

ECONOMY  
DRAFT June 3, 2016

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## ECONOMY

The economic chapter provides an overview of economic and labor conditions in Kittery. This chapter will help give definition to what makes Kittery an attractive location for economic investment, characterize the labor force and job market, and discuss the areas designated as economic development centers within town.

### Summary of Key Points

- 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.
- Manufacturing and retail industries are primary employers in Kittery, but the majority of Kittery residents are employed by businesses in the healthcare, professional services, and retail sectors.
- The healthcare sector is increasing both the number of employers and employees in Kittery.
- The Naval Shipyard brings in over 5,000 workers per day to Kittery.
- The unemployment rate in Kittery, York County, and Maine has been decreasing over the last five years to a low of 3 percent at the state and county level.
- The Town has five primary economic development areas where commercial and industrial development is encouraged and supported.
- The Town has designated three Tax Increment Financing Districts, primarily along the Route 1 Corridor.



## OVERVIEW

A city or town's economy is often guided by its location within a region, the types of industries and commercial entities it is able to attract, the education and skill sets of its working-age population, and by the land use decisions guided by the community. The role of the economic region is tremendous. The region is defined by its employers, employees, trade area, and transportation characteristics. The boundaries of the economic region are typically defined by the population, land use patterns, utilities, and transportation systems that help to move goods and people. For statistical purposes, Kittery is part of the Portsmouth, NH New England City and Town (NECTA) Division. This area is centered on Portsmouth, NH with close employment ties to the city and the development along Route 1 and Interstate 95.

Kittery is an interesting mix of a bedroom community on one hand and an economic center for southern Maine on the other. Economic development is associated with the benefits of job creation, expanding a community's tax base, improving public services and daily shopping needs for residents, strengthening the jobs base, and enhancing the value of commercial property. In Kittery, the development of commercial land will mean added tax base without the same public service demands that come with residential development and additional job opportunities for local residents. Kittery has several locations in town where commercial land is awaiting development. Utilities have been extended, zoning is in place, and the transportation network is easily accessible, all that is needed is the right fit for the space. The Town has already set up several tax increment financing districts to help with the betterments needed to improve the

areas in order to ready them for private investment. The Town's location along Route 1 and Interstate 95, its proximity to the Portsmouth market, and the navy Shipyard are all attractive elements for economic development activity.

## EXISTING CONDITIONS

This section discusses the characteristics of Kittery's labor force and that of the region. This section will cover labor force characteristics, occupations, industries, and employment statistics.

### LABOR FORCE

Kittery's labor force includes all residents over the age of 16, employed or actively seeking employment. Kittery's labor force is comprised of 5,624 people, which equals a 68 percent labor force participation rate<sup>1</sup>. This is higher than the State and County's labor force participation rate of 64 and 67 percent, respectively. Not surprisingly, Kittery has a high percentage of the labor force employed through the armed forces, at 3 percent of the total. As a point of comparison, the state and county totals are both 0.2 percent. The presence of the Naval Shipyard plays a significant role in not only Kittery's employment, but the employment of the region. Table 4.1 summarizes Kittery's labor force for the year 2014.

## OCCUPATIONS

The Kittery labor force is well distributed across a number of industry sectors and occupations. The largest occupation sector is educational services, healthcare and social assistance. This is not surprising given the educational facilities and healthcare centers within and around Kittery. Another large occupational sector is the professional, scientific, management, and administrative services sector, which is likely driven by the presence of the Naval Shipyard and surrounding industries. Finally, 14 percent of the labor force falls within the retail trade occupational sector. The Route 1 outlets and other satellite retail shops drive a large number of hourly wage jobs in Kittery. These retail centers provide regional shopping opportunities for many communities across Maine looking for one-stop shopping. Table 4.2 provides information on the occupations Kittery residents are employed in.

**Table 4.1: Labor Force**  
**American Community Survey 2010-2014**

LABOR FORCE COMPOSITION	Percent of Total	
	Estimate	Population
TOTAL POPULATION	9,649	100.0%
Population over 16	8,245	85.4%
In Labor Force	5,624	58.3%
Civilian Labor Force	5,374	55.7%
Employed	5,064	52.5%
Unemployed	310	3.2%
Armed Forces	250	2.6%
Not in Labor Force	2,621	27.2%



**Table 4.2: Employed Civilian Labor Force by Occupation****American Community Survey 2010-2014**

LABOR FORCE OCCUPATIONS	Estimate	Percent of
		Total
Agriculture, forestry, fishing and hunting, and mining:	22	0.4%
Construction	341	6.7%
Manufacturing	482	9.5%
Wholesale trade	199	3.9%
Retail trade	709	14.0%
Transportation and warehousing, and utilities:	185	3.7%
Information	66	1.3%
Finance and insurance, and real estate and rental and leasing:	185	3.7%
Professional, scientific, and management, and administrative and waste management services:	860	17.0%
Education Services	377	7.4%
Health care and social services	735	14.5%
Arts, entertainment, and recreation, and accommodation and food services:	469	9.3%
Other services, except public administration	111	2.2%
Public administration	323	6.4%
<b>TOTAL</b>	<b>5,064</b>	<b>100.0%</b>

### UNEMPLOYMENT RATE

Unemployment is down significantly across the State of Maine from a high of 8.3 percent in July 2009. The latest figures from the Center for Workforce Research and Information has the State's unemployment rate at 4 percent as of December 2015. York County had an unemployment rate of just 3.5 percent in December 2015. The most recent unemployment figures for

Kittery (2014 estimates) from the Census showed an unemployment rate of 5.8 percent. Given the declining numbers at the state and county level, it is likely that Kittery's unemployment has also declined below 5 percent.

