

Economic Development Business Attraction Plan, Market Analysis, and Action Plan Matrix Ellsworth, Maine

FINAL REPORT

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**In collaboration with:
Harpwell Strategies, LLC**

**Prepared for:
City of Ellsworth, Maine**

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EXECUTIVE SUMMARY

Background

The City of Ellsworth retained the consulting team of ConsultEcon and Harpswell Strategies to prepare a new Economic Development Business Attraction Plan for the city. The planning process was completed between April and October 2023 under the direction of the City's Economic Development Office and a Steering Committee comprised of local business, community, and government leaders. The project's consulting team met regularly with the Steering Committee throughout the planning process. The consulting team additionally interviewed more than 15 key stakeholders and participated in a public forum attended by more than 40 members of the public.

The Business Attraction Plan has two central purposes:

1. Provide the City with a new economic development vision statement and recommendations for targeted business sectors; and
2. Provide the City with concrete implementation steps that will help create the conditions for economic growth and prosperity.

Market Analysis

Ellsworth is a year-round service center, the primary economic engine for Hancock County and an important contributor to the region's visitor economy. The regional economy has seen strong growth in the *Professional and business services*, *Leisure and hospitality*, and *Construction* sectors in recent years, but significant declines in *Manufacturing* and other sectors. The Hancock County economy is driven primarily by small business activity – The Jackson Laboratory is the region's only major employer with 500+ jobs. Wages in the region are below statewide averages for all sectors except *Leisure and hospitality*, although wages have been increasing rapidly since 2020 in response to labor shortages. Local employers are challenged by three key factors that are making employee recruitment and retention very difficult: housing, transportation, and childcare.

The retail, restaurant, and lodging sectors in Ellsworth rebounded well from the COVID-19 pandemic, with taxable sales in 2022 exceeding pre-pandemic levels by 28 percent, and Ellsworth has the highest per capital retail spending of any service center community in the state. Despite the seasonal variation in sales in the economy, there are few businesses in Ellsworth that only operate in the summer months. The local economy in Ellsworth is dominated by health care and retail jobs, and there are very few manufacturing or office-using jobs in the city at present. While there was some growth in office-using jobs between 2012 and 2019, these gains were erased during the pandemic. Most of the tourism activity in the area is tied to Acadia National Park and Mount Desert Island, and Ellsworth is affected by traffic congestion to and from the island. Ellsworth has thus far been able to retain an identity as a year-round community and has not become overly dependent on tourism – maintaining this balance will be an important factor in its future growth prospects.

Ellsworth is projected to add population over the next five years, yet the surrounding region is not expected to grow. The area's population is expected to continue to age, with most growth in the 55+ age cohort. Household sizes are expected to remain below state and national averages. Income levels in Ellsworth are below state averages and the city has a greater share of low-income households than the state overall despite having a well-educated population base.

The supply of housing in Ellsworth and Hancock County is at a critically low level, with few rental or for-sale units available at prices that are attainable for most local workers. The pace of housing development in the region has slowed over the past decade, particularly for multifamily units. The local housing market is challenged by many factors, including surging demand, low inventory, purchases of homes by local employers, investors who can make cash purchases, rising construction costs, and increased competition from seasonal and short-term rental users. Local real estate professionals believe that there is strong demand for both new single-family neighborhoods and multifamily rental developments.

The supply of retail, office, and industrial space and buildable sites in Ellsworth is extremely limited. There are virtually no shovel-ready development sites for large commercial projects in the city and there is very low vacancy in Downtown Ellsworth. The city's commercial corridors such as High Street and Downeast Highway need functional and aesthetic improvements, and there is a need for better wayfinding and gateway signage, as well as better visibility and access to the Union River in the Downtown area. The local hotel market is performing very well, but the local labor shortage is particularly acute in this sector, making it very difficult to find workers to build or operate new lodging properties.

Ellsworth has many livability advantages: its cost of living is modest relative to Southern Maine and most major cities, it has a very low violent crime rate, its schools are competitive, it has an attractive and walkable historic downtown, and it has unparalleled access to nature and outdoor recreation opportunities. Challenges faced by Ellsworth in terms of livability include a high property crime rate, an expected decline in school enrollment, negative perceptions of the city's business climate, and the poor appearance of vacant buildings and sites in the community.

Benchmark Communities

A review of demographics and economic development approaches in five benchmark communities was undertaken to help Ellsworth craft its updated economic vision statement and provide guidance on what actions could be taken to achieve this vision. The set of benchmark communities includes three from within Maine (Biddeford, Saco, and Skowhegan), and two from other states (Sevierville, TN and Sturgeon Bay, WI). These communities are either competitive with Ellsworth and/or share common characteristics that make them comparable to Ellsworth.

Among the benchmark communities, only Saco has a local business attraction strategy that targets specific industry sectors, with the others aimed more generally at creating the conditions for economic growth and prosperity. All three Maine communities work primarily at the local level to pursue business attraction and economic development, while both non-Maine communities are part of regional organizations that oversee business park development and marketing activities. All five of the communities recognize the importance of their historic downtown areas and retail amenities and emphasize the need to maintain vitality in these areas. Four of the five communities include housing as a key element of their business development activities. The emphasis on these livability factors in the comparative communities suggests that Ellsworth should focus its economic development activities on similar efforts. As the City of Ellsworth proceeds with the implementation of this plan, it should further explore how these communities have addressed these issues in particular.

Economic Development Vision and Targeted Business Clusters

The proposed Economic Development Vision for the City of Ellsworth is designed to present an aspirational but realistic approach for the city's future business attraction activities. The vision statement is as follows:

Ellsworth is the engine that drives economic growth and prosperity in Downeast Maine. Ellsworth leverages its location, authentic character, and unparalleled livability to attract, grow, and retain high-quality companies that produce sustainable employment opportunities.

Four targeted business clusters are recommended that support this vision statement. These clusters are as follows:

1. Specialty Food & Beverage Manufacturing & Sales
2. Design, Construction & Maintenance
3. Healthcare Services / Medical Manufacturing / Life Sciences
4. Visitor Economy & Hospitality

Implementation Matrix

A total of 20 action steps are proposed in support of the Economic Development Vision and Targeted Business Clusters. For each action, the following information is included: 1) description of the action step; 2) responsible parties; 3) time frame; 4) expected cost; 5) action type¹; and 6) related actions. The recommended implementation actions are presented in the matrix on the following pages. Although the action steps are not specifically prioritized, they are divided into two categories: Part I includes items that should be undertaken in the immediate future (next three years). Part II includes longer-term and/or more aspirational items that will require more thought and, in some cases, significant capital investment.

¹ Five types of actions are included: 1) Structural, 2) Clusters, 3) Labor/Entrepreneurship, 4) Livability, and 5) Aspirational. Many actions fall under more than one action type.

Figure 1
Implementation Matrix for Business Attraction Plan, Part I

No. Item	Responsibility	Time Frame	Cost	Action Type					Related Actions
				Structural	Clusters	Labor/Entrep.	Livability	Aspirational	
1. Economic development website & marketing materials	EDO, support from other depts & consultants	60 days	Up to \$10K	X					5, 9, 12, 16, 17, 21
2. Permanent downtown park	EDO, Planning, DPW, HOE	3-5 years	\$30K for plan, construction cost TBD				X		3, 6, 10
3. Downtown co-work / makerspace	EDO, HOE, property owners	1-2 years	Staff time, possible public investment			X			2, 4, 9, 10, 18
4. Food manufacturing hub	EDO, HOE, state, businesses, nonprofits	1-2 years	\$20K for study, capital costs TBD		X	X			3
5. Inventory of commercial spaces	EDO, EBDC, owners, brokers	1 year	\$5K to start, staff time to maintain	X					1
6. Wayfinding & gateway signage	EDO, other city depts, Chamber, HOE	1-2 years	\$10K for study, other costs TBD	X			X		2, 8
7. Ecosystem for small-scale developers	EDO, HCTC, outside groups	ongoing	Staff time, possible consulting fees		X	X	X		9, 10, 15
8. High Street corridor master plan	EDO, Planning, DPW, MDOT	2-3 years	\$50-100K				X		6
9. Market to young creatives & professionals	EDO, Chamber, HOE, outside groups	Ongoing	Staff time, may need consultant later		X				1, 3, 7, 13, 14
10. Downtown hotel	EDO, HOE, owners & operators	3 years	Staff time, possible credit enhancement		X		X		2, 3, 7
11. Leverage trail opportunities	EDO, other city depts, Rec Commission	Ongoing	Staff time, possible capital investments		X		X		18
12. Leverage older professionals for mentoring program	EDO, Chamber, SCORE	Ongoing	Staff time	X		X			1, 19, 21
13. Innovate to meet childcare needs	EDO, nonprofits	1-5 years	TBD, \$50-100K			X	X	X	9, 16, 19
14. Scholarship program for entrepreneurial development	EDO, EBDC, EMDC, Leadership Hancock, Chamber	Ongoing	Up to \$25K, can raise private funds or grants	X		X			9, 19

Source: ConsultEcon, Inc. and Harpswell Strategies, LLC

Figure 1 (cont.)
Implementation Matrix for Business Attraction Plan, Part II

No. Item	Responsibility	Time Frame	Cost	Action Type					Related Actions
				Struc-tural	Clusters	Labor/Entrep.	Livability	Aspir-ational	
15. Diversification of housing supply	EDO, other city depts, HCPC	Ongoing	Staff time				X	X	7, 17
16. Review economic development incentive policies	EDO, EBDC	After Comp Plan	TBD, est. \$20-50K	X	X			X	1, 13, 17, 21
17. Development of business park and medical office space	EDO, EMDC, HCPC, other local gov.	3-5 years	Staff time, technical studies later		X			X	1, 16, 21
18. Waterfront redevelopment	EDO, City Mgr, landowners, outside groups	Ongoing	TBD, up to \$2m for acquisition & development				X	X	3, 11
19. New HCTC facility and related partnerships	City Manager, EDO, Ellsworth School Dept., HCTC, EBDC	3-5 years	Est. cost \$52M; could use ARPA funds			X		X	12, 13, 14, 21
20. Indoor recreational facility	EDO, Chamber, tourism groups	3+ years	Staff time, may need feasibility study				X		
21. Build Life Sciences ecosystem	EDO, Chamber, businesses, regional groups	3+ years	Staff time, potential marketing in future		X			X	1, 12, 16, 17, 19

Source: ConsultEcon, Inc. and Harpswell Strategies, LLC

Section I
INTRODUCTION AND ASSUMPTIONS

The City of Ellsworth retained the consulting team of ConsultEcon and Harpswell Strategies to prepare a new Economic Development Business Attraction Plan for the city. The Business Attraction Plan has two central purposes:

1. Provide the City with a new economic development vision statement and recommendations for targeted business sectors; and
2. Provide the City with concrete implementation steps that will help create the conditions for economic growth and prosperity.

In preparing this report, the following assumptions were made. This study is qualified in its entirety by these assumptions.

1. Every reasonable effort has been made in order that the data contained in this study reflect the most accurate and timely information possible and it is believed to be reliable. No responsibility is assumed for inaccuracies in reporting by the client, its agents and representatives, or any other data source used in the preparation of this study. No warranty or representation is made that any of the projected values or results contained in this study will actually be achieved. There will usually be differences between forecasted or projected results and actual results because events and circumstances usually do not occur as expected. Other factors not considered in the study may influence actual results.
2. Possession of this report does not carry with it the right of publication. This report will be presented to third parties in its entirety and no abstracting of the report will be made without first obtaining permission of ConsultEcon, Inc., which consent will not be unreasonably withheld.
3. This report may not be used for any purpose other than that for which it was prepared.
4. Qualitative information related to the Ellsworth area economy, housing market, and regulatory environment was obtained via confidential interviews with local leaders and professionals, using a list of interviewees provided by the City of Ellsworth. These interviews were conducted via in person and remote interviews conducted between May and September 2023. All information and insight collected from these interviews is assumed to be accurate and reliable.
5. This report was prepared during April through November 2023. It represents data available at that time.

Section II

PROJECT METHODOLOGY

Since the completion of its prior Economic Development Business Attraction Plan in 2011, the city and the City of Ellsworth and Hancock County have undergone an enormous amount of demographic and economic change. To respond to these changes, the City of Ellsworth commissioned this plan to provide a fresh vision and direction aimed at positioning the community for the next generation of growth and prosperity. This section provides an overview of the planning process and research methods of the consulting team.

Project Methodology

The project was overseen by the city's Economic Development Office under the leadership of Economic Development Director Janna Richards. The city assembled a Steering Committee to support the project, including the following members:

- ◆ Michelle Beal: COO of law firm located in Ellsworth and Ellsworth city councilor
- ◆ Amy Dalrymple: Ellsworth business owner and Ellsworth Area Chamber of Commerce board member
- ◆ Beth Fendl: former Ellsworth business owner and current Heart of Ellsworth board member
- ◆ Tony McKim: CEO of financial institution located in Ellsworth and chair of the Ellsworth Business Development Corporation
- ◆ Bob Merrill: Ellsworth High Street business owner
- ◆ Hugh Palcic: Ellsworth downtown business owner

The consulting team's work included the following tasks:

- ◆ April 2023: Initiation meeting with Steering Committee and review of background data, reports, and materials
- ◆ May 2023: Consulting team visited Ellsworth and toured key sites, held in-person meetings with more than 10 stakeholders, and presented interim research findings to the Steering Committee
- ◆ June 2023: Consulting team completed draft market analysis, economic development vision, and business targets memorandum and presented to Steering Committee
- ◆ July 2023: Consulting team participated in joint public forum with Comprehensive Plan team and began work on Action Plan Matrix
- ◆ August 2023: Consulting team completed this report document

- ◆ September 2023: Steering Committee draft review
- ◆ October 2023: Final draft report completed

Document Review

The consulting team reviewed a wide range of existing plans, studies, reports, and other documents relevant to the project. The documents were primarily provided by the City of Ellsworth, but also included other items collected via the consulting team's research.

Documents reviewed by the consulting team included:

- ◆ MDI Housing Solutions Summit Summary Report (2023)
- ◆ Heart of Ellsworth Makerspace Feasibility Study (2022)
- ◆ Heart of Ellsworth Asset Mapping (2022)
- ◆ Ellsworth Harbor Master Plan (2022)
- ◆ Economic Impact of The Jackson Laboratory (2022)
- ◆ City of Ellsworth Visioning Project (2015)
- ◆ Senior Housing Study (2015)
- ◆ Ellsworth Trade Area Analysis of Retail Sales (2012)
- ◆ City of Ellsworth Economic Development & Business Attraction Plan (2011)
- ◆ Downtown Master Plan (2008)
- ◆ Ellsworth Bicycle & Pedestrian Plan (2008)
- ◆ Downtown Parking Study (2008)
- ◆ Waterfront Redevelopment Study (2006)
- ◆ Ellsworth Comprehensive Plan Update (2004)
- ◆ Quality Main Street Study (1996)

Stakeholder Engagement Summary

Engagement with key stakeholders in the community was an essential component of this project. Between May and July 2023, the consulting team held interviews with more than 15 business owners, major employers, real estate developers and brokers, community and nonprofit leaders, educators, and government officials. These interviews were primarily held in person, with some held remotely via telephone or videoconference. The following stakeholders were interviewed by the consulting team:

- ◆ Jonathan Bates, Owner, Stone Park Properties, residential developer/builder
- ◆ Amy Boles, Superintendent, Ellsworth School Department
- ◆ Eric Columber, Owner, Columber Law and Heart of Ellsworth board president
- ◆ Jim Fisher, board member, Hancock County Planning Commission
- ◆ Jack Frost, President, Ellsworth Area Chamber of Commerce

- ◆ Patricia Keenan, Executive Director, Ellsworth Area Chamber of Commerce
- ◆ Brian Langley, Owner, Union River Lobster Pot, visitor economy sector
- ◆ Andy Matthews, President, Loaves & Fishes Food Pantry
- ◆ Michael McKernan, Director of Government & Community Relations, The Jackson Laboratory, major employer
- ◆ Cara Romano, Executive Director, Heart of Ellsworth
- ◆ John Ronan, President of Maine Coast and Blue Hill locations, Northern Light Health, major employer
- ◆ Teri Sargent Smith, Realtor, Sargent Real Estate
- ◆ Jon Stein, Owner, Fogtown Brewing, visitor economy/food & beverage sector
- ◆ Kevin Tesseo, Executive Vice President of Operations, Darling's Automotive, major employer
- ◆ Bill Tracy, Director, Hancock County Technology Center
- ◆ Nick Turner, Executive Director, The Grand, visitor economy sector
- ◆ David Witham & Eric Marichal, Owner and Business Development, Witham Hospitality, visitor economy sector
- ◆ Kathy Young, Executive Director, Woodlawn, visitor economy sector
- ◆ Tony McKim, CEO, The First National Bank, financial sector

As noted above, the consulting team also participated in a joint public forum with the City of Ellsworth's Comprehensive Plan consulting team, led by BerryDunn. This forum was held at Darling's Auto Mall on July 18, 2023, and was attended by more than 40 members of the public. The forum's discussion topics included economic opportunity, housing, transportation, and childcare. A summary of notes from the forum on each of the four topics is provided in **Appendix A**.

Section III

MARKET ANALYSIS

This section includes quantitative and qualitative data and analysis related to the overall environment for economic and business growth in Ellsworth and the Downeast Maine region.

Economic Overview

Since most public economic and employment data are reported at the county level, Hancock County is used as the area of analysis for employment and wage data. Local data for Ellsworth are shown for retail, lodging, and commuting data, though. As the only city and primary employment center in the county, Ellsworth is the main economic engine for the county's year-round economy and an important component of the seasonal tourism economy. As of Q3 2022, there were a total of 25,500 jobs in Hancock County. This represents a small (1.5 percent) increase from the Q3 2012 employment level of 25,200 and a slight decrease (0.8 percent) from the Q3 2019 level of 25,700 jobs.²

Data on 3- and 10-year employment trends by sector in Hancock County are displayed in **Table III-1**. Growth in *Professional and business services* has been the strongest, with this sector's employment increasing 26.7 percent over the decade. Other growing sectors in the region include *Leisure and hospitality, Construction, Public administration and Arts, entertainment, and recreation*. The *Trade, transportation, and utilities* sector has a high concentration of jobs in the region but has been in decline over the past decade.

The region's manufacturing base, which was already small, lost more than 900 jobs from 2012 to 2022, representing a decline of 46.6 percent. This decline included the closure of the Verso paper mill in Bucksport, which eliminated 575 jobs, but included other losses as well. Other industries that have suffered recent job losses include *Trade, transportation, and utilities, Education and health services, and Financial activities*.

² Employment data for 2022 were compared with 2012 to show a 10-year trend and with 2019 to show change from just before the onset of the COVID-19 pandemic in early 2020.

Table III-1
Hancock County Employment Trends by Major Sector
Q3 2012 to Q3 2022

	2022 Q3			
	Employment	% of Maine	10-yr Change	3-yr Change
Leisure and hospitality	6,345	7.8%	7.7%	1.2%
Trade, transportation, and utilities	5,108	4.1%	-0.7%	-2.9%
Education and health services	4,843	3.0%	-4.9%	-4.3%
Professional and business services	3,012	3.9%	26.7%	2.3%
Construction and mining	2,087	4.2%	11.7%	9.3%
Other private industry	1,511	4.7%	10.9%	-4.1%
Manufacturing	1,039	1.7%	-46.6%	-9.1%
Financial activities	805	2.5%	6.3%	-5.8%
Public administration	794	2.9%	7.2%	9.7%
<i>Total, All Industries</i>	<i>25,544</i>	<i>3.9%</i>	<i>1.5%</i>	<i>-0.8%</i>

Source: Maine Department of Labor, Harpswell Strategies, and ConsultEcon, Inc.

There is only one employer in Hancock County with more than 500 jobs: The Jackson Laboratory (JAX), which employs more than 1,500 workers in the region, including about 200 at its production facility in Ellsworth³. Other major employers in the region include hospitals in Ellsworth, Bar Harbor, and Blue Hill, multiple retail and hospitality companies, and institutions such as College of the Atlantic and the Down East Family YMCA. The only major manufacturing employer in Hancock County is Hinckley Yachts, which employs about 300 workers at its facility in Trenton.

A comparison of wages in Hancock County and the State of Maine are displayed in **Table III-2**. The overall average weekly wage in Hancock County as of Q3 2022 was \$949, which was 15 percent below the statewide average wage of \$1,111. The average wage in Hancock County is lower than in Maine for all sectors except *Leisure and hospitality*, which was 22 percent above the state average. The largest disparities between county and state wages are in Manufacturing and Financial activities. Wages in Hancock County are also lower than the state averages for almost all occupations, with the main exception being *Computer and mathematical occupations*, which indicates a possible shortage of workers in this occupation

³ According to Highergov.com, JAX reports itself as being in NAICS 541714, Research & Development in Biotechnology, which falls under the *Professional and business services* sector.

group. Local employers report that the pandemic and the related labor shortage has pushed local employers to dramatically increase wages since 2020.

