



midcoast economic development district

Town of Richmond Economic Development Strategy

Introduction

In the fall of 2014, the Midcoast Economic Development District (MCEDD) was engaged by the Town of Richmond’s Department of Community & Business Development to develop a strategy to assist in guiding the town’s economic development efforts. The primary purpose of the project was to inform the Town’s upcoming Comprehensive Plan update, as well as to provide guidance to future policy decisions, public investment and other municipal economic development initiatives.

In order to best understand the current ‘lay of the land’ in Richmond, MCEDD reviewed existing municipal planning documents and conducted research of pertinent economic data. In order to develop a better understanding of the challenges and opportunities associated with doing business in Richmond, MCEDD and town staff surveyed Richmond’s existing businesses, participated in business visitations with the Town’s Director of Community & Business Development, and gathered input at a workshop attended by business people and residents.

In the final sections of this document, MCEDD describes the Key Project Findings of this work, and offers its Recommendations for municipal economic development priorities going forward.

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Review of Current Plans & Policies

The following section provides an overview of Richmond's current plans, such as the Comprehensive Plan and Downtown Revitalization Plan. The purpose of reviewing these plans is to understand how the current planning and policy is influencing current economic development efforts.

Comprehensive Plan

Richmond's Comprehensive Plan was updated in 1990 and adopted in 1991. Though over 20 years have passed since this last update many of the goals and recommendations set forth related to growth and economic development are general enough to still be applicable to Richmond today.

The most fundamental example is in section 6 of the plan that outlines community policies and states that Richmond's Main Street should be revitalized as "an economic center which meets the day-to-day needs of residents of the Greater Richmond area." There are a number of specific recommendations in service of this point such as:

- Encouraging a mix of uses and businesses in the downtown that will serve the local economy;
- Full utilization and upgrading of existing downtown buildings; and,
- Improvements to public infrastructure and services within the downtown to encourage private sector redevelopment.

The significance of this policy is that it defines Richmond's role within the broader region, which is that of a sub-regional service center. While this is not explicitly stated it is strongly implied that the purpose of downtown revitalization is to enable Richmond's village to meet the day to day needs of residents and surrounding communities.

This is further supported through other economic development policies in the Comprehensive Plan that make provisions for commercial-industrial areas (nonresidential uses which are not appropriately located in the Village or at Richmond Corner) including clean light industrial, service and wholesale and distribution uses. The importance of this inclusion is that service centers - even those serving a sub-regional role - need to contain a mix of businesses and services including commercial/industrial/wholesale/distribution.

In summary the Comprehensive Plan contains a number of economic development goals and strategies that directly address how Richmond can develop as a sub-regional service center. Perhaps the most notable are downtown revitalization strategies which are more comprehensively detailed in Richmond's 2004 Downtown Revitalization Plan.

Downtown Revitalization Plan

While the Comprehensive Plan makes a strong policy case for downtown revitalization in Richmond, the Downtown Revitalization Plan is focused on the actual implementation of these activities, particularly improvements to public infrastructure and services and other physical improvements to public spaces, buildings façades and housing.

Richmond has had great success as a town in implementing the vast majority of activities identified in the Downtown Revitalization Plan including improvements to streetscaping and sidewalks along Main Street and Front Street, numerous riverfront improvements, building façade improvements and attracting businesses to the business and manufacturing center.

As of 2011 when Richmond updated the Downtown Revitalization Plan the implementation priorities can be summarized by the following:

- Focus on implementing the 2006 Parking Master Plan;
- Continue waterfront improvements;
- Continue pedestrian and cyclist improvements;
- Develop a long term capital improvement plan and budget to set priorities for infrastructure improvements and a subsequent yearly capital maintenance program that supports this activity;
- Continue to collaborate with the Richmond Utility District on the upgrade of public water and sewer utilities; and,
- Continue to support local businesses and economic development efforts through TIF funding and collaboration between the Town and private sector.

Many of the recommendations of the 2011 update of this plan are further validated through the survey undertaken of Richmond businesses, which is detailed in a following section.

Economic Profile

The purpose of the following economic profile is to better understand Richmond's local economy and identify targeted business development opportunities through analysis of current and historical economic data. This data includes an analysis of the town's current business base (such as establishments, employment and wages by sector, and commuting patterns), as well as similar analysis of Richmond's resident labor force. The primary data source for the following profile is the Maine Department of Labor's Center for Workforce Research and Information. Additional data sources include the U.S. Census Bureau for Economic Studies.

2013 Richmond Employment & Wages by Industry

NAICS	NAICS Title	ESTAB	AVG EMP	TOTAL WAGES	AVG. WEEKLY
10	Total, All Industries	80	664	\$22,536,236	\$653
22	Utilities	1	3	\$121,427	\$801
23	Construction	13	167	\$7,326,805	\$844
31-33	Manufacturing	4	46	\$2,049,170	\$863
44-45	Retail Trade	10	71	\$1,590,196	\$432
48-49	Transportation and Warehousing	4	26	\$1,756,589	\$1,299
51	Information	1	1	\$13,469	\$183
52	Finance and Insurance	4	15	\$548,764	\$692
54	Professional and Technical Services	6	39	\$1,842,855	\$919
56	Administrative and Waste Services	6	19	\$371,184	\$376
61	Educational Services	2	76	\$2,945,215	\$749
62	Health Care and Social Assistance	11	70	\$1,791,810	\$492
72	Accommodation and Food Services	9	54	\$632,618	\$224
92	Public Administration	4	14	\$518,284	\$691

NAICS = North American Industry Classification System. ESTAB = Establishments. AVG EMP = Average Employment

According to the Maine DOL Center for Workforce Research and Information, in 2013 the Town of Richmond was home to 80 business establishments. Combined, they employed more than 660 workers, who earned more than \$22 Million in wages, or an average of \$653 a week.

