of Ellsworth and Eaton Peabody Consulting			

The next step is to allocate the City's budget into a residential portion and a non-residential portion. The Table below provides an overview of the City's budget, as well as the allocation between residential and non-residential.

Table 2 – Allocation of Budget between Use Types

	2007 Budget	Residential Allocation	Non-Residential Allocation
Budget		62.4%	37.6%
General Government	$ 2,218,299	$ 1,384,029	$ 834,270
Public Safety	$ 1,792,972	$ 1,118,662	$ 674,310
Public Works	$ 1,227,654	$ 765,951	$ 461,703
Health & Human Services	$ 50,692	$ 31,627	$ 19,065
Leisure Activities	$ 679,320	$ 423,838	$ 255,482
Municipal Buildings	$ 144,034	$ 89,865	$ 54,169
Debt Service	$ 670,242	$ 418,174	$ 252,068
County Tax	$ 384,502	$ 239,896	$ 144,606
Capital Improvements	$ 1,029,000	$ 642,008	$ 386,992
Subtotal	$ 8,196,715	$ 5,114,051	$ 3,082,664
Less Revenues	$ (3,106,525)	$ (1,938,207)	$ (1,168,318)
Net Municipal Budget	$ 5,090,190	$ 3,175,845	$ 1,914,345
Net Education Budget	$ 6,135,646	$ 6,135,646	$ -
Total to be Raised Through Property Taxes	$ 11,225,836	$ 9,311,491	$ 1,914,345
Source: City of Ellsworth and JDA			

It is important to recognize that the Table above allocates all education expenses to the residential portion of the budget, as residential uses create the school-aged children which drive the education budget.

[1] Excluding exempt properties of approximately $106 million

As shown above, the City has a net budget (after revenues) of approximately $5.1 million. Allocating this expenditure based on the 62.4%/37.6% split identified above indicates that the residential portion of the tax base is allocated $3.18 million of the net budget, while the non-residential portion is allocated $1.91 million.

The next step is to determine the per capita costs for services, as well as the per employee cost. According to the State of Maine, the most recent estimated population for Ellsworth is 7,205. As discussed in the Market section of this report, the City's current employment base is 6,250. These figures can be used to estimate the cost of services.

Table 3 – Per Capita and Per Employee Costs of Services

	2007 Budget	Residential Allocation	Non-Residential Allocation	Cost/ Resident	Cost/ Employee
Budget		**62.4%**	**37.6%**	**7,205**	**6,250**
General Government	$ 2,218,299	$ 1,384,029	$ 834,270	$ 192	$ 133
Public Safety	$ 1,792,972	$ 1,118,662	$ 674,310	$ 155	$ 108
Public Works	$ 1,227,654	$ 765,951	$ 461,703	$ 106	$ 74
Health & Human Services	$ 50,692	$ 31,627	$ 19,065	$ 4	$ 3
Leisure Activities	$ 679,320	$ 423,838	$ 255,482	$ 59	$ 41
Municipal Buildings	$ 144,034	$ 89,865	$ 54,169	$ 12	$ 9
Debt Service	$ 670,242	$ 418,174	$ 252,068	$ 58	$ 40
County Tax	$ 384,502	$ 239,896	$ 144,606	$ 33	$ 23
Capital Improvements	$ 1,029,000	$ 642,008	$ 386,992	$ 89	$ 62
Subtotal	$ 8,196,715	$ 5,114,051	$ 3,082,664	$ 710	$ 493
Less Revenues	$ (3,106,525)	$ (1,938,207)	$ (1,168,318)	$ (269)	$ (187)
Net Municipal Budget	$ 5,090,190	$ 3,175,845	$ 1,914,345	$ 441	$ 306
Net Education Budget	$ 6,135,646	$ 6,135,646	$ -	$ 852	$ -
Total to be Raised Through Property Taxes	$ 11,225,836	$ 9,311,491	$ 1,914,345	$ 1,292	$ 306

Source: City of Ellsworth and JDA

As shown in the Table, the average per capita cost of services including education was $1,292. The cost per resident excluding education is $440. The average cost of services for employees in the community is $306.

These figures can be used to estimate the City's "breakeven point" for various types of development. For example, a new $250,000 home would generate $3,288 in taxes, based on the City's 2007 tax rate of $13.15 per $1,000 of assessed valuation. Given a cost of services of $1,292 per resident, the "breakeven point" would be 2.54 residents. For a $300,000 home, generating $3,945 in taxes, the breakeven point would increase to 3.05 residents.

A similar analysis can be used for non-residential properties. For example, a 1,000 square foot office property valued at $100 per square foot would generate $1,315 in tax revenues. Given an estimated cost of services of $306 per employee, the office property would have a breakeven point of 4.3 employees. The Table below provides a similar analysis for industrial and retail properties.

Table 4 - Summary Breakeven Analysis for Various Property Types

Sample Breakeven Analyses			**Industrial Building - SF**		1,000
Home Value	$	250,000	Average Value/SF	$	40
Tax Rate	$	13.15	Property Assessment	$	40,000
Taxes	$	3,288	Tax Rate	$	13.15
Cost of Services/Resident	$	1,292	Taxes	$	526
"Supportable Residents"		2.54	Cost of Services/Employee	$	306
			"Supportable Employees"		1.72
			SF per Employee		582.31
Office Building - SF		1,000	**Retail Building - SF**		1,000
Average Value/SF	$	100	Average Value/SF	$	80
Property Assessment	$	100,000	Property Assessment	$	80,000
Tax Rate	$	13.15	Tax Rate	$	13.15
Taxes	$	1,315	Taxes	$	1,052
Cost of Services/Employee	$	306	Cost of Services/Employee	$	306
"Supportable Employees"		4.29	"Supportable Employees"		3.43
SF per Employee		232.92	SF per Employee		291.16

It is important to note that this is an order-of-magnitude analysis, intended to provide an understanding the balance between municipal revenues and expenditures. In addition, because building quality can vary substantially, the values outlined above are intended to illustrate the concept. A more detailed analysis should be undertaken if the community is considering a specific project.

Regional Employment Base

In order to understand the City of Ellsworth's economic position, it is first necessary to gain an understanding of the economic base of the region. Specifically, while Ellsworth is a significant regional employment center, it is important to understand the context within which the City and its economic development programs operates. This section provides an overview of the Hancock County employment base, including the number of establishments, average employment by industry and average wages.

The Table below provides summary statistics for Hancock County for 2006. As shown in the Table, the County had almost 2,500 employers, and a total employment base of 22,851. The average weekly wage across the County was $585 in 2006.