**Table III-2
 Hancock County and Maine Average Weekly
 Wage by Major Sector, Q3 2022**

	Hancock County	Maine	Ratio
Professional and business services	\$1,364	\$1,463	0.93
Financial activities	\$1,174	\$1,511	0.78
Education and health services	\$1,086	\$1,149	0.95
Manufacturing	\$1,039	\$1,308	0.79
Construction and mining	\$959	\$1,042	0.92
Public administration	\$917	\$1,226	0.75
Trade, transportation, and utilities	\$795	\$954	0.83
Leisure and hospitality	\$771	\$631	1.22
<i>Total, All Industries</i>	<i>\$949</i>	<i>\$1,111</i>	<i>0.85</i>

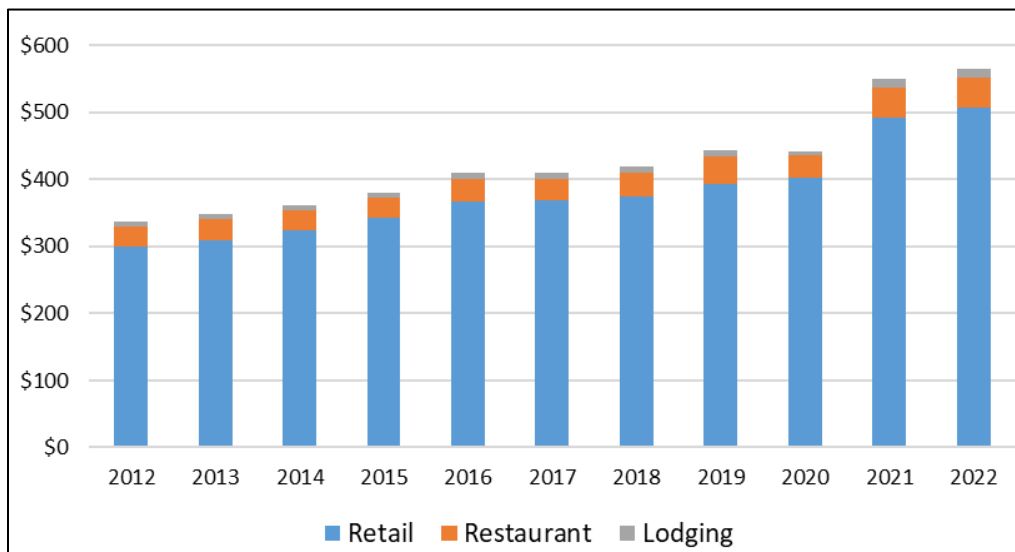
Source: Maine Department of Labor, Harpswell Strategies, and ConsultEcon, Inc.

As the only city in Hancock County and primary service center for the greater Downeast Maine region, Ellsworth sustains a robust “visitor economy” that draws from year-round residents living outside of the local market, seasonal residents, and transient tourists. Data on taxable retail, restaurant, and lodging sales in the City of Ellsworth are presented in **Figure III-1**. After suffering temporary losses during the COVID-19 pandemic in 2020, the retail and hospitality market in Ellsworth has rebounded very strongly over the past two years. In 2022, Ellsworth received a total of \$565 million in taxable retail sales, representing a 28 percent increase from the pre-pandemic year of 2019 and more than a 60 percent increase from 2012. Recent growth was driven by lodging sales, which increased 38 percent, while restaurant sales only increased 15 percent. Retail sales growth from 2019 to 2022 was uneven, with strong increases in Building Materials (57 percent) and Food Stores (32 percent), but slower growth for General Merchandise (17 percent).

Taxable sales in Ellsworth show significant seasonal variations, as shown in **Figure III-2**. In July 2022, the city’s peak month for sales in 2022, there were \$87.2 million in taxable sales, which was more than double the low month (February) total of \$42.4 million. Sales in July

have increased at a faster rate than annual sales, as the July 2022 total was 32 percent higher than the July 2019 total, compared with a 28 percent overall increase from 2019 to 2022. Peak-month lodging sales increased at an even greater rate of 64 percent, rising from \$3.1 million in July 2019 to \$5.1 million in July 2022.

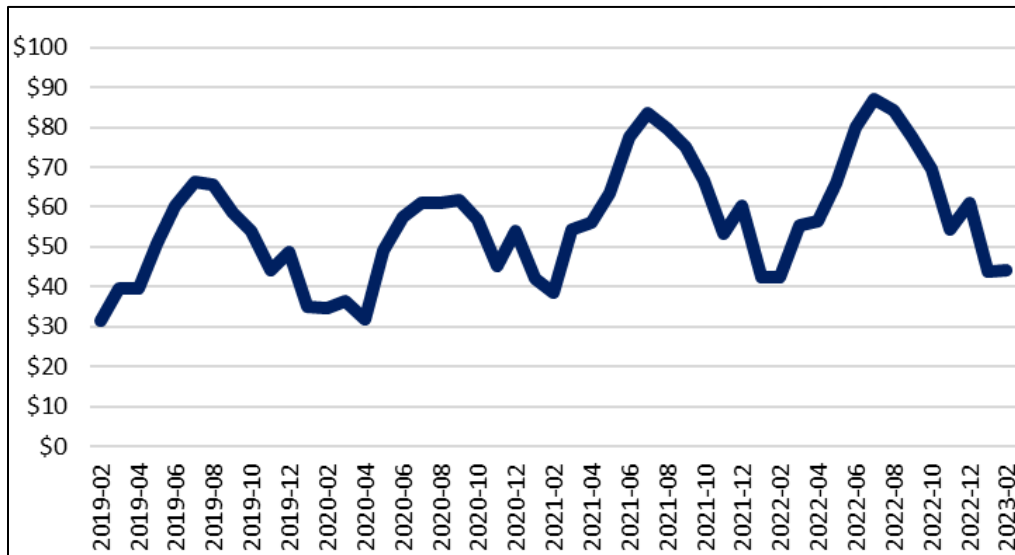
Figure III-1
Annual Taxable Sales in Ellsworth (\$Millions)



Source: Maine Office of Tax Policy and ConsultEcon, Inc.

The Maine Office of Tax Policy also calculates a “Pull Factor” for each of the state’s 18 service center communities, which compares the per capita taxable retail sales in each municipality with statewide per capita sales. A table showing Pull Factors for these communities is presented in **Appendix B**. For 2022, Ellsworth’s Pull Factor was 2.44, with its per capita sales of \$60,862 comparing with the statewide average of \$24,907. Ellsworth had the highest Pull Factor among the 18 communities, well above even major regional retail centers such as Augusta (2.26), Bangor (2.26) and South Portland (2.11). The three benchmark communities in Maine profiled in Section IV all have far lower pull factors (1.10, 0.94, and 0.91, respectively for Skowhegan, Saco, and Biddeford) due to their proximity to larger regional retail centers in Augusta and South Portland.

Figure III-2
Taxable Sales by Month in Ellsworth, 2019 to 2023 (\$Millions)



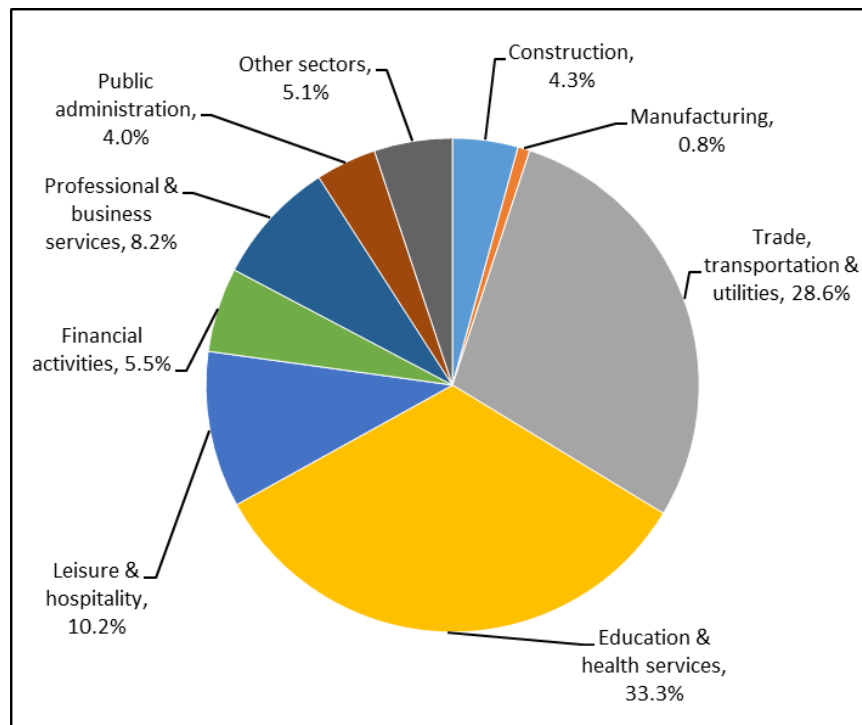
Source: Maine Office of Tax Policy and ConsultEcon, Inc.

Despite the seasonal variation in Ellsworth’s retail and hospitality economy, relatively few businesses are completely closed during the off-season. This pattern aligns with Ellsworth’s status as a regional service center and stands in contrast to Bar Harbor and Mount Desert Island, where many hospitality, dining, and retail businesses only operate for part of the year. This dynamic has allowed Ellsworth to largely maintain the character of a year-round community, demonstrating that it is possible to benefit from the visitor economy without being defined by it.

Local business owners report that Ellsworth is becoming an attractive alternative for both residents and visitors who are seeking a less crowded and more “authentic” alternative to Mount Desert Island for lodging, dining, shopping, and entertainment. Business owners also report that the tourist season starts earlier and ends later than in the past, which both creates additional opportunity and adds pressure to an already tight labor market for seasonal workers.

Data in **Figure III-3** show the profile of existing jobs in the City of Ellsworth. This profile is indicative of the city’s status as a regional center for the broader Downeast region, as 62 percent of its jobs are either in the *Education & health services* or *Trade, transportation, and utilities* sectors. It also shows that Ellsworth’s economy is not as dependent on tourism as is all of Hancock County: just 10 percent of the city’s jobs are in the *Leisure & hospitality* sector, compared with the countywide share of 25 percent. This information also clearly illustrates that Ellsworth has a very small base of manufacturing jobs and underscores how, unlike most other regional centers in Maine, the city does not have a history as a major center of industrial activity.

Figure III-3
City of Ellsworth Employment Profile, 2020



Source: U.S. Census Bureau OnTheMap Application

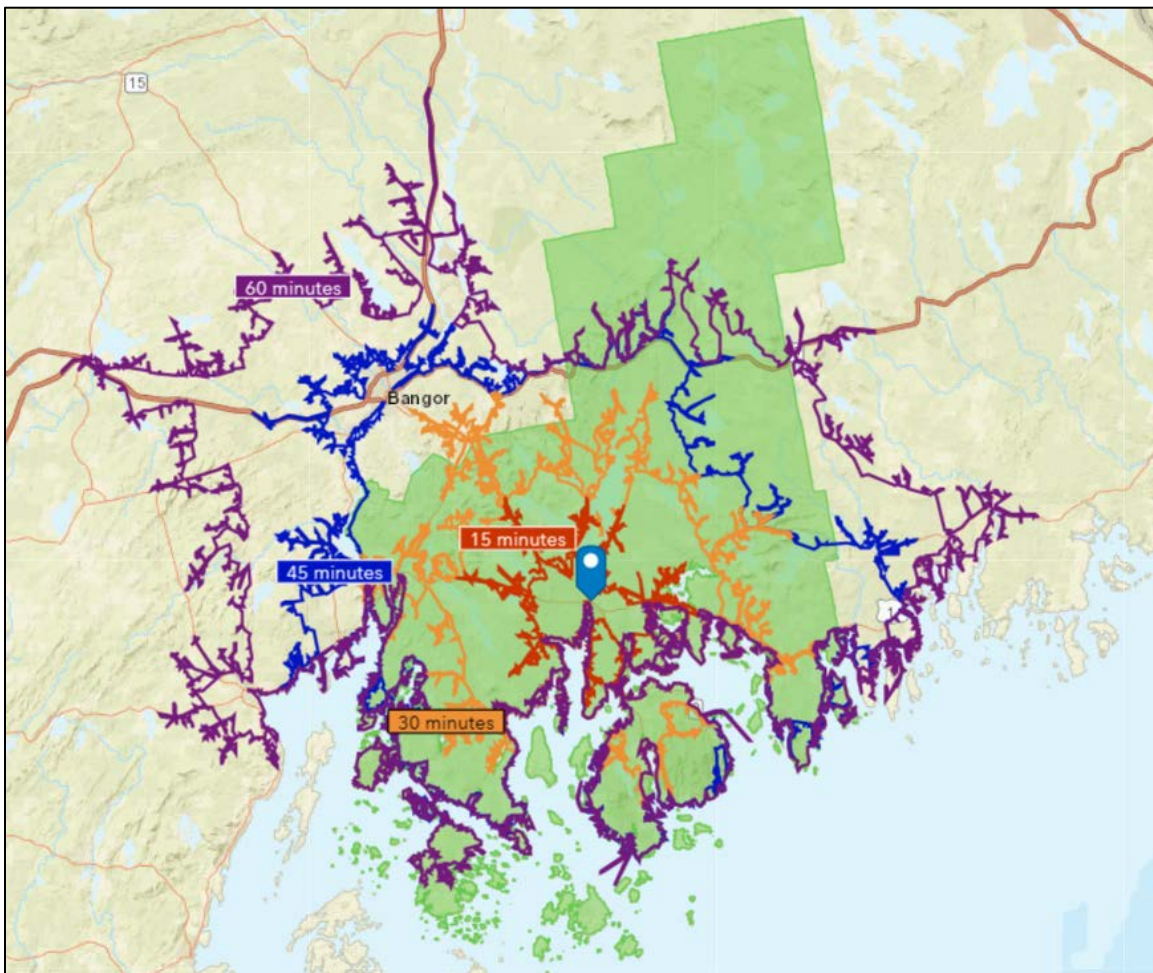
Demographic & Labor Market Overview

For the purposes of this analysis, multiple geographic areas are considered, including the City of Ellsworth, Hancock County, and several drive-time areas from the center of downtown Ellsworth. The extent of these drive time areas and the Hancock County border are shown in

Figure III-4. The drive time areas are as follows:

- ◆ Primary 0 to 15-minute drive time market includes most of City of Ellsworth
- ◆ 15 to 30-minute market is mostly rural
- ◆ 30 to 45-minute market includes Mount Desert Island and edge of Bangor region
- ◆ 45 to 60-minute market includes most of Bangor region, Belfast, and Machias

Figure III-4
Map of Hancock County and 15, 30, 45, and 60-minute Drive Times



Source: ESRI and ConsultEcon, Inc.

Data on recent and projected population growth in the different market areas are presented in **Table III-3**. The overall 60-minute drive time market area population is projected to remain stable over the next five years. The overall market area’s projected five-year growth rate of 0.2 percent is slower than the projected growth rates for Hancock County, Maine, and the U.S.

The City of Ellsworth population is projected to grow 3.3 percent from 2022 to 2027, while county and state are projected to grow less than 1.0 percent. Both the City of Ellsworth and the 15-minute drive market area are projected to grow by about 3 percent from 2022 to 2027, while the balance of the resident market area is actually projected to lose population over this period. However, the 15-minute area only represents 6.0 percent of the overall resident market, with most of the population coming from the Bangor area.

Table III-3
Residential Market Area Population Trends and Forecasts

Market Area	2020	2022	2027	Percent Change, 2022-2027	2022 Percent to Total Resident Market Area
0-15 Minute Drive	8,419	8,507	8,726	2.6%	6.0%
15-30 Minute Drive	11,033	10,911	10,819	-0.8%	7.7%
30-45 Minute Drive	50,851	51,024	50,902	-0.2%	36.2%
45-60 Minute Drive	70,482	70,630	70,963	0.5%	50.1%
Total 60-Minute Drive	140,785	141,072	141,410	0.2%	100.0%
<i>City of Ellsworth</i>	<i>8,399</i>	<i>8,529</i>	<i>8,809</i>	<i>3.3%</i>	
<i>Hancock County</i>	<i>55,478</i>	<i>55,403</i>	<i>55,612</i>	<i>0.4%</i>	
<i>State of Maine</i>	<i>1,362,359</i>	<i>1,370,382</i>	<i>1,382,353</i>	<i>0.9%</i>	
<i>United States</i>	<i>331,449,281</i>	<i>335,707,897</i>	<i>339,902,796</i>	<i>1.2%</i>	

Source: U.S. Census Bureau, Census 2020 Data; Esri forecasts for 2022 and 2027; and ConsultEcon, Inc.

The age profile of the market area population is presented in **Table III-4**. As with the State of Maine as a whole, the age profile of Ellsworth and the surrounding market area skews older than national averages: the city’s median age of 45.1 is more than six years older than the U.S. median of 38.9. However, the city’s median age is well below the Hancock County median of 49.5 percent. Ellsworth has a high percentage of older residents as 37 percent of its residents are age 55 or older, compared with the U.S. share of 30 percent. The city has a higher share of

children under 18 (19.5 percent) than the state (18.2 percent), but lower shares of young adults aged 18 to 34.

**Table III-4
 Residential Market Area Age Profile**

Market Area	Median Age	0 to 17	18 to 24	25 to 34	35 to 54	55+
0-15 Minute Drive	45.9	18.8%	6.3%	11.7%	25.1%	38.1%
15-30 Minute Drive	NA	17.1%	5.5%	9.8%	25.1%	42.5%
30-45 Minute Drive	NA	16.4%	7.7%	13.7%	24.1%	38.1%
45-60 Minute Drive	NA	19.2%	12.9%	12.6%	22.2%	33.0%
Total 60-Minute Drive	43.7	17.8%	9.6%	12.7%	23.5%	36.5%
<i>City of Ellsworth</i>	<i>45.1</i>	<i>19.5%</i>	<i>6.5%</i>	<i>11.6%</i>	<i>25.2%</i>	<i>37.2%</i>
<i>Hancock County</i>	<i>49.5</i>	<i>16.7%</i>	<i>6.7%</i>	<i>10.3%</i>	<i>23.8%</i>	<i>42.5%</i>
<i>State of Maine</i>	<i>45.5</i>	<i>18.2%</i>	<i>7.8%</i>	<i>11.8%</i>	<i>24.5%</i>	<i>37.7%</i>
<i>United States</i>	<i>38.9</i>	<i>21.9%</i>	<i>9.0%</i>	<i>14.0%</i>	<i>24.9%</i>	<i>30.3%</i>

Source: ESRI and ConsultEcon, Inc.

A comparison of household types and sizes for the different geographic areas is presented in **Table III-5**. The 60-minute drive time market area has a lower share of family households (58 percent) compared to the state at 61 percent and U.S. at 65 percent. The average household size for the City of Ellsworth and the 15-minute drive time market area is 2.20. Even the 60-minute drive time market area has smaller households (2.23 persons per household) than the state (2.27) or U.S. (2.55). This is consistent with the area’s demographic profile and older population.

**Table III-5
 Residential Market Area Household Profile**

	Estimated Number of Households	Estimated Number of Family Households ^{1/}	Percent of Families to Total Households	Average Household Size
0-15 Minute Drive	3,751	2,217	59.1%	2.20
15-30 Minute Drive	8,785	5,360	61.0%	NA
30-45 Minute Drive	31,738	17,158	54.1%	NA
45-60 Minute Drive	28,450	17,370	61.1%	NA
Total 60-Minute Drive	72,724	42,105	57.9%	2.23
<i>City of Ellsworth</i>	<i>3,764</i>	<i>2,245</i>	<i>59.6%</i>	<i>2.20</i>
<i>Hancock County</i>	<i>24,982</i>	<i>14,771</i>	<i>59.1%</i>	<i>2.16</i>
<i>State of Maine</i>	<i>587,939</i>	<i>357,598</i>	<i>60.8%</i>	<i>2.27</i>
<i>United States</i>	<i>128,657,669</i>	<i>83,407,414</i>	<i>64.8%</i>	<i>2.55</i>

1/ Family Households are defined by ESRI as households in which one or more persons in the household are related to the head of household by birth, marriage, or adoption.

Source: ESRI and ConsultEcon, Inc.

The household income levels of the market areas are profiled in **Table III-6**. The resident market area’s median household income of \$59,331 is well below both the state (\$63,833) and U.S. (\$72,414) medians. The City of Ellsworth has a greater share of lower-income households than the state and U.S., with 42 percent of the city’s households earning less than \$50,000 per year, compared with 38 percent for the state and 34 percent for the U.S. The city also has a smaller share of higher-income households than the state and U.S., with just 22 percent of Ellsworth households earn \$100,000 per year or more compared with 30 percent for the state and 36 percent for the U.S. This income profile may be related to the high concentration of retirees, who tend to have lower incomes.

Table III-6
Market Area Household Income Profile

	Median Household Income	Less than \$50,000	\$50,000 to \$74,999	\$75,000 to \$99,999	\$100,000 to \$149,999	\$150,000+
0-15 Minute Drive	\$58,863	40.9%	20.0%	16.7%	12.9%	9.5%
15-30 Minute Drive	NA	35.6%	20.0%	14.5%	17.1%	12.8%
30-45 Minute Drive	NA	43.6%	17.9%	12.3%	14.4%	11.7%
45-60 Minute Drive	NA	41.5%	16.7%	12.9%	17.3%	11.5%
Total 60-Minute Drive	\$59,331	41.8%	18.5%	13.1%	14.8%	11.8%
<i>City of Ellsworth</i>	<i>\$57,968</i>	<i>41.6%</i>	<i>20.3%</i>	<i>15.8%</i>	<i>13.6%</i>	<i>8.7%</i>
<i>Hancock County</i>	<i>\$62,040</i>	<i>38.2%</i>	<i>20.3%</i>	<i>13.9%</i>	<i>15.7%</i>	<i>12.0%</i>
<i>State of Maine</i>	<i>\$63,833</i>	<i>38.3%</i>	<i>18.1%</i>	<i>14.0%</i>	<i>16.4%</i>	<i>13.1%</i>
<i>United States</i>	<i>\$72,414</i>	<i>34.4%</i>	<i>16.9%</i>	<i>13.2%</i>	<i>17.2%</i>	<i>18.3%</i>

Source: ESRI and ConsultEcon, Inc.

