ECONOMIC DEVELOPMENT

Robert's Grill, along Route 1 near the Outlet Malls.

Progress is choice. Job creation is choice. Whether we give our children a future of more or a future of less – this, too, is a choice.

- Martin O'Malley[1]

[1] Former Governor of Maryland.

State Goal:

Promote an economic climate that increases job opportunities and overall economic wellbeing.

(Growth Management Act 30-A M.R.S.A. 4312)

GOAL STATEMENT 3: TO SUPPORT DESIRABLE ECONOMIC DEVELOPMENT, BALANCE THE RELATIONSHIP WITH THE PORTSMOUTH NAVY SHIPYARD, AND INCREASE THE TOWN'S TAX BASE WHILE ALSO PROVIDING LOCAL JOBS.

Objective 3.1. Attract and retain businesses to sustain the vibrant center at foreside that provides residents and visitors with places to go and spaces to gather

Objective 3.2. Attract new businesses to the business park

Objective 3.3. Continue to promote economic development in areas already identified by the town

Objective 3.4. Develop guidelines for the future development of the outlet malls into a mixed-use pedestrian-oriented area

Objective 3.5. Maintain and create jobs for a variety of skills sets and range of salaries

Kittery is fortunate to have mix of mature and burgeoning commercial/industrial areas across town. For decades, the presence of the Portsmouth Naval Shipyard (PNSY) has supported and anchored a consistent job base in Kittery. In addition, the Route 1 Outlet Malls also contribute a substantial amount to the commercial tax base in Kittery and draw visitors from all over Northern New England. The town has relied on these two economic development nodes, but questions were raised during this Comprehensive Planning process about their long-term viability and how much should residents rely on them in the future.

The success of economic development areas like the Foreside and Gourmet Alley[2] speak to a new economy in Kittery, and Maine as a whole. A new economy that can be described as a marketplace filled with entrepreneurs who believe in crafting and selling locally-made products supported first by residents and employees in town, and secondarily by visitors. These businesses include restaurants, bakeries, grocers and butchers, art studios, breweries, and many more. The local small business culture in Kittery is providing a counterpart to the larger-scale retailers at the Outlet Mall, or larger office/industrial users that may be attracted to locations like the Kittery Business Park.

While Kittery has been successful in attracting and retaining businesses over time, there are concerns about the future of commercial/industrial areas in town. With the rise in online retailers, brick and mortar stores like the Outlets may have to become nimbler over time which could result in long-term

[2] Gourmet Alley is located along State Road between Walker Street and Red Mill Lane.

vacancies and lost revenue. While the PNSY is currently very active and has reached its highest employment numbers in recent years, base closures and realignments do happen with military installations and could impact the future of the Shipyard. Finally, the Town has invested substantial funding in the extension of sewer service to the Business Park. While there are still additional utility improvements required, the Town should begin looking at creative ways to market this property to take advantage of its location, access to regional transportation networks, and recuperate the investments already made.

Topic area #3 of the comprehensive plan focuses on retaining existing businesses in Kittery, as well as encouraging additional economic development in key locations throughout the town. This will help increase the commercial tax base, and reduce the reliance on the outlets and the Naval Shipyard as primary job and economic drivers.

KITTERY VOICES: RESIDENTS' THOUGHTS REGARDING ECONOMIC DEVELOPMENT

Residents of Kittery have voiced the following opinions, concerns, and ideas about economic development opportunities in Kittery, and in particular, the following "burning questions:"

"What kind of development do you think is most appropriate for the future along the town's major commercial spine; specifically, along Route 1 in the area from Haley Road to the York Line?"

"What would you like to see in this area of town in the future as it evolves (pertaining to Route 1 Outlet Mall area)?"

"Small industrial and small commercial, affordable housing, bike routes, and bus routes."

"Small industry – Kittery labeled products in the shadow of Stonewall Kitchen."

"Allow residential over commercial (mixed-use)."

"Yes, we need a local market, a small "supermarket.'

"Support young entrepreneurs. They are looking for opportunities at a lower cost than Portsmouth and Portland."

"No big box stores."

"Artist studios and living space with low rents."

"Supermarket on Route 1."

"Get rid of the outlets and make into affordable housing, or school/university, or park, or anything that isn't a mall."