Table 1 – Hancock County Employment Base, 2006

INDUSTRY	# OF EMPLOYERS (UNITS)	AVERAGE EMPLOYMENT	TOTAL WAGES $	AVERAGE ANNUAL WAGE $	AVERAGE WEEKLY WAGE $
Total, All Industries	2,488	22,851	695,149,868	30,422	585
Goods-Producing	551	4,396	171,162,866	38,934	749
Natural Resources and Mining	81	212	5,838,021	27,581	530
Agriculture, Forestry, Fishing and Hunting	78	200	5,476,718	27,418	527
Mining	3				
Construction	343	1,907	61,881,433	32,450	624
Manufacturing	127	2,278	103,443,412	45,418	873
Durable Goods Manufacturing	79	900	33,380,892	37,076	713
Nondurable Goods Manufacturing	48	1,377	70,062,520	50,871	978
Service-Providing	1,937	18,454	523,987,002	28,394	546
Trade, Transportation, and Utilities	513	4,537	111,366,979	24,546	472
Wholesale Trade	72	296	9,017,265	30,438	585
Retail Trade	346	3,600	83,136,386	23,096	444
Transportation and Warehousing	83	576	16,439,487	28,545	549
Utilities	12	65	2,773,842	42,565	819
Information	45	354	12,475,271	35,216	677
Financial Activities	161	871	34,390,586	39,465	759
Finance and Insurance	78	620	27,578,771	44,482	855
Real Estate and Rental and Leasing	83	251	6,811,815	27,094	521
Professional and Business Services	268	2,218	86,440,659	38,966	749
Admin & Support & Waste Mgnt. & Remediation Serv.	101	430	9,974,811	23,206	446
Education and Health Services	192	5,219	168,556,222	32,297	621
Educational Services	66	2,413	67,496,238	27,974	538
Health Care and Social Assistance	126	2,806	101,059,984	36,014	693
Leisure and Hospitality	390	3,583	66,928,480	18,678	359
Arts, Entertainment, and Recreation	77	539	16,271,761	30,207	581
Accommodation and Food Services	313	3,045	50,656,719	16,638	320
Other Services	290	940	23,324,663	24,827	477
Government	78	732	20,504,142	28,030	539

Source: Maine Department of Labor, Labor Market Information Services

The County has five large employment sectors which each account for more than 10% of employment. The Education and Health Services sector was the County's largest in 2006, employing more than 5,200 in 2006, or almost 23% of all jobs in the County. The Trade, Transportation and Utilities sector accounted for more than 20% of all employment in Hancock County.

Maine's tourism economy plays a big role in Hancock County. The Leisure and Hospitality sector was the third largest in Hancock County in 2006, employing almost 3,600. The Manufacturing sector accounted for more than 10% of the County's employment in 2006, while the Professional and Business Services sector was just under 10%.

Table 2 – Largest Employment Sectors, Hancock County 2006

INDUSTRY	# OF EMPLOYERS (UNITS)	AVERAGE EMPLOYMENT	TOTAL WAGES $	AVERAGE ANNUAL WAGE $	AVERAGE WEEKLY WAGE $
Total, All Industries	**2,488**	**22,851**	**695,149,868**	**30,422**	**585**
Education and Health Services	**192**	**5,219**	**168,556,222**	**32,297**	**621**
Trade, Transportation, and Utilities	**513**	**4,537**	**111,366,979**	**24,546**	**472**
Leisure and Hospitality	**390**	**3,583**	**66,928,480**	**18,678**	**359**
Manufacturing	**127**	**2,278**	**103,443,412**	**45,418**	**873**
Professional and Business Services	**268**	**2,218**	**86,440,659**	**38,966**	**749**
Construction	**343**	**1,907**	**61,881,433**	**32,450**	**624**
Financial Activities	**161**	**871**	**34,390,586**	**39,465**	**759**
Government	**78**	**732**	**20,504,142**	**28,030**	**539**
Admin & Support & Waste Mgnt. & Remediation Serv.	**101**	**430**	**9,974,811**	**23,206**	**446**
Information	**45**	**354**	**12,475,271**	**35,216**	**677**
Natural Resources and Mining	**81**	**212**	**5,838,021**	**27,581**	**530**

Source: Maine Department of Labor, Labor Market Information Services

Between 2001 and 2006, the County experienced a slight decline in total employment, losing 89 jobs over the five year period. However, in order to gain a better understanding of those sectors of the County's employment base which performed well between 2001 and 2006, data at the three-digit NAICS[2] level was reviewed. The State of Maine's Department of Labor provided data for employment at this level, where data suppression requirements allowed for release of the information.

As shown in the Table below, thirteen separate subsectors gained more than 50 jobs each between 2001 and 2006. The hospital sector showed the largest increase in employment, gaining 226 jobs, an average of 45 per year. The Professional, Scientific and Technical Services sector also showed strong gains, increasing employment by 141 over the five year period. Administrative and Support Services showed an increase of 123, while employment in specialty trades increased by more than 100.

Table 3 – Employment Growth Sectors, Hancock County, Three-digit NAICS Codes

	Employment			
NAICS Category	**2001**	**2006**	**Change**	**% Change**
Hospitals	984	1,210	226	23.0%
Professional, Scientific and Tech Services	1,568	1,709	141	9.0%
Administrative and support services	260	383	123	47.3%
Specialty trade contractors	1,055	1,156	101	9.6%
Transit and ground passenger transportation		93	93	N/A
Merchant wholesalers, nondurable goods	155	244	89	57.4%
Educational Services	2,337	2,413	76	3.3%
Membership associations and organizations	195	263	68	34.9%
Local	529	593	64	12.1%
Construction of buildings	574	637	63	11.0%
Computer and electronic product manufacturin		62	62	N/A
Nursing and residential care facilities	662	722	60	9.1%
Food services and drinking places	1,885	1,943	58	3.1%
Total - Selected Sectors	**10,204**	**11,428**	**1,224**	**12.0%**

Source: Maine Department of Labor

In percentage terms, the County had four subsectors which showed gains in excess of 20% between 2001 and 2006. These included Merchant Wholesalers of Non-durable goods (57.4%), Administrative and Support Services (47.3%), Membership Associations and Organizations (34.9%) and Hospitals (23.0%).

[2] North American Industrial Classification System

In order to provide some perspective to the County's competitive position, information on Location Quotients (LQ) for Hancock County was reviewed. In addition, LQs for the Bangor Metropolitan Statistical Area (MSA) have been included to provide some perspective.

LQs provide an indication of the relative concentration of employment compared to a larger area. In this case, the relative employment concentrations of Hancock County and the Bangor MSA are compared against the employment concentrations for the State of Maine.

Table 4 – Comparative Location Quotients – Hancock County and Bangor MSA

Industry	Hancock County, Maine	Bangor, ME MSA
Base Industry: Total, all industries	1	1
NAICS 99 Unclassified	NC	NC
NAICS 21 Mining	3.16	ND
NAICS 54 Professional and technical services	1.96	0.96
NAICS 72 Accommodation and food services	1.57	0.92
NAICS 81 Other services, except public administration	1.45	1.08
NAICS 23 Construction	1.36	0.88
NAICS 71 Arts, entertainment, and recreation	1.26	0.57
NAICS 44-45 Retail trade	1.07	1.15
NAICS 11 Agriculture, forestry, fishing and hunting	1.03	ND
NAICS 31-33 Manufacturing	0.94	0.68
NAICS 53 Real estate and rental and leasing	0.89	0.93
NAICS 48-49 Transportation and warehousing	0.84	1.62
NAICS 62 Health care and social assistance	0.78	1.23
NAICS 51 Information	0.75	1.17
NAICS 61 Educational services	0.72	0.53
NAICS 22 Utilities	0.63	1.13
NAICS 52 Finance and insurance	0.56	0.6
NAICS 55 Management of companies and enterprises	0.37	0.96
NAICS 56 Administrative and waste services	0.35	1.01
NAICS 42 Wholesale trade	0.32	1.05

For example, in the case where the County's distribution of employment in a specific industry is the same (in percentage terms) as the State's, the LQ would be 1.0. An LQ above 1.0 indicates that the County has a higher concentration of employment than the State – an LQ of less than 1.0 indicates that the County has a lower concentration of employment than the State as a whole.

The Table above indicates that Hancock County has a substantially higher level of employment within the Mining sector – 3.16 times as much – than the State. Other areas where the County has a substantial advantage over the State as a whole include Professional and Technical Services (1.96), Accommodation and Food Services (1.57), Other Services (1.45), Construction (1.36) and Arts and Entertainment (1.26).