Educational attainment levels of the adult (age 25+) population of the market areas are presented in **Table III-7**. The 60-minute market area profiles favorably with the state and the U.S. for this category, as 38 percent of its residents have at least a bachelor's degree, compared with 35 percent for both the state and the U.S. The region also has higher shares than the state or U.S. of residents with high school diplomas and associate's degrees. Although the City of Ellsworth has slightly lower levels of educational attainment than the region, it is still comparable to state and U.S. averages.

Table III-7
Residential Market Area Educational Attainment Profile

Market Area	No High School Diploma	High School Diploma / Alternative Credential	Some College	Associate's Degree	Bachelor's Degree	Graduate / Professional Degree
	0-15 Minute Drive	5.3%	30.1%	20.5%	11.2%	21.7%
15-30 Minute Drive	4.7%	29.3%	17.9%	9.4%	22.8%	15.9%
30-45 Minute Drive	5.0%	28.2%	18.3%	10.7%	23.2%	14.5%
45-60 Minute Drive	5.3%	27.8%	18.7%	11.0%	22.2%	15.0%
Total 60-Minute Drive	5.1%	28.3%	18.5%	10.7%	22.7%	14.7%
<i>City of Ellsworth</i>	<i>6.0%</i>	<i>28.5%</i>	<i>20.1%</i>	<i>13.1%</i>	<i>20.9%</i>	<i>11.4%</i>
<i>Hancock County</i>	<i>4.7%</i>	<i>29.9%</i>	<i>18.1%</i>	<i>9.7%</i>	<i>22.1%</i>	<i>15.5%</i>
<i>State of Maine</i>	<i>5.8%</i>	<i>30.7%</i>	<i>17.5%</i>	<i>10.8%</i>	<i>22.1%</i>	<i>13.1%</i>
<i>United States</i>	<i>10.0%</i>	<i>27.1%</i>	<i>18.3%</i>	<i>9.4%</i>	<i>21.7%</i>	<i>13.4%</i>

Note: Percentages reflect the highest level of education attainment reached by adult populations (Age 25 and older) in the Resident Market Areas.

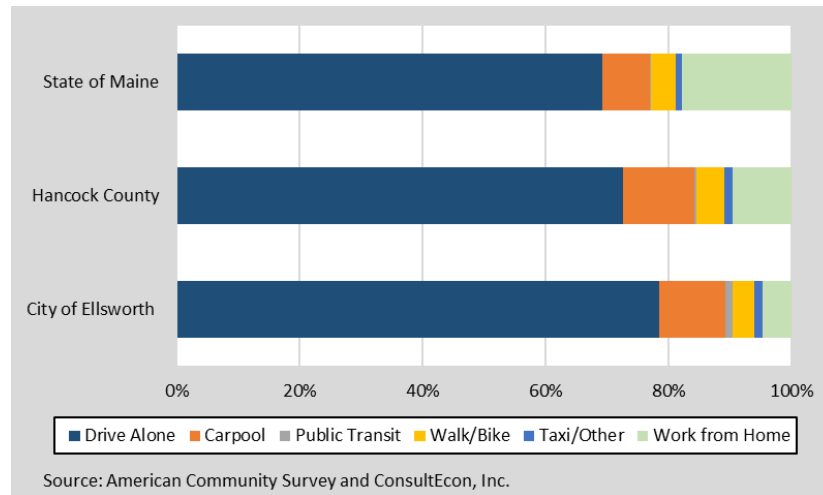
Sources: ESRI and ConsultEcon, Inc.

Consistent with its status as the only city and primary employment center in Hancock County, Ellsworth is a commuting destination within the region. According to data from the U.S. Census Bureau's OnTheMap program, as of 2020, about 4,800 workers commuted to jobs in Ellsworth each day, nearly double the 2,500 Ellsworth residents who commuted outside the city to their jobs. About 1,500 people both live and work within the City of Ellsworth.

Information in **Figure III-5** compares how Ellsworth residents travel to work with Hancock County and all Maine residents. Ellsworth residents are more likely to drive alone to work; 79 percent do so, compared with 73 percent for the county and 69 percent for the state. While Ellsworth residents are far more likely to use transit than other Maine workers, just 1.1 percent of local commuters take transit to work (the state share is just 0.2 percent). As a service center, Ellsworth has more transit options than most of the state's small towns and rural areas. Transit usage in Ellsworth is also likely influenced by the presence of The Jackson Laboratory (JAX) as a major employer and its subsidizing of the Downeast Transportation commuter bus system. Compared with the county and state, Ellsworth has a very low share of remote workers, as just 4.6 percent of its residents work from home, compared with 10 percent for the county and 18 percent statewide.⁴

⁴ These data represent five-year averages from 2017 to 2021 from the American Community Survey. As such, they may not account for the real effects of the COVID-19 pandemic on remote work patterns. However, since the intent of this datapoint is to compare Ellsworth to other areas, Ellsworth still very likely has a lower share of remote workers than the county or state.

Figure III-5
Means of Transportation to Work Comparison, 2021



The availability of labor in Hancock County has been deeply affected by the pandemic. In July 2019, there were 32,368 people in the county’s labor force. As of July 2023, the county labor force had 31,540 people in it, representing a 2.7 percent decline from four years prior. In addition to a shrinking labor force, the unemployment rate in the labor market is historically low: as of July 2023, Hancock County’s unemployment rate stood at 2.0 percent and Ellsworth’s was 2.4 percent⁵.

Local employers in industries with seasonal demand dynamics indicated that they are increasingly trying to keep staff during the offseason to minimize the scramble for scarce seasonal labor. Even year-round employers that do not experience seasonal changes in their labor needs expressed a hesitancy to expand operations in the near term due largely to concerns about the availability of labor. Local employers consistently reported three interrelated challenges that are making it difficult for them to attract and recruit labor: housing, transportation, and childcare. The costs of housing are high, access to transportation is limited, and there is virtually no capacity among childcare operators. Many employers have had to invest in these items themselves instead of relying on the marketplace to provide them. In addition to its financial support of the Downeast Transportation commuter bus system,

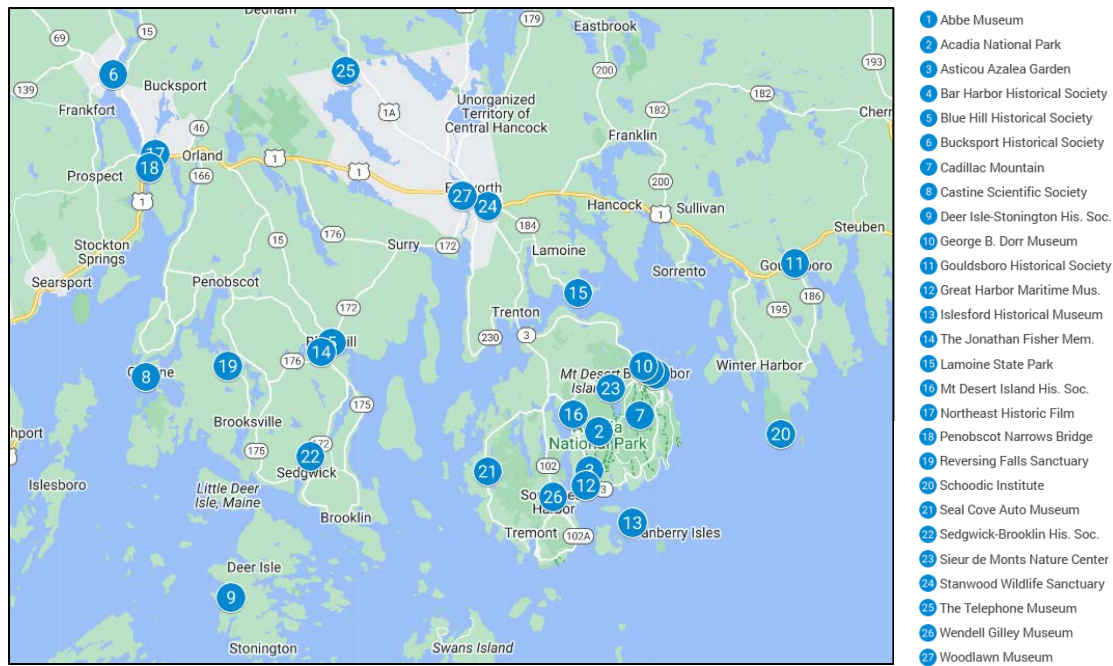
⁵ Source: Maine Center for Workforce Research and Information <https://www.maine.gov/labor/cwri/>

JAX also funds the Beechland Road Early Learning Center. Also, multiple local restaurant and hotel operators provide housing for their seasonal workers.

Visitor Market Overview

Acadia National Park and other attractions on Mount Desert Island dominate the visitor market in Hancock County. As the only national park in New England, Acadia National Park is the region’s primary visitor draw, with about 4 million visitors per year according to the National Park Service. The locations of visitor attractions in Hancock County are shown in **Figure III-6**. Hancock County’s attractions can be organized into two major groups: 1) Parks, gardens, and outdoor recreation sites, and 2) Attractions that celebrate local history and cultural heritage. These attractions are heavily concentrated on Mount Desert Island, as 11 of the 27 sites are located on the island. There are three attractions located in Ellsworth – the Woodlawn Museum, the Telephone Museum, and the Stanwood Wildlife Sanctuary – but none attract more than a few thousand visitors per year.

Figure III-6
Hancock County Visitor Attractions



Source: Google Maps and ConsultEcon, Inc.

According to the Maine Office of Tourism, there were 7.2 million visitors in 2019 to the Downeast & Acadia Region, which includes Hancock and Washington counties, representing 16 percent of all visits to Maine. Travel to the region was split evenly between overnight (52 percent) and daytrip (48 percent) visitors⁶. About 80 percent of travel parties to the region were domestic visitors, and the majority of international visitors came from Canada. The region is not as attractive for families compared with other locations in Maine: only 30 percent of travel parties included children under 18, compared with 34 percent of all visitors to Maine. Visitor spending in the region is heavily concentrated in lodging and restaurant/food purchases: these two categories alone account for 58 percent of visitor spending.

The top motivators for visits to the region were outdoor recreation and visiting friends or relatives. Visitors to the region are interested in unique local shopping experiences and are not generally interested in outlet malls or branded shopping experiences. The top destination in the region by far was Acadia National Park; 57 percent of respondents reported visiting the park, and 30 percent specifically visited Cadillac Mountain. No other attraction drew more than 15 percent of visitors to the region, and no attraction in Ellsworth drew even five percent of visitors.⁷

The local and regional lodging markets are facing many challenges related to development and maintenance costs, labor shortages, increased pressure on small operators to sell to larger companies, and the growing influence of short-term rentals. These issues are considered below in the context of commercial real estate markets and the economic development environment.

⁶ A daytrip visitor is a person who travels from more than 50 miles away but does not stay overnight.

⁷ Source: Maine Office of Tourism, Regional Insights 2019: Downeast & Acadia

Housing Market

At present, 78 percent of Hancock County households are owner-occupied, and just 22 percent are renter-occupied. A comparison of the income profile of owner- and renter-occupied households in Hancock County is presented in **Table III-8**. These figures illustrate disparities between homeowners and renters in the current housing market. The median household income of homeowners in the county is \$69,700, more than double the median level of renters (\$32,200). The vast majority (71%) of renter households have annual incomes below \$50,000, compared with 33 percent for homeowners. Nearly all households with incomes greater than \$75,000 (92%) own their homes.

Table III-8
Hancock County Housing Tenure by Income

	All Households		Owner Occupied ^{1/}			Renter Occupied ^{1/}		
	Units	Percent to Total	Count	Percent to Total	Share	Count	Percent to Total	Share
Total Occupied Housing Units	24,103	100.0%	18,803	100.0%	78.0%	5,300	100.0%	22.0%
Household Income, 2021								
Less than \$25,000	4,332	18.0%	2,427	12.9%	56.0%	1,905	35.9%	44.0%
\$25,000 to \$34,999	2,556	10.6%	1,667	8.9%	65.2%	889	16.8%	34.8%
\$35,000 to \$49,999	3,111	12.9%	2,165	11.5%	69.6%	946	17.8%	30.4%
\$50,000 to \$74,999	4,798	19.9%	3,983	21.2%	83.0%	815	15.4%	17.0%
\$75,000 to \$99,999	3,063	12.7%	2,789	14.8%	91.1%	274	5.2%	8.9%
\$100,000 or more	6,243	25.9%	5,772	30.7%	92.5%	471	8.9%	7.5%
Median Household Income	\$60,354		\$69,721			\$32,152		

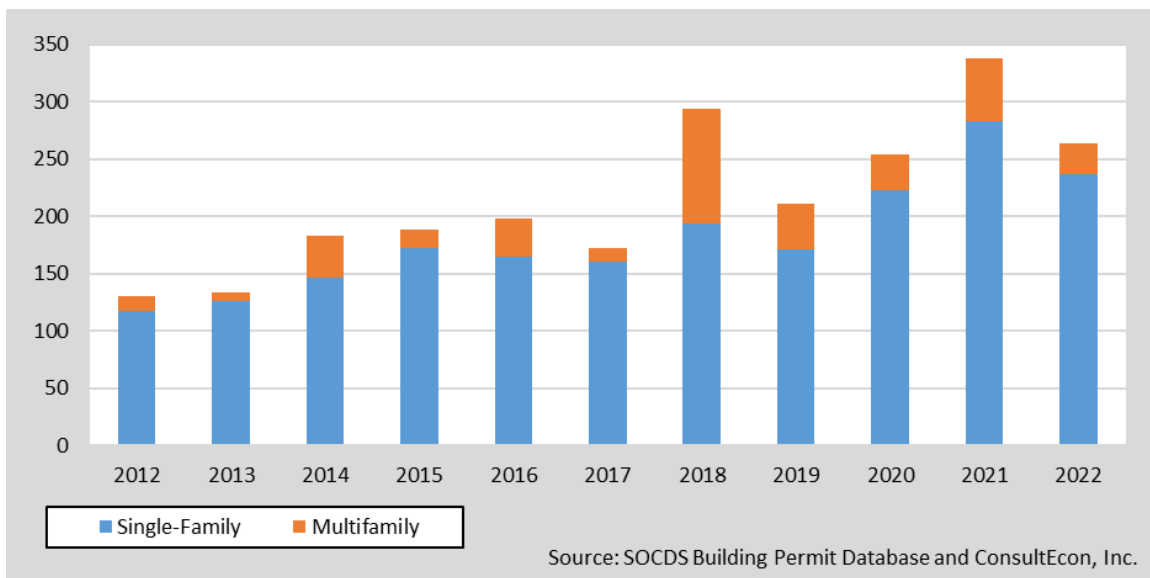
^{1/} Top line shows shares of owner and renter occupied housing as shares of all occupied units. Other lines show shares by income category of owner and renter occupied housing.

Source: American Community Survey, 2021 5-Year Estimates, and ConsultEcon, Inc.

Data on residential building permits issued in Hancock County are presented in **Figure III-7**. A total of 2,366 residential building permits were issued in Hancock County from 2012-2022, representing an average of 215 per year. This pace was down 46 percent from the prior decade's average of 400 permits per year. There has been an uptick in permitting activity since 2017, peaking at 338 in 2021 – the highest level since 2007. However, there were just 264 permits issued in 2022, likely reflecting a normalizing of demand after a spike during the pandemic. About 84 percent of all permits issues from 2012 to 2022 were for single-family

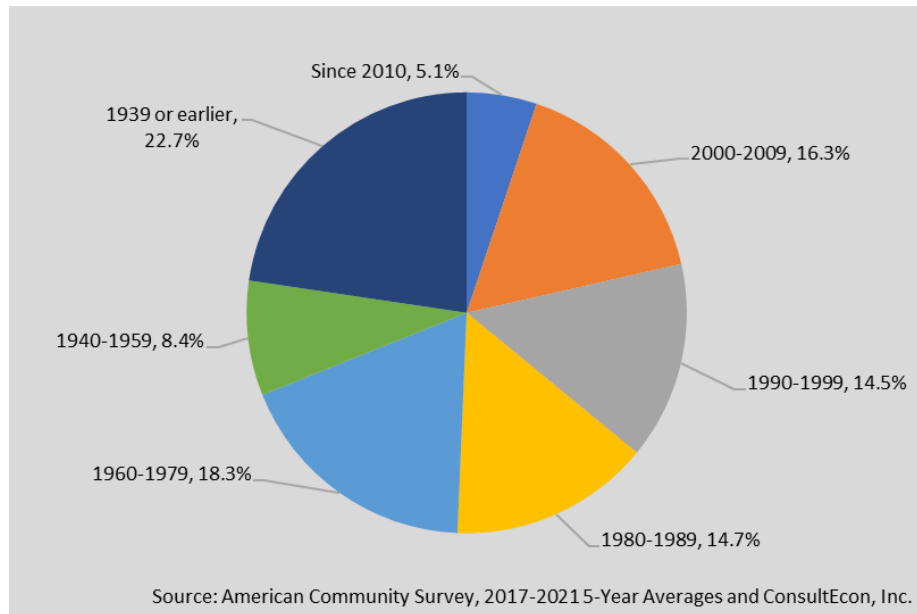
units; there were only 372 multifamily permits issued during this 11-year period, an average of 34 per year. According to data from the City of Ellsworth, there were a total of 373 residential building permits issued in Ellsworth from 2012 through 2022, an annual average of 34 permits. This represents about 16 percent of the total permits issued in Hancock County and is consistent with the city's 15 percent share of the county's total population.

Figure III-7
Residential Building Permits Issued in Hancock County, 2012 to 2022



Information on the age of housing units in Hancock County is presented in **Figure III-8**. The recent pace of development has been far slower than in prior decades, as evidenced by the fact that just 5 percent of the existing stock as of 2021 had been built since 2010. By contrast, units built in each of the prior three decades account for at least 15 percent apiece of the existing stock. The county also has a significant share of older units, as 31 percent of its stock was built prior to 1960 and 23 percent was built before 1940, meaning that more than half of its existing stock is more than 60 years old. Still, the median year built for all units in the county is 1980, which is more recent than the state median of 1976 or the U.S. median of 1979.

Figure III-8
Year Housing Unit Built in Hancock County

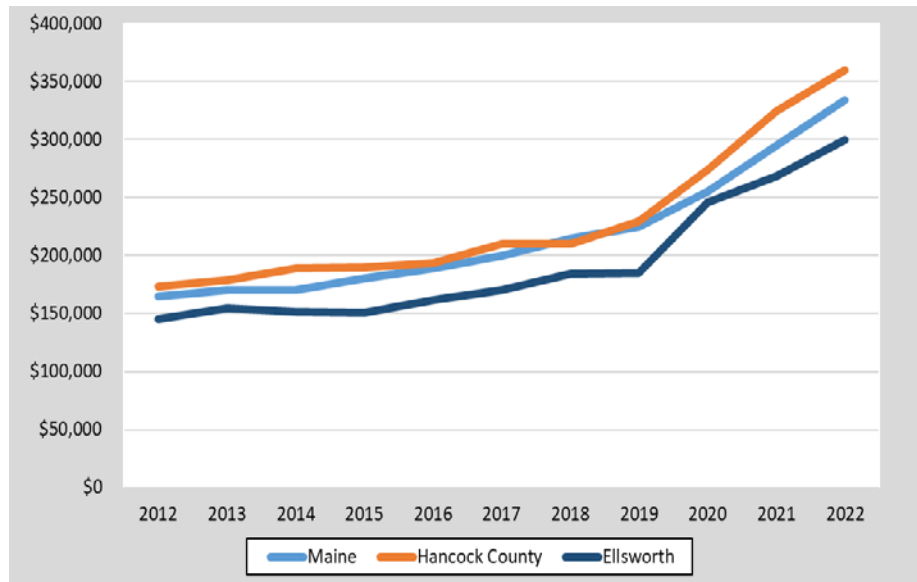


Data on median home sales prices in Ellsworth, Hancock County, and Maine are presented in **Figure III-9**. The median home sale price in Hancock County increased from \$173,500 in 2012 to \$359,900 in 2022, which was 8 percent above the statewide median of \$334,000 and 17 percent above Ellsworth’s median was \$299,500. Annual price growth for the city, county, and state all averaged between 7 and 8 percent from 2012 to 2022, with the rate accelerating since 2019 due to the influence of the pandemic.

The affordability of housing has declined sharply in the region over the past decade. In 2012, the MaineHousing Affordability Index⁸ was 1.03 for Ellsworth and 0.90 for Hancock County. By 2022, the index had dropped to 0.66 in Ellsworth and 0.62 in Hancock County, meaning that a median-earning household in the area could only afford 62 to 66 percent of the median home price in the region.

⁸ This index measures the relationship between the median household income and the median home sale price in an area for a given year. An Affordability Index value of 1.00 means that a household earning the median income can afford exactly the median sale price. An index value of 0.50 means that the same household could only afford 50 percent of the median price for that year.

Figure III-9
Median Home Sale Prices, 2012 to 2022



Source: MaineHousing and ConsultEcon, Inc.

Local developers, builders, and brokers report that home prices in Ellsworth and Hancock County have been influenced by several factors, including surging demand, low inventory, purchases of homes by local employers, investors who are able to make cash purchases, rising construction costs, and increased competition from seasonal and short-term rental users. Seasonal housing has a particularly strong impact of the housing market, as 34 percent of all units in Hancock County and 16 percent of units in Ellsworth are reported as being for “Seasonal, Recreational, or Occasional Use”.⁹ These overlapping factors have led to an acute shortage of for-sale units available for the local workforce. As of May 2023, just 21 percent of residential properties listed for sale in Hancock County had asking prices below \$300,000, the lowest price that a household earning \$75,000 per year could reasonably afford. Stakeholders note that there have been few new residential neighborhoods built in Ellsworth in many years, with most new housing being built on individual lots, and that new single-family neighborhoods would be highly marketable.