## KITTERY COMPREHENSIVE PLAN EXISTING CONDITIONS INVENTORY

### EMPLOYMENT BASE

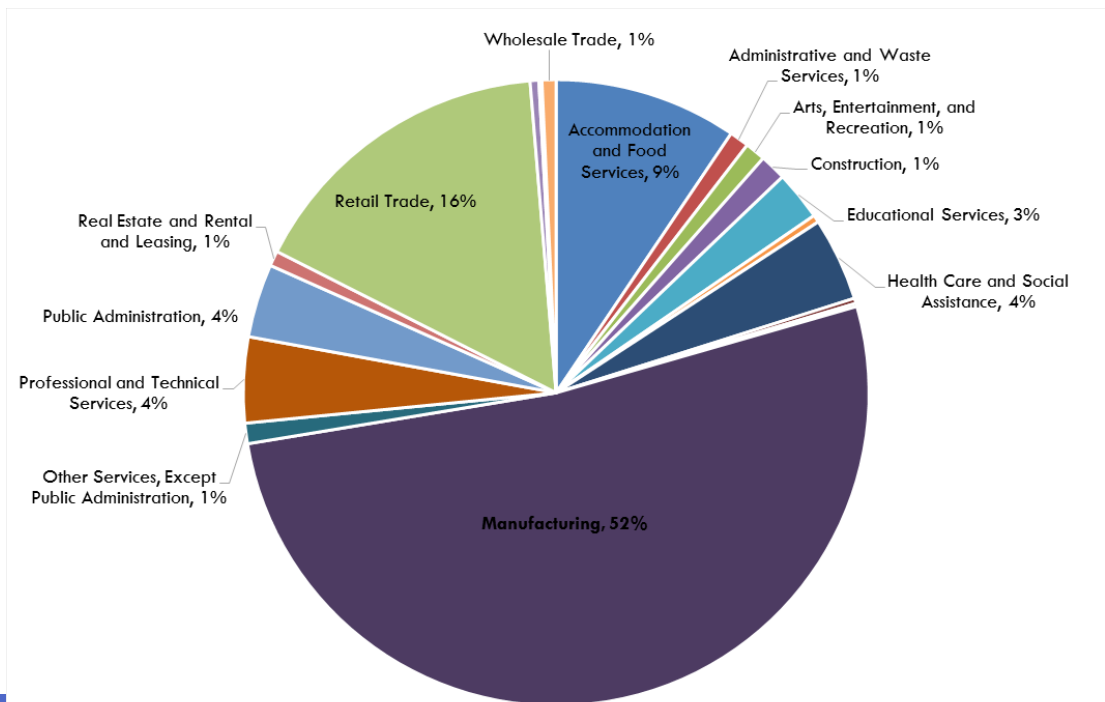
The employment base across industry sectors in Kittery is centered on six primary sectors: manufacturing, professional services, public administration, retail trade, food services, educational services, and health care. The manufacturing sector, not surprisingly, comprises 52 percent of Kittery's employment base in town. The Naval Shipyard makes up the largest component with just over five thousand employees as of the third quarter of 2015<sup>ii</sup>. The retail trade sector is the next largest, at 16 percent of the total, which is comprised of much of the Route 1 retail outlets and shops. Employment in the businesses that make up Kittery's retail trade sector has fluctuated quite a bit since mid-2012. Total employment within the sector was 1,752 in 2012 and has slowly declined to 1,657 by mid-2015. Some of the fluctuation may be the result of outlets shops and stores going in and out of business from quarter to quarter over the three-year period.

Two sectors in Kittery that have seen significant growth over the last five years are the manufacturing and health care industries. The resurgence of the Shipyard has helped bring in high-skilled manufacturing jobs to Kittery, growing by 34 percent from 2001-2015. The health care sector has grown by 136 percent over the same period of

time, adding 254 jobs in Kittery. The presence of five hospitals within a twenty-mile radius puts Kittery in a unique position to take advantage of its location for supportive industries and

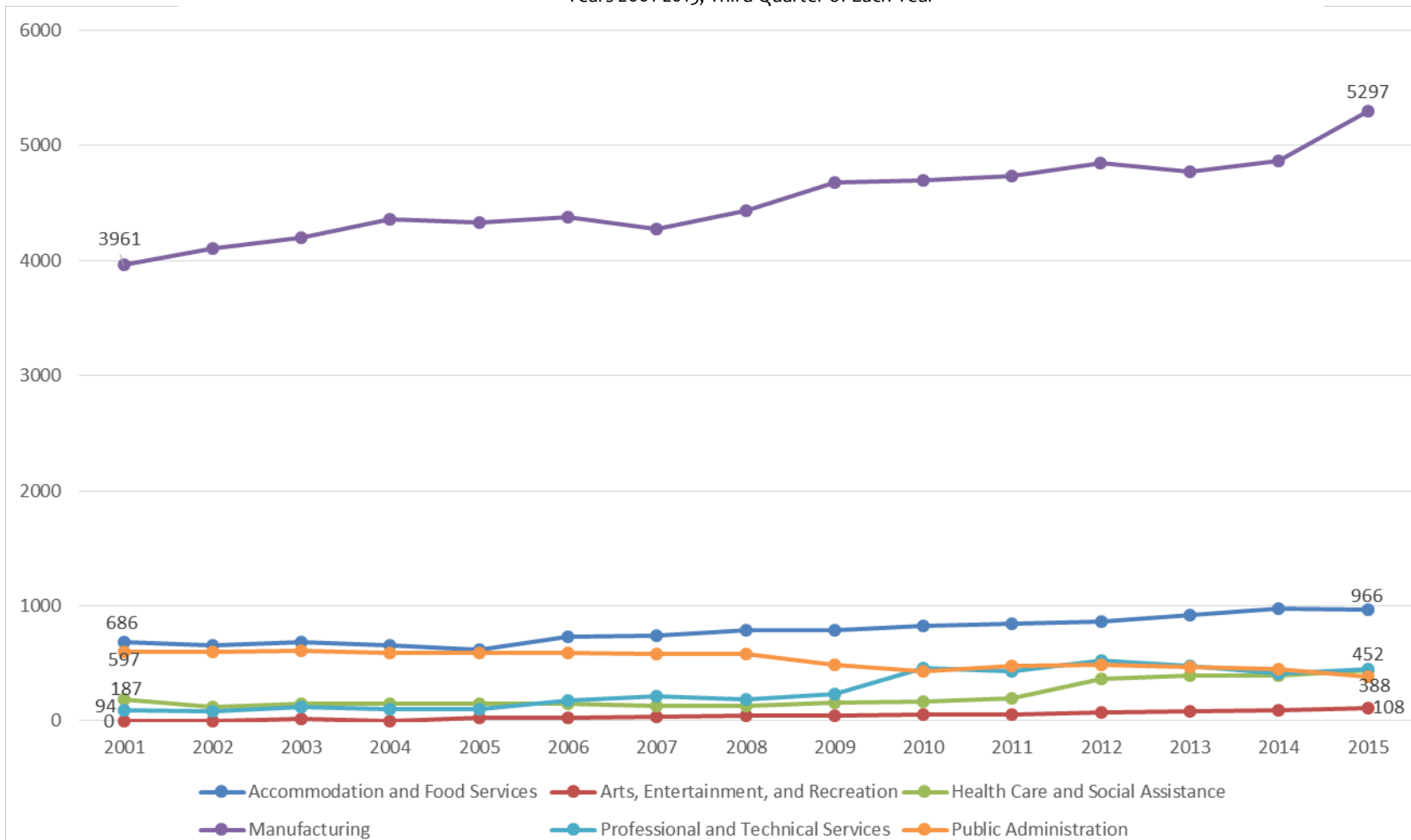
**Figure 4.1: Percentage of Employees by Industry Sector**  
Third Quarter, 2015

Additional information on employment growth by industry sector can be seen in Figure 4.2.