"More local flavor business for outlet areas. Housing for 30-40-year-old single folk."

"Cluster housing, low-income homeownership."

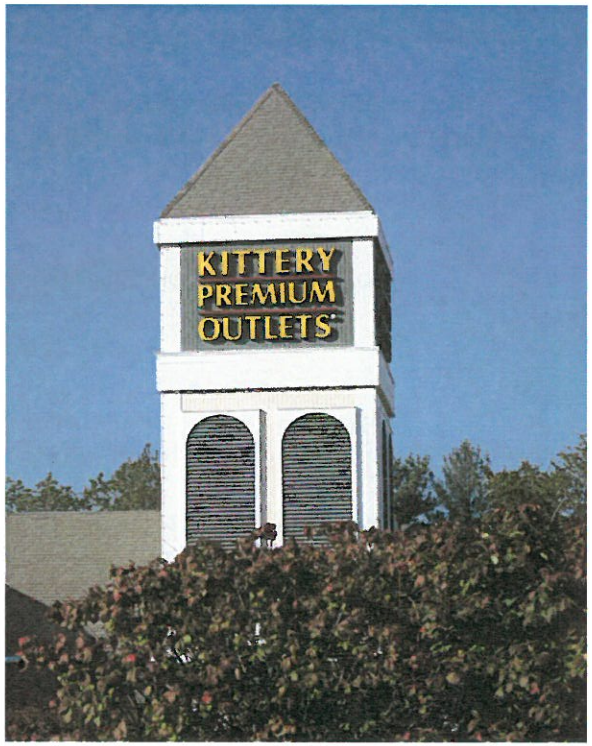
"Would be great area for theater, arts, market place."

ISSUES AND IMPLICATIONS

- Kittery has a **unique mix of business types and economic development areas** that support a relatively large labor force for the size of the town. This provides job opportunities for residents, brings in a daytime population that may spend money in Kittery businesses, and stimulates a healthy commercial tax base. For examples, the area around the Route 1 Outlet Mall and the Foreside are the two highest tax producing location in Kittery on a per acre basis.

- The primary employers in Kittery are **manufacturing and retail businesses**, but the majority of Kittery residents are employed in the healthcare, professional services, and retail sectors. Kittery's unemployment rate has been steadily **decreasing over the last five years**, to a low of 3 percent. The Town should consider completing an economic development plan to look specifically at future opportunities to support the current businesses and look for opportunities to expand the commercial base and employment opportunities.

    - Evaluate through planning and market analyses, the range of options for the area around the Route 1 Outlet Mall would help set the stage for future regulatory change and possible infrastructure investments.
    - Engage the local business community and large commercial land holders in regular and sustained dialogue about what changes would further economic development opportunities in Kittery.
    - Remain flexible and nimble in unique economic development areas like the Foreside or Gourmet Alley to ensure these locations remain eclectic and interesting.



- Within the healthcare employment sector, the **number of businesses and number of employees have been increasing** in Kittery. This may be a growing employment sector the Town should consider when marketing vacant space or land in

Kittery. Other ways Kittery may consider marketing to the business community include:

- Engage in targeted outreach to business and industry sectors marketing Kittery's economic development areas (like the Business Park). The marketing effort could include attending industry conferences, talking with larger-scale developers, or using local and regional brokerage services.
- Consider hiring a full- or part-time economic development staff person who works with the Planning Department and can serve as a liaison to the business community.
- Continue to update the Kittery Economic Development Opportunities website with fresh content and up to date contact information for Town staff. This website should also include a marketing page for specific properties in Town that are available for lease, sale, or new development.
- Encourage the formation of a business association or local chamber of commerce to complement the services offered by the York County Chamber of Commerce. This group could serve as a local advocate for the business community, weigh in on local decisions impacting the business community, and help market space and areas for future economic development.