⁹ Source; American Community Survey 2017-2021 5-year averages.

The rental housing market in Ellsworth is experiencing similar pressures. According to data from MaineHousing, the median rent for 2BR units in Ellsworth increased from \$857 in 2010 to \$1,399 in 2020, an annual growth rate of 5 percent. Over this same period the MaineHousing Rental Affordability Index declined from 0.90 in 2010 to 0.65 in 2020.¹⁰ There are several active and planned multifamily residential developments in Ellsworth – these developments are targeted both at the local year-round workforce and at potential short-term renters such as construction workers, visiting medical personnel, and seasonal tourists. Multiple local real estate professionals report that there is essentially endless demand for rental housing in Ellsworth, and that the market could absorb hundreds of additional units if sites and labor were readily available.

Commercial Real Estate Market

Data in **Table III-9** summarize conditions in the office and retail markets in Ellsworth. The local office market is very small, with only 225,000 square feet (SF) of total space, and there is virtually no vacancy. Due to the lack of available space, there is limited information regarding recent leases, but the five-year average gross rent has been less than \$12/SF per year, which is not high enough to justify new construction. The local retail market is considerably larger, with 1.45 million SF of space and also has a low vacancy rate (5.2 percent) and low rents (\$12.25/SF). Most retail vacancy in the city is in older suburban retail centers along High Street and Downeast Highway, with Downtown Ellsworth having no reported retail vacancy as of May 2023.

¹⁰ A household earning the local median income could only afford a unit priced at 65 percent of the median rental rate. This index figure has not been updated since 2020; the situation is likely to have worsened since that time due to broader market trends of housing price increases outpacing household income growth.

Table III-9
Ellsworth Commercial Market Indicators, April 2023

	Office	Retail
Current Conditions		
Total Inventory (SF)	225,298	1,447,529
Vacant SF	3,240	75,039
Vacancy Rate	1.4%	5.2%
Gross Rent per SF	\$11.92 ^{1/}	\$12.25
12-Month Net Absorption (SF)	0	3,774
Development Pipeline (SF)	0	0
Five-Year Market Trends		
Average Net Absorption (SF)	1,183	4,063
Average Vacancy Rate	5.3%	5.5%
Total Space Delivered (SF)	0	1,882

1/ Due to lack of transactions in past year, office rental rates are a five-year average

Source: CoStar and ConsultEcon, Inc.

There are few large sites in Ellsworth that have access to water and sewer and are suitable for major commercial, industrial, or mixed-use developments. The most prominent of these are the WS Development parcels on Myrick Street, adjacent to the existing Walmart SuperCenter and Home Depot stores. The city’s Commerce Park (off State Street) has just one available development site, and its legacy Industrial Park on Industrial Road has no remaining sites owned by the City. Although there is significant water and sewer treatment capacity in Ellsworth, there are no other “shovel ready” sites in the city with completed infrastructure.

Local stakeholders are in near-unanimous agreement that the city’s commercial corridors along High Street, Downeast Highway, and Bar Harbor Road are unattractive and need to be improved, as they are the face of the city to many travelers. Underutilized properties in these corridors may also present opportunities for adaptive re-use as office spaces, community uses, maker spaces, artist studios, and other creative uses. The city’s historic Downtown is seen as a very strong, but needs improvements related to visibility, public spaces, housing, and walkability. Downtown Ellsworth would also be greatly aided by having a better system of gateway and wayfinding signage and connectivity to the Union River. The City is currently pursuing funding through MaineDOT’s Village Partnership Initiative – if successful, this would

fund gateway and wayfinding signage in the downtown area, along with related streetscape, bike/ped, and accessibility improvements.

Hotel operators in the Ellsworth report strong occupancy and room rates, particularly in the summer season, when occupancy approaches 100 percent and room rates typically exceed \$300 per night for the national-flag properties like the Hampton Inn and Comfort Inn.¹¹ Hotel operators report that the recent uptick in revenue has been driven in part by the necessity of raising room rates to cover increased costs for labor, supplies, and contracted services in the wake of the pandemic. Off-season occupancy ranges from 40 to 60 percent, depending on the property, with demand coming primarily from major employers and construction crews. Market conditions support additional development of hotels and spaces for weddings, meetings, and other large gatherings. However, potential developers are hesitant to pursue any new hospitality developments due to the acute shortage of hospitality workers.

Short-term rentals have recently become an important component of the Ellsworth tourism market. According to AirDNA there were 300 active short-term rental properties in Ellsworth and surrounding communities¹² as of May 2023, representing about 6 percent of the City's total housing stock. These rental units are concentrated around lakes and waterfronts and the average size of the units is 2.3 bedrooms. About 27 percent of the units are available full-time, and the occupancy rate for available weeks is very high: 86 percent. The average daily rate in 2022 for these 300 units was \$242, with a peak of \$271 in July and a low of \$214 in November¹³. There is clearly a strong market for short-term rental units – this will likely drive continued demand to use existing housing units in and around Ellsworth for this purpose.

¹¹ The strong demand for short-term rental is also consistent with demand for a hotel product that is different from the economy hotel options that exist in the market.

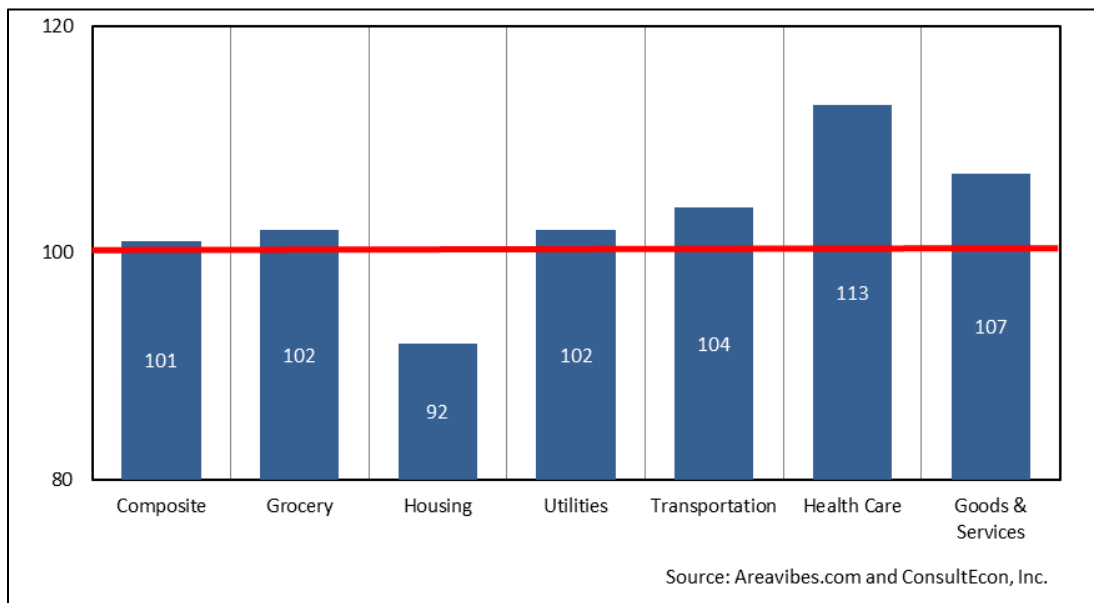
¹² Includes the City of Ellsworth, the Towns of Lamoine, Mariaville, Trenton, and Waltham, and the Unorganized Territory of Central Hancock

¹³ Source: AirDNA

Livability and Economic Development Environment

Data in **Figure III-10** profile the cost of living in Ellsworth relative to U.S. averages as of 2022. The city’s overall cost of living rating was 101, meaning that it was very slightly less affordable than national averages. Ellsworth’s overall cost of living index is lower than Camden (119), Bar Harbor (118), Portland (111), Belfast (105), but higher than Bangor (98), Augusta (96), and Bucksport (92).¹⁴ However, the fact that the city’s household income is 19 percent below the national median limits the buying power of its residents. The cost of living in Ellsworth compared unfavorably with U.S. averages for all categories other than housing, which rated at 92, meaning that housing in the local market is 8 percent more affordable than nationally. However, rising housing prices in the local market threaten this advantage. The cost of health care is the highest relative to national averages, with a cost-of-living index of 113. Retail goods and services costs in Ellsworth are also above U.S. averages.

Figure III-10
Ellsworth, Maine Cost of Living Factors, 2022 (US Average = 100)



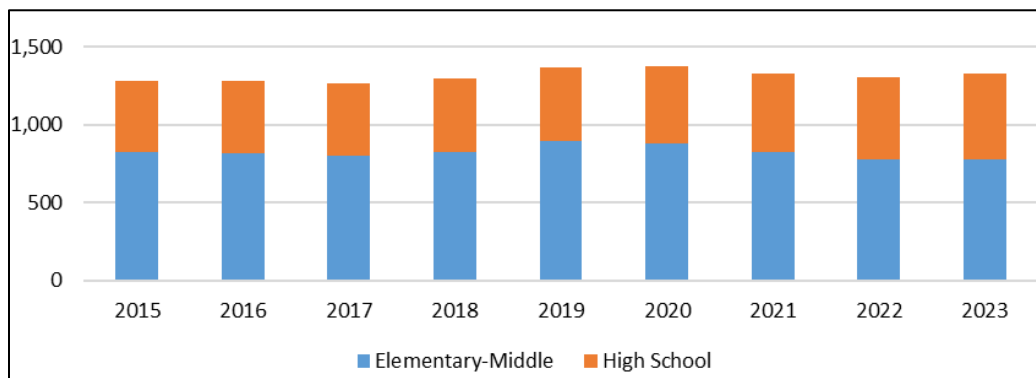
Ellsworth, like most of Maine, has a very low rate of violent crime – its per capita rate of violent crime as of 2020 was 76 below the U.S. average and 12 percent below the state

¹⁴ Cost of living figures as reported by Areavibes.com

average. However, Ellsworth’s per capita rate of property crime in 2020 was 13 percent above the U.S. average¹⁵ – this may be due to an increase of property crime during busy tourist months. Ellsworth also has a very strong locational advantage due to its proximity to Acadia National Park and a myriad of outdoor recreation opportunities.

As shown in **Figure III-11**, public school enrollment in Ellsworth declined slightly from 2020 to 2023 but is still higher than in 2015. Enrollment in Ellsworth’s public schools as of the 2022-23 school year was 1,328 students, including 775 in PreK through 8th Grade, and 553 in high school. High school enrollment in the 2022-23 school year was at its highest point during this period, but PreK-8 enrollment was down by more than 100 students from the 2019-20 school year. This trend suggests that school enrollment may start to decline in the next few years. According to Maine Department of Education data, local schools perform at a comparable level to the state, with comparable graduation and college enrollment rates, and assessment test performance in Ellsworth schools relative to the state.

Figure III-11
Ellsworth Public School Enrollment, 2015 to 2023



Source: Maine Department of Education and ConsultEcon, Inc.

Broadband internet access is an increasingly important factor for economic development due to the proliferation of remote work.

¹⁵ Source: FBI Uniform Crime Reports, 2020

As of the summer of 2023, the main internet service providers operating within the City of Ellsworth (Spectrum, Fidium, Rivah.net, and Premium Choice), provide high-speed internet coverage for approximately 90 percent of the City. The City's broadband committee, working in conjunction with the Maine Connectivity Authority, has set a goal of 100 percent coverage of the City by 2025. In addition, all service providers have acknowledged that any new business locating and operating in the City of Ellsworth will be served by a high-speed connection. Although coverage has been improved, the City's Broadband Committee acknowledges that there is a need to address the "digital divide" and improve computer literacy among some populations.¹⁶

Among local business owners and real estate professionals, there were many concerns raised about the city's development/permitting process, which was characterized by many stakeholders as being time-consuming, unpredictable, and often ad hoc. However, those who had sought permits or approvals in Ellsworth in the past two years seemed to have fewer concerns than those who had done so in prior times. There were also concerns raised about the allowable uses in certain zoning districts and how they impact residents and nearby businesses.

Many stakeholders expressed the opinion that the city needs to address the visual and public safety concerns related to poorly maintained or vacant buildings, sites, and commercial corridors through stricter code enforcement and proactive planning. There were also comments made that investments in local educational, cultural, and social institutions are needed, particularly the Hancock County Technical Center. Some stakeholders expressed concern that larger business interests were buying up local businesses and properties, resulting in greater concentration of ownership among those from outside the region. One factor cited as contributing to these trends was the increasingly complex state and local regulatory landscape that creates additional barriers for small-scale entrepreneurs.

¹⁶ Source: City of Ellsworth Broadband Committee

Market Analysis: Key Findings

- ◆ The city's economic development efforts should be more geared towards attracting entrepreneurs and growing from within, as Ellsworth is better positioned to grow organically than it is to recruit new large-scale business activity.
- ◆ The primary limiting factor for economic growth in Ellsworth is the restricted supply of labor across most of its employment sectors. This labor market is, in turn, hampered by shortages of housing, childcare, and access to transportation.
- ◆ Given the aging of the population, an influx of younger or entry-level employees is necessary to support the survival or expansion of many businesses. Additional efforts will be needed to equip entry level workers with both industry-specific skills and the soft skills required for stable employment.
- ◆ Ellsworth has largely maintained the character of a year-round community, demonstrating that it is possible to benefit from the tourism and hospitality industry without being defined by it.
- ◆ Ellsworth is very well positioned to capture visitor spending and retail activity from Mount Desert Island, as the island is increasingly perceived as being more crowded and less "authentic" than in the past. Additional opportunities present themselves as parts of Washington and Hancock counties have been designated as a national heritage area. Ellsworth is a central hub for visitors and is well positioned to capture additional activity in the visitor market.
- ◆ Housing demand in Ellsworth is exceptionally strong and likely to remain so for years to come. There is a need to provide housing opportunities to a variety of buyer and renter types and a variety of price points.
- ◆ Better signage, streetscaping, and design are all needed to improve the visibility and accessibility of Ellsworth's downtown and commercial corridors.
- ◆ The City of Ellsworth needs to undertake a comprehensive review of its permitting processes to ensure that it is effectively serving the individuals and businesses who are seeking to invest in its prosperity.
- ◆ There is an acute need for public parks and gathering spaces in the core of downtown Ellsworth and the adjacent waterfront.

Summary: Market Analysis

Ellsworth is the primary economic engine for Hancock County and an important contributor to the region's year-round service center and visitor economy. The regional economy has seen strong growth in the *Professional and business services, Leisure and hospitality, and Construction* sectors in recent years, but significant declines in *Manufacturing* and other sectors. The Hancock County economy is driven primarily by small business activity – The Jackson Laboratory is the region's only major employer with 500+ jobs. Wages in the region are below statewide averages for all sectors except *Leisure and hospitality*, although wages have been increasing rapidly since 2020 in response to labor shortages. Local employers are challenged by three key factors that are making employee recruitment and retention very difficult: housing, transportation, and childcare.

The retail, restaurant, and lodging sectors in Ellsworth rebounded well from the COVID-19 pandemic, with taxable sales in 2022 exceeding pre-pandemic levels by 28 percent, and Ellsworth has the highest per capital retail spending of any service center community in the state. Despite the seasonal variation in sales in the economy, there are few businesses in Ellsworth that only operate in the summer months. The local economy in Ellsworth is dominated by health care and retail jobs, and there are few manufacturing or office-using jobs in the city at present. Most of the tourism activity in the area is tied to Acadia National Park and Mount Desert Island, and Ellsworth is affected by traffic congestion to and from the island. Ellsworth has thus far been able to retain an identity as a year-round community and has not become overly dependent on tourism – maintaining this balance will be an important factor in its future growth prospects.

Ellsworth is projected to add population over the next five years, yet the surrounding region is not expected to grow. The area's population is expected to continue to age, with most growth in the 55+ age cohort and household sizes expected to remain below state and national averages. Income levels in Ellsworth are below state averages and the city has a greater share of low-income households than the state overall despite having a well-educated population base.

The supply of housing in Ellsworth and Hancock County is at a critically low level, with few rental or for-sale units available at prices that are attainable for most local workers. The pace of housing development in the region has slowed over the past decade, particularly for multifamily units. The local housing market is challenged by many factors, including surging demand, low inventory, purchases of homes by local employers, investors who can make cash purchases, rising construction costs, and increased competition from seasonal and short-term rental users. Local real estate professionals believe that there is strong demand for both new single-family neighborhoods and multifamily rental developments.

The supply of retail, office, and industrial space and buildable sites in Ellsworth is extremely limited. There are virtually no shovel-ready development sites for large commercial projects in the city and there is very low vacancy in Downtown Ellsworth. The city's commercial corridors such as High Street and Downeast Highway need functional and aesthetic improvements, and there is a need for better wayfinding and gateway signage, as well as better visibility and access to the Union River in the Downtown area. The local hotel market is performing very well, but the local labor shortage is particularly acute in this sector, making it very difficult to find workers to build or operate new lodging properties.

Ellsworth has many livability advantages: its cost of living is modest relative to Southern Maine and most major cities, it has a very low violent crime rate, its schools are competitive, it has an attractive and walkable historic downtown, and it has unparalleled access to nature and outdoor recreation opportunities. Challenges faced by Ellsworth in terms of livability include a high property crime rate, an expected decline in school enrollment, negative perceptions of the city's business climate, and the poor appearance of vacant buildings and sites in the community.

Section IV
SUMMARY OF BENCHMARK COMMUNITIES

This section presents profiles of five communities that are either competitive with Ellsworth and/or share common characteristics that make them comparable to Ellsworth. The criteria used in identifying possible benchmark communities included:

- ◆ Similar population to Ellsworth
- ◆ Commercial center for a larger region
- ◆ Proximity to major recreational areas
- ◆ Proximity to larger population centers
- ◆ Vibrant historic downtown area
- ◆ Comparable age and income profiles

Of the five identified benchmark communities, three are in Maine, and two are from other states. The communities and their characteristics are shown in **Table IV-1**.

Table IV-1
Comparative Communities to Ellsworth

Community	Population 2010	Population 2023	Percent Change, 2010-2023	2023 Median HH Income	2023 Median Age	2023 Total Daytime Worker Population
Ellsworth, ME	7,739	8,666	12.0%	\$64,143	45.2	7,027
Biddeford, ME	21,277	22,552	6.0%	\$60,646	38.1	11,842
Saco, ME	18,482	21,062	14.0%	\$78,223	43.9	7,956
Skowhegan, ME	8,589	8,559	-0.3%	\$50,341	45.5	6,602
Sevierville, TN	15,366	19,413	26.3%	\$46,693	40.7	18,127
Sturgeon Bay, WI	9,235	9,632	4.3%	\$57,971	47.6	7,370

Source: ESRI and ConsultEcon, Inc.

The following points briefly summarize the comparative communities.

Maine Communities

- ◆ **Biddeford:** Former textile mill community located about 15 miles south of Portland and home to the University of New England. After losing most of its manufacturing base in the late 20th Century, Biddeford has remade itself as a hub for young creatives and professionals and has emerged as a destination for dining and arts.
- ◆ **Saco:** The neighboring community to Biddeford, located on the opposite side of the Saco River. Saco serves many roles: suburb of Portland, commercial gateway to Old Orchard Beach area, and regional employment center. The city has grown rapidly in recent years and has the highest income level among the comparable communities.
- ◆ **Skowhegan:** Historic mill town and regional service center in the Kennebec Valley that is nearly equal to Ellsworth in terms of both population and median age. Population was stable from 2010 to 2023 after a long period of decline and its economy and downtown area are both resurgent.

Out of State Communities

- ◆ **Sevierville, Tennessee:** Gateway community to the Great Smoky Mountains National Park and Gatlinburg, located about 20 miles east of Knoxville. It has experienced rapid population growth in recent years and has a relatively large employment base.
- ◆ **Sturgeon Bay, Wisconsin:** Gateway and commercial center to Door County, a popular vacation destination for the Upper Midwest, located about 40 miles northeast of Green Bay and 3 hours from Milwaukee. It has a similar population and employment base as Ellsworth and has experienced population growth since 2010.

Additional information for each of these communities was assembled related to demographics, workforce, employment, and livability. These data are presented for the U.S., Ellsworth, and the five comparative communities in **Table IV-2**.