## KITTERY COMPREHENSIVE PLAN EXISTING CONDITIONS INVENTORY

**Figure 4.2: Number of Employees by Industry Sector Working in Kittery**  
Years 2001-2015, Third Quarter of Each Year



### AVERAGE WAGES

The average weekly wage for an employee working in Kittery was \$920 as of the third quarter in 2015<sup>iii</sup>. The 5,500 jobs under federal jurisdiction in Kittery have a significant impact on that weekly average as their employees are paid at a higher rate than those in private sector jobs within the same industry sector. For example, jobs in the federal healthcare industry sector located in Kittery were paid an average of \$1,558 per week while private sector healthcare workers were paid an average of \$784 a week. The same can be seen with federal manufacturing jobs in Kittery which paid an average of \$1,609 per week, with private sector manufacturing jobs earning an average of \$860 per week.

Having the Shipyard as an employment center in Kittery provides higher paying civilian manufacturing jobs to the entire region. Although not all jobs are filled by Kittery workers, the Shipyard does have spin-off effects of supporting local retail and service sector businesses, supporting the local real estate market, and the payment of taxes. Nevertheless, the employees working in the retail, food accommodations, and entertainment industries in Kittery are making far less on a weekly basis. The 2015 weekly wage data suggests that retail workers earn \$390 per week, food service workers earn \$471 per week, and those employed in the arts, entertainment, and recreation sector earn \$403 per week. After accounting for weekly deductions like income tax, social security, and insurance, a service sector worker may find it hard to pay for basic needs such as housing and transportation costs.

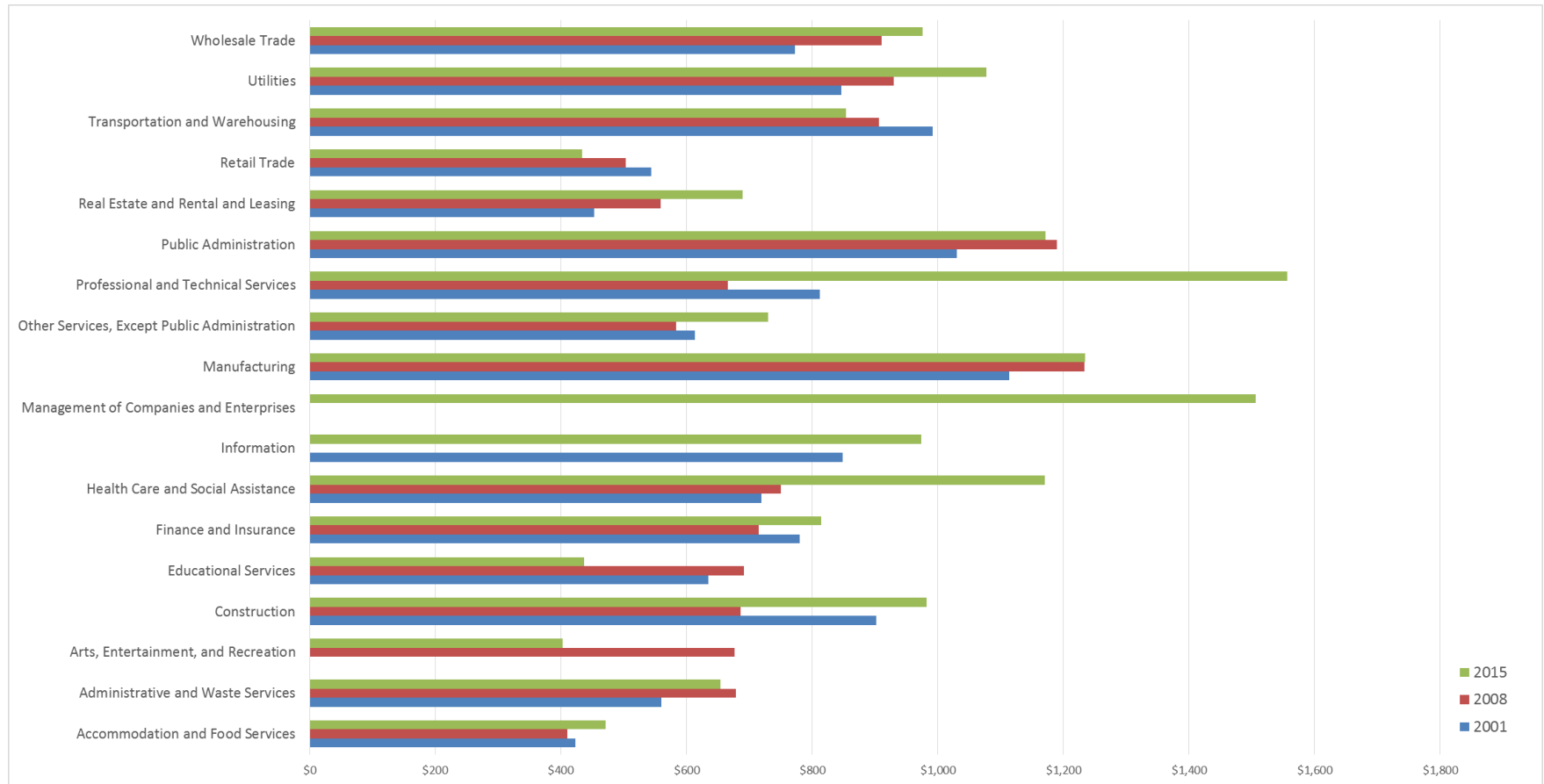
Looking at historical wage trends and adjusting for inflation, several employment sectors have actually had a decrease in wages between 2001 and 2015. Among them were workers in the retail sector, educational services, and transportation and warehousing. . Figure 4.3 compares the average weekly wage by industry sector in 2001, 2008, and 2015.