2013 Largest Employment Sectors

NAICS	NAICS Title	ESTAB	AVG EMP	% OF EMP	TOTAL WAGES	AVG. WEEKLY
10	Total, All Industries	80	664	100.0%	\$22,536,236	\$653
23	Construction	13	167	25.2%	\$7,326,805	\$844
61	Educational Services	2	76	11.4%	\$2,945,215	\$749
44-45	Retail Trade	10	71	10.7%	\$1,590,196	\$432
62	Health Care and Social Assistance	11	70	10.5%	\$1,791,810	\$492
72	Accommodation and Food Services	9	54	8.1%	\$632,618	\$224

31-33	Manufacturing	4	46	6.9%	\$2,049,170	\$863
54	Professional and Technical Services	6	39	5.9%	\$1,842,855	\$919
48-49	Transportation and Warehousing	4	26	3.9%	\$1,756,589	\$1,299
56	Administrative and Waste Services	6	19	2.9%	\$371,184	\$376
52	Finance and Insurance	4	15	2.3%	\$548,764	\$692
92	Public Administration	4	14	2.1%	\$518,284	\$691
22	Utilities	1	3	0.5%	\$121,427	\$801
51	Information	1	1	0.2%	\$13,469	\$183

The Construction sector was the Town's largest employer in 2013, employing more than 160 workers, or more than 25% of Richmond's jobs. The Educational Services sector employed 67, or 11.4% of workers. The Retail Trade sector employed more than 70 workers, or nearly 11% of total employment. The Health Care and Social Assistance sector employed 70 workers, or 10.5% of total employment. Other sectors of significance include Accommodation & Food Services (more than 50 jobs, or 8.1% of total employment), Manufacturing (46 jobs, or nearly 7% of employment), and Professional & Technical Services (nearly 40 jobs, or about 6% of total employment).

It should be noted here that employment in Richmond's Construction sector was bolstered significantly by the presence of Newman Concrete Services, which employed between 40-60 people depending on the season. However, the company shut down in early 2014. Even with the loss of those jobs, the sector still employs around 100 in Richmond.

2013 Highest Average Wages

NAICS	NAICS Title	ESTAB	AVG EMP	TOTAL WAGES	AVG. WEEKLY	% of AVG. WEEKLY
10	Total, All Industries	80	664	\$22,536,236	\$653	100.0%
48-49	Transportation and Warehousing	4	26	\$1,756,589	\$1,299	199.0%
54	Professional and Technical Services	6	39	\$1,842,855	\$919	140.7%
31-33	Manufacturing	4	46	\$2,049,170	\$863	132.2%
23	Construction	13	167	\$7,326,805	\$844	129.2%
22	Utilities	1	3	\$121,427	\$801	122.7%
61	Educational Services	2	76	\$2,945,215	\$749	114.7%
52	Finance and Insurance	4	15	\$548,764	\$692	106.0%
92	Public Administration	4	14	\$518,284	\$691	105.8%
62	Health Care and Social Assistance	11	70	\$1,791,810	\$492	75.4%
44-45	Retail Trade	10	71	\$1,590,196	\$432	66.2%
56	Administrative and Waste Services	6	19	\$371,184	\$376	57.5%
72	Accommodation and Food Services	9	54	\$632,618	\$224	34.3%
51	Information	1	1	\$13,469	\$183	28.0%

As indicated above, the average weekly wage for all industries in Richmond in 2013 was \$653. The Transportation and Warehousing sector had the highest average wage, at \$1,299 per week. This is 199% of the town wide average wage (this sector includes employment

associated with the Maritimes & Northeast Pipeline compressor station). Three other sectors provide wage levels that are approximately 30% above the town wide average include Professional and Technical Services (\$919, or 40% higher than average), Manufacturing (\$863, or 32% higher) and Construction (\$844, or 29% higher). The Utilities, Educational Services, Finance and Insurance and Public Administration sectors also pay wages higher than the town wide average weekly wage.

Unfortunately, two of the Town’s largest employment groups had average wage levels well below the town wide average of \$653. The Retail Trade sector, the Town’s third largest employment sector, had an average wage of \$432 per week, or 66% of the town wide average. The Health Care and Social Assistance sector, the Town’s fourth largest employment sector, had an average wage of \$492, or 75% of the town wide average weekly wage.

Employment Growth Sectors, 2008-2013

NAICS	NAICS Title	2008 EMP	2013 EMP	CHANGE	% CHG
10	Total, All Industries	691	664	-27	-3.9%
72	Accommodation and Food Services	7	54	47	671.4%
54	Professional and Technical Services	25	39	14	56.0%
56	Administrative and Waste Services	8	19	11	137.5%
62	Health Care and Social Assistance	64	70	6	9.4%
51	Information		1	1	
23	Construction	167	167	0	0.0%
44-45	Retail Trade	71	71	0	0.0%
22	Utilities	4	3	-1	-25.0%
52	Finance and Insurance	17	15	-2	-11.8%
31-33	Manufacturing	49	46	-3	-6.1%
92	Public Administration	17	14	-3	-17.6%
48-49	Transportation and Warehousing	47	26	-21	-44.7%
61	Educational Services	109	76	-33	-30.3%

In order to better understand if and where the community has been creating jobs in the recent past, employment data was researched for 2008. The above table provides a summary of the changes in employment by sector over the subsequent five year period.

From 2008 to 2013, the town lost 27 jobs across all sectors, or about 4% of total employment. The Educational Services sector lost 33 jobs during that period, or 30% of 2008 employment in that sector. The Transportation and Warehousing sector saw a reduction of 21 jobs, or 45% of 2008 sector employment.

These losses were, to a degree, offset by gains in other sectors. Professional and Technical Services added 14 jobs, growing the sector’s 2008 workforce by more than 50%. Employment more than doubled in the Administrative and Waste Services sector, with a five-year gain of 11 jobs.

The above table shows the Accommodation and Food Services sector gaining 47 jobs during the five-year period. While recent chain/franchise developments have clearly added significant employment in the sector, this dramatic increase may in part also reflect the evolution of data collection methods employed by the Maine DOL Center for Workforce Research and Information.

The following tables focus on where employees of Richmond businesses live.

In-Area Employment Efficiency

2011 Census Estimates	Count	Share
All Jobs Located in Richmond	684	100.0%
Employees Living in Richmond	112	16.4%
Employees Living Outside	572	83.6%

According to US Census data estimates for 2011, only 16% of approximately 680 jobs in Richmond were held by residents of the town. More than 8 of 10 persons employed in Richmond live elsewhere.

Commuting Patterns - Where Richmond Workers Live

2011 Census Estimates	% of workers travel
Less than 10 miles	32.5%
10 to 24 miles	35.7%
25 to 50 miles	18.7%
Greater than 50 miles	13.2%

However, a third of workers travel less than 10 miles to their jobs, indicating Richmond may be an ‘employment center’ of sorts to the smaller towns that surround it. Another third of employees travels between 10 and 24 miles, and the final third travels at least 25 miles to their jobs.

The following are the communities that supply the greatest number of workers to Richmond businesses. Please note that a census designated place (CDP) is a concentration of population identified by the US Census Bureau for statistical purposes. It doesn’t not reflect the entirety of population within a given community.