Table IV-2
Indicators for Comparative Communities and US Total

Category		US Total	Ellsworth ME Hancock Co.	Biddeford ME York Co.	Saco ME York Co.	Skowhegan ME Somerset Co.	Sevierville TN Sevier Co.	Sturgeon Bay WI Door Co.
Demographics								
Population, 2023	1/	337,470,185	8,666	22,552	21,062	8,559	19,413	9,632
Population Change, 2010-2023	1/	9.3%	12.0%	6.0%	14.0%	-0.3%	26.3%	4.3%
Median Household Income, 2023	1/	\$72,603	\$64,143	\$60,646	\$78,223	\$50,341	\$46,693	\$57,971
Median Age, 2023	1/	39.1	45.2	38.1	43.9	45.5	40.7	47.6
Daytime Worker Population, 2023	1/	161,357,608	7,027	11,842	7,956	6,602	18,127	7,370
Daytime Worker to Resident Ratio	1/	0.48	0.81	0.53	0.38	0.77	0.93	0.77
Poverty Rate, 2021	2/	12.6%	8.4%	13.4%	9.3%	15.8%	19.0%	11.0%
Educational Attainment, 2021								
Share of 25+ Pop with Bachelor's Degree	2/	33.7%	34.7%	27.2%	40.7%	24.0%	19.9%	25.3%
Share of 25+ Pop with HS Diploma	2/	88.9%	95.3%	94.0%	94.5%	92.7%	86.4%	95.1%
County Employment and Earnings Profile								
Median Wage per Job, 2022 (County)	3/	\$1,396	\$1,023	\$1,045	\$1,086	\$1,062	\$843	\$882
Labor Force Growth Rate, Jan 2019-Jun 2023	3/	2.5%	-1.2%	1.3%	-0.8%	-1.4%	0.6%	3.1%
Unemployment Rate, June 2023	3/	3.1%	2.8%	2.4%	1.9%	3.7%	2.2%	2.5%
Labor Force Participation (Age 16-64)	2/	63.6%	68.5%	68.3%	73.2%	57.5%	56.8%	66.5%
Livability Indicators								
Median Home Value, May 2023	4/	\$346,270	\$374,421	\$449,234	\$469,704	\$211,716	\$405,729	\$325,039
			Bangor	Portland	Portland	Bangor	Knoxville	Green Bay
Distance from Major Airport	5/	na	25 miles	15 miles	12 miles	45 miles	25 miles	45 miles
Availability of 100+ mpbs Broadband (County)	6/	92.2%	81.2%	95.4%	99.5%	85.6%	94.8%	55.5%
Cost of Living Index	7/	100	101	106	110	91	87	90
Violent Crime Rate per 100K Pop, 2021	8/	388	84	423	158	158	494	67
Property Crime Rate per 100K Pop, 2021	8/	1,958	1,855	2,402	1,099	2,693	3,764	729

Notes on Sources:

1/ ESRI; 2/ American Community Survey; 3/ Bureau of Labor Statistics; 4/ Zillow.com; 5/ Google Maps; 6/ BroadbandNow.com; 7/ AreaVibes.com;
8/ FBI Uniform Crime Reports

Among these communities, Ellsworth is most comparable to Skowhegan and Sturgeon Bay, but has similarities and differences with each of the communities. An assessment of Ellsworth's standing relative to the U.S. and the comparative communities for these indicators is shown by data in **Figure IV-1**.

Figure IV-1
Evaluation of Ellsworth’s Competitive Position by Indicator Type

Category	Ellsworth Comparison
Demographics	
Population Change, 2010-2023	+
Median Household Income, 2023	=
Median Age, 2023	-
Daytime Worker to Population Share	+
Poverty Rate, 2021	+
Educational Attainment	+
County Employment and Earnings Profile	
Wage Rates	=
Labor Force Growth	-
Unemployment	+
Labor Force Participation	+
Livability Indicators	
Median Home Value, May 2023	=
Distance from Major Airport	=
Availability of Broadband	-
Cost of Living Index	=
Crime Rates	+

Source; ConsultEcon, Inc.

Across the 15 indicator types, Ellsworth scored as a positive (+) for seven categories, a negative (-) for three categories, and a neutral (=) for five categories. Ellsworth compares particularly well for demographics, educational attainment, unemployment, and labor force participation. Ellsworth compares unfavorably to the other communities in terms of the age of its population, a declining labor force, and the availability of high-speed broadband, although steps have recently been taken to improve broadband access.

Business Development Approaches in Comparative Communities

A summary of the existing economic and business development strategies in each of the comparative communities is presented below.

Biddeford, Maine

The City of Biddeford has a robust economic development department that has played a leading role in the revitalization of the city over the past several decades. Prior to 2007, the city's focus was on the development of industrial and business parks. However, between 2007 and 2011 the city completed parallel master plans for its Downtown and Mill District, which led to the successful transformation of more than 500,000 square feet of historic buildings into residential, commercial, and maker spaces, as well as major public investments to remove a waste-to-energy facility and to develop a riverwalk trail and a public parking garage. Although the city does not have a separate business development strategy, its Comprehensive Plan was just updated in 2023. The plan acknowledges that there is limited space remaining in Biddeford's business parks and emphasizes growth in the creative economy in the downtown area and in the health care/medical office sector in the area around Southern Maine Medical Center.

Saco, Maine

The City of Saco completed an Economic Development Market Analysis and Action Plan in 2021. This plan recommended focusing on the buildout of sites and spaces within its existing business parks and privately owned sites rather than pursuing expansion. The study also emphasized the need for more housing and mixed-use developments in the city's core and recommended significant public investments in the riverfront area. The study recommended three targeted industry groups for future recruitment:

- ◆ Light Industrial, Manufacturing & Logistics
- ◆ Professional & Technical Services
- ◆ Health Care/Medical Services

Skowhegan, Maine

The Town of Skowhegan does not have a comprehensive economic development strategy, and its comprehensive plan was last updated in 2010. At this time, the Town emphasized its position as the primary “service, employment, and trade center” for Somerset County, with a focus on downtown, riverfront, and “green” economy development. Skowhegan’s Main Street Program completed a Strategic Plan in 2016 that acknowledged the need to shift away from the Town’s declining textile and paper manufacturing base and focus on place-based development strategies such as tourism, food processing, and the creative economy.

Sevierville, Tennessee

Sevierville does not have a targeted economic development strategy, and business development activities are largely conducted by the Sevier County Economic Development Council (SCEDC), a public-private entity that promotes business growth in the Sevierville-Pigeon Forge-Gatlinburg area. SCEDC owns multiple industrial and business parks around the county and markets buildings and lots in these parks primarily to manufacturing businesses. Recognizing the impact of the region’s housing shortage on its economy, particularly in tourism related sectors, SCEDC completed a regional housing market study in 2017 and updated it in 2021.

Sturgeon Bay, Wisconsin

The City of Sturgeon Bay manages physical planning and investments through its Community Development department, but contracts with the Door County Economic Development Corporation (DCEDC) for its business attraction efforts. At the local level, the City updated its comprehensive plan in 2020 – this plan identifies year-round and outdoor tourism, food manufacturing, medical/health care, and industrial uses as key components of the City’s economy. DCEDC completed an update of its strategic plan in 2022. The plan is focused on building an entrepreneurial ecosystem in the region for all types of businesses, but specifically calls out “research opportunities related to water, climate, and the environment.” The plan also emphasizes the need to enhance livability, including housing, childcare, broadband, and arts/culture.

Summary: Benchmark Communities

A review of demographics and economic development approaches in five benchmark communities was undertaken to help Ellsworth craft its updated economic vision statement and provide guidance on what actions could be taken to achieve this vision. The set of benchmark communities includes three from within Maine (Biddeford, Saco, and Skowhegan), and two from other states (Sevierville, TN and Sturgeon Bay, WI). These communities are either competitive with Ellsworth and/or share common characteristics that make them comparable to Ellsworth.

Among the benchmark communities, only Saco has a local business attraction strategy that targets specific industry sectors, with the others aimed more generally at creating the conditions for economic growth and prosperity. All three Maine communities work primarily at the local level to pursue business attraction and economic development, while both non-Maine communities are part of regional organizations that oversee business park development and marketing activities. All five of the communities recognize the importance of their historic downtown areas and retail amenities and emphasize the need to maintain vitality in these areas. Four of the five communities include housing as a key element of their business development activities. The emphasis on these livability factors in the comparative communities suggests that Ellsworth should focus its economic development activities on similar efforts. As the City of Ellsworth proceeds with the implementation of this plan, it should further explore how these communities have addressed these issues in particular.

Section V

ECONOMIC DEVELOPMENT VISION AND TARGETED BUSINESS CLUSTERS

This section presents findings and recommendations related to the economic development vision and targeted business clusters for the City of Ellsworth. These recommendations provide the framework for the Action Plan in **Section VI**.

Background and Context

The Economic Development Vision and proposed Targeted Business Clusters that follow were crafted to acknowledge the current challenges while still providing focus for the City's future efforts to identify and pursue economic development opportunities. To that end, several "candidate clusters," or groups of related industries, were identified through extensive analysis of Ellsworth's competitive position in the local, regional, and national economy.

Target industry analyses help local governments and economic development organizations to focus their time and marketing efforts. To be effective, a target industry analysis must be conducted with an understanding of the broader challenges facing a community. In Ellsworth and the rest of Maine, the demographics of the workforce present a particular challenge, as evidenced by the following projections from the Maine State Economist for population trends through 2040¹⁷:

- ◆ Maine's overall population growth rate is expected to slow and Hancock County's population is projected to decline.
- ◆ Both Maine and Hancock County are projected to experience significant declines in their prime working age populations (age 25 to 54).
- ◆ The population of young adults in aged 18 to 24 has already declined sharply in Maine and Hancock County since 2009 and is expected to continue to decline.

From these forecasts, it seems that the future economy of Ellsworth will be constrained by the availability of labor as a shrinking workforce supports a more or less stable overall

¹⁷ <https://www.maine.gov/dafs/economist/demographic-projections>

population. Nonetheless, the business attraction plan can focus on nurturing industries that are anticipated to grow and ensuring that Ellsworth industries and businesses are prepared to face the economic restructuring that may occur over the next 15 years.

Economic Development Vision: Draft Statement

The following vision statement for economic development activity in the City of Ellsworth is designed to present an aspirational but realistic approach for the city's future business attraction activities. Some of the factors considered in crafting the vision statement include:

- ◆ Ellsworth is much better positioned to compete for smaller scale businesses that leverage its quality of place than to attract large-scale manufacturing or industrial businesses.
- ◆ The region faces an acute shortage of labor, which is driven by an aging population and the need for better access to housing, transportation, and childcare.
- ◆ Ellsworth needs to work to overcome some of the negative perceptions (and realities) related to its business climate and development processes, as discussed in **Section III**.
- ◆ Ellsworth has significant place-based advantages that make it attractive to investors, businesses, and workers, but needs to make additional investments and policy changes to maintain these advantages – these items are addressed in the Action Plan in **Section VI**.

The Economic Development Vision statement is as follows:

Ellsworth is the engine that drives economic growth and prosperity in Downeast Maine. Ellsworth leverages its location, authentic character, and unparalleled livability to attract, grow, and retain high-quality companies that produce sustainable employment opportunities.

Methodology for Identifying Clusters

Building on the economic development vision statement and using practices that are consistent with industry standards, several “candidate clusters” were selected. The process for selecting target clusters included a thorough review of data related to industry trends, competencies in the local labor force, labor supply, real estate and natural resource needs of industries, access to inputs and markets, supply and distribution chains, and quality of life considerations. The following additional conditions were considered as well:

- ◆ The cluster must be growing both nationally and in Maine.
- ◆ The region must either possess the competencies/skills required by the cluster in its regional labor force or must be able to easily train or attract the necessary labor.
- ◆ The industry complements other industries in the region, and growth/investment in the industry is likely to be impactful at a local level.
- ◆ Ellsworth provides sufficient access to relevant supply and distribution chains relative to other locations.

Some of the industries that meet those criteria are not what are traditionally considered to be “basic” or “traded” industries, i.e., industries that bring outside money into a local economy. For example, lawn and garden equipment and supplies retailers are generally viewed as serving only local demand. However, much of the spending at such retailers in a location like Ellsworth likely comes from seasonal residents or owners of short-term rental properties, both of which are an important source of outside income for Ellsworth and Hancock County.

Recommendations for Targeted Business Clusters

Using the methodology described above, the following four targeted business clusters were identified for Ellsworth:

1. Specialty Food & Beverage Manufacturing & Sales
2. Design, Construction & Maintenance
3. Healthcare Services / Medical Manufacturing / Life Sciences
4. Visitor Economy & Hospitality

For each cluster, the rationale, opportunities for business attraction, and listing of key sectors in each cluster are provided. Although the need to build and sustain an Entrepreneurial Ecosystem is not considered as a separate target, its importance to the other clusters is discussed under each cluster and addressed in the Action Plan in **Section VI**.

Cluster 1: Specialty Food & Beverage Manufacturing & Sales

Local farms and local consumer base are two key ingredients, but the additional presence of affluent seasonal visitors and potential B2B customers in the hospitality industry provide exposure to other markets and opportunities to increase sales volume.

The success of Ellsworth's current and future food and beverage manufacturing firms can define Ellsworth as a destination of choice for mobile and creative professionals as well as seasonal visitors.

The City of Ellsworth and its partners should explore opportunities to activate strategic downtown and waterfront properties for unique culinary experiences that will highlight the increasingly vibrant food & beverage scene in Ellsworth.

Ellsworth has already established a specialization in the food and beverage sector, and this cluster appears well-positioned for future growth. Fogtown Brewing Company, Colvard & Company, Precipice Coffee, and Maine Shellfish Company are examples of current businesses trading in food and beverages for sale outside of Ellsworth. The following opportunities exist within this cluster:

- ◆ Sales to the local and regional resident market
- ◆ Sales to seasonal residents and tourists
- ◆ Business-to-business sales to food distributors, restaurants, hoteliers, and retailers
- ◆ Adding value to agricultural products grown in the region
- ◆ Manufacturing of plant-based packaging materials
- ◆ Agritourism and food-oriented special events
- ◆ Destination food halls/restaurants in downtown
- ◆ Packaging and wholesaling of local seafood and crops

Most of the sectors in this cluster are either growing in Maine or – based on occupation demand projections – are expected to grow in the next few years. Furthermore, these industries have above average concentrations of workers in the regional labor force (a location quotient greater than 1.0). As an example, *Seafood product preparation and*

packaging has a location quotient of 25.02 in Hancock County, meaning that Hancock County has 25 times more employment in this industry than one would expect based on that industry’s share of national employment. Sectors in this cluster include:

- ◆ NAICS 3114: Fruit and vegetable preserving and specialty food manufacturing
- ◆ NAICS 3121: Beverage manufacturing
- ◆ NAICS 3117: Seafood product preparation and packaging
- ◆ NAICS 3118: Bakeries and tortilla manufacturing
- ◆ NAICS 4244: Grocery and related product merchant wholesalers
- ◆ NAICS 4452: Specialty food retailers
- ◆ NAICS 7223: Special food services
- ◆ NAICS 7225: Restaurants and other eating places

Generally, food and beverage manufacturing has outpaced growth in other clusters and is projected to continue growing in the near term, as shown by data in **Table V-1**.

Table V-1
Recent and Projected Establishment Growth in Maine
Potential Food & Beverage Manufacturing Targets

Industry	Growth in establishments 2017-2022, Maine	Projected growth in establishments 2022-2027, Maine
Coffee Production	32.9%	20.5%
Tea production	28.5%	23.4%
Distilleries	24.9%	13.6%
Breweries	17.5%	13.6%

Source: IbisWorld; Harpswell Strategies

Many of the industries in this cluster are highly impactful. For example, *Seafood product preparation and packaging* has an employment multiplier of 2.01, meaning that each direct job in seafood product preparation and packaging supports 1.01 additional jobs in the local economy. Other highly impactful industries include abattoirs, meat processing, snack food manufacturing, grocery wholesalers, and wineries.

Cluster 2: Design, Construction & Maintenance

Current and prospective employers in Ellsworth are constrained by a shortage of design, construction, and maintenance firms capable of building out the commercial space and housing necessary to facilitate growth.

The shortage of firms does not necessarily reflect a shortage of skills – relevant educational and training programs exist in the region, and the local labor force already has some of the skills needed for such work.

Leveraging the expertise of national groups, such as the Incremental Development Alliance or Neighborhood Evolution, and regional organizations such as Build Maine or the Genesis Community Loan Fund, Ellsworth should seek to increase local capacity in development-related industries.

One current challenge in the Downeast Maine economy is a shortage of firms and workers in construction and related trades. Growth in most industries is closely related to capital investment and expenditure; furthermore, firms in labor-intensive industries cannot grow unless there is adequate housing for the workforce. Growth in the design, construction, and maintenance cluster would enhance the capacity of the Ellsworth economy to respond to growing demand and create the conditions that are necessary to support economic growth.

Housing construction and development in Maine tend to be very local businesses. Trust is established through long-term relationships and performance by both parties is crucial to success. For housing developers in other parts of Maine, Ellsworth is perceived as too distant from their home markets in places like Portland, Lewiston-Auburn, or Augusta. While there is plenty of demand – for residential construction in particular – other practical considerations may be preventing non-local firms from more heavily investing time and capital in the Ellsworth market. Those practical considerations include the distance and time between Ellsworth and locations in southern and central Maine, a shortage of both labor and subcontractors in the region, and a lack of familiarity with local processes and players relevant to construction and development. Ellsworth will need to do more than simply “put

its best foot forward” to attract interest from firms elsewhere in Maine – Ellsworth will need to focus on cultivating local entrepreneurs and labor in the building trades.

There is both a need and an opportunity to grow the residential and commercial development sector in Ellsworth. The following opportunities should be explored:

- ◆ Build a network of local, small-scale developers
- ◆ Leverage quality of place to attract architects, landscape architects, interior designers and other “mobile creatives” to Ellsworth
- ◆ Leverage existing training programs at HCTC and EMCC, as well as college engineering programs at UMaine-Orono and Maine Maritime Academy, to grow and recruit local workforce
- ◆ Partnerships and possible pilot developments with the Advances Structures & Composites Center ant UMaine-Orono, which has created prototypes of 3D-printed dwellings
- ◆ Implement best practices in small-scale development ecosystem building through collaboration with regional organizations, such as Build Maine, as well as national organizations, such as the Incremental Development Alliance
- ◆ Establish connections with modular home manufacturers both from Maine and other states to build a pipeline of modular development companies that are less reliant on local labor supply
- ◆ Explore opportunities to partner with existing efforts, such as the Genesis Community Loan Fund, which provides funding and technical assistance to non-profit housing development projects in Maine
- ◆ Attract investment capital from high net-worth individuals living in the Downeast region (either full- or part-time)
- ◆ Ellsworth already has a strong base of companies that provide maintenance and repair services for homes, docks, boats, and other property; the skills from this industry can be leveraged for both construction and additional maintenance activities.

Key subsectors within this cluster include:

- ◆ NAICS 2361: Residential building construction
- ◆ NAICS 2381: Building foundation and exterior contractors
- ◆ NAICS 2383: Building finishing contractors
- ◆ NAICS 2389: Other specialty trade contractors
- ◆ NAICS 3219: Other wood product manufacturing¹⁸
- ◆ NAICS 5413: Architectural, engineering, and related services
- ◆ NAICS 4441: Building material and supplies dealers
- ◆ NAICS 5617: Services to buildings and dwellings
- ◆ NAICS 8113: Commercial and industrial machinery and equipment repair and maintenance

While the subsectors within this cluster face assorted headwinds – including slowing economic and population growth nationally, rising interest rates, materials and labor cost inflation, and increased government regulation – most have grown much faster in Maine than has been the case nationally. Recent dynamics in home builders illustrate the demand in Maine – from 2017 to 2022, the number of home builder establishments in Maine grew by an annual average of 4.3%, compared to only 0.6% in the U.S., as shown in **Table V-2**.

Table V-2
Recent Growth in Home Building Sector for Maine and U.S.

Home Building Economic Trends	Annual Growth Maine 2017-2022	Annual Growth U.S. 2017-2022
Establishments	4.3%	0.6%
Revenue	5.2%	1.5%
Employment	2.5%	-0.5%
Wages	6.9%	2.0%

Source: IbisWorld, Harpswell Strategies

¹⁸ This sector includes two sub-sectors of interest: NAICS 321991, Manufactured home manufacturing; and NAICS 321992, Prefabricated wood building manufacturing.

While the economic significance of home building is obvious, the skills that are needed for that market are transferable to other markets, such as remodeling, as economic conditions present opportunities. From 2017 to 2022, Maine ranked #6 nationally among states with respect to annual revenue growth and annual employment growth in remodeling. As shown in **Table V-3**, growth in Maine’s remodeling sector greatly outpaced the national growth rate from 2017 to 2022.

Table V-3
Recent Growth in Remodeling Sector for Maine and U.S.

Remodeling Economic Trends	Annual Growth Maine 2017-2022	Annual Growth U.S. 2017-2022
Establishments	4.8%	2.6%
Revenue	9.7%	-0.5%
Employment	5.9%	1.5%
Wages	9.6%	1.6%

Source: IbisWorld and Harpswell Strategies

Cluster 3: Healthcare Services / Medical Manufacturing / Life Sciences

Health care is a significant consumer of real estate and labor across skill levels. As such, it is an important building block of local economies. Future growth of some health care related industries will find strong support from Maine’s demographics.

To maximize the local economic benefits of healthcare services, Ellsworth will need to focus on attracting professional health care occupations mainly through meeting housing and service needs.

Related opportunities in small-scale medical manufacturing and life sciences should also be explored, consistent with Maine’s strategic plan for developing a hub of excellence for these industries in Eastern Maine.

As America’s population ages, and chronic health problems multiply, demand for both healthcare services and medical devices continue to increase. While healthcare services are generally local industries– as opposed to traded –they are growing and have characteristics

that are important to the development of local economies. They also offer career ladders for entry level workers. As a service center, Ellsworth has long been established as the hub for healthcare in the Downeast region. Recent consolidation by Northern Light Health has further concentrated specialty healthcare in the community, leading to additional opportunities for growth. Considerations include:

- ◆ Ellsworth’s population is expected to continue to grow—and age. Both factors will drive demand for primary and specialty care from private practitioners.
- ◆ Investments in housing and livability will be particularly important to attract and retain labor in this cluster, as healthcare jobs are readily available around the country, and these factors often determine success at attracting doctors, physician assistants, nurses, and other skilled workers.
- ◆ Veterinary related business should also be considered, particularly those that may be able to provide goods and services for JAX or IDEXX.
- ◆ There is a strong pipeline of entry-level workers in these fields available from HCTC, EMCC, and UMaine-Orono, and the City already has strong relationships with these institutions.
- ◆ The reliance of the regional healthcare system on visiting nurses and other transient personnel both adds costs to providers and takes away from the community’s social fabric. As noted above, investments in housing and livability can improve Ellsworth’s attractiveness to healthcare workers which could shift the balance towards more permanent, year-round positions.