### TAX BASE

The residential and commercial tax rate in Kittery was listed as \$15.52 for Fiscal Year 2015. Compared to other communities across the State, Kittery has one of the lower tax rates. As is discussed later in the Fiscal Capacity Chapter, Kittery's tax rate has been increasing year over year and will likely continue to do so because state aid has decreased and demand on local services has remained steady. The residential tax burden could be relieved to some degree by an increase in commercial development, which does not create the same level of demand on municipal services as residential development. Typically, single-family residential development contributes at a higher rate to school costs compared to commercial development, while multifamily development can demand a higher level of service from police and fire. It would likely take a number of new large commercial developments to impact the tax base in a meaningful way.

## KITTERY COMPREHENSIVE PLAN EXISTING CONDITIONS INVENTORY

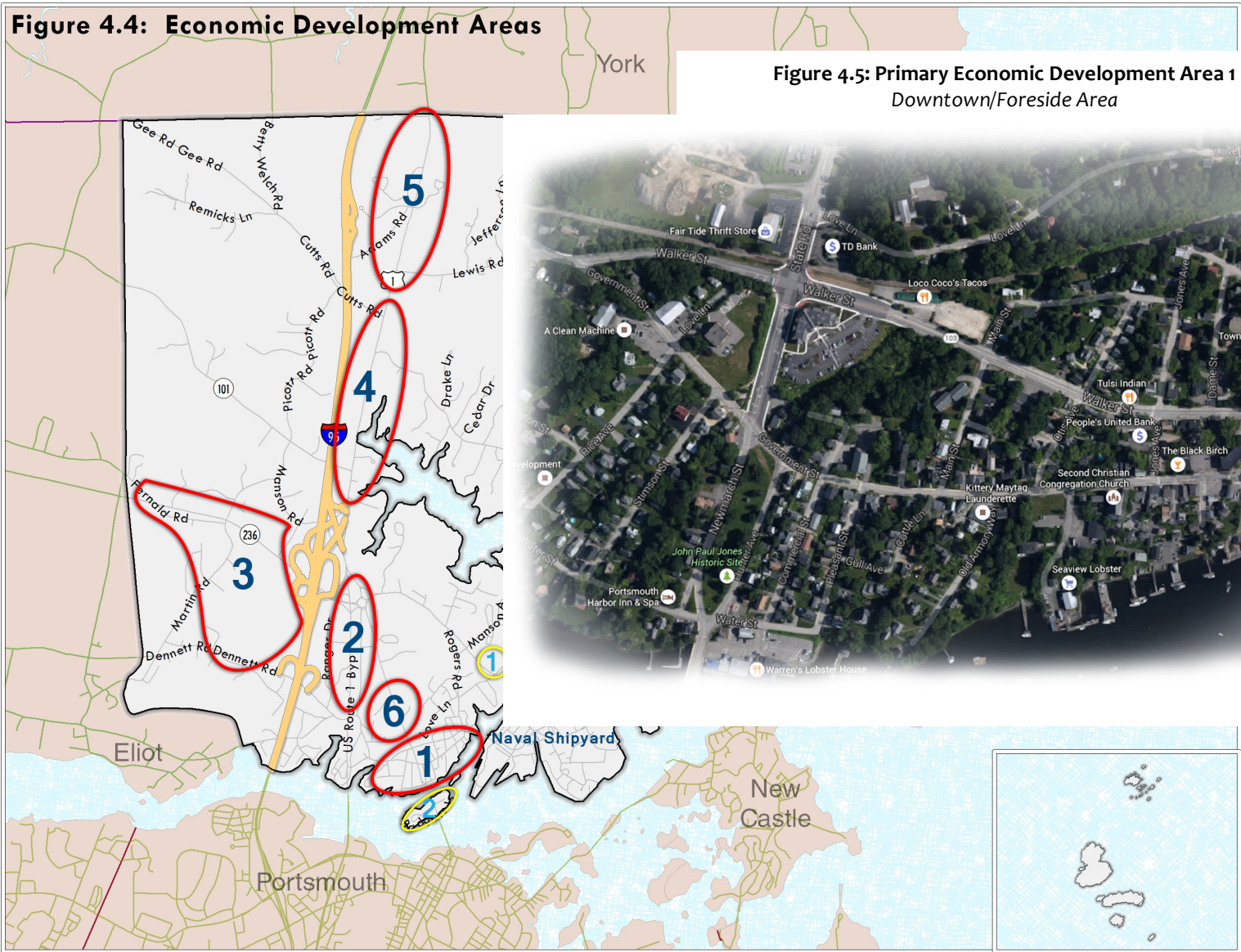
**Figure 4.3: Average Weekly Wages by Industry Sector**  
Years 2001, 2008, and 2015, Third Quarter of Each Year





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Kittery has been very deliberate with trying to stimulate economic



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ing, through local zoning, several areas where commercial development is encouraged. The Town has six well-identified primary economic development areas where larger-scale concentrations of commercial and industrial uses are desired. The Town also has several secondary, smaller-scale, neighborhood commercial areas that serve local residents within walking distance to residential neighborhoods. The mix and scale of commercial and industrial users changes across each primary and secondary area. Some, like the Foreside area, contain a dense cluster of mixed-use and commercial development set within a walkable district. Others, like the Route 1 area, are auto-oriented with the intention of drawing patrons from a much wider geography than Kittery. To date, some areas have been more successful than others. This section will describe these areas and some of the opportunities and challenges they offer. Each of the six primary economic development areas and the four secondary areas are shown on the previous page in Figure 4.4.

#### AREA 1: DOWNTOWN/FORESIDE AREA

The Foreside is one of Kittery's more unique and interesting commercial areas with an eclectic mix of retail, restaurants, and daily service needs. The Foreside seamlessly integrates commercial space with residential buildings in a traditional development pattern reminiscent of pre-World War II compact land use planning. The area is easily accessible by car, walking, or biking on the narrow streets that naturally act as speed barriers and slow vehicles down as they navigate the Foreside. Proximity to the Shipyard is also an attractive quality of the Foreside, especially for locally-owned businesses that can rely on the daily influx of workers as patrons. Even though the Foreside is a relatively small geography compared to some of the other

economic development areas, it is far more productive from a taxes-per-acre standpoint than almost all of the other areas. This is discussed further in the Valuation vs. Tax Productivity Section later in this chapter.