2011 Census Estimates	Count	Share
Richmond CDP, ME	62	9.1%
Brunswick CDP, ME	22	3.2%
Gardiner city, ME	20	2.9%
Augusta city, ME	18	2.6%
Waterville city, ME	15	2.2%
Bath city, ME	11	1.6%
Farmingdale CDP, ME	7	1.0%
Auburn city, ME	6	0.9%

Hallowell city, ME	6	0.9%
Lewiston city, ME	5	0.7%
All Other Locations	512	74.9%

2013 Location Quotients

In order to provide some perspective to the town's competitive position, information on Location Quotients (LQ) for Richmond was reviewed.

LQ's provide an indication of the relative concentration of employment compared to a larger area. In this case, the relative employment concentrations of Richmond are compared against the employment concentrations for the Brunswick Micropolitan Labor Market Area (LMA) and the State of Maine.

For example, in the case where the town's distribution of employment in a specific sector is the same (in percentage terms) as the LMA or State's, the LQ would be 1.0. An LQ above 1.0 indicates that the town has a higher concentration of employment in that sector than the LMA or State. A LQ of less than 1.0 indicates that the town has a lower concentration of employment in that sector than the LMA or State.

NAICS	NAICS Title	VS LMA	VS STATE
10	Total, All Industries	1.00	1.00
11	Agriculture, Forestry, Fishing and Hunting		
21	Mining, Quarrying, and Oil and Gas Extraction		
22	Utilities	0.90	0.91
23	Construction	5.34	5.25
31-33	Manufacturing		0.74
42	Wholesale Trade		
44-45	Retail Trade	0.76	0.77
48-49	Transportation and Warehousing	3.35	1.15
51	Information	0.15	0.11
52	Finance and Insurance	0.86	0.55
53	Real Estate and Rental and Leasing		
54	Professional and Technical Services	1.52	1.38
55	Management of Companies and Enterprises		
56	Administrative and Waste Services	0.88	0.59
61	Educational Services	1.04	1.16
62	Health Care and Social Assistance	0.66	0.58
71	Arts, Entertainment, and Recreation		
72	Accommodation and Food Services	0.83	0.88
81	Other Services, Except Public Administration		
92	Public Administration	0.66	0.45
99	Unclassified		

The table indicates that Richmond has a substantially higher level of employment within the Construction sector - *more than 5 times as much* - than the LMA. Other private employment

sectors in which the town has an advantage over larger areas include Transportation and Warehousing (more than 3 times as much as the LMA), and Professional and Technical Services (one and a half times greater than the LMA). The strength of these sectors may signal developing economic clusters in Richmond, which could leverage additional and related economic activity within those sectors in the years ahead.

The table also provides an indication of areas where the town has a lower concentration of employment than the LMA and State. Examples are Retail Trade (0.76 of the LMA), Accommodation and Food Services (0.83 of the LMA) and Health Care and Social Assistance (0.66 of the LMA). This suggests economic sectors that could be targeted for growth in Richmond.

2013 Richmond Average Wages in comparison to Brunswick Micropolitan LMA and State Average Wages

NAICS	NAICS Title	RICHMOND	LMA	STATE
10	Total, All Industries	\$653	\$799	\$755
11	Agriculture, Forestry, Fishing and Hunting		\$430	\$669
21	Mining, Quarrying, and Oil and Gas Extraction		ND	\$1,052
22	Utilities	\$801	\$1,157	\$1,203
23	Construction	\$844	\$853	\$831
31-33	Manufacturing	\$863	ND	\$1,028
42	Wholesale Trade		\$810	\$1,061
44-45	Retail Trade	\$432	\$489	\$476
48-49	Transportation and Warehousing	\$1,299	\$715	\$764
51	Information	\$183	\$704	\$850
52	Finance and Insurance	\$692	\$921	\$1,226
53	Real Estate and Rental and Leasing		\$607	\$701
54	Professional and Technical Services	\$919	\$1,122	\$1,146
55	Management of Companies and Enterprises		\$764	\$1,392
56	Administrative and Waste Services	\$376	\$617	\$620
61	Educational Services	\$749	\$843	\$726
62	Health Care and Social Assistance	\$492	\$741	\$807
71	Arts, Entertainment, and Recreation		\$456	\$430
72	Accommodation and Food Services	\$224	\$319	\$327
81	Other Services, Except Public Administration		\$623	\$557
92	Public Administration	\$691	\$963	\$849
99	Unclassified		ND	\$1,101

In order to add some perspective to Richmond's average wages per week by industry sector, they are compared against those for the Brunswick Micropolitan LMA and the State as a whole.

Richmond's average weekly wage of \$653 per week for all industries is 82% of the LMA's average weekly wage, and 86% of the State's.

In one sector, Richmond’s average weekly wages exceed those of the LMA and the State. Again, likely because of the presence of the Maritimes & Northeast compressor station in this sector, wages in Richmond’s Transportation and Warehousing sector are 182% of the LMA wage for that sector, and 170% of the State average wage for that sector.

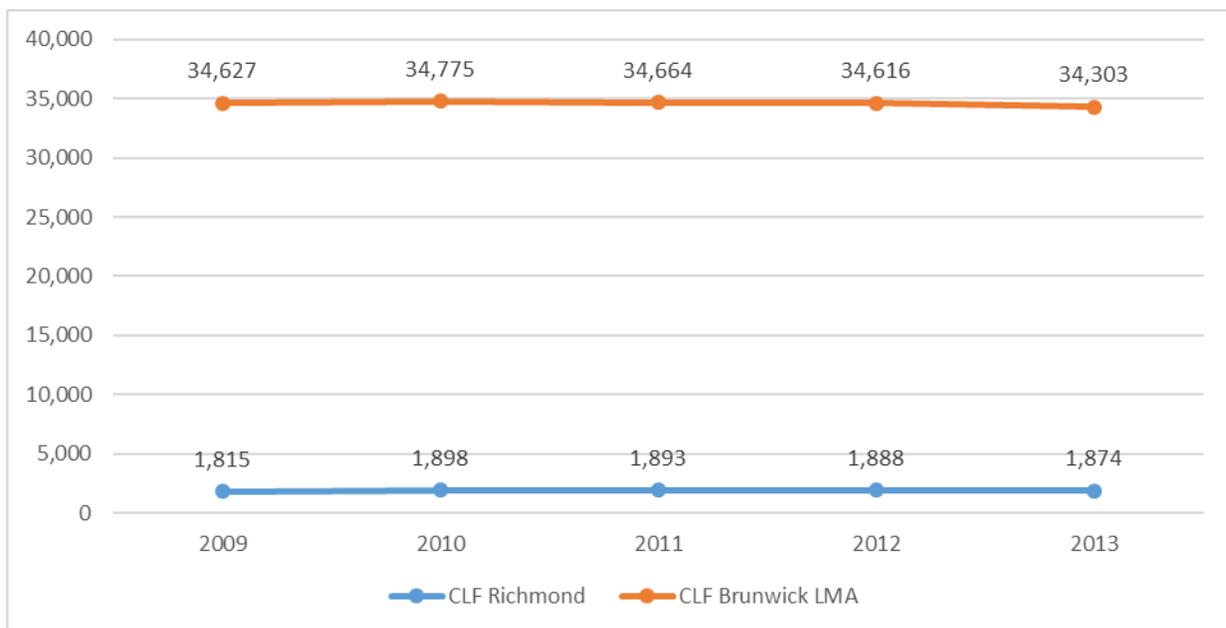
In Richmond’s leading employment sector, Construction, average wages are competitive state-wide. Richmond’s average wage for the Construction sector is 99% of the LMA’s, and 102% of the State’s.