Key sectors within this cluster include:

- ◆ NAICS 3391: Medical equipment and supplies manufacturing
- ◆ NAICS 6213: Offices of other health practitioners
- ◆ NAICS 6214: Outpatient care centers
- ◆ NAICS 6232: Residential intellectual and developmental disability, mental health, and substance abuse facilities
- ◆ NAICS 6221: General medical and surgical hospitals
- ◆ NAICS 6241: Individual and family services

Statewide, total employment in health care and social assistance industries increased by 3.3 percent from 2011 to 2021, while it declined by 3.9 percent in Hancock County over that same period. Limited labor and housing supply may have contributed to this trend – possibly

related to the pandemic as well – along with some industrywide consolidation in Maine’s larger metro areas.

Within the broad cluster of health care and social assistance the local data tells a mixed story – for example, employment in primary care doctors’ practices increased by 3.0% in Hancock County from 2021 to 2022, setting the pace for all Maine counties. Similarly, emergency and other outpatient care centers have performed relatively well in Maine and in Hancock County and this subsector likely to continue growing over the next several years.

In addition to the sectors identified above, Ellsworth should also consider the steps necessary to build and sustain economic activity for related high-value sectors, namely: **Life Sciences** and **Medical Device Manufacturing**. Businesses in these sectors are typically attracted to locations with well-established ecosystems of the specialized capital, infrastructure, education, and labor necessary to support them. Data in **Tables V-4 and V-5** display recent trends and the growth outlook in Maine for these two sectors. *Biotechnology* has grown in recent years but is expected to contract over the next five years. *Medical device manufacturing* has declined in the past five years and is expected to continue to lose jobs over the next five years.

Table V-4
Biotechnology Trends and Outlook in Maine

Biotechnology Trends	Annual Growth Maine 2017- 2022	Projected Annual Growth Maine 2022-2027
Establishments	-15.60%	-7.80%
Revenue	11.30%	-3.70%
Employment	25.40%	-2.20%
Wages	10.40%	-5.80%

Source: IbisWorld; Harpswell Strategies, LLC

Table V-5
Medical Device Manufacturing Trends and Outlook in Maine

Medical Device Manufacturing Trends	Annual Growth Maine 2017-2022	Projected Annual Growth Maine 2022-2027
Establishments	-3.60%	0.00%
Revenue	-6.00%	24.60%
Employment	-5.90%	-3.90%
Wages	-2.20%	-3.50%

Source: IbisWorld; Harpswell Strategies, LLC

While Ellsworth does have some elements of this ecosystem, its short-term prospects for this sector are likely limited. Prior to pursuing businesses in these sectors, Ellsworth will first need to take steps to build on its existing assets to position itself for long-term growth. Assets and opportunities include:

- ◆ The presence of The Jackson Laboratory and the MDI Biological Laboratory in Hancock County, combined with proximity to Bangor and the University of Maine-Orono, may prove attractive to firms and entrepreneurs in this industry.
- ◆ The State of Maine’s economic development plan identifies Eastern Maine as a potential “hub of excellence” for life sciences and technology. Ellsworth should engage with the Maine Department of Economic and Community Development, Maine & Co., and other economic development and site selection professionals for leads on opportunities with firms looking to invest or locate in Eastern Maine.
- ◆ The presence of highly skilled manufacturing workers in the region from boatbuilders and related specialty industries may create opportunities for medical-related manufacturing businesses.
- ◆ Ellsworth may be able to attract small-scale manufacturing operations that make use of nanocellulose, a polymer made from tree and plant matter; this product has numerous medical applications and is already made in the region by the UMaine Process Development Center.

Cluster 4: Visitor Economy & Hospitality

Ellsworth is a year-round community strategically located near significant visitor attractions that are primarily visited in the late spring through early fall seasons. Leveraging this proximity while maintaining the character of the community and serving local and regional year-round populations is of paramount importance.

The specific challenges facing the local visitor economy are like the challenges facing other industries that employ large numbers of low-wage and/or seasonal employees – labor availability, workforce housing, transportation, and childcare.

In addition to addressing those challenges, specific action items that will benefit these industries include investing in and championing key community assets and infrastructure that promote livability for year-round residents and encourage year-round visitation. These assets and infrastructure include: wayfinding signage and web applications, pedestrian connectivity and streetscape improvements, public restroom facilities, a central location for visitors to gather information, and enhancements to recreational, cultural, and historic amenities/travel destinations.

The visitor economy and hospitality are among the strongest and most significant sectors in the region and will necessarily be significant components of Ellsworth’s comprehensive economic development strategies. As noted in **Section III**, Ellsworth has thus far been able to retain an identity as a year-round community and has not become overly dependent on tourism. Ellsworth should strive to maintain this balance of having a robust tourism sector without allowing this sector to dominate its local economy or character.

The headwinds facing these industries are significant– the seasonal nature of the employment; the housing supply and affordability crises that are affecting the ability of firms to find and retain labor to meet the demand; demographic forces, such as the shrinking supply of young workers and insufficient levels of immigration; restricted access to international seasonal workers; and continued upward pressure on wages.

While this cluster is recommended as a core element of the business attraction strategy, it must be considered in a different light from the other clusters. The focus for this cluster is therefore aimed primarily at addressing the factors that are limiting the ability of existing businesses to thrive and expand in Ellsworth, particularly housing, transportation, and childcare.

At the same time, opportunities for projects geared toward enhancing the visitor economy and hospitality cluster may be available. The City has already identified the MaineDOT's Village Partnership Initiative and the Maine Office of Tourism's Recovery Grant as possibilities and are pursuing these prospects. The City should continue to monitor the recent designation of the Downeast Maine National Heritage Area, which was signed into law in late 2022, to understand the opportunities that may present themselves as part of that designation. The City should also continue to work with partner organizations to promote year-round activities and programs that draw increased visitation.

It is also worth noting that there is overlap between this cluster and the food and beverage manufacturing cluster. For example, *Special food services* and *Restaurants and other eating places* were both identified as key support industries for food and beverage manufacturing.

The following sectors fall under this cluster:

- ◆ NAICS 7113: Promoters of performing arts, sports, and related events
- ◆ NAICS 7115: Independent artists, writers, and performers
- ◆ NAICS 7121: Museums, historical sites, and similar institutions
- ◆ NAICS 7139: Other amusement and recreation industries
- ◆ NAICS 7211: Traveler accommodation
- ◆ NAICS 7212: RV parks and recreational camps
- ◆ NAICS 7223: Special food services
- ◆ NAICS 7224: Drinking places (alcoholic beverages)
- ◆ NAICS 7225: Restaurants and other eating places

Summary: Economic Development Vision and Targeted Business Clusters

The proposed Economic Development Vision for the City of Ellsworth is designed to present an aspirational but realistic approach for the city's future business attraction activities. The vision statement is as follows:

Ellsworth is the engine that drives economic growth and prosperity in Downeast Maine. Ellsworth leverages its location, authentic character, and unparalleled livability to attract, grow, and retain high-quality companies that produce sustainable employment opportunities.

Four targeted business clusters are recommended that support this vision statement. These clusters are as follows:

1. Specialty Food & Beverage Manufacturing & Sales
2. Design, Construction & Maintenance
3. Healthcare Services / Medical Manufacturing / Life Sciences
4. Visitor Economy & Hospitality

Section VI

ACTION PLAN AND IMPLEMENTATION MATRIX

This section presents specific action steps in support of the Economic Development Vision and Targeted Business Clusters. This section is structured around an Implementation Matrix, which summarizes the actions and provides a concise guide for managing the implementation of the plan. A detailed narrative is presented for each action item following the matrix, followed by a discussion of the evaluation and monitoring of the plan's progress.

IMPLEMENTATION MATRIX

The implementation matrix is presented as **Figure VI-1** on the following pages. Each action step is listed in the matrix, along with the following information: 1) description of the action step; 2) responsible parties; 3) time frame; 4) expected cost; 5) action type; 6) related actions.

There are five action types referenced in the matrix, as follows:

1. **Structural:** functional changes within the City of Ellsworth's Economic Development Office that will be needed to effectively execute this plan.
2. **Clusters:** actions that are directly related to growing and/or attracting businesses from one or more of the targeted business clusters.
3. **Labor/Entrepreneurship:** actions that are aimed at growing or training workers and/or increasing the capacity of local entrepreneurs.
4. **Livability:** actions that will make Ellsworth more attractive to current and prospective residents and businesses.
5. **Aspirational:** longer-term actions that will require investments and/or partnerships that are beyond the City's current capacity for implementation.

The recommended implementation actions are presented in the matrix on the following pages. Many action items fall under more than one action type, as shown in the matrix. Actions are divided into two categories: Part I includes items that should be undertaken in the immediate future (next three years). Part II includes longer-term and/or more aspirational items that will require more thought and, in some cases, significant capital investment.

**Figure VI-1
Implementation Matrix for Business Attraction Plan, Part I**

No. Item	Responsibility	Time Frame	Cost	Action Type					Related Actions
				Structural	Clusters	Labor/Entrep.	Livability	Aspirational	
1. Economic development website & marketing materials	EDO, support from other depts & consultants	60 days	Up to \$10K	X					5, 9, 12, 16, 17, 21
2. Permanent downtown park	EDO, Planning, DPW, HOE	3-5 years	\$30K for plan, construction cost TBD				X		3, 6, 10
3. Downtown co-work / makerspace	EDO, HOE, property owners	1-2 years	Staff time, possible public investment			X			2, 4, 9, 10, 18
4. Food manufacturing hub	EDO, HOE, state, businesses, nonprofits	1-2 years	\$20K for study, capital costs TBD		X	X			3
5. Inventory of commercial spaces	EDO, EBDC, owners, brokers	1 year	\$5K to start, staff time to maintain	X					1
6. Wayfinding & gateway signage	EDO, other city depts, Chamber, HOE	1-2 years	\$10K for study, other costs TBD	X			X		2, 8
7. Ecosystem for small-scale developers	EDO, HCTC, outside groups	ongoing	Staff time, possible consulting fees		X	X	X		9, 10, 15
8. High Street corridor master plan	EDO, Planning, DPW, MDOT	2-3 years	\$50-100K				X		6
9. Market to young creatives & professionals	EDO, Chamber, HOE, outside groups	Ongoing	Staff time, may need consultant later		X				1, 3, 7, 13, 14
10. Downtown hotel	EDO, HOE, owners & operators	3 years	Staff time, possible credit enhancement		X		X		2, 3, 7
11. Leverage trail opportunities	EDO, other city depts, Rec Commission	Ongoing	Staff time, possible capital investments		X		X		18
12. Leverage older professionals for mentoring program	EDO, Chamber, SCORE	Ongoing	Staff time	X		X			1, 19, 21
13. Innovate to meet childcare needs	EDO, nonprofits	1-5 years	TBD, \$50-100K			X	X	X	9, 16, 19
14. Scholarship program for entrepreneurial development	EDO, EBDC, EMDC, Leadership Hancock, Chamber	Ongoing	Up to \$25K, can raise private funds or grants	X		X			9, 19

Source: ConsultEcon, Inc. and Harpswell Strategies, LLC

Figure VI-1 (cont.)
Implementation Matrix for Business Attraction Plan, Part II

No. Item	Responsibility	Time Frame	Cost	Action Type					Related Actions
				Struc-tural	Clusters	Labor/Entrep.	Livability	Aspir-ational	
15. Diversification of housing supply	EDO, other city depts, HCPC	Ongoing	Staff time				X	X	7, 17
16. Review economic development incentive policies	EDO, EBDC	After Comp Plan	TBD, est. \$20-50K	X	X			X	1, 13, 17, 21
17. Development of business park and medical office space	EDO, EMDC, HCPC, other local gov.	3-5 years	Staff time, technical studies later		X			X	1, 16, 21
18. Waterfront redevelopment	EDO, City Mgr, landowners, outside groups	Ongoing	TBD, up to \$2m for acquisition & development				X	X	3, 11
19. New HCTC facility and related partnerships	City Manager, EDO, Ellsworth School Dept., HCTC, EBDC	3-5 years	Est. cost \$52M; could use ARPA funds			X		X	12, 13, 14, 21
20. Indoor recreational facility	EDO, Chamber, tourism groups	3+ years	Staff time, may need feasibility study				X		
21. Build Life Sciences ecosystem	EDO, Chamber, businesses, regional groups	3+ years	Staff time, potential marketing in future		X			X	1, 12, 16, 17, 19

Source: ConsultEcon, Inc. and Harpswell Strategies, LLC

RECOMMENDED IMPLEMENTATION ACTIONS: PART I

1. Create new economic development website and marketing materials

The first step in the implementation of the Business Attraction plan will be to build a new identity for the city's economic development program around the new vision and strategy. This effort will form the backbone of both short- and long-term economic development activities in Ellsworth and will serve as a platform for many of the subsequent action items.

The centerpiece of this step will be to complete the active process of building and launching a new, independent economic development website with a distinct URL and distinct visual look from the city website. Having a unique internet presence will present a more business-friendly face to the city's economic development function. This will also provide an opportunity for increased social media engagement that is separate from the city's official accounts – these efforts should focus on reaching young residents and prospective entrepreneurs. In support of this new identity, the city should also create flyers and brochures for each of its targeted industry sectors that can be downloaded from the website and printed for distribution at conferences, meetings, and events.

Responsibility: Economic Development Office, with support from Technology Department, City's Communications Specialist, and outside consultants

Time Frame: immediate, complete within 60 days

Cost: Up to \$10,000

2. Create and activate permanent downtown park / gathering space

The Franklin Street Parklet has proven to be a very popular and well-used temporary public space over the past three summers. This project has operated smoothly and the closure of direct vehicular access from Main Street to the City Hall Plaza parking lot has not been an issue. Given the success of the Parklet and the lack of a permanent public gathering space in Downtown Ellsworth, the city should take action to plan and develop a permanent park at this location. This will require the development of a plan for the site and subsequent capital investment to implement the plan. This plan should be undertaken in close coordination with the development of a wayfinding signage program (see Action #6), as this will be critical for directing traffic to appropriate parking locations. To ensure community buy-in, the planning process must be undertaken in collaboration with key downtown stakeholders.

Responsibility: Economic Development Office, Planning Department, Public Works Department, Heart of Ellsworth

Time Frame: 1-2 years for planning, development in years 3-5

Cost: Estimated \$30,000 for master plan, construction costs TBD

3. Develop a downtown co-working space / makerspace

As noted under Action #9, the presence of a modern, attractive shared workspace that appeals to creative entrepreneurs, makers, remote workers, and other professionals is needed in Ellsworth. Ideally, this workspace would be in a central, walkable location that offers unique and attractive spaces and has on-site amenities such as meeting space, a coffee bar, and hangout areas¹⁹. While the existing Union River Center for Innovation (URCI) does provide opportunities for shared workspace, its location and character limit its appeal to entrepreneurs. The city should work closely with Heart of Ellsworth and downtown property owners to identify potential locations and select the optimal location for this facility. Ideally, the city would recruit an owner/operator of this facility, but the city could also choose to own the space and hire an outside operator to manage it.

On a related note, URCI still does have value to the city and could be repurposed as part of future improvements to the Ellsworth Harbor area (see Action #18).

Responsibility: Economic Development Office, in collaboration with Heart of Ellsworth, downtown property owners

Time Frame: 1-2 years

Cost: Staff time at outset, could require public investment later

4. Establish a food manufacturing hub

Ellsworth and Hancock County have developed a vibrant local food scene that complements rural agricultural activity. Locally grown produce and other agricultural products can be found at farm stands, in weekly farmers' markets, and on the shelves of local specialty retailers. Several local food producers, such as Colvard Sausage, have found success at scale; at the same time, an opportunity exists to build a more robust network of local food entrepreneurs that will support that network, create local employment opportunities, and build momentum on Ellsworth's reputation as a location for food innovators and destination for food visitors.

A kitchen incubator or shared commercial kitchen would be one step in that direction. Ellsworth already has some local food distribution infrastructure in place through the Farm Drop program but lacks the food production and packaging infrastructure to fully develop an entrepreneurial ecosystem in the food manufacturing industry.

Working with local non-profit leaders and restaurateurs, the City should explore the feasibility of developing a shared kitchen in Ellsworth. This feasibility study should include identifying possible locations in Ellsworth, including potential temporary sites in a vacant commercial space, a church, or at Loaves and Fishes. The feasibility study should also develop an operational framework that incorporates best practices, such as providing

¹⁹ A prime example of this type of workspace in coastal Maine is the Steel House in Rockland: <https://www.rocklandsteelhouse.com/>

regulatory and management support, go-to-market strategies, and branding. The financial model should assume sliding scale pricing that can adjust to the capacity of each tenant to pay until they achieve stability in the marketplace.

Responsibility: Economic Development Office, State agencies, business development stakeholders, business owners (restaurant, agriculture, food and beverage processors/manufacturers, etc.), non-profits

Time frame: 1-2 years

Cost: Estimated \$20,000 for feasibility study, development costs TBD

5. Create and maintain an inventory of available commercial spaces / storefronts

While local consultants and real estate brokers may have relationships with individual property owners and local officials that add value to their analyses, most business owners and site selection professionals will rely first and primarily on information that they find online. Economic development organizations can make things easier for those who are considering making substantial investments of time and money, or who are working for those who will make substantial investments of time and money, by making key information available on their websites.

Site selectors choose to do substantial online research prior to contacting individuals or organizations by phone. Business owners themselves often do not have any additional capacity during regular work hours to place phone calls, leave messages, and wait for return calls; rather, it is frequently the case that they are researching and screening potential opportunities at night or on the weekend, outside of the standard office hours for most EDOs.

EDOs can ingratiate themselves to potential investors and decision makers by making information available about vacant and available commercial real estate. Communities that do not maintain user-friendly websites run the risk of being excluded from further consideration before any conversations can occur with local officials about potential sites, permitting assistance, or financial incentive programs. Put simply, to attract new private investment from outside of the community requires websites with GIS-based site selection tools.

Funding is available for economic development websites via grants from the U.S. Economic Development Administration or fundraising platforms like Convergent Non-profit Solutions. Professional services firms such as Golden Shovel, GIS Planning/ZoomProspector, and Bluedot provide services such as web-based GIS tools and more to economic development organizations across the country. A low-cost alternative is simply linking to the State of Maine's SelectMaineSites, though a recent review of that site indicates that only 4 of 12 available Ellsworth sites are highlighted.

Responsibility: Economic Development Office, Ellsworth Business Development Corporation, property owners, real estate brokers

Time frame: Immediate, within 1 year

Cost: Startup costs up to \$5,000 (grants may be available), staff time to maintain

6. Create a wayfinding and gateway signage program

Finding one's way to downtown Ellsworth, or from downtown to adjacent neighborhoods and nearby attractions, is challenging due to a lack of signage and connectivity. Benefits of improved wayfinding and signage would be that visitors would be more apt to visit Main Street, to find public parking, and to explore sites off Main Street or in nearby neighborhoods that might otherwise escape notice by those passing through town or stopping for lunch and a stroll.

Ultimately, a series of coordinated signs on Main Street, Water Street, State Street, Bridge Hill, etc. should guide those on foot and in cars to public parking, public restrooms, walking and recreational trails, the boat launch, the future Franklin Street Park (and current Parklet), the Public Library, Woodlawn, the Grand Theater, and other important community assets. A visitor center or kiosk with accessible public parking should be sited south or west of downtown in a location that will intercept most visitors from outside of the region. This could either replace or supplement the existing Chamber of Commerce building on High Street that currently serves as a visitor center. However, its location outside of the immediate downtown area, and past downtown for those arriving from the south or west, means that there is likely a great deal of visitor traffic that is not intercepted.

This effort should begin with a signage study that incorporates recommendations from the Comprehensive Plan and includes a review of the city's existing signage ordinance and related regulations.

Responsibility: Economic Development Office, Chamber of Commerce, Heart of Ellsworth, Public Works, Historic Preservation Commission, Planning Department

Time frame: 1-2 years

Cost: Up to \$10,000 for signage study, costs TBD for sign construction and installation as well as visitor center

7. Build an ecosystem for small-scale developers

A hidden factor in the shortage of housing for working people and families in Ellsworth and the Downeast region is the limited number of real estate developers who are active in the market. For small-scale investors and entrepreneurs – even those who already own property – the idea of becoming a developer can be intimidating. Real estate development is an inherently risky endeavor, and the current environment of elevated land values,

construction costs, and interest rates, combined with an acute shortage of skilled labor, is a strong deterrent for prospective developers.

This situation is not unique to Ellsworth, though, and communities around the U.S. are working to build ecosystems of “small-scale developers” to help meet local housing needs. Groups such as the Incremental Development Alliance and Neighborhood Evolution provide training for individual developers and support to local governments that are looking to recruit new developers. The City of Ellsworth and its local and statewide partners should seek out these resources to offer training programs and networking opportunities for aspiring developers in the area.

Responsibility: Economic Development Office, in collaboration with Hancock County Technical Center, Build Maine, Maine Real Estate & Development Association, Chamber, EBDC, outside groups as needed

Time Frame: begin within 1 year, ongoing process

Cost: Staff time in short term, possible costs for bringing in outside resources

8. Develop a master plan for the High Street corridor

The current condition of the High Street / Route 3 corridor was cited by many stakeholders and members of the public as an impediment to growth and prosperity in Ellsworth. This corridor, which is the primary gateway for travelers to Mount Desert Island and Acadia National Park, suffers from traffic congestion, excessive curb cuts, an unsafe pedestrian environment, and a significant amount of vacant standalone structures and in-line retail spaces.