In 2014, the Town conducted a process called "Foreside Forums" which brought together stakeholders to discuss the future of Foreside and key opportunities and concerns. Participants felt it was important to maintain the "organic growth" that had been occurring in

Foreside, while protecting its character from the encroachment of Portsmouth. The group was concerned that pedestrian safety and inadequate parking need to be addressed, as well as the aesthetics of some of the buildings. It was also noted that the differences in business zoning districts in and around Foreside should be better

**Figure 4.6: Primary Economic Development Area 2**  
Route 1 Bypass Area



aligned to allow commercial spillover into adjacent districts. Zoning regulations in adjacent business districts that are more restrictive than what is found in the Foreside Mixed-Use Zone can cannibalize opportunities in those adjacent districts. For example, in the adjacent B-L1 zone the minimum lot size is 20,000 square feet with a minimum lot area per dwelling unit of 8,000 square feet. In the Foreside Mixed Use zone, the minimum lot size is 5,000 square feet and only requires 5,000 square feet of lot area per dwelling unit.

Overall, the Foreside is a very successful example of a downtown economic development area that has created a local and regional draw. Focusing on the outcomes of the Foreside Forums will help the Town address several physical and regulatory barriers that could help open up even more opportunity for this area.

#### AREA 2: ROUTE 1 BYPASS AREA

The Route 1 Bypass area generally spans from Dennett Road to the south up, Rogers Road to the north, I-95 to the west, and Old Post Road to the east. The area is zoned Commercial 3 (C-3) and allows for the provision of general retail sales, services and business space to serve the community-wide and regional markets primarily oriented toward the automobile. The C-3 District allows most of the typical retail establishments and professional offices, as well as hotels, conference centers, and restaurants. The District would also allow more industrial-type uses like a junk yard, boat yard, lumber yard, car and boat repair, etc.

Currently, this economic area has a mixture of businesses which includes a hardware store, several motels, a fitness center, automotive repair shop, a glass company, and the Kittery sewer disposal plant. This economic area is also supporting non-traditional business platforms like Blue Current Brewery, a business focused on the production of small batch Japanese sake.

Most of the buildings are single-use buildings located on their own large lot, which is stipulated in the zoning by requiring a 40,000 square foot lot minimum. The buildings are set back from the road with parking in the front. There are no sidewalks along the Route 1 Bypass roadway, so accessing the businesses by means other than an automobile is difficult and unsafe.

This area have been in flux with businesses that have come and gone over time. A few years ago, the Town decided to relocate the fire department to Gorge's Road right off the Route 1 Bypass. From a tax productivity view, the hotels and the sewer treatment plant are some of the higher assessed value properties in this economic area. It should be noted though that the treatment plant is tax exempt.

#### AREA 3: ROUTE 236/DENNETT ROAD AREA

The Route 236/Dennett Road economic area is a mixture of the commercially zoned land on either side of Route 236 (C-2 zone) and the area between Dennett Road and Route 236 that has been zoned Business Park (B-PK).

**Figure 4.7: Primary Economic Development Area 3**  
*Route 236/Dennett Road*

Currently, a large majority of the land in this economic area is undeveloped, but recently had sanitary sewer lines extended through the Tax Increment Finance (TIF) District 3 initiative the Town approved in 2010. Land along Route 236 has seen some small-scale commercial development with mostly single-use light industrial and commercial buildings. There are several machine shops and equipment repairs shops, a boat yard, a seafood wholesaler, small office buildings, and small residential enclaves located along Route 236.

The C-2 commercial zoning district that fronts either side of Route 236 is almost identical to the C-3 District discussed in the Route 1 Bypass area section. The allowable uses are nearly identical, as are the district standards and dimensional requirements. The district was established as an auto-oriented commercial area supportive of smaller single-use structures.

The B-PK zoning district was established to encourage a mix of uses on large tracts of land. Allowable uses include offices, retail sales, services, lodging, open space, light manufacturing, and housing. The intent of the district is to create an area where multiple uses can be mixed together and clustered to provide a more efficient use of land than might be obtained through traditional segregated zoning districts. While the intent of the district to encourage multiple uses is good, the zoning dimensions require very large lots (120,000 square foot minimum) and wide front, side, and rear setbacks. This would likely create a planned area with large lots, uses that are spread out and separated by parking, and buildings set far back from the roadway. Under the cluster development/land use code, the dimensional standards could be varied but allowable uses are more restricted.



#### AREA 4: ROUTE 1 OUTLET AREA

In addition to the Foreside, the Route 1 Outlet area is one of Kittery's oldest and most successful economic development areas. This economic area spans the length of Route 1 from Rogers Road north to Haley Road.

**Figure 4.8: Primary Economic Development Area 4**  
Route 1 Outlet Area





The presence of the Outlets and supporting services has tremendous tax value and draws customers both locally and regionally to the shopping center. This creates the potential for spin-off benefits for other local business areas around Kittery by drawing people in from a regional catchment area.

This area is zoned Commercial 1 (C-1) and allows primarily a mix of retail, restaurants, offices, and hotels. Similar to the other commercially-zoned districts discussed earlier, the C-1 District has similar large lot single-use zoning standards supporting an auto-oriented development pattern. The current mix of uses along Route 1 today include the large retail outlet stores, several stand-alone restaurants, the Kittery Trading Post, and motels. Several parcels in the area have been designated as a TIF District (TIF 2).

Although this area continues to be successful and is a major tax producer for the Town, there is concern among residents and Town officials that regional competitors in Massachusetts are beginning to reduce the demand on the outlets in Kittery. In Massachusetts alone, several outlets have been developed which include Wrentham, Dedham, Somerville, and Lynnfield, all further cutting into the market draw in Kittery.

#### AREA 5: ROUTE 1 MIXED USE AREA

The final economic development area is the Route 1 Mixed Use area primarily defined as the land along Route 1 north of Haley Road to the York town line.

**Figure 4.9: Primary Economic Development Area 5**  
*Route 1 Mixed Use Area*



This area is currently zoned Mixed-Use (MU) with a primary purpose of providing opportunities for a mix of office, service, and limited residential and retail development at a smaller scale than what is allowed in the traditional commercial zones. This zone is also intended to maintain the rural character of the area, but has manifested in the creation of low-density suburban-style

residential subdivisions, single-use commercial buildings, and clusters of multifamily and elderly housing.