As is the case with average wage across all industries, Richmond tends to lag behind average wages for the LMA and State in the Manufacturing sector (84% of State average wage), Retail Trade sector (88% of the LMA, and 91% of the State), and the Professional and Technical Services sector (82% of the LMA wage for that sector, and 80% of the State).

Notable sectors in which there is even a greater disparity include the Health Care and Social Assistance sector (66% of the LMA average wage for that sector, and 61% of the State average), Accommodation and Food Services (70% of the LMA average wage for that sector, and 60% of the State’s), and Finance and Insurance (75% of the LMA average wage for that sector, and only 56% of the State’s).

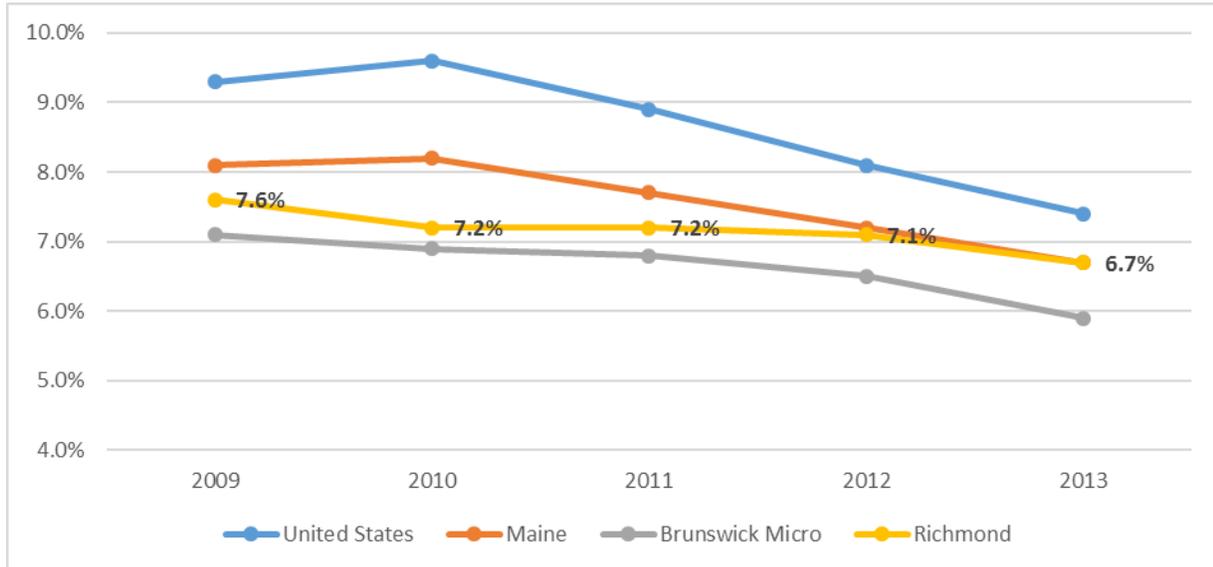
Richmond Civilian Labor Force, 2009-2013

In order to add further perspective to Richmond’s economy, data on resident workers was reviewed.



The above chart tracks the size of Richmond civilian labor force (CLF), in relation to the Brunswick Micropolitan Labor Market Area for the period of 2009-2013. The civilian labor force is non-military, non-institutionalized Richmond residents, aged 16 years and older, who have jobs or are seeking a job. Throughout this time period, Richmond’s CLF has represented approximately 5% of the LMA’s CLF.

Richmond Civilian Labor Force Unemployment, 2009-2013



The above chart tracks Richmond’s unemployment rate through the same 2009-2013 time frame. As shown, Richmond’s unemployment rate (data labels) has typically been higher than that of the Brunswick Micropolitan LMA, but lower than that of the State and the US. Encouragingly, unemployment rates are trending downward, and Richmond’s rate is now nearly a percentage point lower than the town’s 2009 rate.

2011 Richmond Resident Employment

NAICS	NAICS Title	Employed Residents
10	Total, All Industries	100.0%
62	Health Care and Social Assistance	18.5%
44-45	Retail Trade	13.5%
31-33	Manufacturing	12.0%
61	Educational Services	9.8%
72	Accommodation and Food Services	6.8%
23	Construction	6.2%
56	Administration & Support, Waste Management and Remediation	5.1%
92	Public Administration	5.0%
54	Professional, Scientific, and Technical Services	4.7%
42	Wholesale Trade	4.2%
52	Finance and Insurance	3.2%
48-49	Transportation and Warehousing	3.0%
81	Other Services (excluding Public Administration)	3.0%
71	Arts, Entertainment, and Recreation	1.6%
55	Management of Companies and Enterprises	1.1%
51	Information	0.9%
53	Real Estate and Rental and Leasing	0.8%

11	Agriculture, Forestry, Fishing and Hunting	0.3%
22	Utilities	0.2%
21	Mining, Quarrying, and Oil and Gas Extraction	0.1%

2011 US Census data estimates were reviewed to determine what industry sectors Richmond residents are employed in, regardless of location. At the time of the estimates, there were approximately 1,750 employed persons living in Richmond.

The leading employment sectors were Health Care and Social Assistance (18.5%, or approximately 325 employed residents), Retail Trade (13.5% of employed residents, or approximately 235 workers) and Manufacturing (12%, or approximately 210 employed residents). Additionally, about 10% of resident employed worked in the Educational Services sector.

It may be of interest to note that nearly 700 employed residents work in industries that could also be targets for business future expansion and attraction efforts in Richmond - Health Care and Social Assistance, Retail Trade, and Accommodation and Food Services (6.8%, or about 120 resident employed).

The following tables focus on where residents of Richmond work.

In-Area Labor Force Efficiency

2011 Census Estimates	Count	Share
Employed Persons Living in Richmond	1,754	100.0%
Living and Employed in Richmond	112	6.4%
Living in Richmond but Employed Outside	1,642	93.6%

According to US Census data estimates for 2011, only 6% of approximately 1,750 employed persons living in Richmond worked within the town's borders.