Although there are many opportunities for future investment and development in this corridor to support the Business Attraction Plan, redevelopment in this corridor will present many challenges as well. The city should identify funding and solicit consultant proposals for a High Street Corridor Master Plan that will shape future economic, land use, zoning, transportation, and streetscaping improvements along this corridor. This study should also include engagement with major employers in the corridor related to employee mobility. Several area employers noted that transportation for low wage workers is a persistent challenge. While many of those employers have considered offering bus transportation, and some such as Jackson Labs and the Witham Group already do, others do not have the scale that is necessary to provide bus transportation as an option to their employees.

This study should not be pursued until after the completion of the city’s new Comprehensive Plan update to ensure its consistency with the plan’s vision and recommendations.

Responsibility: Economic Development Office, in coordination with the Planning Department, Public Works Department, and Maine DOT

Time Frame: following completion of Comprehensive Plan Update, likely 2025

Cost: To be determined, estimated \$50-100K

9. Market Ellsworth to young creatives and professionals

For Ellsworth to grow its targeted business sectors, it will need to attract young, skilled talent to the area. While there are already opportunities for professionals from larger employers such as JAX and Northern Light Health, Ellsworth should focus on attracting more creative entrepreneurs, makers, and artisans who are not necessarily tied to specific locations. This effort should center on a proactive targeted marketing campaign that focuses on those with roots in Downeast Maine and outdoor recreation enthusiasts who may be drawn to living near Acadia National Park. The City of Ellsworth should work with its local and regional partners to develop a marketing campaign that positions the city as an ideal place for young creatives, professionals, and families to live and work. The presence of an attractive co-worker/maker space (see Action #3) will be an essential component of this effort. As with Ellsworth's overall marketing efforts (see Action #1), this task should be conducted on an ongoing basis and will support many other short- and long-term steps.

Responsibility: Economic Development Office, in partnership with Ellsworth Chamber of Commerce, Heart of Ellsworth, and Live + Work in Maine (<https://www.liveandworkinmaine.com/>)

Time Frame: Immediate, ongoing

Cost: Staff time in short term, could require marketing/communications consultant later

10. Recruit a hotel to Downtown Ellsworth

Although local lodging options in Ellsworth adequately meet the need for mid-priced alternatives to Mount Desert Island and Bar Harbor, Ellsworth lacks higher-end lodging options that will attract destination visitors. This includes affluent overnight and weekend visitors throughout the year, business travelers, and those seeking an alternative Downeast experience to MDI. Adding such an option downtown would help the City to attract employers, and help local employers to attract doctors, scientists, and other highly skilled professionals.

The City should proactively engage with local property owners to identify an appropriate site for such a downtown boutique hotel or inn. Ultimately, there may be multiple appropriate locations within walking distance of the restaurants and shops on Main Street and Water Street. The City should additionally work with local hotel operators to gauge their interest in developing and operating such a property. As noted in the Market Analysis, the limited supply of labor in the hospitality market will present an obstacle to attracting additional hotels to the area, so the labor force will need to be considered as part of any such project.

Responsibility: Economic Development Office, Heart of Ellsworth, property owners, hotel operators

Time frame: 3 years

Cost: Staff time, potential economic incentives

11. Leverage recreational trail opportunities

Hancock County and the Downeast Region are fortunate to have numerous outdoor recreation assets. The stunning natural beauty and numerous opportunities for outdoor recreation attract people to the area to live, work, and play in the summer and all year round. Ellsworth itself has some outdoor recreational assets, though it has neither a significant draw nor enough variety of recreational opportunities to attract a substantial number of visitors or to provide easy recreational access and opportunities to local residents.

Existing trails – such as those at the Birdsacre Sanctuary, Branch Lake Public Forest, Indian Point Trail, and the trails at Woodlawn Park – provide opportunities for short to medium length hikes. A short walking trail near the Public Library offers an opportunity to stroll along the Union River and enjoy a peaceful, natural setting right in the heart of downtown. Two projects – the bike/ped connection to the Downeast Sunrise Trail that is currently in the engineering and design phase, and the Land for Maine’s Future Grant for acquisition of a 279-acre parcel that will help create trail connections from Branch Lake Public Forest to other city-owned lands – will significantly improve trail connectivity and density of trail activity in Ellsworth and could eventually generate enough trail activity to justify/support trail-related businesses, such as outfitters or mountain bike rentals.

To build on the momentum from the current trail connection project, the City should consider establishing a trails fund that can be used to pay for opportunistic expansion of the current trails system and to ensure that existing trails are well maintained and safe for a variety of users.

Responsibility: Economic Development Office, Planning Department, Public Works Department, Recreation Commission

Time frame: Ongoing

Cost: Staff time, possible capital funding of Trails Fund at a later date

12. Leverage expertise of older professionals for mentoring

SCORE is the national network of experienced entrepreneurs, corporate managers, and executives who provide mentorship and guidance to small business owners. SCORE hosts free, live webinars, recorded webinars, local workshops, and offers free online classes. Many SCORE mentors are retired professionals who are eager to share their expertise with the next generation of entrepreneurs. Maine’s Small Business Development Center also offers on demand, online courses free of charge as well as live webinars and events.

One strategy that many communities and chambers of commerce use is an online calendar of economic development related trainings, which can be co-located online with other calendars of community events.

The quality of volunteer-driven mentorship and programming varies considerably but can be enhanced through outreach to experienced and retired businesspeople who might have the capacity to get involved with an organization like SCORE. To maximize the impact of SCORE, the City should identify a list of potential volunteers who might be willing to serve in this capacity, encourage them to receive mentorship training, and link the local economic development calendars to the calendar of SCORE events and trainings.

Responsibility: Economic Development Office, Chamber of Commerce, SCORE

Time frame: Ongoing

Cost: Staff time associated with outreach and coordination

13. Innovate to meet local childcare needs

As identified in the Market Analysis, the acute lack of childcare options represents a significant impediment to economic growth in Ellsworth and the surrounding area. Long-term efforts to address this challenge are underway, such as the childcare training at HCTC; however, short-term demand for childcare exceeds the supply of childcare options in traditional daycare centers, preschools, and home-based daycares.

Co-operative daycares present one potential solution. Two examples of public sector support for establishing childcare cooperatives are:

- ◆ The State of Montana and local communities such as Great Falls have addressed a similar challenge by encouraging and supporting a variety of childcare co-operative models. Resources include information about co-operative business models, governance, recruitment, budgeting, succession planning, and employer engagement.
- ◆ The City of Madison (Wisconsin) has provided financial support for the Madison Cooperative Development Coalition, an initiative to form worker cooperatives. The City has established a revolving loan fund and provides small grants (up to \$10,000) to support efforts to establish worker cooperatives, including cooperative childcare solutions.

In Maine, Coastal Enterprises, Inc. – with financial backing from the Lumina Foundation – has established a Child Care Business Lab that offers support with training, compliance, and start-up funding to entrepreneurs. The program includes developing a replicable curriculum, and a revolving loan fund to support childcare business models, including childcare cooperatives.

The City of Ellsworth should begin building a community of organizations and individuals who can support local childcare entrepreneurs, work to develop/promote a revolving loan program to support start-up childcare businesses and co-operatives and provide support such as training and business development assistance.

Responsibility: Economic Development Office, in coordination with private non-profit service providers

Time Frame: 1-5 years

Budget: To be determined, estimated \$50K-100K

14. Establish scholarships for entrepreneurial development

Some economic development organizations set aside an annual budget amount that can be used to help local entrepreneurs with promising business ideas that seem likely to succeed in the market attend entrepreneurial training. One such program – MIT Innovation Leadership Bootcamp – is available in both online and in-person formats. Tuition for the online course is \$6,500.

Some economic development organizations partner with local employers to help fund training courses for managers. One such program is Leadership Maine, a program developed and managed by the Maine Development Fund; attendees at such programs not only develop or strengthen their leadership skills, but also build connections with other professionals in the area across industries and sectors that will help them advance in their careers. Leadership Hancock County, a regional group that follows a similar model, should be engaged as well. Other examples, such as Harvard Business School Online’s leadership courses, provide flexibility for those who are too busy with the day-to-day operation of their business enterprise to attend in-person events or classes.

Responsibility: Economic Development Office, EBDC, EMDC, Chamber of Commerce, Leadership Hancock County, Leadership Maine

Time frame: Immediate, ongoing

Cost: Up to \$25,000, will aim to raise private funds or grants

RECOMMENDED IMPLEMENTATION ACTIONS: PART II

15. Encourage diversification of the local housing supply

Ellsworth’s efforts to build and sustain its local economy must emphasize the need for different housing models for workers, families, and seniors. Most of Ellsworth’s existing housing is either located in its historic core, along rural roads or lakes, or in standalone multifamily developments in commercial areas. Moreover, there has been very little new single-family housing development in Ellsworth in recent years; since 2010, the city averaged 24 single-family units per year, compared with its 45 units per year from 1980 to 2009. As a result of its development trends and patterns, available workforce housing

in Ellsworth is now mostly limited to high-priced single-family homes and modestly priced (and typically small) rental units.

In the current market, new single-family detached units on typical suburban lots of 0.25 acres or larger would be expected to sell for no less than \$500,000, which is not an attainable price for most working people and families in Ellsworth. The city will need to work proactively to create the proper environment to foster the development of new neighborhoods and alternative housing types such as small-lot single-family, attached townhomes, live-work units, cottage courts, duplexes, small multi-family units (3-12 units), and accessory dwelling units. The City has recently been awarded funds to conduct a housing needs assessment and develop actionable strategies for increasing housing opportunities to best meet the needs of the community. The study will build upon the land use review and assessment of the comprehensive plan to develop more detailed recommendations on housing development feasibility, land suitability, and infrastructure

Another contributor to the shortage of attainable housing for working people in Ellsworth is the presence of a significant number of longtime homeowners who are aging in place due to a lack of alternative housing options. While there are choices for those in need of assisted living in the local market, there are very limited options in the region that cater to younger, healthier seniors who are looking to live an active but low-maintenance lifestyle as they grow older. There is a strong opportunity to develop an active adult community aimed primarily at residents aged 55 to 75 who are looking to live independently in spacious houses or apartments in a community with a variety of recreational, cultural, and social resources²⁰. The city should work proactively to recruit an active adult developer to build a destination retirement community in Ellsworth. This type of development would likely appeal both to longtime local residents – unlocking the supply of older single-family homes – and to newcomers.

A critical component of the housing shortage in Downeast Maine is the limited pool of building contractors and skilled tradespeople who can build new homes. A potential solution to this problem is to encourage the use of modular and/or manufactured housing that is largely built in off-site factories and then installed on-site with a minimal amount of local labor. There are many manufacturing companies in Maine and the Northeast that can build these units, but there are few such units being installed in the area. The city should work proactively with manufacturers and local contractors to encourage the use of factory-built housing as a means of overcoming the local labor shortage.

The city should also establish connections with the University of Maine's Advanced Structures & Composites Center, which has developed a prototype for the BioHome3D, a 3D printed house made entirely of renewable materials.²¹ Ellsworth would be an attractive location for a pilot project making use of this technology. This type of

²⁰ A model for this type of community in Maine is [Highland Green](#) in Topsham

²¹ <https://composites.umaine.edu/biohome3d/>

manufacturing operation would be an excellent fit for a future business park (see Action #17).

This effort should also include a program to conduct continuous reviews of Ellsworth's land use and zoning codes to determine whether these regulations are working as intended, whether they are keeping pace with social and economic changes, and whether desirable development products can be built in locations for which those uses are well-suited. Following completion of the Comprehensive Plan, the City should review its current zoning code. Elements of that review could include the following: analysis of development yield in the zones that have experienced growth; working group review of individual definitions and select chapters; and development of a small number of model projects or project typologies to test in specific zones (e.g., single-family attached homes on a typical lot in a downtown-adjacent neighborhood; vertical mixed-use project in a downtown zone; etc.); and regulation of short-term rentals.

Responsibility: Economic Development Office, in coordination with the Planning Department and Public Works Department, Finance Director, City Manager

Time Frame: begin within 1 year, ongoing process, incorporate into implementation of Comprehensive Plan

Cost: Staff time only at outset, potential infrastructure costs in future

16. Review economic development incentive policies

Communities that win at the "economic development game" are no longer those that focus on attracting jobs and capital investment using local incentive programs. Rather, the communities that come out on top are those that focus on quality of place, help local employers secure scarce labor to fuel their businesses, and engage in project-based economic development to meet the needs of local businesses.

Currently, there is an opportunity to follow-up the work from this study and the comprehensive plan by revisiting these policies. As the City shifts its focus to quality of place, incentive policies may also need to change to better facilitate development of strategic downtown and/or waterfront sites. Changes to the national economic development landscape mean that communities now compete more for labor and not for capital investment. A labor force that is increasingly in-demand makes location decisions based on quality-of-life indicators and the availability of workforce housing. The decline of innovation nationally, along with high interest rates, are placing downward pressure on growth industries generally and on many scalable businesses. Changes to the way that office-oriented companies work has left many communities wondering how, or if, they should expect any meaningful demand for office space in the coming years.

The City has created a number of Tax Increment Financing (TIF) Districts over the years, though it has not undertaken a thorough review of those Districts or its overall TIF approach in many years. The City should update and clarify its existing policies and make them available on the City's website. Slowing population and economic growth overall

mean that targeted investment in project-specific TIFs may be more likely to generate community-wide benefits than additional TIF Districts (or “area-wide TIFs”), especially if those targeted investments occur in strategic locations that are highly utilized by Ellsworth residents and accessible to visitors. A key component of future TIFs in Ellsworth should be the use of public-private partnerships (P3s) to fund utility extensions to developable parcels. This could include using the City’s five existing TIF district or creating new districts in appropriate locations identified in the Comprehensive Plan.

Responsibility: Economic Development Office, EBDC

Time Frame: following completion of Comprehensive Plan Update, likely 2025

Budget: To be determined, estimated \$20K-50K

17. Explore potential for regional business park and medical office space

The City of Ellsworth presently has a very limited supply of available sites in publicly owned commerce or industrial parks that can be marketed to prospective developers or businesses. Additionally, the limited availability of sites in the city with road, water, sewer, and telecommunications infrastructure would make it prohibitively expensive for the City of Ellsworth to pursue the development of a new business park of a scale sufficient to attract interest from large-scale investors.

A potential solution to this problem would be to assess the feasibility of developing a regional business park. This type of development would potentially allow for a larger-scale development that would not necessarily have to be located within the City of Ellsworth and would allow multiple municipalities to share the costs – and the benefits. This type of regional business park is commonplace in much of the United States, although the broader authority of county governments in southern and western states makes these developments far easier to achieve in locations such as Sevierville, TN. However, the regional model has been proven to work elsewhere in New England, including in Conway, NH and, more relevantly, by FirstPark in Oakland, Maine²².

Given the needs of the market in Ellsworth, a key component of any business park development is likely to be medical office space. Demographic and health trends indicate that local, regional, and national demand for healthcare will continue to increase. Healthcare services employ people with varying levels of skill and in numerous occupations. At the same time, healthcare is a significant user of real estate and one which is less immediately threatened by changes affecting the rest of the commercial real estate market. As such, growth in healthcare services is more likely to result in capital investment than is the case for growth in many other industries. The park would also present an opportunity to explore the potential to grow a Life Sciences and Medical Manufacturing economy in Ellsworth, as discussed in **Section V** and Action #21.

²² FirstPark (www.firstpark.com) is a development by the Kennebec River Development Authority, a partnership among 23 municipal governments around Waterville, Maine, including the City of Waterville itself. As of August 2023, FirstPark was home to 19 companies in 12 separate buildings.

A first step towards this project should be to work with partners such as Eastern Maine Development Corporation and the Hancock County Planning Commission to convene a regional dialogue related to the need for a business park. Although the planning and development of this type of project would take several years, only staff time would be required at the outset to begin the process.

Responsibility: Economic Development Office, in partnership with Eastern Maine Development Corporation, Hancock County Planning Commission, and other regional municipalities

Time Frame: begin dialogue within 1 year, planning and development to take 3-5 years

Cost: Staff time only at outset, costs of planning and engineering studies to be determined later

18. Pursue opportunities for waterfront redevelopment

The Union River has the potential to become a core asset in attracting more businesses to Ellsworth, but visibility and accessibility to the river are currently limited in the downtown area. This is particularly true for the frontage between Harbor Park and Main Street/Bridge Street. Most of the land along the Union River is in private ownership, meaning that successful redevelopment of the waterfront will require some combination of voluntary collaboration among private property owners or active participation by the City in the real estate market.

The ongoing, publicly funded improvements at Harbor Park could help jumpstart redevelopment along the river between downtown and the park. A continuous riverfront park or trail connecting downtown and Harbor Park would contribute significantly to the public good by providing recreational access and visual connection to, along, and across the river. As planned improvements to Harbor Park continue through the annual capital improvement planning and budgeting process, there will be opportunities for public and non-profit partners to engage with private landowners regarding future redevelopment, including trail connections/easements and real estate improvements.

The public sector's role in any such redevelopment should also include reimagining URCI, potentially as a commercial kitchen or kitchen incubator. It will also be important to strike a balance between public and private activation of the riverfront – an enhanced park will help but should be paired with commercial activation such as a food or beer hall and/or increased consumer-focused retail establishments.

Responsibility: Economic Development Office, City Manager, private landowners, Frenchman's Bay Conservancy, etc.

Timeline: Near-term and ongoing

Cost: Land acquisition and development of waterfront park/trail TBD, potentially up to \$2 million

19. Build a new facility and related partnerships for HCTC

Local, regional, and national demographic trends indicate that finding workers – especially those with higher skill levels – is likely to be the most significant economic challenge facing businesses over the next 25 years. At the same time, the supply/demand imbalance in the housing market means that available homes for workers are scarce and expensive.

Given these factors, communities that invest in upskilling the next generation of workers will be the ones most likely to provide businesses with the opportunity to grow. While younger workers often lack basic skills, they do already live in the community and have both an opportunity to remain and a reason to be there.

Hancock County Technical Center (HCTC) provides workforce readiness courses for 10th, 11th, and 12th grade students who live in Hancock County. The school delivers state-of-the-art, industry-driven curriculum linking industry and academic standards to learning for students. Specific academic programs include the following: automotive and diesel technology; culinary arts; early childhood education; biomedical research support; healthcare occupations; and hospitality, travel, and tourism. The programming and the capacity of the Center are limited by the current facilities. The *Facilities Assessment Report (2022)* recommends a new facility given that a new facility would be more cost effective than renovating and expanding on the current site.

Improvements to HCTC facilities should also include a new effort to partner with higher education institutions in the region. While the current “enrollment cliff” is causing some 4-year institutions to make downward adjustments to enrollment projections, community colleges are benefiting from cultural and economic shifts surrounding post-secondary education and from Maine’s decision to temporarily eliminate tuition payments for community college students. In the fall of 2022, for example, enrollment in Maine’s community colleges increased by 12 percent.

EMCC’s current programming includes courses in several fields and occupations relevant to the future economic development of Ellsworth – including construction technology, electrical and plumbing, culinary arts, healthcare and public safety. The City should explore potential opportunities for EMCC to locate such a program in Ellsworth. This could include a new HCTC facility or, potentially, the soon-to-be vacated Hancock County Courthouse.

Another education-related initiative to explore is how to continue to eliminate the “digital divide” will be to improve computer literacy, particularly among those who now have access to expanded broadband service. The City’s Broadband Committee should focus efforts on partnering with educational providers to improve computing skills that will promote digital equity and inclusion.

Responsibility: City Manager, Economic Development Office, Ellsworth School Department, HCTC, EBDC, Broadband Committee

Time frame: 3-5 years

Cost: Estimated cost \$52 million; unallocated ARPA funds could pay for planning and engineering

20. Improve indoor sports / commercial recreational facilities

At present, the inventory of indoor sports and recreational facilities in Ellsworth is limited; there is no indoor ice rink, nor are there any dedicated indoor sports fields or similar recreational spaces²³. The closest such facilities are in Bangor, and space at these facilities is limited. The potential to add such facilities would create both economic opportunities around amateur sporting events and tourism and would enhance Ellsworth's appeal to residents and employers. Ellsworth's central location in Downeast Maine, proximity to Acadia National Park and Mount Desert Island, and availability of commercial land in the Myrick Street area, make it a logical location for this type of use.

A related use type that could be feasible in Ellsworth is an indoor waterpark. According to a recent report by Hotel & Leisure Advisors²⁴ there are 285 indoor waterparks in the U.S., but there are none located in the State of Maine²⁵. This report also reported strong growth in the waterpark industry in 2023 and beyond. In addition to being a popular indoor attraction during the summer season, this type of facility would likely be very popular throughout the year for residents of the surrounding region. It would also provide an opportunity to connect the waterpark with modern lodging and conference space that is currently limited in Ellsworth – about half of existing indoor waterparks are part of larger lodging properties.

The City of Ellsworth should take steps to explore the potential for an indoor recreational facility and waterpark. This should involve discussions with regional and state tourism interests as well as with potential facility operators from elsewhere in the U.S. A formal market and feasibility study may be needed – if this is the case, the city will need to raise funding for such a study.

Responsibility: Economic Development Office, in coordination with Visit Maine, DownEast Acadia Regional Tourism/Maine Office of Tourism, Ellsworth Chamber of Commerce and other partners

Time Frame: begin discussions immediately, project execution to take 3+ years

²³ The only such facilities designed for public use are the YMCA and the Tennis Center. There are facilities for competitive youth athletes as well: the Tennis Center has a small area used for indoor soccer training and The Forge is an indoor basketball training center.

