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## **Lisbon Community Retail Trade Area Analysis**

### ***Local Assessment***

Eaton Peabody Consulting Group (EPCG) has been retained to provide input and a *Local Assessment* of the University of Maine Lisbon Retail Trade Area Analysis (TAA) and Gap Analysis Reports. This Assessment is based on follow-up meetings with the Town Manager, the Town Economic Development Director, a community site visit, and our professional experience. This Assessment is provided as additional context to the TAA and Gap Analysis and to provide recommendations on the development of the local retail trade market and to make recommendations on those retail sectors that might be the target of a business attraction effort.

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### **Review & Comments on TAA**

Before we review and comment on the TAA, we want to emphasize an important consideration in respect to Lisbon. The TAA analyzes the past retail trade performance of Lisbon and comparable towns as a means of identifying the Town's strengths and weaknesses in retail sales. The purpose of this Assessment is to augment that analysis and suggest sectors that might be improved or possibly attracted to complement the current retail base. It is important for the community to recognize its position relative to its neighboring and primary retail markets.

As we suspected and the data confirms, we would characterize Lisbon as a "bedroom community." The term "bedroom community" generally refers to a community where many of the residents travel to work outside of their place of residence. This is clearly the case in Lisbon. Recent Census-based labor force and job data shows that while more than 4,200 residents are currently employed, only about 600 of them (or 14%) hold jobs in Lisbon. Given the close proximity of larger retail markets like Lewiston/Auburn and Brunswick/Topsham, the same sort of dynamic likely impacts Lisbon's retail trade performance. Because larger retail markets are close by, it is likely that Lisbon exports consumers in the same way it exports employees. This is not to say that Lisbon cannot have a more robust retail base, but it is important to recognize and confirm the role Lisbon plays in the larger consumer market, sandwiched between the larger markets of Lewiston/Auburn and Brunswick/Topsham.

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The complete TAA is provided as Attachment A. The TAA is based on averages for towns across Maine that fall within a similar range of populations. In the case of Lisbon, that range of populations is from 7,693 (Waterboro) to 9,874 (Standish). The average population for the towns in the range is 8,557. Communities in this range include Ellsworth, Farmington, Yarmouth, Presque Isle and others.

As part of our work, with input from the Town Manager and Economic Development Director, we identified a set of six communities that we then used to compare results more closely. These comparison communities were selected based on certain criteria; proximity to Lisbon, relative position within a larger retail market or comparable community nature. The six comparable communities include Bath, Brewer, Buxton, Standish, Topsham and Winslow.

As even anecdotal analysis would suggest, places similar in population size like Bath, Topsham and Brewer, perform at a higher overall level than Lisbon in terms of retail sales because of a preponderance of larger 'big box' stores (as in Brewer and Topsham) and mature downtown revitalization efforts (Bath). Our data confirms this. Total retail sales in Brewer over the last decade have totaled as high as \$300 million annually; in Topsham, sales have been as high as \$150 million annually. On the strength of its nationally recognized "Main Street" downtown revitalization program, Bath's retail sales have routinely landed in the \$70 to \$80 million range annually. On a per capita basis, Brewer sales have climbed to around \$30,000 per person, Topsham to nearly \$20,000 per person, and Bath is approaching retail sales of nearly \$10,000 per person.

The data for Lisbon is considerably more modest. Over the last decade, Lisbon's retail sales figures have totaled in the \$30 to \$40 million range. On a per capita basis, Lisbon sales have remained relatively constant around \$4,000 per person.

Lisbon's per capita sales are comparable to Standish and Buxton. However, Lisbon has shown a better "pull factor" than Standish and Buxton in recent years. The pull factor index is based on a calculation that divides the per capita retail sales of a given area and the per capita retail sales average for the state, as a means of estimating what percentage of the town's population is being served by the local retail market. Over the last ten years, Lisbon's pull factor has generally hovered between 0.30 and 0.40; in both Standish and Buxton, that number has fallen closer to the 0.20 to 0.30 range. For context in relation to previous comparison communities, it's important to note here that Bath's pull factor over the last decade has been approximately 0.90, and Brewer's has been as high as 2.50 during that same time frame (meaning Brewer's retail market is serving roughly two-and-a-half times its population), and Topsham's factor has risen as high as 1.50 in recent years.

In comparison and in contrast, consider Winslow a community of about 2,000 less citizens regularly "pulls" or attracts more sales. Winslow may also be considered a market "in between" two larger markets (Waterville and to some degree Augusta to the South). However, again the old adage "location, location, location" holds true. We believe that although one may consider Winslow "comparable" to Lisbon in terms of its relative location to larger markets, Winslow's location relative to I-95 and additional strong integration with Waterville may explain its higher pull factor

The comparison to these other communities provides us some context for the relative performance of Lisbon and indeed what might be expected in comparison to communities of relatively the same population. For example, we can explain why Brewer has performed so well in retail sales. Likewise, we can generally compare Lisbon to Standish and Buxton in terms of geographic location and relative position from larger markets and can learn that, in general, Lisbon is performing slightly better. Winslow perhaps offers a target or benchmark for retail performance (based on the Index of Pulling Power) by sector.