The Table above also provides an indication of areas where the County has a substantially lower concentration of employment than the State as a whole. Hancock County has a low concentration of employment in the Finance and Insurance sector (0.56), Management of Companies and Enterprises (0.37), Administrative and Waste Services (0.35) and Wholesale Trade (0.32).

City of Ellsworth Employment Base

The City of Ellsworth has a diverse economic base. The community had an employment base of 6,250 in 2006, with 476 employers in the community. The overall average wage in 2006 was $566 per week, or $29,428 annually. This is below the County's average wage of $585, owing in part to the City's dominance as a retail center, and the concentration of jobs in the Accommodation and Food Service Sector.

The Retail Trade sector was the City's largest employer in 2006, employing more than 1,700, or almost 28% of Ellsworth's jobs. The Health Care and Social Assistance sector employed 1,413 workers in 2006, or more than 22% of workers. This is due in large part to the presence of Maine Coast Memorial Hospital, the largest employer in the community. The Accommodation and Food Service sector employed 723 in 2006. Beyond these three dominant sectors, no other sector accounts for more than 5% of the City's jobs.

Table 1 – City of Ellsworth, Largest Employment Sectors, 2006

ALL OWNERSHIPS	TOTAL NUMBER OF EMPLOYERS (UNITS)	AVERAGE EMPLOYMENT	TOTAL WAGES	AVERAGE ANNUAL WAGE	AVERAGE WEEKLY WAGE
Total, All Industries	476	6,250	$183,911,565	$29,428	$566
Retail Trade	104	1,729	$44,689,719	$25,847	$497
Health Care and Social Assistance	54	1,413	$52,885,559	$37,439	$720
Accommodation and Food Services	38	723	$9,475,603	$13,104	$252
Construction	40	307	$11,277,975	$36,686	$706
Other Services	34	273	$5,199,391	$19,069	$367
Finance and Insurance	26	272	$11,535,973	$42,425	$816
Public Administration	24	266	$9,161,709	$34,443	$662
Manufacturing	11	163	$4,861,731	$29,842	$574
Information	13	156	$6,148,774	$39,457	$759
Transportation and Warehousing	9	152	$4,633,277	$30,549	$587
Professional, Scientific and Tech Services	49	149	$5,231,219	$35,070	$674
Admin & Support & Waste Mgnt. & Remediation Serv.	17	91	$2,438,939	$26,679	$513
Management of Companies and Enterprises	4	62	$2,087,317	$33,531	$645
Real Estate and Rental and Leasing	18	54	$1,664,709	$31,116	$598
Arts, Entertainment, and Recreation	8	52	$713,145	$13,825	$266
Wholesale Trade	10	43	$1,689,409	$39,137	$753
Educational Services	10	*	*	*	*
Natural Resources and Mining	4	*	*	*	*
Utilities	3	*	*	*	*

Source: Maine Department of Labor, Labor Market Information Services

The City's financial services sector has the highest average wage, substantially above the community as a whole. The strength of this sector may offer the community an opportunity to attract related businesses, such as back office operations and processing centers.

As indicated above, the average wage in Ellsworth in 2006 was $566. The Finance and Insurance sector, one of the City's strongest performers, had the highest average wage, at $816 per week. This is more than 44% above the citywide average wage. Other sectors which provide wage levels which are more than 20% above the Citywide average include: the Information sector ($759); the Wholesale Trade sector ($753); the Health Care and Social Assistance sector ($720); and the Construction sector ($706).

Table 2 – City of Ellsworth, Highest Average Wages

ALL OWNERSHIPS	TOTAL NUMBER OF EMPLOYERS (UNITS)	AVERAGE EMPLOYMENT	TOTAL WAGES	AVERAGE ANNUAL WAGE	AVERAGE WEEKLY WAGE
Total, All Industries	476	6,250	$183,911,565	$29,428	$566
Finance and Insurance	26	272	$11,535,973	$42,425	$816
Information	13	156	$6,148,774	$39,457	$759
Wholesale Trade	10	43	$1,689,409	$39,137	$753
Health Care and Social Assistance	54	1,413	$52,885,559	$37,439	$720
Construction	40	307	$11,277,975	$36,686	$706
Professional, Scientific and Tech Services	49	149	$5,231,219	$35,070	$674
Public Administration	24	266	$9,161,709	$34,443	$662
Management of Companies and Enterprises	4	62	$2,087,317	$33,531	$645
Real Estate and Rental and Leasing	18	54	$1,664,709	$31,116	$598
Transportation and Warehousing	9	152	$4,633,277	$30,549	$587
Manufacturing	11	163	$4,861,731	$29,842	$574
Admin & Support & Waste Mgnt. & Remediation Serv.	17	91	$2,438,939	$26,679	$513
Retail Trade	104	1,729	$44,689,719	$25,847	$497
Other Services	34	273	$5,199,391	$19,069	$367
Arts, Entertainment, and Recreation	8	52	$713,145	$13,825	$266
Accommodation and Food Services	38	723	$9,475,603	$13,104	$252
Educational Services	10	*	*	*	*
Natural Resources and Mining	4	*	*	*	*
Utilities	3	*	*	*	*

Source: Maine Department of Labor, Labor Market Information Services

Unfortunately, in 2006, two of the City's largest employment groups had average wage levels that were below the Citywide average wage of $566. The Accommodation and Food Service sector, the City's third largest employment sector, had the lowest average weekly wage at $252. This is 55% below the Citywide average wage. The Retail Trade sector, the City's largest employment sector, had an average wage of $497, 12% below the Citywide average. This could be a significant issue for the community, given the expected increase in retail employment as another one million square feet of retail space comes online.

The City of Ellsworth is projected to add as much as one million square feet of new retail development. However, since this sector has average wages will below the City as a whole, the addition of incremental jobs in the retail sector could reduce the community's overall average wage.

In order to gain a better understanding of where the community has been creating jobs in the recent past, employment data for the three-digit NAICS codes was provided by the Maine Department of Labor. The Table below provides a summary of the NAICS sectors which showed the strongest growth between 2001 and 2006. As shown in the Table, the Health Care and Social Assistance sector added the largest number of jobs, creating almost 150 jobs between 2001 and 2006. This is more than the other job creating sectors combined. The Administrative and Support sector created 36 positions over the period, while the Arts, Entertainment and Recreation sector added 35 jobs. The Finance and Insurance sector added 23 new positions, and the Transportation and Warehousing sector added 19 positions.

Table 3 – City of Ellsworth, Employment Growth Sectors, 2001 to 2006

ALL OWNERSHIPS	Employment 2001	Employment 2006	Change 01 - 06
Total, All Industries	6,212	6,250	38
Health Care and Social Assistance	1,264	1,413	149
Admin & Support & Waste Mgnt. & Remediation Serv.	55	91	36
Arts, Entertainment, and Recreation	17	52	35
Finance and Insurance	249	272	23
Transportation and Warehousing	133	152	19
Accommodation and Food Services	708	723	15
Information	152	156	4
Professional, Scientific and Tech Services	145	149	4
Wholesale Trade	40	43	3
Public Administration	266	266	-
Real Estate and Rental and Leasing	55	54	(1)
Management of Companies and Enterprises	65	62	(3)
Other Services	285	273	(12)
Retail Trade	1,759	1,729	(30)
Manufacturing	202	163	(39)
Construction	354	307	(47)
Educational Services	*	*	*
Natural Resources and Mining	*	*	*
Utilities	*	*	*

Source: Maine Department of Labor, Labor Market Information Services

It is interesting to note that despite an aggressively expanding Retail sector, the region actually lost retail jobs between 2001 and 2006. As shown in the Table above, the Retail sector lost 30 jobs over the period. Only the Construction and Manufacturing sectors lost more jobs.