²⁴ <https://hladvisors.com/waterparks-poised-for-more-growth-amid-robust-recovery/>

²⁵ The closest indoor waterpark is Kahuna Laguna in North Conway, NH, which has been closed since being destroyed by a fire in 2022 and no reopening date has been announced ([Link](#))

Cost: Staff time in short term, market/feasibility study may be needed at a later date, cost to be determined

21. Build an ecosystem for Life Sciences and Medical Manufacturing

As discussed in **Section V**, Ellsworth has the potential to diversify its existing Healthcare cluster to add higher-value companies and jobs in the Life Sciences and Medical Manufacturing industries. However, as noted earlier, the requirements of companies in these industries are very specific and Ellsworth must invest a great deal of time and money over many years to develop an ecosystem that will be able to attract and sustain these business types. In the short term, the City should establish a dialogue with existing groups that are promoting these industries regionally and statewide, such as Maine & Company and Eastern Maine Development Corporation. The City should also engage with the University of Maine, The Jackson Laboratory, MDI Biological Laboratory, and other major academic and research institutions to start laying the groundwork for this ecosystem. This action step comes with risk, as the probability for short-term success is likely quite low. As such, the City should take an incremental approach to this effort and should limit its investment to staff and volunteer time until and unless there may be specific opportunities to recruit a major business or facility.

Responsibility: Economic Development Office, EBDC

Time frame: 3-5 years

Cost: Estimated cost \$52 million; unallocated ARPA funds could pay for planning and engineering

EVALUATION AND MONITORING

The most important means of evaluating the progress of this plan's execution is to conduct an annual review of the Implementation Matrix to track progress on each action from year to year and to add new initiatives as warranted. The Economic Development Office should prepare a summary of implementation steps taken each year as part of its regular annual reporting.

In addition to tracking implementation of the plan, the City of Ellsworth should also track and update many of the demographic and economic indicators in this report on an annual basis. This will allow City leaders to remain informed about ongoing trends and have good information when making decisions about new projects or initiatives. A list of indicators to track and data sources follows:

U.S. Bureau of the Census: <https://data.census.gov/advanced>

- ◆ Population and household change
- ◆ Household income change
- ◆ Age profile change

Maine Center for Workforce Information: <https://www.maine.gov/labor/cwri/>

- ◆ Employment and wage growth, both overall and for target industry sectors
- ◆ Labor force and unemployment

U.S. Bureau of the Census OnTheMap application: <https://onthemap.ces.census.gov/>

- ◆ Commuting patterns
- ◆ Demographic characteristics of local workers

MaineHousing: <https://mainehousing.org/data-research/housing-data>

- ◆ Home sale prices and affordability
- ◆ Rental prices and affordability

Maine Office of Tax Policy <https://www.maine.gov/revenue/taxes/tax-policy-office>

Taxable retail and lodging sales

Appendix A

JOINT PUBLIC FORUM WITH THE CITY OF ELLSWORTH'S COMPREHENSIVE PLAN CONSULTING TEAM

Transportation – Janna & Ali

- ◆ Summertime – 3x the population
 - Only 4-5 months out of the year.
 - There is a rural population
- ◆ Rural Inclusion in bus systems.
 - Design bus system for seasonal population and rural population – two different schedules??
- ◆ Exceeded 2 way street capacity
 - More 1 way streets
 - Improvements to High St, Water St, and Main St.
- ◆ Better traffic management
- ◆ Local bus service – asset but needs to be enhanced.
- ◆ Regional & Local bus loop – 10-15 mile radius.
 - Cost and reliability.
- ◆ Bus system on their own
 - Look at Bangor Area Comprehensive Transportation System as an example.
- ◆ Improved walkability and bikeability needed.
- ◆ High street is a barrier
 - Lighting on High street needs to be improved.
- ◆ Speeders – needs something to dampen speeding.
- ◆ Neighborhood zone needs to match the infrastructure.
- ◆ Trail system connectivity.
 - Increase ATV access
- ◆ Meadowbrook
 - Dense development and lots of businesses – unclear if the bus even goes near this.
 - Needs to be more stops at dense housing developments.
- ◆ Busses need to go to rural areas to access seniors
 - Also go Bucksport to Ellsworth
- ◆ Deer Isle to Danforth – what do they have in that region for the senior population?
 - Provide transportation through DCP to seniors.
- ◆ More EV Chargers
- ◆ Mixed-use development so that services are available where you live and work.
- ◆ Downeast Transportation needs to expand regionally.
- ◆ Retail workers
 - Cannot walk year-round due to weather.
 - Biking same issue

- Carshare is an opportunity – but it would require at least one person to have a car.
- Some workers do not have cars or licenses to drive to work.
- ◆ Not enough stops or stop frequency with the bus system
 - Services on weekends and evenings is also lacking.
- ◆ 2 miles from downtown is where there are amenities but assets and walkability do not reflect this.
- ◆ More knowledge of the bus station and schedule is needed.
 - Especially for employees – need to push that information out more.
 - Also think about taxi services, carshare programs, and other opportunities for transportation.
- ◆ More bus stops in dense areas
 - Needs to be wheelchair accessible.
 - There needs to be a clearer indication of where the stops are – some sort of flagging or designation.
- ◆ Look at companies like West’s Bus/Concord Bus/Airport Bus/Greyhound.
- ◆ There needs to be biking infrastructure – there currently is none.
- ◆ There are no shoulders on the road or there are deteriorated shoulders
 - Want complete streets with bike lanes.
- ◆ Missoula Montana has a good example of municipal commitment to issues like this.
 - Stillwater bike/ped path in Orono is a good example.
- ◆ It is dangerous to walk the paths in the winter due to ice and poor maintenance.
- ◆ Kids are scared to drive – which makes employment difficult.
 - There are not enough taxis to accommodate all of the people who want to use them.
- ◆ Child safety on major roads is a concern.
- ◆ Main Street lower light is a concern.
 - Even living in and near downtown is dangerous.
- ◆ There was a bike/walk to school program which failed 2 years ago
 - Too much adult supervision.
 - Adults were getting nervous about their children walking to school because of the condition of the road – the program did not have enough buy-in.
 - There are no flashing lights in front of the HS which makes crossing dangerous.
- ◆ Backroads are becoming more used by people trying to get away from the traffic – need crosswalks there.
- ◆ Crosswalks need to be more notable.
- ◆ Seniors are underserved in terms of transportation.
- ◆ Trail has no lights
- ◆ Want a trail along the waterfront.
- ◆ 51 Franklin – there is a beaten path leading to the Ellsworth American Building
 - Should be an alley with an official name.
- ◆ Visitors are looking for busses and not able to find any.

- More options for busses or better promotion/more stops.
- More bussing for elderly locals and visitors.
- The timing of the bus stops does not work well with employee schedules.
- Need a bus that just goes to Ellsworth and Bar Harbor and back.
- ◆ Roads in rough shape.
 - Bad roads do not allow biking.
- ◆ Need some sort of local roads plan and funding through local taxes or tolls.
 - Maine is an affordable vacation – the increase in tax or tolls would not deter many people from visiting.
- ◆ Speeds need to be curbed
- ◆ There needs to be a crosswalk on Bridge Hill for safety.
- ◆ Parking meters might be a good source of revenue.
- ◆ Ellsworth needs to manage growth and infrastructure maintenance
 - Ellsworth gives an impression through their infrastructure.
- ◆ Services and public transit need to focus more on equality.
 - Should be welcoming for all families.
- ◆ Connect the trails
- ◆ Fix the gaps in the sidewalks.

Childcare – Maura & Jacob

- ◆ Not enough, too expensive, affordability is based on median income.
 - People going to alternatives for child care that may not be regulated.
- ◆ YMCA waitlist is really long
- ◆ More childcare options would be a good business opportunity for someone.
 - City should be empowering and encouraging more daycares with proper and safe regulation.
 - State regulations may have shut down senior care – overregulation can lead to corporate daycare.
- ◆ Discussion of Courtland shutdown – it was a broken health care model.
 - Concerns that it is harder for these facilities to succeed.
- ◆ Caregiver salaries are a burden on the field.
- ◆ MaineCare is the only way that seniors can get healthcare.
- ◆ Federal money helps subsidize through the child tax credit – but parents need to maintain a job in order to receive it consistently.
- ◆ HeadStart used to be very expensive
 - Teachers had to have associate degrees
 - Federal government said they had to raise teacher education levels – leading to less teachers.
- ◆ It is challenging to run child care.
- ◆ Ratio of students to teachers is a challenge – schools are also a challenge to fund.
- ◆ 10-14 year old age bracket is difficult in the summertime
 - They are home alone, too old for daycare, too young to work.
 - It is difficult on parents.

- Underserved in the community.
- ◆ Co-Op Daycares in New Jersey are very successful
 - Pay for and put time into the co-op in order to send their kids there.
 - Maine in general is lacking in childcare
 - Needs more early childcare research.
- ◆ Moved to Ellsworth for childcare and to live in a walkable area.
 - Children didn't have to be put on a waiting list for the YMCA back then.
 - YMCA helped with after school – walked kids from the School to the Y.
 - Helped the kids learn independence.
 - Didn't need to be registered for anything.
 - Employees now are struggling to find childcare which affects the workforce.
 - Library and YMCA are nearly assets to the schools.
- ◆ Recreational Asset – Forest Ave courts are great.
 - In the public eye which is good for safety – the community can monitor.
- ◆ When individual moved here from Wisconsin – shocked by limited spaces like playgrounds and facilities for kids that are not a part of schools.
 - City is improving at using public spaces – but more could be done.
- ◆ Affordability is an issue – even if you have a job, most people cannot afford child care.
 - Economic disparity.
- ◆ A lot of reliance on family and neighbors to watch children.
 - Uptick in stay at home parents and grandparents – tough on the adults.
- ◆ Competition with the MDI region for child care options.
- ◆ Individual runs 2 childcare facilities
 - A pre-K was started and closed after 2 days because of staffing issues.
 - Childcare workers needs grants or extra stipends to be able to afford anything.
 - Staff lives outside of Ellsworth because they cannot find any housing and it is too expensive to live here.
 - 2 co-ops in Lewiston are exciting
 - Facilities are tired and are closing.
 - Infant ratios are rising – more kids per teacher/childcare worker.
- ◆ Downeast Community Partners – classrooms are empty because there is no staff.
 - Wages are up, expenses are up, and subsidies are limited.
 - Very hard to find staff who have the capacity to hand in there for 8-10 hours per day.
 - Staff also has families that they needs to care for as well – cannot spend all their time at work.
- ◆ Not a lot of functional services for children with special needs in Ellsworth.
- ◆ State stipends for staff are increasing – but there needs to be a nationwide comprehensive change.
- ◆ Individual came to Ellsworth for a job years ago – had to drop children off at different daycares and then go to work.
 - Decided that wife would stay home instead.

- Wife would like to go back to work but school ends early in the day and they have no child care for summer breaks.
- ◆ Summer camps fill up quick and do not always last all summer.
 - Also very expensive and have to pay up front.
 - Not much for middle school aged kids – gaps between school and programs.
- ◆ As a business owner – lack of childcare impacts staffing.
 - Employees have challenges and schedule interruptions due to childcare – cannot come in person if child has sniffle and daycare wouldn't take them.
 - 1 employee had to go full time remote because couldn't find childcare and the business couldn't afford to lose them.
- ◆ Only business that offers child care is JAX.
- ◆ Ellsworth school department does not offer Pre-K program – no idea what to do with 4-year olds.
- ◆ Childcare facilities cannot pay enough to get people to want to work there.
- ◆ YMCA is an educational center, not just a place for watching kids – not recognized as teachers.
- ◆ Most parents are working – household roles are changing.
- ◆ Ellsworth is not alone with these issues.
 - Should find solutions that are working elsewhere and copy it.
 - Need housing associated with a job to make it attractive.
 - Diversity of opportunities to give families a choice so they can have control over what they choose for their children.
 - Families may not stay in Ellsworth because of education and childcare options.
- ◆ Classroom sizes and ratios are increasing – needs to be more equal.
- ◆ Cost of infrastructure maintenance is high.
 - Requirements for a Head Start are very expensive in terms of facility maintenance.
- ◆ Parents would like bills to be itemized so they know what they are paying for.
- ◆ Not all programs are equal (i.e., Montessori v. Head Start)
- ◆ Ellsworth needs to aspire to be the best in Downeast Maine.

Economic Opportunity – Elizabeth & David

- ◆ Housing impacts economic opportunity.
 - Lack of housing stock because of lack of building and skilled builders.
 - Lots of people buying investment properties during COVID – now slowing due to interest rates – use them as short term rentals instead of year-round housing because that makes more money.
- ◆ The city relies a lot on grants – doesn't have enough revenue.
- ◆ There are people who moved here to lessen commutes to their jobs on the island when it used to be affordable to live in Ellsworth.
- ◆ Individual closed a business due to staffing shortage – there was nowhere for them to live.
- ◆ Ellsworth pulls together and support each other in touch times – huge asset.

- ◆ Childcare issues and lack of childcare openings impacts economic opportunity.
 - People don't move here because there are not child care options.
- ◆ Finding young staff is an issue – employees are aging out.
 - No night life to entertain young people. Would like to see a movie theater or something open late that is not a restaurant.
 - Young people tend to leave because there is not much here or they don't want to live where they grew up.
 - Young people move to go to college and stay there. Would like to see more higher education in the area.
 - Need to find a way to encourage young people to go out into the world and gain a broader perspective and then come back to the area.
 - Young people don't want to work traditional jobs since COVID.
- ◆ Taxis/Transportation needed to get people to work.
- ◆ Trade workers are needed. More apprenticeships and certificate programs versus the traditional higher education.
- ◆ Internet/cell tower interference because of tourism.
 - Some like Ellsworth because it is an all-year town, but it is still really tourist-oriented.
 - Ellsworth has somewhat of an identity problem – are they year-round or seasonal?
 - Image of Ellsworth keeps people from coming here – it is not respected in the community.
- ◆ Uptick in remote work makes employee-finding difficult.
- ◆ Would like to see more environmentally focused jobs.
 - Needs diversity of opportunity – more tech industries.
 - Need coworking/teleworking spaces.
- ◆ Taxes are lower in surrounding areas making them more attractive to live and work there.
- ◆ Would like to see more opportunities for careers – not just dead-end jobs.
- ◆ More senior housing is needed.
 - Maintenance of their homes is an issue – cannot find people to fix things for them.
- ◆ Gathering spaces are needed.
- ◆ More collaboration between city groups.
- ◆ Some businesses still feeling the impacts of COVID – Hancock County Commissioners have ARPA funds that they are not disbursing, they are just sitting on it for no reason.
- ◆ Ellsworth has a high number of nonprofits versus for profit businesses.
 - City needs to highlight nonprofits more.
 - Lack of donations
 - Lack of transportation to food pantries.

Housing – Matt & Keri

- ◆ Individual is looking to move because there is industrial development near the subdivision where they live. The concrete plant went in.
 - Individual wants to stay in Ellsworth but wants a residential area.
- ◆ Individual just moved here – house is good size but needs a lot of work.
 - Elderly neighbor looking to downsize but there is no place to move to. Their home would make the perfect starter home for someone else.
 - Nursing homes have long waitlists and/or are too expensive – 2 years before you can get into a home.
- ◆ Individual is happy with home for 6 years. 5 homes sold in the past few years have been turned into short term rentals. Lots of Air BNBs taking up starter homes.
- ◆ JAX employs a lot of college graduates who need to commute from Bangor.
- ◆ Need more apartments or starter homes.
 - Affordable, smaller housing that is efficient.
 - Ellsworth is no longer affordable and people need to move farther away to find housing.
- ◆ Individual is looking to downsize in the next 4 or 5 years.
 - Would like a one-story home. Used to have Ranch-style starter home.
 - Looking to add onto house for pre-teen daughter.
- ◆ Need single family affordable housing.
- ◆ Efficient use of urban core space by expanding infrastructure for cluster developments.
- ◆ People leave and then come back – boomerang effect.
- ◆ Bought house in 2020, had to leave Ellsworth to afford house. Rent is so high. If something happened there would be no other options.
- ◆ Low-income and moderate-income housing is missing.
 - Wages are not enough to support the cost of living – more low-income housing needed.
 - Mixed-income developments would be helpful.
- ◆ More mobile homes/parks.
- ◆ Much cheaper to build apartments.
- ◆ Land is also expensive to build up closer to the core.
- ◆ Co-op housing or using the upstairs of businesses.
- ◆ Homelessness is rising and needs to be addressed.
- ◆ The few affordable units in City are always full with long wait-list.
- ◆ Housing affects quality of life.
 - Affects businesses' desire to invest in Ellsworth.
- ◆ Zero rental rooms in Ellsworth. 16 homes for sale. Large space but no opportunity. Either unaffordable or in disrepair.
- ◆ It costs a lot of money to get into an apartment – first, last, security.
 - Down payments are a lot to afford.
- ◆ Where do we want to build housing?
 - Housing that is closer to the center to reduce sprawl.
- ◆ City needs to be proactive in policy decisions. Been bad for 20 years.

- ◆ More state involvement in Ellsworth and use their resources.
- ◆ How to combat NIMBY factor?
 - City should capitalize on acquiring land for housing – especially commercial land.
- ◆ Lack of housing increases crime.
- ◆ Regional approach would be helpful.
- ◆ Expansion of neighborhood zone?
 - Maine Housing for funding.
 - Inclusive Zoning / require housing for commercial developments
- ◆ No housing because of lack of labor.
 - Even developers with cash and land do not have the workers.
- ◆ How do we redefine affordable?
 - There are no affordable rents.
- ◆ Apartments are being turned into short term rentals.
 - Would like to know what percentage of the housing stock is used for STRs.
- ◆ Employers are losing employees due to lack of housing. Wages cannot keep up.
- ◆ Missing downsizing options. Communities for older people needed. Aging demographics need to give up their single family homes for condos.
- ◆ People are choosing to live in Bangor because better housing markets and jobs. Not worth it to come to Ellsworth.
- ◆ How to retain people?
- ◆ Low quality of construction. After 30 years you have a problem. Are we building sustainably? Don't rush construction at expense of quality – especially in rural areas. Balance of regulation to encourage good development.
- ◆ Need more housing to accommodate transitions of life.
- ◆ Raise former buildings for housing. Infill development.
- ◆ Too much free market ideology.
- ◆ Need a well-articulated vision for Ellsworth with a mind towards transformation – not staying the same.
- ◆ Advertise what is here.
- ◆ Individual has a house, gifted the land from family. Converted an old shop into an apartment.
- ◆ No apartments for \$1000/month or less.
- ◆ Struggle to serve year-round housing.
- ◆ Application fees for just interest.
- ◆ Percent housing market change. Used to be much slower.
- ◆ So many large houses with only one or two people living there.
 - Underutilized housing.
- ◆ Hancock County – employee lost 27 bids for houses.
- ◆ Some employers get in before normal renters.
- ◆ Hospital employers use housing for traveling nurses.
- ◆ Apartments converted into Air BNBs.
- ◆ Cannot find housing for young people.
- ◆ Out of state investors buy but do not use.

- ◆ Local employers on island eat up housing market.
- ◆ More apartments means more kids and more stress on taxes and infrastructure.
- ◆ Want simple housing.

Appendix B

RETAIL SALES PULL FACTORS FOR SELECTED MAINE COMMUNITIES

Table B-1
 Retail Sales Pull Factors for Selected Maine Communities

	2022 Total Taxable Retail Sales	2022 Population Estimate	Taxable Retail Sales Per Capita	Maine Taxable Retail Sales Per Capita 2022	Pull Factor
Ellsworth	\$531,449,056	8,732	\$60,862.24	\$24,906.70	2.44
Augusta	\$1,073,425,344	19,066	\$56,300.50	\$24,906.70	2.26
Bangor	\$1,772,785,664	31,588	\$56,122.12	\$24,906.70	2.25
South Portland	\$1,421,880,576	27,026	\$52,611.58	\$24,906.70	2.11
Brewer	\$409,966,176	9,666	\$42,413.22	\$24,906.70	1.70
Rockland	\$294,882,176	7,002	\$42,113.99	\$24,906.70	1.69
Presque Isle	\$344,578,144	8,678	\$39,707.09	\$24,906.70	1.59
Waterville	\$624,483,456	15,828	\$39,454.35	\$24,906.70	1.58
Freeport	\$315,731,200	8,784	\$35,943.90	\$24,906.70	1.44
Portland	\$2,260,673,792	68,424	\$33,039.19	\$24,906.70	1.33
Belfast	\$227,496,112	7,041	\$32,310.20	\$24,906.70	1.30
Skowhegan	\$238,340,512	8,661	\$27,518.82	\$24,906.70	1.10
Kittery	\$279,403,616	10,235	\$27,298.84	\$24,906.70	1.10
Saco	\$487,491,392	20,872	\$23,356.24	\$24,906.70	0.94
Biddeford	\$510,422,368	22,450	\$22,735.96	\$24,906.70	0.91
Caribou	\$133,864,600	7,441	\$17,990.14	\$24,906.70	0.72
Old Town	\$101,837,680	7,449	\$13,671.32	\$24,906.70	0.55
Gardiner	\$83,209,192	6,106	\$13,627.45	\$24,906.70	0.55

PULL FACTOR - The pull factor was developed to provide a precise measure of sales activity in a locality. It is derived by dividing the per capita current dollar sales of a town or county by the per capita sales for the state. Using Ellsworth as the example, the interpretation is that the town is selling to 244 percent of the town population in full-time customer equivalents. The pull factor is a good measure of overall sales activity for a given locality because it reflects changes in population, inflation, and the state economy. They are the ratio of local per capita spending to the state average.

Source: Maine Office of Tax Policy.