- The PNSY employers over **5,000** workers. This has helped increase jobs in high-skilled manufacturing by 34 percent since 2001. It has been noted throughout the planning process that many Kittery residents are not employed at the Shipyard, and there does not seem to be any direct synergies between the Shipyard and businesses in the Foreside. To help stimulate infill development in the Foreside that is consistent with the character of the area, the Town should:
    - Reconsider how the Foreside boundaries are defined and allow for transition areas between the Foreside and adjoining districts. Also, consider expanding the Foreside if the demand is there.
    - If and when town-owned property is available for development/redevelopment, consider offering the land at a reduced price in return for development options that reinforce the goals of the Comprehensive Plan in terms of housing and economic development.
    - Create a streamlined permitting process for small businesses that is easy to read and follow. Consider designating a Town staff person in the planning department as a small business liaison to help with permitting and to be a resource for questions.
    - Evaluate parking requirements in all business districts to ensure redevelopment, or new development, is not hampered by onerous or outdated regulations. This may be particularly useful in areas like Foreside where historically small parcels may be hard to redevelop with new parking regulations.

- The Town has actively used **Tax Increment Financing** in economic development areas to stimulate new investment and drive the commercial tax base. TIF District 2 which supports that area around the Outlet Mall has been

successful, while the Business Park TIF has been **less successful** than the town would have liked. The Town should evaluate the use of TIF to determine if this economic development incentive is producing the benefits intended. If it is, the Town may want to consider other locations where a TIF may be effective.

KEY RECOMMENDATIONS

3.1. ATTRACT AND RETAIN BUSINESSES TO SUSTAIN THE VIBRANT CENTER AT FORESIDE THAT PROVIDES RESIDENTS AND VISITORS WITH PLACES TO GO AND SPACES TO GATHER.

Residents and businesses recognize the value of the Foreside. It is an economic center in the form of a quant livable historic New England town center with the ability to attract residents and visitors alike. The continued success of the Foreside is vital to Kittery's future, and provides a unique space to work, shop, eat, and gather with friends and neighbors. The Town should continue to foster, encourage, and invest in the success of this area.

- 3.1.1. Encourage the formation of a business association or local chamber of commerce to complement the services offered by the York County Chamber of Commerce. This group could serve as a local advocate for the business community, weigh in on local decisions impacting the business community, and help market space and areas for future economic development. This group would focus on all areas of the Town, including the Foreside.
- 3.1.2. Evaluate recommendations from the Foreside Forums report to determine if and when they should be implemented.
- 3.1.3. Encourage walking, biking, and shared parking solutions where possible in all commercial areas to reduce the Town's carbon footprint and provide alternative ways for residents and visitors to get around. *(See Transportation Section for specific strategies)*

3.2. ATTRACT NEW BUSINESSES TO THE BUSINESS PARK.

The Town has already invested substantial public funds into the extension of sewer service to the Business Park. The Town should work with local landowners, business groups, and brokers to promote the location and amenities the Park has to offer.

- 3.2.1. Hire a consultant to complete an economic/feasibility study for the Business Park area to help identify potential zoning changes and infrastructure needs as a way to maximize future tax revenue potential while minimizing impacts on adjacent neighborhoods.
- 3.2.2. Engage in targeted outreach to business and industry sectors marketing Kittery's economic development areas (like the Business Park). The marketing effort could include attending industry conferences, talking with larger-scale developers, or using local and regional brokerage services.

3.3. CONTINUE TO PROMOTE ECONOMIC DEVELOPMENT IN AREAS ALREADY IDENTIFIED BY THE TOWN.

Kittery has several commercial and industrial areas across town at varying levels of maturity and build-out. Each area has its own unique opportunities and challenges, but all offer viable options to continue to build the Town's commercial tax base, employment base, and range of goods and services.

- 3.3.1. Undertake a town-wide Economic Development Study to help identify what types of commercial development Kittery is specifically well-positioned for and where to target this new development.
- 3.3.2. Engage in targeted outreach to business and industry sectors marketing Kittery's economic development areas (like the Business Park). The marketing effort could include attending industry conferences, talking with larger-scale developers, or using local and regional brokerage services.
- 3.3.3. Continue to update the Kittery Economic Development Opportunities website with fresh content and up to date contact information for Town staff. This website should also include a marketing page for specific properties in Town that are available for lease, sale, or new development.
- 3.3.4. Consider hiring a full- or part-time economic development staff person who works with the Planning Department and can serve as a liaison to the business community.
- 3.3.5. Explore possibility of state legislation that would allow municipalities to retain a portion of the State sales tax collected by businesses in the community or impose a local sales tax option to be retained by the municipality to help mitigate impacts.