The Health Care sector is the City's second largest employment sector (behind Retail Trade) showed the largest increase in employment from 2001 to 2006. The growth of this sector represents an opportunity for the community to encourage additional employment opportunities support in the Health Care sector by having appropriate development sites available.

To gain a more in-depth understanding of where job creation occurred, data for three digit NAICS codes was reviewed. The Table below provides data at a more detailed level regarding job creation. As shown in the Table, several three-digit sectors experienced significant gains. For example, while the prior Table indicated that the Retail sector had lost jobs between 2001 and 2006, the Table below indicates that Building Material and Supply Stores increased employment by 21 jobs, or almost 9%.

Table 4 – Ellsworth Employment Growth Sectors, Three-digit NAICS Codes

NAICS Category	Employment 2001	Employment 2006	Change	% Change
ISPs, search portals, and data processing		49	49	N/A
Nursing and residential care facilities	345	389	44	12.8%
Administrative and support services	50	86	36	72.0%
Credit intermediation and related activities	187	218	31	16.6%
Merchant wholesalers, nondurable goods		30	30	N/A
Social assistance	105	135	30	28.6%
Food services and drinking places	591	616	25	4.2%
Specialty trade contractors	105	128	23	21.9%
Building material and garden supply stores	235	256	21	8.9%
Total - Selected Sectors	**1,618**	**1,907**	**289**	17.9%

Source: Maine Department of Labor

The Administrative and Support subsector showed the strongest growth, increasing by 72% in five years.[3] Not surprisingly, two of the community's leading industries, health care and finance, had subsectors that also led the City's job creation between 2001 and 2006. Nursing and Residential Care Facilities created 44 jobs during the period, and the Credit Intermediation and Related Activities subsector created 31 jobs.

The City of Ellsworth has experienced strong performance in its healthcare, and financial services sectors. These sectors represent significant opportunities for the community's economic development program. Consideration should be given to programs and approaches that could benefit companies in these sectors.

The City serves as a major employment sector for Hancock County. However, in 2006, the City's 6,250 jobs represented just over 27% of the jobs in the County. The Table below provides an overview of the City's percentage of employment in various industries. Percentages shown in blue are at or above the average of 27.4%.

As the County's hub for retail trade, it is not surprising to see that the City represents 48% of all jobs in the Retail Trade sector. Similarly, as the region's largest health care provider, the City provides more than half of all jobs in the Health Care sector.

[3] It should be noted that data suppression requirements limit the number of number of NAICS categories for which information is available.

Table 5 – City Employment as a Percentage of County Employment, 2006

INDUSTRY	AVERAGE EMPLOYMENT - CITY	AVERAGE EMPLOYMENT - COUNTY	CITY AS A % OF COUNTY
Total, All Industries	6,250	22,851	27.4%
Goods-Producing	516	4,396	11.7%
Natural Resources and Mining	*	212	N/A
Construction	307	1,907	16.1%
Manufacturing	163	2,278	7.2%
Service-Providing	5,734	18,454	31.1%
Trade, Transportation, and Utilities	1,934	4,537	42.6%
Wholesale Trade	43	296	14.5%
Retail Trade	1,729	3,600	48.0%
Transportation and Warehousing	152	576	26.4%
Utilities	*	65	N/A
Information	156	354	44.1%
Financial Activities	325	871	37.3%
Finance and Insurance	272	620	43.9%
Real Estate and Rental and Leasing	54	251	21.5%
Professional and Business Services	303	2,218	13.7%
Professional, Scientific and Tech Services	149	1,709	8.7%
Management of companies and enterprises	62	80	77.5%
Admin & Support & Waste Mgnt. & Remediation Serv.	91	430	21.2%
Education and Health Services	1,702	5,219	32.6%
Educational Services	*	2,413	N/A
Health Care and Social Assistance	1,413	2,806	50.4%
Leisure and Hospitality	775	3,583	21.6%
Arts, Entertainment, and Recreation	52	539	9.6%
Accommodation and Food Services	723	3,045	23.7%
Other Services	273	940	29.0%
Government	266	732	36.3%

Source: Maine Department of Labor, Labor Market Information Services

Three specific areas highlight sectors where the City provides an above average share of the jobs in the County. First, the City has an extraordinarily high concentration of the jobs in the Management of Companies and Enterprises. Within this sector, the City has 62 of the 80 jobs in the County, or 77.5%. In addition, the City has approximately 44% of the jobs in the Information and Finance/Insurance sectors.

The Table above also provides indications of where the City is underperforming. For example, the City has just 7.2% of the County's manufacturing jobs, and just 8.7% of jobs in the Professional, Scientific and Technical Services sector. These are two of the County's strongest sectors, and the City should consider these areas as a focus of their economic development activity.

Interviews with Local Employers

In addition to the statistical analysis outlined above, a selection of local business leaders was interviewed. Several of the largest employers in the region were contacted, as well as some smaller companies. Employers in the health care, agricultural and financial services sectors were contacted, as well as real estate companies and developers, retailers and property managers.

Overall, the interviews with local business leaders were positive. As a condition of the interviews, all participants were assured confidentiality, and therefore no specific comments are attributed to any

individual participant. Some of the positive comments included:

- There is a great mix of employers in the region, including Acadia National Park, Jackson Labs, and Maine Coast Memorial Hospital.
- While the industrial park has struggled, the new business park seems to be doing well.
- The City serves as a regional retailing center, serving people well beyond the City's borders.
- Strong growth in the region in terms of employment opportunities and population.
- A strong health care sector, strong professional services sector.
- A diverse community.
- Good education system, good student/teacher ratio.
- A stable core workforce.
- Successful downtown revitalization program.
- City is a good place to do business, City and Chamber of Commerce are responsive and helpful.

On the negative side, many of the comments focused on the community's traffic concerns, and the significant growth of the retail sector. Some of the comments included:

- Growth in retailing could result in the cannibalization of workers from existing businesses.
- The traffic situation is critical – the new road plan is not sufficient – the community is near gridlock when it rains. The one-way traffic loop will leave some businesses with "much less traffic".
- The industrial park is viewed as a failure – not a "real" industrial park.
- There seems to be an anti-development attitude in Town. Needless delays increase costs and reduce profitability for developers.
- The City's rapid growth has resulted in rapidly growing municipal expenditures – tax rates are high in Ellsworth.
- The City needs more cohesive, integrated planning for the Beckwith Hill retail area and downtown Ellsworth. Concern over the potential impacts of over-building.
- Parking is a concern downtown.
- City is allowing too much retail – the size of the retail pie isn't growing fast enough to support all this new growth – some existing businesses are likely to get hurt.
- The City could be facing a housing shortage soon, particularly if workers move to the area for jobs in the retail sector. This could necessitate more rental and/or workforce housing.
- Concern over where the worker will come from to support the new retail development. Finding new employees for existing businesses is "very difficult".
- Route 1A is insufficient – needs to be expanded to keep up.
- Ellsworth doesn't have an identity of its own – needs to be something more than the retail center for the region.
- City needs to more clearly define requirements and expectations for developers.

Establishing Project Criteria and Prioritization

In September, 2007, a series of exercises were conducted with the Ellsworth Economic Development Committee, comprised equally of elected and appointed municipal officials and local business leaders, for the purpose of establishing criteria by which the City can evaluate and prioritize both municipal investment projects and private development proposals.