Given the population size and geographic position of Lisbon, it is expected that there would be retail “leakage.” Regardless of this, there can be opportunities to build upon successful trends and develop certain targeted retail sectors to capture more local spending in Lisbon and perhaps attract sales from non-residents. Such an effort is most often achieved with the identification of a focused cluster of retail types to attract the surrounding consumer market. Such clusters often develop around a downtown, and Lisbon has the assets for such development. However, this will not be without challenges and it will take a focused communitywide effort to be successful.

The data shows an increase in General Merchandise sales in Lisbon in 2001, 2002, 2003 and 2004. We understand from our site visit that this may be attributed to the establishment of several retailers along Route 196 (Lisbon Street) during that time period. This would include the Furniture Superstore and Floor Systems projects in Lisbon, as well as the expansion of the Midtown Plaza area in Lisbon Falls (including projects such as the new Rite Aid and the later arrival of Family Dollar in the plaza). The Route 196 corridor should be the continued focus of development as appropriate and planned but not compete with our suggestions on downtown development. Additionally, although not as strong as General Merchandise, there has been a general increase in Building Supply sales. We may attribute some of this to the same stores. For example, a store such as Aubuchon may sell “general merchandise” as well as “building supplies” and therefore the data may represent sales of different retail products from the same establishment. This data and our reconnaissance lead us to believe there may be some opportunity to explore additional development of Home Improvement including outdoor yard improvement or complementary sectors. There appears to be a cluster emerging and indeed the additional analysis, discussed below, suggests more opportunity. Such development includes expansion of existing business (with new product lines) or attraction of new enterprises.

The data shows a decline in Restaurant and Lodging, notably over the last 1-2 years. Generally, we can attribute those declines to recent volatility in the very difficult restaurant business. From our site visit it is clear that there have not been any recent developments in the lodging sector (outside of any known improvements to the Dormer Motel). The loss of some restaurants and perhaps the relatively low lodging opportunities may offer areas for business development focus.

We should also acknowledge the decline in Business Operating sales over time. This data represents retail sales between businesses (i.e. oil sales to business, computer equipment, and office supplies). Increasing business to business spending is often accomplished through a more detailed survey or

focused business retention project as it is dependent upon learning the common services or products purchased by and sold from a community of firms.

As noted, it is important to consider the relative strength of each sector within Lisbon. Automotive & Transportation and Food Sales are the sectors that lose the least number of sales or population relative to other sectors and total sales. From the Gap Analysis and our reconnaissance, the community has a relatively strong used automotive sales and automotive repair market.

It appears that Restaurant & Lodging and Building Supply may be sectors with the most potential to capture new sales or some focus of development. We would suggest that some General Merchandise categories related to specialty home products may also allow Lisbon to develop a “niche” market and capture sales. We are suggesting those types of stores that specialize in products that may not be found in the “big box” stores and that compliment Floor Systems and the Furniture Superstore. The Gap Analysis (next section) seems to suggest the same.

The “Other Retail” is another sector that would be worth additional exploration, notably for the consideration of downtown market niche. “Other retail” sales have consistently showed a leakage. As we discuss in the following section, the Gap Analysis points out some suggested areas of focus for the Downtown.

## **Review and Comments on Retail & Service Gap Analysis**

As part of our Community Trade Area Analysis, we have reviewed a Retail and Service Sector Gap Analysis completed by the University of Maine. This analysis identifies “gaps” in the number of businesses that might be expected, based on averages across Maine, by sector. Coupled with the Retail Sales TAA, we are able to better depict the retail market and make recommendations.

We include the complete Gap Analysis as Attachment B. Our intent here is to offer a summary interpretation and additional analysis and recommendations based on the analysis, its relation to the TAA, and our site visit.

The Gap Analysis begins (Table 1) by providing additional evidence of the “position” of Lisbon in between two larger markets. Overall, both the Lewiston/Auburn (L/A) and Brunswick/Topsham (B/T) market places have many more retail establishments than would be expected (L/A has a surplus of nearly 40, B/T of 32). Thus, again, it is evidence and important to recognize the overall market position of Lisbon and its bedroom-community nature. Still, the Gap Analysis reinforces some of the same sectors as potential targets for development as the TAA. Of note are gaps in the expected number of full-service restaurants, lodging establishments (with caution), and perhaps focused home-improvement stores. We are also able to better grasp some of the unique characteristics of Downtown Lisbon Falls as well.

Overall, the Gap Analysis, in tandem with the TAA, suggests that the B/T market generally supports the market needs for Lisbon residents, more so than the L/A market. This is a note worth considering in regards to new business development and relative competition. This is generally confirmed with input from our site visit.