Although the purpose of the district is to encourage mixed use development along Route 1, the dimensional requirements are such that a small building would have to be constructed on a very large lot (200,000 square foot minimum). The minimum setbacks are also very large at 60 feet from the roadway. Height in the district is limited to forty feet, which for a mixed use building would only accommodate a maximum of three stories.

The intent of the district may be to create a rural feel while allowing for a mix of uses along this section of Route 1, but the zoning may be overly limiting what can financially be supported. With such large parcel requirements and minimum building footprint, a developer or property owner may not be able to make new economic development opportunities work financially. Even with the assistance of a TIF District along this stretch of Route 1, public assistance may not be enough to make development attractive.

#### AREA 6: GOURMET ALLEY

The “Gourmet Alley” economic development area is located along Route 1 between Walker Street and Village Green Drive.

**Figure 4.10: Primary Economic Development Area 6**  
*Gourmet Alley*



This area has developed organically over time into a collection of eateries and food-related businesses. These include the Beach Pea, Golden Harvest, The Farm Bar & Grill, Carl's Meat Market, Terra Cotta Pasta, Byrne and Carlson Chocolatier, and Loco Coco's Tacos. Other businesses in this area include Fair Tide, the Marshall Rental Center, an automotive service shop, and a bank.

York Hospital constructed a 10,000 square foot medical office building and walk-in care center at the southeast corner of Route

1 and Walker Street. This was a formally vacant site which now provides a showcase anchor for that corner of this economic development area. There is another substantial parcel of land along Route 1 behind the Fair Tide store that could also serve as a major catalytic development site in the future.

### SECONDARY COMMERCIAL AREAS

In addition to the six primary economic development areas in Kittery, there are several secondary “neighborhood serving” commercial areas as well. These smaller areas tend to be located close to or among residential neighborhoods providing localized services and civic uses. These include Badger’s Island, the commercial area along Pepperrell Road and the Horace Mitchell School, a small area along Chauncey Creek Road, and along Shapleigh Road between Mason Avenue and Whipple Road.

Of the four secondary areas, the Badger’s Island and Shapleigh Road areas are larger in size than the other two. These areas contain a mix of different uses including gas stations, banks, restaurants, marine and boat sales, and the Tributary Brewery. These areas are highlighted in yellow in Figure 4.4.

### TAX INCREMENT FINANCING (TIF) DISTRICTS

As noted earlier, the Town has enacted three different TIF districts which are all generally along the Route 1 Corridor and in three of the six primary economic development areas.



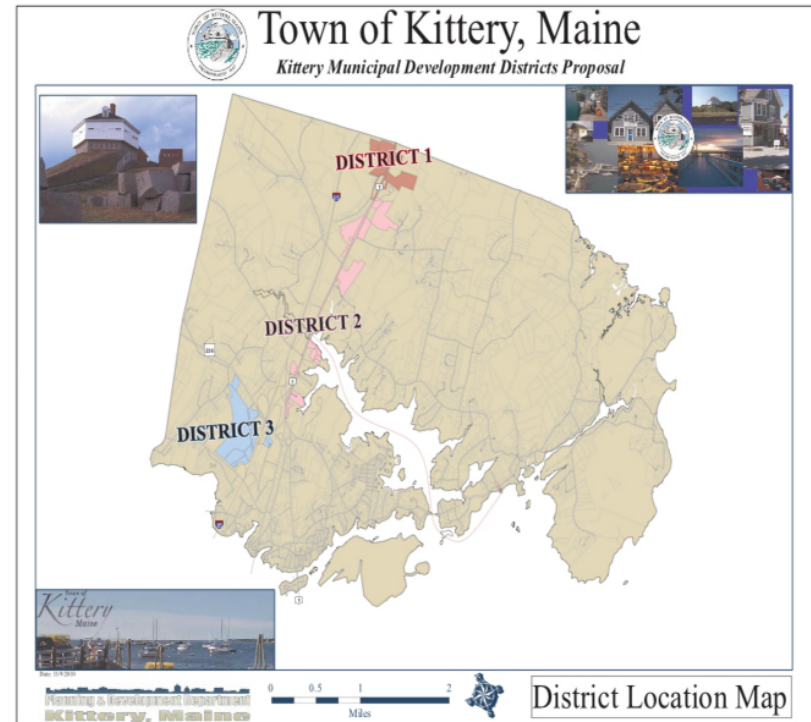
Figure 4.11: Kittery TIF District Map

To date, it appears very little new development or increment has been generated in TIF Districts 1 and 3. District 2, the primary section of the Route 1 Outlets area, has seen some new development take place on a few of the parcels designated in the District. One major issue upcoming for the Town is the debt repayment on the sewer line extension for TIF District 3. Beginning in 2017, the Town is responsible for beginning to pay back debt on those public improvements, with a share of the funding coming from new tax increments starting in the year 2022. If new development does not occur in District 3 before 2022, the Town will be responsible for paying back the debt that was incurred as a result of the sewer extension project. Based on the sewer betterment assessment, the Town will share the cost of the sewer extension 50/50 with the property owners whose land benefits from the new sewers. Figure 4.10 is a map provided by the Town showing the location of the three TIF Districts.

#### PROPERTY VALUATION VS. TAX PRODUCTIVITY

One way to look at the productivity of economic development areas in a community is to look at the assessed valuation of parcels and compare that to tax revenue on a per acre basis. Typically, the higher the assessed value the higher you would expect the tax generation to be on a particular parcel. While this holds true for smaller parcels, large parcels that have not maximized development potential may not generate as much property tax on a per acre basis as a smaller commercial property. Compact development patterns typically produce more tax revenue on a per acre basis than a more suburban or rural

development pattern where parcels are larger and buildings are



spread out.

Figures 4.12 and 4.13 compare the assessed values of parcels in Kittery to the amount of tax revenue they generate. For example, the assessed values of properties in the Foreside are much lower than those on Gerrish Island. The homes on the Island are much larger, newer, and worth more money than many homes in the Foreside. However, Figure 4.5 shows that properties in the Foreside produce far more tax revenue per acre than the properties on Gerrish Island. This is the result of a more compact

development pattern in Foreside where more homes and businesses have been located in close proximity to one another.