The exercise began with Committee members agreeing on several "Critical Success Factors" (CSFs), or the factors that must be present following completion of a project to determine the project a success in advancing the City's economic development goals. CSF's were to be brief descriptors of a broad objective. The following are examples of possible CSF's:

- Jobs
- Tax base
- Quality of life
- Return on investment (municipal)
- Enhanced infrastructure

To further quantify and prioritize those factors, the Committee was then asked to identify 'benchmark' measures for each of the Factors they selected for Ellsworth. The measures would further evaluate how well a given project meets or satisfies a given Critical Success Factor. These benchmarks, or goals, were developed by using the "SMART rule" of good goal setting. The SMART rule says that a good goal has the following characteristics:

S	Specific
M	Measurable
A	Attainable
R	Relevant
T	Time-specific

Once the CSF's and their associated benchmarks were identified, a two level "voting" exercise was undertaken by the Committee to prioritize among the Critical Success Factors and also among the benchmark measures. The outcome of this exercise was used to assign quantified a relative value (or weight) to each success factor and related measures, consistent with the importance of each to the Committee. These values were then used to develop a Project Evaluation Tool, which is designed to score potential investments against the criteria identified as <u>most</u> critical to successful economic development in the City.

The eight Critical Success Factors identified by the Committee, in priority order, were:

- **Jobs**
- **Economic Diversification**
- **Economic/Environmental Sustainability**
- **Infrastructure/Transportation**
- **Expand Tax Base**
- **Community Appeal / Quality of Life**

- **Net Positive Impact**
- **Wise Space Utilization**

The following details each of the Critical Success Factors with the benchmark measures identified to evaluate the degree to which a project satisfies each CSF. Also identified is the weight of each critical success factor. The total weight of all success factors is 50.

The Critical Success Factor identified as highest priority was jobs. As can be seen by the benchmarks, there are several measures associated with this CSF, ranging from quality of benefits and pay to the number of jobs to be created by the proposed development.

A	**Jobs**	**8.80**
1	Jobs created offer attractive health, retirement benefits	
2	Jobs pay above the county average	
3	Will attract new skilled workforce to the area	
4	Significant portion of Jobs created are/will be full time	
5	Creates a significant number of new jobs (relative to size of area developed)	

The second priority CSF was economic diversification. This priority has to do with type and size of the proposed development and also with diversification of the employment opportunities provided.

B	**Economic Diversification**	**8.10**
1	Complements existing mix of retail, mfg., services	
2	Offers professional and technical opportunities for career growth	
3	Balances mix of large and small developments within the City	
4	Offers new and sustainable services	

The third priority set by the Committee was economic and environmental sustainability. This priority reflects the importantance placed on a project's neutral or positive impact on the environment, it's compatability with the existing commercial base, and the long-term viability of a given product or service.

C	**Economic/Environmental Sustainability**	**8.09**
1	Neutral (1) or positive (3) environmental impact	
2	Compatible with, and supportive of, existing businesses	
3	Long-term commitment by company and long term market for product/service	

The fourth priority involves the impact of a given project on the City's infrastructure, particularly the water, sanitary and transportation systems. Benchmarks include the effect on traffic, and whether the project is able to use the City's existing systems, or help to expand them.

D	**Infrastructure / Transportation**	**7.82**
1	Enhances traffic flow (3) [neutral (1) negative (0)]	
2	Utilizes existing infrastructure	
3	Contributes to expansion of infrastructure	

Expanding the tax base looks at three distinct aspects. First is the immediate benefit of increasing valuation; second is how the project under consideration creates opportunity for future increases in valuation, and the third relates to value contributed by virtue of the type of business investment.

E	**Expand Tax Base**	**6.39**
1	Net increase to city valuation: New building/expansion/significant renovation	
2	Potential for spin-off investments/industries/local purchasing	
3	Increase in professional & technical industries	

Community appeal and quality of life were clearly significant considerations in the evaluation of a project. Communication with the community and community support were the primary benchmarks with remaining benchmarks identifying the specific aspects that could help the project to gain the requisite community support.

F	**Community Appeal / Quality of Life**	**6.37**
1	Strong process of communication with the community	
2	Enjoys base of community support	
3	Business promotes workplace safety and employee wellness	
4	Improves diversification of people	
5	Is consistent with adopted plans/studies	

The impact on the 'bottom line' of the municipality, as well as the community's overall wealth, was also judged to be a critical factor in the evaluation of a proposed project. The first benchmark relates to a scenario where public sector investment is required to support a project. Second is that project's net financial impact on public services. The origin of company ownership (and where profits go) is another benchmark, as is the company's inolvement in the community, either financially or through public service.

G	**Net Positive Impact**	**2.57**
1	Provides reasonable return on municipal investment within 5-10 years	
2	Pays for increase in service needs	
3	Positive impact on community wealth (profits stay local)	
4	Positive impact on community at large (community service, financial and non-financial contribution)	
5	Local ownership or management	

Lastly, the scope of development was also judged to be one of the most critical factors when evaluating a proposal. Benchmarks focus on maximum utilization of a specific lot, or a general commercial area, and compliance with established municipal development guidelines, were of primary importance to the Committee.

H	**Wise Space Utilization**	**1.91**
1	Maximum utilization of lots while being aesthetically appealing	
2	Meets city & state standards	
3	Highest & best use of land, size, location and neighborhoods	
4	Well planned: opens (or allows access to) new areas for development	

On the following pages are examples of the above-noted Project Evaluation Tool. The first is a 'perfect score' example, included to provide greater detail as to tool's overall scoring method, and particularly the weights assigned to the Committee's identified Critical Success Factors and benchmarks. Second is a 'blank' version of the form that will be used by the Economic Development Committee and municipal officials in evaluating and scoring future municipal and private sector development proposals. It is important to note that a computer file version of the tool will be provided to the City at the conclusion of the project.

City of Ellsworth Project Evaluation Tool

The following is an instrument to be used by the City of Ellsworth in evaluating potential investment in economic development projects within the City. It can be used to evaluate either municipal investments or to consider the value of potential private investments. It is most useful when used to compare the value of two or more projects.

The "Critical Success Factors," as identified by the Ellsworth Economic Development Committee are reflected as items A-H. The Critical Success Factors (CSFs) are listed in the order of priority as dictated by the results of the criteria and priority setting exercise by the Committee. Within each Critical Success Factor are the benchmarks to be used to evaluate a project's ability to satisfy that success factor. The benchmarks are also listed in order of priority, within the CSF, as established by the committee.

Instructions: Using a scale of 1-3, with 3 being high, rate the project as to how it accomplishes each benchmark. If a benchmark does not apply mark it as zero ("0").

Once the ratings are completed, the rating of each benchmark is "weighted" based on the criteria set by the Economic Development Committee for a score that reflects the identified priorities within each grouping, or "critical success factor."

			Sample-Perfect Score	
		Weight	**Rating**	**Score**
A	**Jobs**	8.8		
1	Jobs created offer attractive health, retirement benefits	1.80	3	5.4
2	Jobs pay above the county average	1.76	3	5.3
3	Will attract new skilled workforce to the area	1.74	3	5.2
4	Significant portion of Jobs created are/will be full time	1.74	3	5.2
5	Creates a significant number of new jobs (relative to size of area developed)	1.73	3	5.2
				26.3
B	**Economic Diversification**	8.10		
1	Compliments existing mix of retail, mfg., services	2.05	3	6.1
2	Offers professional and technical opportunities for career growth	2.02	3	6.1
3	Balances mix of large and small developments within the City	2.01	3	6.0
4	Offers new and sustainable services	2.01	3	6.0
				24.3