This is further substantiated by commuting data showing that in 2011, 87% of employed Richmond residents traveled at least 10 miles to work. 35% of residents employed traveled more than 25 miles to work.

Commuting Patterns - Where Residents Work

2011 Census Estimates	% of workers travel
Less than 10 miles	13.0%
10 to 24 miles	52.0%
25 to 50 miles	21.2%
Greater than 50 miles	13.8%

Collectively, this data confirms our conclusion that while Richmond serves as an employment center of sorts for the small rural towns that surround it, the town largely exports workers to larger LMA's like the Brunswick, Augusta and Lewiston/Auburn employment markets.

2011 Census Estimates	Count	Share
Augusta city, ME	176	10.0%
Bath city, ME	163	9.3%
Brunswick CDP, ME	114	6.5%
Portland city, ME	97	5.5%
Lewiston city, ME	66	3.8%
Richmond CDP, ME	64	3.6%
Topsham CDP, ME	57	3.2%
Auburn city, ME	44	2.5%
Gardiner city, ME	42	2.4%
South Portland city, ME	42	2.4%
All Other Locations	889	50.7%

Summary of Findings - Data

- At year end in 2013, there were approximately 80 businesses with 660+ employees located in Richmond.
- More than 25% of those jobs were in the Construction industry. Another 30% were in the Educational Services (11.4%), Retail Trade (10.7%) and Health Care and Social Assistance (10.5%) industries. Another 20% were in Accommodation and Food Services (8.1%), Manufacturing (6.9%) and Professional and Technical Services (5.9%).
- The average weekly wage for Richmond businesses was \$653 at year end in 2013. The industries with the highest weekly wages were Transportation and Warehousing (nearly double the average weekly wage), Professional and Technical Services (40% higher), Manufacturing (about 30% higher) and Construction (about 30% higher).
- Two of the leading employment sectors had below average wages. Retail Trade was more than 30% lower than the average weekly wage, and Health Care and Social Assistance was about 25% lower than the average.
- The average weekly wage in Richmond, however, was approximately 82% of the average wage of the Brunswick Metropolitan labor market area, and 86% of the state average weekly wage.
- Richmond lost about 4% of total employment between 2008 and 2013, but the Accommodation and Food Services, Professional and Technical Services, Administrative and Waste Services and Health Care and Social Assistance industry sectors all added jobs.
- Only about 16% of the jobs in Richmond are held by Richmond residents. 8 of 10 jobs are filled by people who live elsewhere, many from surrounding towns. This indicates Richmond is an employment/service center of sorts for its surrounding communities.
- The strength of Richmond's Construction, Transportation and Warehousing, and Professional and Technical Services industry sectors may signal developing economic clusters in town, and could attract future economic activity within these sectors.
- The Retail Trade, Accommodation and Food Services and Health Care and Social Assistance industry sectors could be targeted for future growth given the higher concentration of sector employment in the larger labor market area.
- Past Census estimates indicate there are approximately 1,750 employed persons living in Richmond, about half of the town's population per the 2010 Census.

- About half of employed residents work in the Health Care and Social Assistance (18.5% of all employed), Retail Trade (13.5%), Manufacturing (12.0%) and Educational Services (9.8%) industry sectors.
- Only 6% of residents employed work in Richmond. 94% work outside of town, most of whom travel at least 10 miles to work.
- This further suggests that Richmond serves as an employment/service center for its surrounding towns while exporting the vast majority of its employed residents to the larger labor markets in Augusta, Brunswick and Lewiston/Auburn.

Please note that further explanation of the NAICS industry sectors featured in this section can be found in the Appendix of this document.

Survey Findings

In order to develop a better understanding of the challenges and opportunities associated with doing business in Richmond, surveys were sent directly to every Richmond business. 28 were returned, or about 35%, which can be considered a representative sample. Businesses that responded had an average of 7 employees. The following provides a summary of the findings from the survey which will contribute to recommendations for economic development priorities and programs.

Workforce

- Predominantly small business (on average 7 employees)
- 20% of businesses reported they have increased their workforce, 65% have stayed the same and 2% have decreased
- 35% are projecting to increase their workforce, 60% projecting to stay the same and 5% are decreasing (however, the business decreasing is a relatively large employer)
- 15% of businesses reported issues with retention
- Training needs tended to be specialized for the type of business answering the survey - one respondent stated generalized training workshops for business owners would be helpful (marketing, social media use, etc).

Finance

- 10% of respondents had an issue securing appropriate finance - the remainder either had no issue in securing finance or it was not relevant to their business
- However, a different 10% reported issues with inadequate guarantees or collaterals as a barrier to finance and 10% stated the town loan application process was too complex

Future Plans

- 40% of respondents are planning to expand
- 70% of respondents plan to stay in Richmond
- 1 respondent is moving part of their operations away from Richmond but they hope to bring another similar business to their site
- 1 respondent planning to expand stated the town could help with their expansion through providing more public parking, using the town website to more effectively market local businesses and helping the local Chamber of Commerce to organize networking events

Business Climate

- 20% of respondents think the business climate in Richmond is excellent, 70% think it's good and 10% think it's fair
- The location (proximity to Brunswick/Topsham and Gardiner/Augusta and being centrally located in New England), highway access and waterfront were the major advantages identified by the majority of respondents
- Property taxes and limited services were identified by the majority of participants as the most common disadvantages to doing business

Barriers to Expansion

- 40% - Property Taxes
- 35% - Parking
- 15% - Availability of space to rent/lease
- 15% - IT Capacity
- 15% - Water/Sewer Fees
- 15% - Availability of Financing

Working with the Town

- Vast majority of respondents had a positive experience working with the town and said the town had helped their business
- Downtown revitalization was cited most frequently as how the town contributed to helping businesses (sidewalks, lights, etc.)

Businesses you would like to see in Richmond

- 70% - Accommodation and Food Services
- 50% - Retail Trade (Other: 35% Pharmacy & 30% Grocery Store)
- 45% - Arts, Entertainment and Recreation
- 35% - Manufacturing
- 30% - Transportation and Warehousing

How Can the Town Support Businesses in Richmond

- Tax incentives
- Continue downtown revitalization
- Continue loan program
- Upgrade water/sewer system
- Marketing through town website

In general the survey verifies that Richmond's business community finds the business climate to be good/excellent and has had an overwhelmingly positive experience working with the town. Most notably the survey supports many of the key recommendations from the 2011 update of the Downtown Revitalization Plan. Businesses are very supportive of the town's improvements to sidewalks, streetscaping and the waterfront and would like to see the town continue these improvements. In addition respondents verified the importance of other downtown revitalization efforts such as implementing the 2006 Parking Master Plan in order to improve downtown parking and working with the Richmond Utilities District to upgrade the water and sewer services.