3.4. DEVELOP GUIDELINES FOR THE FUTURE DEVELOPMENT OF THE OUTLET MALLS INTO A MIXED-USE, PEDESTRIAN-ORIENTED AREA.

As it stands today, the area around the Outlet Mall continues to be successful despite a slight uptick in vacancies. Residents recognize this may not always be the case, and have encouraged the Town to look for ways to provide property owners with the tools appropriate for redevelopment options for when the outlets change over time. Many would like to see this area become a mixed-use center that includes jobs, housing, open space, and recreation opportunities connected by a multi-modal transportation network.

- 3.4.1. Evaluate through planning and market analyses, the range of options for the area that includes the Route 1 Outlet Mall that would help set the stage for future regulatory change and possible infrastructure investments. One potential outcome could be the formation of an overlay district or zoning changes to allow for additional land use options in the area around the Route 1 Mall.
- 3.4.2. Encourage walking, biking, and shared parking solutions where possible in all commercial areas to reduce the Town's carbon footprint and provide alternative ways for residents and visitors to get around. *(See Transportation Section for specific strategies)*

3.5. MAINTAIN AND CREATE JOBS FOR A VARIETY OF SKILL SETS AND RANGE OF SALARIES.

While Kittery does have a highly educated workforce, not all residents and employees in town have access to high-skilled high-

wage jobs. It is also important that the Town encourages the development of a variety of housing types at a variety of price points to ensure residents of all incomes can find housing they can afford.

- 3.5.1. Create a streamlined permitting process for small businesses that is easy to read and follow. Consider designating a Town staff person in the planning department as a small business liaison to help with permitting and to be a resource for questions.
- 3.5.2. Remain flexible and nimble in unique economic development areas like the Foreside or Gourmet Alley to ensure these locations remain eclectic and interesting.
- 3.5.3. Encourage a mix of housing types and price point in Kittery. This will help ensure employees have a place to live, and Kittery residents can afford to remain in their homes and contribute to the local economy. (See Housing Section for specific strategies)
- 3.5.4. Continue to support Kittery's fishing industry by maintaining access to the working waterfront and creating innovative avenues to connect fishing to the local economy.
- 3.5.5. Work cooperatively with other York County municipalities to explore regional approaches to economic development and the promotion of sites for non-residential development.

= Ripe Apple

The following are the recommended policy directions for the Topic Area of Economic Development. See the Table that follows for specific Action Steps for achieving these.

ECONOMIC DEVELOPMENT AND THREE KEY PLANNING PRINCIPLES

Environmental Stewardship	• By focusing economic development in locations that are already served by transportation and public utility infrastructure, the Town will reduce the amount of impervious surface and impact to local water resources.
Health & Wellness	• A strong economy provides jobs to many Kittery residents, which in turn provides a steady stream of income that can be spent on healthcare, healthy foods, and recreation opportunities.
Economic & Social Vitality	• Preserving existing amenities, historic buildings, and landscapes, Kittery will further promote tourism as a major sector of the local economy. • A high labor force participation rate means more Kittery residents are working, have a reliable source of income, and are therefore more likely to spend money locally to support Kittery's network of businesses.

TOPIC AREA 3: ECONOMIC DEVELOPMENT

GOAL STATEMENT: to support desirable economic development, balance the relationship with the Portsmouth Navy Shipyard, and increase the town's tax base while also providing local jobs.

Note: Strategies 3.1.3 and 3.4.3 are addressed in *Topic Area 5 Transportation* and Strategy 3.5.3 is addressed in *Topic Area 4 Housing*.

OBJECTIVE 3.1: ATTRACT AND RETAIN BUSINESSES TO SUSTAIN THE VIBRANT CENTER AT FORESIDE THAT PROVIDES RESIDENTS AND VISITORS WITH PLACES TO GO AND SPACES TO GATHER.						
Strategy	Existing Resources*	Actions	Funding	Notes	Lead & Partners	Priority
3.1.1. Encourage the formation of a business association or local chamber of commerce to complement the services offered by the York County Chamber of Commerce.	York County Chamber of Commerce	Town should initiate contact with local businesses and help facilitate first meeting to gauge interest.	Businesses and Town could form a funding partnership		LEAD: Local business community.	2
		Businesses in Foreside organize and form their own organization, could be a 501 c3 or other non-profit.				
		Group sets priorities and begin advocating for improvements. Group could also begin writing grants if non-profit status is achieved.				
3.1.2. Evaluate recommendations from the Foreside Forums report to determine if and	York County Chamber of Commerce	Town, in partnership with businesses and residents, identifies priorities for implementation.	Businesses and Town could form a funding partnership		LEAD: Town Staff, Town Council, Economic Development Committee	1

*Existing Resources are examples and are not intended to represent a complete list

when they should be implemented.					PARTNERS: Foreside Business Community	
		Responsibilities and funding are identified; Town moves forward with implementation.				