This comparison can speak volumes to the productivity of land in a community and ways to maximize revenue within designated economic development areas. Concentrating development where municipal services and transportation facilities are already in place can save on costs and maximize revenue.

with the exception of most of the land zoned Residential – Rural, north and east of Haley Road, and west of the northerly end of I-95. This is helpful for new development, especially those that rely on a higher water intake and a higher volume of sewage outflow.

### TRANSPORTATION ASSETS

From a transportation and economic development perspective, Kittery is fortunate to have excellent access to several major roadways. Both Interstate 95 and Route 1 bisect Kittery's eastern edge, providing a direct connection to three of the five economic development areas. Clearly the outlets have been direct benefactors of the easy access to these major regional roadways bringing customers in from all directions. Route 236 provides east-west access in and out of Kittery as well.

Kittery is also within an hour's drive of four airports: Logan International, Manchester Regional, Portland Jetport, and Portsmouth International. Kittery is also a short drive to Dover or Durham, New Hampshire to access the Downeaster Amtrak train that runs from Boston to a number of key destinations in Maine.

### UTILITIES

The Town has been able to extend sanitary sewer lines to many of the key economic development areas, including all three TIF Districts. Water lines have been extended across much of Kittery

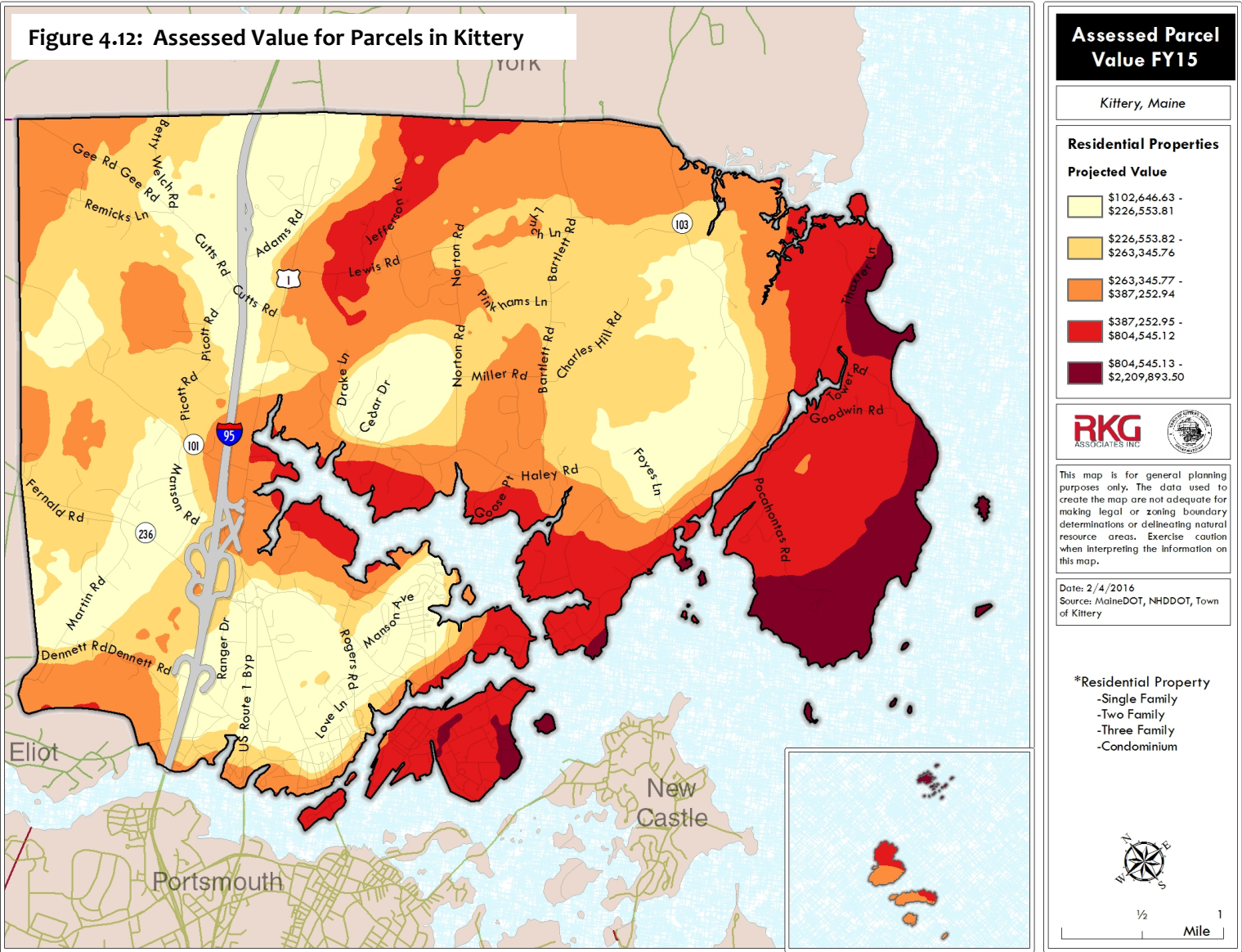
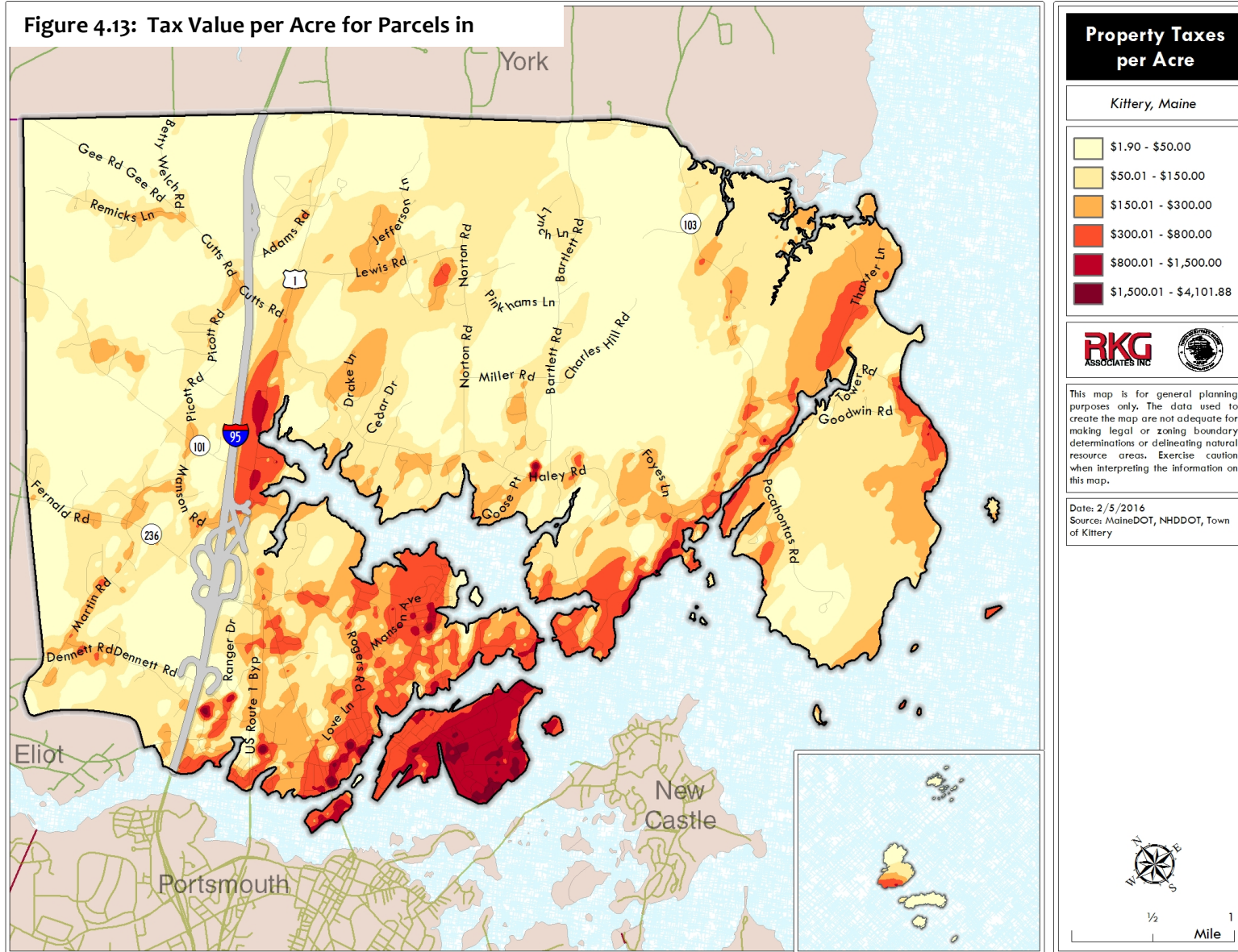