More broadly the survey underscores the value and importance Richmond businesses place on development tools such as the town's loan program, tax incentives, and infrastructure improvements. These initiatives are funded through Tax Increment Financing (TIF) revenues and Community Development Block Grants (CDBG) and rely on professional municipal staff to plan and administer.

Key Findings

The following are key findings that emerged from project research and interactions with Richmond businesses, residents and town staff.

Richmond is a net exporter of employees to the larger labor markets that surround it, including the Brunswick Micropolitan, Augusta Micropolitan, and Lewiston/Auburn Metropolitan labor market areas. Of the approximately 1,750 employed persons living in Richmond, only about 6% of them work in town. More than 8 of 10 resident employees travel at least 10 miles to work; 35% of them travel at least 25 miles for employment. In this respect, Richmond certainly qualifies as a ‘bedroom community’ to the larger economic centers. Many residents work in the Health Care and Social Assistance, Retail Trade, Manufacturing, and Accommodation and Food Services sectors.

At the same time, Richmond is a smaller-scale service and employment center for nearby communities. The revitalized downtown and waterfront area have become an attraction for not only residents but visitors from neighboring communities and beyond. The planned Family Dollar development confirms that Richmond is seen as the center of a smaller-scale retail marketplace for a broader area. The same is true from an employment perspective; 84% of the jobs are held by non-residents. Most of them (70%) commute from fewer than 24 miles to work. The preponderance of jobs in Richmond are in the Construction, Educational Services, Retail Trade and Health Care and Social Assistance sectors.

Taken together, these findings support the notion that **Richmond’s greatest economic attribute is its location.** Residents have a myriad of employment opportunities in close proximity to home. The business community - in particular local manufacturers - has a significant labor pool from which to attract employees. Both are supported by direct access to Interstate 95. Further, Richmond has high concentration of jobs in industry sectors like construction and transportation and warehousing (when compared against the state and the local labor market area), further confirming the importance of access to the highway and proximity to major economic centers.

Quality of place walks hand in hand with the town’s central location as Richmond’s strongest economic attributes. The town’s rural character and walkable town center attract new families to move to town. The revitalized downtown attracts consumers and new business investment. The Waterfront Park and its adjacent boat landing on the Kennebec River, Swan Island with its recreational and wildlife attractions, Pleasant Pond and the KOA campground, and Richmond’s historical resources all combine to attract repeat visitors that further support local businesses.

Richmond is realizing its community vision. Previous planning documents, including the 1991 Comprehensive Plan and the Downtown Revitalization Plan updated in 2011, both called for the town to retain and enhance its rural small town character while developing an economic center along Main St. and downtown that would serve the needs of a greater Richmond region. By backing this up with public infrastructure improvements in the area, and dedicating grant funds and other financial resources to the task, Richmond is now realizing its vision.

The town’s business community supports this direction. Of all the economic development activities undertaken by the Town, the business community most frequently cites downtown revitalization efforts as having the most positive impact. Further, the business community

strongly supports the use of public funds to improve infrastructure and provide incentives to support economic growth.

The majority of the business community rates the local business environment as good to excellent. Among survey respondents, the town's location and highway access are seen as its greatest strengths. Some 40% of respondents indicated they intended to expand their business in the future. Property taxes and parking are seen as the greatest barriers to growth; survey respondents urged the Town to implement its 2006 Downtown Parking Master Plan to address shortages in the downtown.

The town's business community values the support of the town's municipal government. A vast majority of survey respondents said they had positive interactions with the town's municipal government, in particular the Department of Community and Business Development; many felt the Town had helped their business. Again, the downtown revitalization efforts were cited as an example of how the Town had helped local businesses.

The town's business community sees opportunities for growth. When asked what kinds of businesses they would like to see grow in Richmond, the town's business community said Accommodation and Food Services (70% of survey respondents), Retail Trade (50%), Arts, Entertainment and Recreation (45%), all uses that would fit quite nicely in a revitalized downtown. Elsewhere, business survey respondents cited Manufacturing (35%) for future growth. Location quotients for Richmond suggest the town could accommodate growth in each of the sectors.

Recommendations

The following recommendations are based on our interactions with the Richmond business community and town staff during this project, combined with our professional experience in municipal and regional economic and community development in Maine. In effect, we've asked ourselves what we would do were we in Richmond's shoes, and this forms the basis of the following. The town staff may already be doing many of these things; where that is the case, please consider these recommendations as an endorsement of that direction.

First, we think it's important to acknowledge that there are limited resources to support municipal economic and community development programs in small Maine towns. Public funds to support these programs are at a premium, and must yield a return on investment over time. This challenge of facilitating increased private investment and job creation in a community is frequently to be met by a single full-time staff position.

This highlights the need for a municipal department to focus on a manageable group of core initiatives, and stay true to that mission even when daily events may suggest otherwise. Certainly, municipal governments exist to serve the needs of its constituents, and responsiveness is crucial to fulfilling that purpose. But our experience suggests that in economic development, success is most often achieved by those who have diligently worked towards a long-term vision.

This has been true in Richmond. The 1991 Comprehensive Plan and the Downtown Revitalization Plan of 2004 and 2011 envisioned a role in the regional economy for Richmond, and through the continued commitment of municipal resources has begun to realize that vision. Richmond is indeed a service center to its neighboring communities, and an employment center of sorts for an even broader region.

Therefore, our first recommendation is **continue to implement the town's Downtown Revitalization and Waterfront Improvement Plans**. Much has been accomplished, but there is still much to do. Continue infrastructure improvements in the downtown and on the waterfront, particularly those that support wayfinding and pedestrian access, including the development of a regional trail system. To encourage further redevelopment opportunities in the downtown, **work towards implementation of the 2006 Downtown Parking Master Plan**. Parking in the downtown was the second biggest issue (outranked only to taxes) that surveyed businesses identified as a barrier to their expansion. A prominent example of this is the Hathorn Block, one of the most conspicuous sites in all of Richmond's downtown. Given the state of this building, redevelopment of this site is a daunting prospect; it is further complicated by the lack of parking. Direct staff time to seeking funding sources for improvements, from grant funding to public-private collaborative opportunities. The past success of Richmond's downtown revitalization efforts validates the vision expressed in its 1991 Comprehensive Plan, and should inspire the town to redouble its efforts until its vision is fully realized.