OBJECTIVE 3.2: ATTRACT NEW BUSINESSES TO THE BUSINESS PARK.						
Strategy	Existing Resources*	Actions	Funding	Notes	Lead & Partners	Priority
3.2.1. Hire a consultant to complete an economic/feasibility study for the Business Park area to help identify potential zoning changes and infrastructure needs as a way to maximize future tax revenue potential while minimizing impacts on adjacent neighborhoods.	Kittery Comprehensive Plan	Hire consultant to complete study and help inform future zoning and infrastructure decisions.	Town Funding		LEAD: Economic Development Committee, Planning Department PARTNERS: Property Owners/Developers in the IBP	1

*Existing Resources are examples and are not intended to represent a complete list

3.2.2. Engage in targeted outreach to business and industry sectors marketing Kittery's economic development areas (like the Business Park).	York County Chamber of Commerce. Kittery Economic Development Committee and Website.	Routine maintenance and upkeep of the EDC website	Town Funding, Volunteer Time, Resources from the York Chamber.		LEAD: Economic Development Committee, Planning Department PARTNERS: Property Owners/Developers in the IBP	1
		Identify conferences or showcases to attend to promote land and spaces available in Kittery				
		Identify similar businesses or industry partners who may have insights on what businesses in those sectors are looking for in terms of amenities, infrastructure, costs/revenues, workforce characteristics, etc.				
		Talk with brokers and real estate agents about marketing property in Kittery				
		Work with land owners to actively market properties through websites and brokers				

*Existing Resources are examples and are not intended to represent a complete list

TOPIC AREA 3: ECONOMIC DEVELOPMENT

OBJECTIVE 3.3: CONTINUE TO PROMOTE ECONOMIC DEVELOPMENT IN AREAS ALREADY IDENTIFIED BY THE TOWN.						
Strategy	Existing Resources*	Actions	Funding	Notes	Lead & Partners	Priority
3.3.1. Undertake a town-wide Economic Development Study to help identify what types of commercial development Kittery is specifically well-positioned for and where to target this new development.	Title 16 Land Use and Development Code for Kittery.	Hire a consultant to develop a town-wide Economic Development Study in partnership with Town staff, the Economic Development Committee, local businesses, and commercial property owners.			LEAD: Planning Department, Economic Development Committee PARTNERS: Businesses, Land Owners, Local Realtors and Brokers	1
		Consider small area plans as a follow-on activity that could help inform regulatory changes and future infrastructure needs/investments				
		Make changes to local zoning to adapt economic target areas and attract new private investment				
3.3.2. Engage in targeted outreach to business and industry sectors marketing Kittery's economic development areas.		Routine maintenance and upkeep of the EDC website	Town Funding, possible participation from land owners/property managers looking for more exposure		LEAD: Planning Department, Economic Development Committee	1

*Existing Resources are examples and are not intended to represent a complete list

		Identify conferences or showcases to attend to promote land and spaces available in Kittery				
		Identify similar businesses or industry partners who may have insights on what businesses in those sectors are looking for in terms of amenities, infrastructure, costs/revenues, workforce characteristics, etc.				
		Talk with brokers and real estate agents about marketing property in Kittery				
		Work with land owners to actively market properties through websites and brokers				
		Consider zoning incentives, streamlined permitting, or changes in allowable uses to encourage new development at the Business Park				

*Existing Resources are examples and are not intended to represent a complete list