C	**Economic/Environmental Sustainability**	8.09		
1	Neutral (1) or positive (3) environmental impact	2.71	3	8.1
2	Compatible with, and supportive of, existing businesses	2.69	3	8.1
3	Long-term commitment by company and long term market for product/service	2.69	3	8.1
				24.3
D	**Infrastructure / Transportation**	7.82		
1	Enhances traffic flow (3) [neutral (1) negative (0)]	2.87	3	8.6
2	Utilizes existing infrastructure	2.48	3	7.4
3	Contributes to expansion of infrastructure	2.47	3	7.4
				23.5
E	**Expand Tax Base**	6.39		
1	Net increase to city valuation: New building/expansion/significant renovation	2.24	3	6.7
2	Potential for spin-off investments/industries/local purchasing	2.08	3	6.2
3	Increase in professional & technical industries	2.06	3	6.2
				19.2
F	**Community Appeal / Quality of Life**	6.37		
1	Strong process of communication with the community	1.26	3	3.8
2	Enjoys base of community support	1.26	3	3.8
3	Business promotes workplace safety and employee wellness	1.37	3	4.1
4	Improves diversification of people	1.25	3	3.7
5	Is consistent with adopted plans/studies	1.24	3	3.7
				19.1
G	**Net Positive Impact**	2.57		
1	Provides reasonable return on municipal investment within 5-10 years	0.54	3	1.6
2	Pays for increase in service needs	0.52	3	1.5
3	Positive impact on community wealth (profits stay local)	0.51	3	1.5
4	Positive impact on community at large (community service, financial and non-financial contribution)	0.51	3	1.5

5	Local ownership or management	0.50	3	1.5
				7.7
H	**Wise Space Utilization**	1.91		
1	Maximum utilization of lots while being aesthetically appealing	0.51	3	1.5
2	Meets city & state standards	0.47	3	1.4
3	Highest & best use of land, size, location and neighborhoods	0.47	3	1.4
4	Well planned: opens (or allows access to) new areas for development	0.47	3	1.4
				5.7
		50.00	**Total:**	**150**

Final Recommendations

The following is an economic development strategy to support diversification of Ellsworth's economy over the next several years. It begins with a discussion of Ellsworth's changing tax base and the importance of ongoing tax base management, including a suggested goal to ensure balance and diversity of the local economy going forward.

It is critical to recognize that the tax base goal should not be viewed as absolute. It is a goal to achieve financial health and economic diversification. The goal is presented as an optimum, and if not achieved, should not be viewed as "failure". Further, the goal is not intended to suggest that the City should take steps to inhibit future growth in any type of development as a means of acvhieving this balance.

The tax base analysis and discussion is followed by a series of recommended action steps for the near and long-term, including which areas the city should target for future commercial (non-retail) investment, which industries should be targets of the City's business attraction efforts, and the critcal first steps the City should take in order to implement this strategy.

Additionally, a matrix is included that sequences the action steps while noting the responsibility, time frame and funding.

Ellsworth's Changing Tax Base and the Importance of Tax Base Management

The City of Ellsworth is going through a period of rapid expansion in its retail real estate market. It is anticipated that the City could see an additional one million square feet of retail development during the next two to four years. At an average value of $80 per square foot, the City would add $80 million to its commercial/industrial tax base.

In addition, the City continually experiences growth in its residential tax base. According to data from the U.S. Census, the City permitted an average of 97 new housing units annually between 2002 and 2006.

Table 1 – Building Permit Activity, 2002 - 2006

	2002	2003	2004	2005	2006	Average
Single Family	62	81	89	86	76	78.8
Two Family	4	0	0	6	2	2.4
Three of More Family	48	7	19	0	6	16
Total Units	114	88	108	92	84	97.2

Source: U.S. Census and Jeffrey Donohoe Associates

Assuming an average value of $150,000 per housing unit, the City would add approximately $14.5 million in residential valuation to its tax base each year. Over the course of three years, this would add $43.5 million in residential valuation to the tax base. The impact of the anticipated addition of the retail development and the "typical" residential development to the tax base is highlighted in the Table below.

Table 2 – Projected Changes in Ellsworth's Tax Base, 2007 – 2010 ($ in millions)

	2007	Distribution	2007 - 2010 Additions	Total	Distribution
Residential	$ 600.05	62.4%	$ 43.50	$ 643.55	59.3%
Non-Residential	$ 361.70	37.6%	$ 80.00	$ 441.70	40.7%
Total	$ 961.75	100.0%	$ 123.50	$ 1,085.25	100.0%

Source: City of Ellsworth, Eaton Peabody Consulting and Jeffrey Donohoe Associates

The Table indicates that the anticipated changes to the City's tax base between 2007 and 2010 will expand the total tax base to almost $1.1 billion by 2010. In addition, the anticipated changes will move the non-residential portion of the tax base past the 40% mark, thereby reducing the effect of education costs on the community's budget.

However, beyond these anticipated changes, the community may experience additional growth in its tax base. In order to maintain a balance of 60% residential and 40% non-residential, the community would have to add $10 million of non-residential tax base for every $15 million in residential tax base. If the non-residential growth exceeds this ratio, the non-residential portion of the tax base will move higher than 40%. Conversely, if the residential portion of the tax base grows more rapidly, then residential uses will comprise more than 60% of the tax base.

The City also needs to consider the quality of its tax base, in order to maintain some balance and diversity of uses. As discussed above, it is anticipated that the additions to the retail tax base could add as much as $80 million[4] to the City's tax base over the next several years. This represents an increase of more than 22% over the current non-residential tax base of $362 million.

The question for the community is - what level of non-residential development will be required, in order to offset ongoing residential development? The answer, predictably, is – it depends! As discussed earlier in this analysis, different types of real estate have different levels of value. Using the typical per-square foot values identified earlier in this analysis, the required square footage to generate $10 million in tax base can be projected.

As shown in the Table below, office development with an average value of $100 per square foot of building area would require 100,000 square feet to generate $10 million in tax base, and almost 17 acres of land at an average of 6,000 square feet of development per acre. To put this into context, the required land is approximately as large as the entire Ellsworth Commerce Park, and the City needs to plan to support this level of development every year, in order to keep up with the growth in residential development in Ellsworth. When lower value retail and industrial uses are considered, the numbers are even more compelling. At an average value of $80 per square foot for new retail development, 125,000 square feet would have to be developed annually on 25 acres of land. For industrial uses to generate $10 million in new tax base, 250,000 square feet would have to be developed on more than 31 acres of land.

[2] Assumes an average value of $80 per square foot for new retail uses.

Table 3 – Square Footage and Acreage Required to Add $10 Million in Valuation

	Typical Value per SF	SF Required	SF of Development per Acre	Acreage Require to Support Development
Office	$ 100	100,000	6,000	16.7
Retail	$ 80	125,000	5,000	25.0
Industrial	$ 40	250,000	8,000	31.3

Source: Jeffrey Donohoe Associates

The reader is reminded that these estimates are included for illustration purposes, and that values for real estate developed in the community are heavily dependent upon the quality and type of facility being developed. For example, high-end office facilities can be valued at $175 to $200 per square foot or more. Biotechnology research and manufacturing facilities can be valued at $500 per square foot or more. As such, it is important to consider each opportunity on its individual merits, within the context of the fiscal impact information presented in this section.

This information illustrates the importance of tax base management for the community. In order for the City to provide necessary services for residents and businesses alike, the City must have a diverse tax base, including but not limited to a variety of residential products, as well as retail, industrial, warehouse, office, medical and special purpose properties. Historically, an increase in the concentration of non-residential real estate development activities has allowed communities to keep tax rates lower, as the largest portion of most community expenditures (education costs) are not directly increased as a result of this type of development. Many communities have pursued age-restricted housing over the past decade for similar reasons – limiting the number of school-aged children.