Our second recommendation is to **formalize a business visitation program**. Studies say that up to 80% of net new job growth in the US comes from existing businesses. Therefore, in order to support this growth, municipal resources should be directed to understanding and addressing the needs of the local business community. The town's development director has successfully developed connections and built relationships with local businesses over time, including during this project, and this work should continue on a more formal basis. A

database of all active businesses in Richmond should be developed, and visitations should be scheduled on an ongoing basis, starting with the town's largest employers. Additional focus should be placed on goods producers, such as local manufacturers. Staff should remain conversant on all available local, regional and state business assistance programs, and maintain effective working relationships with partnering development agencies to deploy those resources when possible to support the retention and expansion of the local business community. To this end, the town should periodically review the development programs of its two Tax Increment Financing (TIF) districts, to ensure that the funding that comprises a large portion of the development tools available to the community continues to be deployed in the most impactful way possible.

Additional business development efforts should be focused on keeping Richmond's manufacturing facilities at full capacity. This would include the Richmond Manufacturing Center and the Richmond Contract Manufacturing facility (also known as the "Ames Mill" building). For example, at the Richmond Manufacturing Center, Shucks Maine Lobster will soon shift a significant portion of its operations to the Portland waterfront, allowing the company to ship its product more efficiently. The company will continue to utilize portions of its Richmond facility for administrative functions, and has informed the town that it will seek to attract a similar processing company to fill the space it is vacating. Throughout this period, the town should be prepared to work closely with Shucks' company principals to support those attraction efforts where appropriate. This applies, naturally, to any manufacturing vacancy, regardless of location. To that end, the town should develop a clear, understandable presentation of local, regional and state resources that could support the location of new tenants. This may also involve policy discussions on the municipal level as to possibility of incentivizing such investments. Lastly, public infrastructure such as sewer and water is often a critical support mechanism for industrial uses like manufacturing. Therefore, the town should seek to work cooperatively with the Richmond Utilities District whenever possible to address any infrastructure issues that may limit the ability of property owners to attract new operations, or expand existing ones.

Other ongoing business development initiatives should be focused on the expansion of goods and services in the downtown. Surveyed businesses call for growth in the Retail Trade, Accommodation and Food Services and Arts, Entertainment and Recreation sectors. Location quotients indicate potential for this growth in Richmond, as do building vacancies in the revitalized downtown. The town should continue to build a supportive environment for the addition of **professional services, specialty or 'niche' retailers, general merchandise retailers, food and drink establishments, arts, cultural and recreation businesses.** Town efforts should be focused on facilitating establishments that are **complementary to existing businesses.** To support this, staff should work with real estate brokers and property owners to build and maintain an in-depth inventory of available sites. Staff should be conversant in the characteristics of each site and be positioned to facilitate meaningful contact between property owners and development prospects.

Because it is most likely that new business growth will come from individuals with ties to Richmond or its neighboring communities, the town should take steps to **encourage the emergence of entrepreneurs** as a business development strategy. This could include working with organizations like the Maine Small Business Development Centers, SCORE, Women, Work and Community and others to hold local workshops on subjects like business planning, financing, marketing, and management. Naturally, as entrepreneurs emerge, staff will be prepared to leverage local, regional and state resources to capture private sector investment,

where appropriate. This could include deployment of the town's revolving loan program, or similar programs available regionally.

The town should continue to look for ways to **collectively market the downtown area**, and its available goods and services, as a destination locally and regionally. This may include print advertising, development of collateral materials, and further refinement of the town's on-line business database.

To further its vision of Richmond as a secondary service center to the rural towns that surround it, the town has previously undertaken efforts to attract a small **grocery store** to town. The challenge at that time was in convincing business decision-makers that the market would support it. However, as the recent survey of businesses confirms, there is still local demand for a grocery, as well as a small **pharmacy**. There are redevelopment and infill development opportunities in the downtown, and as well the upper Main Street area where other retailers have begun to locate. The expectation, however, is that the case will still have to be made that the Richmond market can support these stores. Therefore, resources should be directed to making that case, if possible. First, staff should conduct research on independent groceries and independent pharmacies that serve small rural areas in Maine. Who are they? Who are their decision-makers? Most importantly, what are the data points that they use to make location decisions? This information can frequently be hard to come by; companies can be notoriously tight lipped about the particulars of their decision-making process. Nevertheless, **better understanding the needs of decision-makers is critical to developing a compelling message that will encourage their investment**. We recommend staff consult with real estate brokers and other site location professionals to gain greater insight into the process. Further, where appropriate, we recommend staff seek the counsel of local retailers to better understand how they came to the decision to invest in Richmond. Once a greater understanding of the business decision-making process is reached, the town should take the steps necessary to develop the market data to support a meaningful grocery and pharmacy attraction campaign. This could include the engagement of market research consultants. If a compelling case can be built for Richmond, we recommend the town seek to **build direct relationships with the decision-makers**. It's reasonable to expect that even a compelling business attraction campaign will struggle to make an impact in a competitive field. Blind mailers to decision-makers will likely get lost in a sea of similar appeals from other communities. Personal connections will be necessary to make Richmond stand out. Lastly, a meaningful grocery and pharmacy attraction campaign must also include consultations with the owners of existing food markets in Richmond regarding their interest in expansion to meet increased local demand.

Discussion of expansion of retail and services in Richmond prompts a recommended **focus on downtown real estate**. Staff should seek opportunities to support **redevelopment of key anchor buildings**, such as the Hathorn Block, and **attraction of tenants to vacant storefronts** in buildings that have already been revitalized. One approach to filling vacancies in other downtowns has been to give entrepreneurs a reduced rent - or even no rent - for a period of time. This supports their startup and growth while contributing to the revitalization and diversification of the area. Staff could consult with property owners in Richmond's downtown to determine local interest in such an approach. Reduced rents could be one tool to encourage the emergence of new businesses that are complementary to the downtown's existing business community.

In regards to the ongoing **Hathorn Block redevelopment**, we appreciate the town's conservative approach to the disposition of this privately-owned property. It is appropriate that public risk be minimized. However, it is important to recognize that environmental and structural issues have led the private sector to be equally cautious with the property. It grows ever more unlikely that redevelopment of this key downtown property will be attained without public intervention. The town has taken steps to include the property in a regional Brownfields environmental assessment program, which will help to better quantify the issues with the site. Further, the town is prepared to work with potential developers to access a hodge-podge of public resources to support redevelopment. We support the town's deliberate approach, while acknowledging that even more decisive public action may ultimately need to be taken to ensure that this significant downtown parcel attains its highest and best use.