3.3.3. Continue to update the Kittery Economic Development Opportunities website with fresh content and up to date contact information for Town staff. This website should also include a marketing page for specific properties in Town that are available for lease, sale, or new development.	Existing Economic Development Opportunities website	Continue to regularly update the website with new staff, town events, and promotional material	None Required		LEAD: Planning Department, Economic Development Committee	1
		Add a page that highlights commercial space for lease, for sale, or properties available for new development				
3.3.4. Consider hiring a full- or part-time economic development staff person who works with the Planning Department and can serve as a liaison to the business community.	York County Chamber of Commerce. Kittery Economic Development Committee and Website.	Evaluate the need for a full-time or part-time position and identify funding	Town Funding		LEAD: Town Council, Town Manager	2

*Existing Resources are examples and are not intended to represent a complete list

3.3.5. Explore possibility of state legislation that would allow municipalities to retain a portion of the State sales tax collected by businesses in the community or impose a local sales tax option to be retained by the municipality to help mitigate impacts.					LEAD: Town Council, Town Manager, Legislative Delegation PARTNERS: Businesses, Economic Development Committee	2

OBJECTIVE 3.4: DEVELOP GUIDELINES FOR THE FUTURE DEVELOPMENT OF THE OUTLET MALLS INTO A MIXED-USE, PEDESTRIAN-ORIENTED AREA.						
Strategy	Existing Resources*	Actions	Funding	Notes	Lead & Partners	Priority
3.4.1. Evaluate through planning and market analyses, the range of options for the area that includes the Route 1 Outlet Mall that would help set the stage for future regulatory change		Draft a scope of work for planning, market analysis, and transportation engineering services to re-envision the Route 1 area	Town Funding, Regional Planning Commission Grants/ Assistance		LEAD: Planning Board, Planning Staff PARTNERS: Property Owners, Businesses, Regional Planning Commission, Consultants, Economic	1

*Existing Resources are examples and are not intended to represent a complete list

and possible infrastructure investments. One potential outcome could be the formation of an overlay district or zoning changes to allow for additional land use options in the area around the Route 1 Mall.					Development Committee	
		Engage property owners and businesses in the process				
		Allow recommendations to drive any zoning changes and infrastructure investments				

OBJECTIVE 3.5: MAINTAIN AND CREATE JOBS FOR A VARIETY OF SKILL SETS AND RANGE OF SALARIES.						
Strategy	Existing Resources*	Actions	Funding	Notes	Lead & Partners	Priority
3.5.1. Create a streamlined permitting process for small businesses that is easy to read and follow. Consider designating a Town staff person in the planning department as a small business liaison to help with	Title 16 Land Use and Development Code for Kittery.	Create a paper and online permitting guide that explains how the process works, staff/boards/committees that need to weigh in along the way, costs, timelines, and required forms and filings.	None Required if Completed by Staff		LEAD: Planning Board, Planning and Code Staff PARTNERS: Property Owners, Businesses, Regional Planning Commission, Consultants, Economic Development Committee	1

*Existing Resources are examples and are not intended to represent a complete list

permitting and to be a resource for questions.		Look for ways to speed up the permitting process, particularly for small businesses.				
		Consider designating a staff member as a liaison to the business community. This person can be a resource for permitting, licensing, zoning, and general questions about businesses in town.				
3.5.2. Remain flexible and nimble in unique economic development areas like the Foreside or Gourmet Alley to ensure these locations remain eclectic and interesting.	Title 16 Land Use and Development Code for Kittery.		None Required if any future zoning or permitting changes are implemented by Staff		LEAD: Planning Board, Planning Staff PARTNERS: Property Owners, Businesses	2
3.5.4. Continue to support Kittery's marine based industries – including fishing and lobster - by maintaining access to the working waterfront and creating innovative avenues to connect fishing to the local economy.		Engage members of the fishing industries in Kittery in a conversation about their sales program, and look for ways to connect them with local restaurants and seafood vendors.			LEAD: Planning Board, Planning Staff, Economic Development Committee PARTNERS: Property Owners, Businesses	2

*Existing Resources are examples and are not intended to represent a complete list

3.5.5. Work cooperatively with other York County municipalities to explore regional approaches to economic development and the promotion of sites for non-residential development.		Engage in a regional discussion with York County Chamber, SMRPC, and surrounding municipalities about the cross-promotion of sites that would support a regional approach to economic development.			LEAD: York Chamber, Regional Planning Commission, local municipalities PARTNERS: Property Owners, Businesses, Economic Development Committee	2

*Existing Resources are examples and are not intended to represent a complete list