As discussed above, it is anticipated that the projected changes in the community's tax base will move Ellsworth towards a 60%/40% split between its residential and non-residential tax base by 2010. *It is recommended that the City work towards a goal of at least 45% non-residential tax base by 2015.* This will help to stabilize the community's tax rate by offsetting the potential increases in education costs for new school-aged children with expanded tax base. In order to achieve this goal, the community will have aggressively pursue new non-residential development opportunities. Between 2011 and 2015, non-residential development will have to occur twice as fast as residential development, as illustrated in the Table below.

Assuming that residential development continues at an average pace of $14.5 million in new tax base annually, non-residential development will have to produce $29 million in new tax base annually between 2011 and 2015. At that time, the City's tax base is projected to exceed $1.3 billion.

Table 4 – Projected Tax Base Changes Needed to Achieve a 55%/45% Tax Base Distribution

	2007	2007 - 2010 Additions	2011 - 2015 Additions	Total	Distribution
Residential	$ 600.05	$ 43.50	$ 72.50	$ 716.05	55.0%
Non-Residential	$ 361.70	$ 80.00	$ 145.00	$ 586.70	45.0%
Total	$ 961.75	$ 123.50	$ 217.50	$ 1,302.75	100.0%

Source: City of Ellsworth, Eaton Peabody Consulting and Jeffrey Donohoe Associates

Where should this future commercial (non-retail) investment take place?

First, it is critical to note that companies shopping for a new business location need to know what land is available, including public infrastructure services and land cost. It can take years to plan, design and fund business parks. It is important for a community to have a readily available "shovel ready" supply of commercial land with public infrastructure services, at a known cost, and a predictable development regulatory process in order to attract new investment. By the time business owners have made the decision to expand their business, they generally need facilities within a few months.

Future economic diversification activities should focus on the following areas with existing utility services (water, sewer and stormwater) in place, or in close proximity to existing systems, such that extension of utilities can be readily accomplished.

Commerce Park

Primary issues to be addressed include:

- Extension of telecommunications infrastructure into the park;
- Existing water pressure infrastructure impediments associated with the Commerce Park need to be addressed as a priority;
- Evaluation of the expansion potential of the Commerce Park in order to maintain an available inventory of commercial land with infrastructure;
- Evaluation and reservation of road and utility right-of-way through Lot 0 for infrastructure extension options to back lands to support expansion of the Commerce Park;
- Rezoning of land adjacent to the Commerce Park if such expansion is feasible.

Bucksport Road Area (3 projects under construction).

Primary issues to be addressed include:

- Ellsworth, in partnership with the private sector, should conduct area-wide utility infrastructure planning to maximize development potential. Existing and planned water, sewer, stormwater and road construction needs to be mapped for multiple property ownership to ensure that infrastructure investment (which is underway) is coordinated to make the best use of developable land;
- Ellsworth should take the lead on addressing Bucksport Road transportation site lines issues near the Route 171/Route 1 'split' and should evaluate usage of the Christian Ridge Road as a transportation alternative to Main Street (downtown);
- The commercial zoning districts should be extended with depth from Bucksport Road;
- Consider partnering with the private sector to jointly fundadvanced planning (including soil tests, wetland mapping, vernal pools, regulatory approvals, financial plans for infrastructure) to evaluate real world development potential.

Ellsworth Industrial Park

Primary issues to be addressed include:

- Improve signage at park entrance;
- All lots do not have access to water and sewer utilities. Approach extending utilities in partnership with the private sector when costs can be justified in terms of the return on investment (i.e. tax revenue) to Ellsworth;
- Talk with existing property owners regarding their short and long term plans to evaluate the potential timing of such investment.

Also, new public investment in a fiber optic telecommunication infrastructure is planned to connect Jackson Labs in Bar Harbor with the University of Maine's Orono campus. This fiber optic telecommunication investment will travel along Route 1A through Ellsworth. This type of high speed telecommunication investment can put Ellsworth "on the map" with businesses considering expansion or relocation. *It is recommended that Ellsworth commit the necessary resources to forge a partnership with State and University officials and Mid-Maine Communications to gain commercial access to this infrastructure*. Two of the strongest sectors of Ellsworth's economy are the Information and Finance sectors, both of which typically have substantial bandwidth requirements.

Finally, *consider establishing an Industrial/Business Medical Park Zone* – This zone should only allow retail, services and restaurant uses up to a maximum of 10% of the square footage of the zone.

Which industries should be targeted to support economic diversification?

It is recognized that the significant expansion in retail investment is having, and will continue to have, a positive impact on the City of Ellsworth. However, to achieve a balanced tax base and a diversified economy, market research indicates that the City's resources would best be focused on the expansion and recruitment of the following economic sectors:

- The City's Financial Services sector has the highest average wage, substantially above the community as a whole. The strength of this sector may offer the community an opportunity to attract related businesses, such as back office operations and processing centers.

- The Health Care sector is the City's second largest employment sector (behind Retail Trade), and showed the largest increase in employment for any sector from 2001 to 2006. The growth of this sector represents an opportunity for the community to encourage additional employment opportunities to support the Health Care sector by having appropriate development sites available. Consider development of a medical healthcare/social service park or district to capitalize upon the growth of this sector, though these users generally have heavy water and sewer usage.

- To this end, *it is recommended that the City pursue a series of meetings with the Board of Directors of Maine Coast Memorial Hospital, for the purpose of determining the hospital's future space needs* and whether public-private partnerships could be forged to meet them, including the potential for off-campus locations for certain functions.

How should the City approach implementation of these strategies?

The first step in the implementation of this strategy is achieving community endorsement for a more strategic approach to economic development. It is proposed that two to three members of the Ellsworth

Economic Development Committee should present and discuss this strategy with representatives of the City's public and private sectors, including:

- Business stakeholders, including the Ellsworth Area Chamber of Commerce, the Rotary Club, and the Ellsworth Downtown Merchants, and;

- Municipal stakeholders, including the Ellsworth City Council and the City's municipal departments and staff, including Ellsworth's utility providers.

It is recommended that all necessary steps be taken to achieve full community support for the City of Ellsworth to adopt a more aggressive, targeted industry approach to economic development.

Secondly, the shared arrangement of the position of Ellsworth Economic Development Director and Ellsworth Chamber Executive Director results in only part-time staff availability to support Ellsworth municipal economic development needs. *It is recommended that a full-time municipal position be established to enable Ellsworth to become more proactive in working directly with the private sector (i.e. existing businesses and business attraction opportunities)*.

It is recognized that the timing associated with these recommendations is contingent upon Ellsworth having a full-time Municipal Economic Development Director position.

It is recommended that the City focus a portion of its economic development effort on a business retention plan. This could include a program of visiting with existing businesses in the community, to gain an understanding of issues that these companies may be facing, and to get an early indication of any expansion or contraction that the company may be considering, including addressing any growth impediments. More importantly, if a local company is part of a larger enterprise, the City may be able to get an early indication of related entities which are looking to expand or relocate, and therefore compete more effectively.

It is recommended that Ellsworth establish a local economic development corporation, comprised of 5 to 7 local municipal officials and business persons, with funding, initially to manage to the Commerce Park. The corporation's role, over time, could be expanded to other economic development projects.

Establishing a local ED Corporation will provide a more streamlined decision-making approach to market and negotiate the sale/development of remaining Commerce Park real estate. Final real estate sale decisions can remain with the City Council.

It is recommended that Ellsworth establish Return On Investment (ROI) parameters for economic development projects. Ratios such as leveraging three (3) dollars of private sector investment to every one (1) dollar of private sector investment can be considered a guide for ROI parameters. Use the Criteria developed in this Strategy to prioritize municipal ED projects (i.e. public infrastructure and site specific proposals) through use of the evaluation form to establish a return on investment (ROI) parameter for decision making.