Our final recommendations focus on **leveraging the town's primary comparative advantages to facilitate additional business development**. As noted previously in this document, the town's central location and direct highway access makes Richmond a candidate for future investment and job creation from the **Transportation and Warehousing** sector. Further, the town's zoning promotes such development, particularly in the Commercial-Industrial zone surrounding the Interstate 95 interchange. However, we do not recommend staff spend a significant amount of time mounting a campaign to attract such investment. We believe the town's highway access, proximity to major Maine markets and availability of land will do as much as anything to promote Richmond as a location to these companies. To support this, staff could develop and maintain an inventory of developable properties in the I-95 quadrant in order in the event of developer inquiries. As we noted previously in regard to manufacturing, we encourage policy discussions on the municipal level as to the town's position on incentivizing such investment through tax increment financing (TIF), grants and loans. This could be achieved in part through the formulation of a community-wide TIF policy.

Quality of place has proven to be another comparative advantage for Richmond, and this may open another business development opportunity through municipal support of **home-based businesses**. This may include businesses in the growing **Professional and Technical Services** sector, such as engineers, designers and others, or in the **Finance and Insurance** sectors, such as financial advisors and insurance brokers. The challenge in providing municipal support to home-based businesses is that they don't frequently interact with their local government. Therefore, we believe that staff time should be devoted to understanding which home-based businesses are operating in Richmond, understanding what they do, and determining what the municipality can do to support them. This could include the consideration of zoning/regulatory issues, infrastructure issues (such as access to broadband), linkages to business financing, or facilitating educational and training opportunities (such as workshops) that focus on home-based businesses. In today's economy, where so much can be done remotely, the town would do well to focus on finding ways to support professionals that have selected Richmond as a place to live and work.

We did not hear much from the community about **agriculture** as we worked on this project, but given the amount of agriculturally-zoned land in Richmond (approximately 80%, though production is said to be limited), and the emergence of local food economies in Maine and elsewhere, we recommend the town and its local farming community explore possible collaborations with the neighboring town of Bowdoinham, where they have developed programs to support and promote local farms. Further, we recommend the town support the local volunteer-based farmers market where appropriate, and promote it as one of the attractions that makes the revitalized downtown a destination for residents and visitors.

Conclusion

We wish to close by thanking the dozens of local businesses that responded to our survey, the business owners and others that met with us privately or attended our workshop, and most particularly, the town staff - including Director of Community and Business Development Victoria Boundy and Town Manager Janet Smith - who were so generous with their time and support during this project.

*Scott A. Benson
Audra Caler-Bell
MCEDD Staff, February, 2015*

Appendix

NAICS Definitions, 2012

Excerpted from www.census.gov/eos/www/naics/

Sector 11 -- Agriculture, Forestry, Fishing and Hunting

Crop production, animal production and aquaculture, forestry and logging, fishing, hunting and trapping, support activities..

Sector 21 -- Mining, Quarrying, and Oil and Gas Extraction

Oil and gas extraction, mining (except oil and gas), support activities.

Sector 22 -- Utilities

Electric power, natural gas, steam supply, water, sewage and other systems.

Sector 23 -- Construction

Construction of buildings, heavy and civil engineering construction, specialty trade contractors.

Sector 31-33 -- Manufacturing

Food manufacturing, beverage and tobacco product manufacturing, textile mills, textile product mills, apparel manufacturing, wood product manufacturing, paper manufacturing, printing and related support activities, petroleum and coal products manufacturing, chemical manufacturing, plastic and rubber products manufacturing, mineral product manufacturing, primary metal manufacturing, fabricated metal product manufacturing, machinery manufacturing, computer and electronic product manufacturing, electrical equipment, appliance and component manufacturing, transportation equipment manufacturing, furniture and related product manufacturing.

Sector 42 -- Wholesale Trade

Merchant wholesalers – durable goods, merchant wholesalers –non-durable goods, wholesale electronic markets and agents and brokers.

Sector 44-45 -- Retail Trade

Motor vehicle and parts dealers, furniture and home furnishing stores, electronic and appliance stores, building material and garden and equipment and supplies stores, food and beverage stores, health and personal care stores, gasoline stations, clothing and clothing accessories stores, sporting goods, hobby, musical instrument and book stores, general merchandise stores, miscellaneous store retailers, nonstore retailers.

Sector 48-49 -- Transportation and Warehousing

Air transportation, rail transportation, water transportation, truck transportation, transit and ground passenger transportation, pipeline transportation, scenic and sightseeing transportation, support activities, postal service, warehousing and storage.

Sector 51 -- Information

Publishing industries (except Internet), motion picture and sound recording industries, broadcasting industries (except Internet, telecommunications, data processing, hosting and other related services).

Sector 52 -- Finance and Insurance

Credit intermediation and related activities, securities, commodity contracts, and other financial investments and related activities, insurance carriers and related activities, funds, trusts and other related financial vehicles .

Sector 53 -- Real Estate and Rental and Leasing

Real estate, rental and leasing services.

Sector 54 -- Professional, Scientific, and Technical Services

Legal services, accounting, tax preparation, bookkeeping and payroll services, architectural, engineering and related services, specialized design services, computer systems design and related services, management, scientific and technical consulting services, scientific research and development services, advertising, public relations and related services.

Sector 55 -- Management of Companies and Enterprises

Offices of bank holding companies, offices of other holding companies, corporate, subsidiary, and regional managing offices.

Sector 56 -- Administrative and Support and Waste Management and Remediation Services

Office administrative services, facilities support services, employment services, business support services, travel arrangement and reservation services, investigation and security services, services to buildings and dwellings, waste collection, waste treatment and disposal, remediation and other waste services.

Sector 61 -- Educational Services

Elementary and secondary schools, junior colleges, colleges, universities and professional schools, business schools and computer and management training, technical and trade schools, other schools and instruction, educational support services.

Sector 62 - Health Care and Social Assistance

Physicians, dentists, other health practitioners, outpatient care centers, medical and diagnostic laboratories, home health care services, ambulance services, hospitals, nursing and residential care facilities, individual and family services, community food and housing, and emergency and other relief services, vocational rehabilitation services, child day care services.

Sector 71 -- Arts, Entertainment, and Recreation

Performing arts, spectator sports, and related industries, museums, historical sites, and similar institutions, amusement, gambling and recreation industries (golf courses, skiing facilities, marinas, fitness centers, bowling centers).

Sector 72 -- Accommodation and Food Services

Traveler accommodation, RV parks and recreational camps, rooming and boarding houses, special food services, drinking places, restaurants and other eating places.

Sector 81 -- Other Services (except Public Administration)

Repair and maintenance, personal and laundry services, other personal services, religious, grantmaking, civic, professional and social organizations.

Sector 92 -- Public Administration

Executive, legislative, and other general government support, justice, public order, and safety activities, administration of human resources programs, administration of environmental quality programs, administration of housing programs, urban planning, and community development, administration of economic programs, space research and technology, national security and international affairs.