Figure 4.13: Tax Value per Acre for Parcels in



### IDENTIFICATION OF PRELIMINARY ISSUES, CHALLENGES AND OPPORTUNITIES

The following is a preliminary list of issues, challenges and opportunities posed by the findings of the inventory of existing conditions of Kittery's economy. Please note that these are subject to change with the preparation of goals and objectives, not yet drafted (at the time the inventory was prepared).

#### ISSUES AND CHALLENGES

Kittery's employment base includes a high number of retail, restaurant, hospitality, service, and entertainment workers whose weekly income may not be able to keep pace with the increased cost of living. As housing and transportation costs continue to rise, the need for more affordable housing options in Town will be critical. Housing is not only a personal necessity, it is also an economic development strategy.

The Town should begin to think about ways to diversify the business base along Route 1 as a safety net if outlets begin to move or close down as a result of greater regional competition. With increased development of outlet stores in other states and the popularity of online shopping, brick and mortar stores may become less popular over time. If this occurs, the Town should consider how the Route 1 Corridor could shift and continue playing a role supporting the economic base in Kittery.

The Town is investing significant public funds in TIF Districts where economic development opportunities have yet to materialize. The Town will be responsible for paying off any debt incurred as a result of public infrastructure improvements. Some

of the debt payments are coming due in the near-term and tax increments have yet to increase. The Town should consider all future public investments in TIF Districts carefully and determine if public funding should be invested there or elsewhere. In addition, the Town should look at ways of stimulating development in the business park where utilities have already been extended by the Town.

Kittery's commercial and mixed use zoning districts appear to be quite restrictive and have dimensional standards that may render smaller-scale developments financially infeasible. The Town should revisit these zoning districts and have conversations with property owners and local developers to better understand the implications of restrictive zoning while still trying to attract additional economic development to these areas. One may not be able to occur without the other.

#### OPPORTUNITIES

The success of the Foreside and the Route 1 Outlet Corridor speaks volumes to the opportunities the Town has to continue to add to and invest in the success of these economic development areas. The existing physical infrastructure and built form provide a baseline which could easily be added to over time. The Town should consider the recommendations of reports such as the Foreside Forums for ways to make small investments that could pay dividends in future tax revenue.

In addition to small infrastructure improvements, the Town could also consider integrating residential development as a component of commercial areas. Additional rooftops within close

proximity to commercial areas would provide local businesses with additional consumer spending and a steady client base. Higher density housing options could be integrated with commercial in mixed use buildings, or as part of a larger planned development in commercial areas where larger parcels are more readily accessible.

The Naval Shipyard offers an opportunity for the Town to try and capture more of the spending from Shipyard employees and Naval Officers who are working in Kittery. The Foreside and other economic development areas are within very close proximity to over 5,000 workers. The Town may want to conduct a process or a survey to better understand their needs and what might attract them to live, shop and play in Kittery if they are not already doing so.

The Comprehensive Plan provides the Town with an opportunity to consider future economic development challenges and determine a course for possible alternatives should the future hold something different for these areas. This is an opportunity for residents, employees, and business owners to look at how current economic development areas are functioning today and what the needs may be in the future. How can the public and private sector come together to shape these areas to meet future needs? What should these areas look like and who should they serve? Are regulations in place today that are flexible enough to respond to changes in the economic environment?



## REFERENCES

### DOCUMENTS

Foreside Forums Report, 2014.

District #3 – Business Park TIF Report. December, 2010.

Kittery Economic Development website. <http://kitterymaine.biz/>

### INTERVIEWS

Terry Gagner, Comprehensive Plan Subcommittee Member,  
February 11, 2016.

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<sup>i</sup> U.S. Bureau of the Census, American Community Survey, 2010-2014,  
Table DP03.

<sup>ii</sup> Maine Center for Workforce Research and Information, Quarterly and  
Annual Industry Employment and Wages. Quarter 2 of 2015.

<sup>iii</sup> Maine Center for Workforce Research and Information, Quarterly and  
Annual Industry Employment and Wages. Quarter 3 of 2015.