It is recommended that Ellsworth be more aggressive to jointly invest with the private sector in support of economic development projects which generate the return on investment (ROI) to Ellsworth.

Examples of specific economic development projects (i.e. defined commercial investment) and public-private partnerships include:

- Advanced utility and road construction planning;
- Joint public infrastructure investment;
- Community marketing, etc.

TIF are the best and most flexible local funding sources for municipalities and businesses to support local economic development programs. *It is recommended that Ellsworth evaluate its existing TIF to make amendments to fund economic development programs* such as the ED Director position, public infrastructure extensions/upgrades, community marketing, etc.

One local funding approach for public-private partnerships, not utilized by Ellsworth, is the use of the Tax Increment Financing (TIF) Program to support upgrading public infrastructure in the Roue 1A (Commerce and Industrial Parks) or Bucksport Road Areas, such as utility and road extensions and upgrades. Consideration should be given to amending the existing TIF or establishing new TIF districts using the TIF Credit Enhancement Agreement (CEA) Program approach to fund public infrastructure extensions for business parks and individual projects. TIF CEA programs can be designed to return new tax revenue to developers to fund public infrastructure extensions and/or to serve as incentives to attract desired businesses. The CEA Program enables a community to reduce or eliminate the amount of municipal debt in support of project and thereby, reduce a community's risk.

It is recommended that ED staff maintain knowledge of all available business assistance programs.

It takes more than one form of public support to be successful in business retention, expansion and attraction. Several business assistance programs are often utilized to support individual economic development projects. Directories of business assistance programs are available from the State of Maine Department of Economic and Community Development (DECD). The most frequently used programs include:

- Maine & Company – a State of Maine non-profit, privately-finded business recruitment agency;

- Pine Tree Development Zones (PTDZ) **-** Depending on the level of new qualified business activity conducted in a PTDZ, starting with the statutory requirement for hiring a minimum of one net new qualified employee, the tax burden of qualified businesses may be reduced through exemptions, reimbursements, and credits. *It is also recommended that Ellsworth confirm that its PTZ areas are aligned with its economic growth areas*;

- Workforce Training Programs - There are two primary State workforce training programs which can be used in combination. They are the Governor's Training Initiative (GTI) and the Maine Quality Center (MQC). State GTI grants are available to business to cover the costs of business training programs for new hires or to upgrade the skills of an existing workforce for businesses which meet State qualified wage rates and provide access to benefits. MQC training programs are available, through the State Community College System, at no cost to businesses that create eight or more similar positions with State qualified wage rates and access to benefits.

It is recommended that a community marketing program be developed to change Ellsworth's image as more than simply a retail destination. Ellsworth is the region's major financial center, and its major healthcare center. If funding is available, develop a marketing campaign featuring existing businesses in these sectors, focusing on "what Ellsworth means to me".

However, it is important to note that while marketing is important from a community economic development perspective, it should commence only *after* there is an inventory of "product" to bring to market. In this case, the "product" is an inventory of "shovel-ready" lots and available facilities.

City of Ellsworth Project Evaluation Tool

The following is an instrument to be used by the City of Ellsworth in evaluating potential investment in economic development projects within the City. It can be used to evaluate either municipal investments or to consider the value of potential private investments. It is most useful when used to compare the value of two or more projects.

The "Critical Success Factors," as identified by the Ellsworth Economic Development Committee are reflected as items A-H. The Critical Success Factors (CSFs) are listed in the order of priority as dictated by the results of the criteria and priority setting exercise by the Committee. Within each Critical Success Factor are the benchmarks to be used to evaluate a project's ability to satisfy that success factor. The benchmarks are also listed in order of priority, within the CSF, as established by the committee.

Instructions: Using a scale of 1-3, with 3 being high, rate the project as to how it accomplishes each benchmark. If a benchmark does not apply mark it as zero ("0").

Once the ratings are completed, the rating of each benchmark is "weighted" based on the criteria set by the Economic Development Committee for a score that reflects the identified priorities within each grouping, or "critical success factor."

		Rating	Score
A	**Jobs**		
1	Jobs created offer attractive health, retirement benefits		0.0
2	Jobs pay above the county average		0.0
3	Will attract new skilled workforce to the area		0.0
4	Significant portion of Jobs created are/will be full time		0.0
5	Creates a significant number of new jobs (relative to size of area developed)		0.0
			0.0
B	**Economic Diversification**		
1	Compliments existing mix of retail, mfg., services		0.0
2	Offers professional and technical opportunities for career growth		0.0
3	Balances mix of large and small developments within the City		0.0
4	Offers new and sustainable services		0.0
			0.0
C	**Economic/Environmental Sustainability**		
1	Neutral (1) or positive (3) environmental impact		0.0
2	Compatible with, and supportive of, existing businesses		0.0
3	Long-term commitment by company and long term market for product/service		0.0
			0.0

D Infrastructure / Transportation

1	Enhances traffic flow (3) [neutral (1) negative (0)]		0.0
2	Utilizes existing infrastructure		0.0
3	Contributes to expansion of infrastructure		0.0
			0.0

E Expand Tax Base

1	Net increase to city valuation: New building/expansion/significant renovation		0.0
2	Potential for spin-off investments/industries/local purchasing		0.0
3	Increase in professional & technical industries		0.0
			0.0

F Community Appeal / Quality of Life

1	Strong process of communication with the community		0.0
2	Enjoys base of community support		0.0
3	Business promotes workplace safety and employee wellness		0.0
4	Improves diversification of people		0.0
5	Is consistent with adopted plans/studies		0.0
			0.0

G Net Positive Impact

1	Provides reasonable return on municipal investment within 5-10 years		0.0
2	Pays for increase in service needs		0.0
3	Positive impact on community wealth (profits stay local)		0.0
4	Positive impact on community at large (community service, financial and non-financial contribution)		0.0
5	Local ownership or management		0.0
			0.0

H Wise Space Utilization

1	Maximum utilization of lots while being aesthetically appealing		0.0
2	Meets city & state standards		0.0
3	Highest & best use of land, size, location and neighborhoods		0.0
4	Well planned: opens (or allows access to) new areas for development		0.0
			0.0

Total: 0

Ellsworth Strategy Action Step Matrix
November 6, 2007

Action	Responsibility	Timing	Funding
Establish Municipal Valuation Tax Base Management and Local Economic Diversification Goals	City of Ellsworth City Council	City Council action, during November and December, 2008, on Strategy recommendations	None required
Invest in Public Infrastructure near Existing Infrastructure – Focus, during the next one to three years, upon the Commerce Park and Bucksport Road Area as economic growth areas.	City	Ongoing	Policy direction only
Create Land Supply for Commercial & Industrial Growth	City leadership with Private Sector	Ongoing	Cost estimates to be developed.
Municipal Long Range Land Use Planning & Zoning	City	Ongoing	None – existing staff
Establish a full-time municipal Economic Development Director Position	City	Next six months by June, 2008	Use TIF funding. $50,000-$60,000 annual salary
Undertake a Business Retention Plan	City	June, 2008 to December, 2008	None, beyond full-time ED Director.
Establish a Local Economic Development Corporation	City	Next six months, by June 2008	Legal cost to establish and start-up funding.

Community Image/Marketing "Define Development Direction and Commit"	City	One to two year	Use TIF funding
Formulate City Policy regarding Public – Private Partnerships (Types & Funding)	City	Ongoing	Policy Direction Only

WORKSHOP OF THE ELLSWORTH CITY COUNCIL

Presentation and discussion on the proposed City of Ellsworth Economic Development Strategy.

Tuesday, January 22, 2008 5:30 p.m. –

To be held in the Council Chambers located on the first floor of Ellsworth City Hall.