In 2009, according to the data, Lisbon supported four full service restaurants. We understand now that a long-time restaurant (Graziano's) has closed, further suggesting evidence for demand in this sector. We would expect a community of Lisbon's size to have about nine (thus a negative surplus or gap of 5.47, Table 13). Likewise, the analysis shows a gap in the hotel sector of about three establishments. The Retail TAA showed an increasing leakage of restaurant and lodging sales for the last three years (2008-2010) and a representative customer loss of 9,000 in 2010. This, together with our site visit, suggests there may indeed be a market potential for a full service type restaurant. Caution is warranted, still, in that both the L/A and B/T markets have a surplus of such establishments. From our awareness, however, Brunswick's restaurant market is focused on its unique downtown and college atmosphere. L/A may simply supply the large population base. Thus the further questions that must be asked include, what type, what market segment, and where?<sup>1</sup>

The TAA data that shows an opportunity for restaurant sales includes lodging sales. We discussed this above and do not necessarily want to suggest that the TAA leads us to recommend a hotel or other lodging establishment in Lisbon. We would not rule it out either, as the Gap Analysis suggests that the combined Lisbon, L/A, and B/T markets are underrepresented in hotels and motels. Just Lisbon and L/A combined are underrepresented by nearly 15 such establishments (Table 13). The caution here is the larger investment necessary and awareness of the market potential. Whereas a restaurant can serve the resident and neighboring population, a hotel, of course, serves a visitor population. These analyses do not take visitor markets into account and Lisbon is admittedly not a destination location.<sup>2</sup> That said, the data suggests that average markets in Maine the population size of the combined L/A, Lisbon, and B/T generally have about 17 more hotels.

The Gap Analysis suggests the Lisbon market may be able to support additional home furnishing or complementary home specialty product stores (or product lines to existing stores). This might and should be designed to complement the Furniture Superstore ,Floor Systems, Davis Landscaping, Pine Knoll Landscaping , and Enterprise Design and we suggest may generally be located on the end of Town closer to the L/A market. This may be a good niche in that the data suggests (Table 16) that a community the size of Lisbon on average would not support such a store (on average 0.46 stores in communities the size of Lisbon). However, "All Other Home Furnishings Stores" sector shows a gap in the Lisbon market of about one store and a gap in the L/A market of about three stores. Also, according to this data, there may be some opportunity for product line expansions or complimentary stores to those existing firms in the "Nursery, Garden Center, and Farm Supply Stores" sector as the larger Lisbon

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<sup>1</sup> Any individual business investment requires answering these basic questions as well as a well thought out business plan including sales pro-forma.

<sup>2</sup> We should acknowledge that demand for lodging increases beyond local capacity during the Moxie Festival, but that alone is not likely to tip a pro-forma for a hotel, absent other demand.

and L/A market may still support such stores. Together with the relative increase in sales leakage in the building supply data in the TAA (suggesting perhaps a relative “niche”), there may be evidence for additional sales lines or stores in this “cluster” of store types.

The Gap Analysis offers some insights and possibly some suggestions for focused branding for Lisbon Falls (Downtown). As noted the “Other” sector has consistently shown about nearly a 13,000 equivalent population leakage. The Gap Analysis indicates that Lisbon may generally support about one or nearly two “Gift, Novelty, and Souvenir Stores.” It is not clear from our level of analysis if this data is accounting for Frank Anicetti’s Kennebec Fruit Co. (otherwise known as the Moxie Store) in this category. The data does capture the unique nature of the Drapeau’s Costumes store. The Gap Analysis, based on the State of Maine averages, suggests that a town the size of Lisbon would have 0.001 store of this type. Further it generally suggests that such a store would need a resident population market 50 times that of B/T and 25 times that of L/A. In other words, this store is an anomaly - but as such represents a true market asset that may be used to attract more sales in the downtown. Finally the data suggests that a community the size Lisbon would not typically have any “Meat Markets.” Maurice Bonneau’s Sausage Kitchen may be capturing the market we would expect from the L/A market. All of these stores are serving a market much larger than we would expect in a community the size of Lisbon. They are thus target or destination stores and all, taken together may suggest a common market brand and marketing program for the Downtown.

## **Potential Target Retail Types**

Based on the TAA and the Gap Analysis, as well as our site visits, there may be a few retail sectors worthy of consideration to seek out and attract to Lisbon. These same sectors are often dominated by a particular type of retail product that may also offer an opportunity to expand current business sales. We offer these with caution, as each type of store must further consider its own market analysis and further details on pro forma sales. Still, in light of the geographic position Lisbon holds in the marketplace (between L/A and B/T) we would recommend the following sectors worthy of additional consideration for development. These are provided in no particular order and are numbered for reference purposes only.

1. Home Furnishings, Specialty Suppliers of Specialty Home Products. We would urge that such developments complement the location and products offered by the Furniture Superstore and Floor Systems.
2. Full Service Restaurant. We do not recommend competing with the downtown Brunswick type restaurants. The market must also keep in mind the franchise brands at Exit 31 on I-295. However, a Lisbon-focused full service restaurant, perhaps in Lisbon Falls (Downtown) catering to a “pub” like atmosphere may work.
3. The Downtown (as we suggest in more detail) may have the opportunity to develop additional “Other Retail” and perhaps small restaurant locations. We understand there was a site



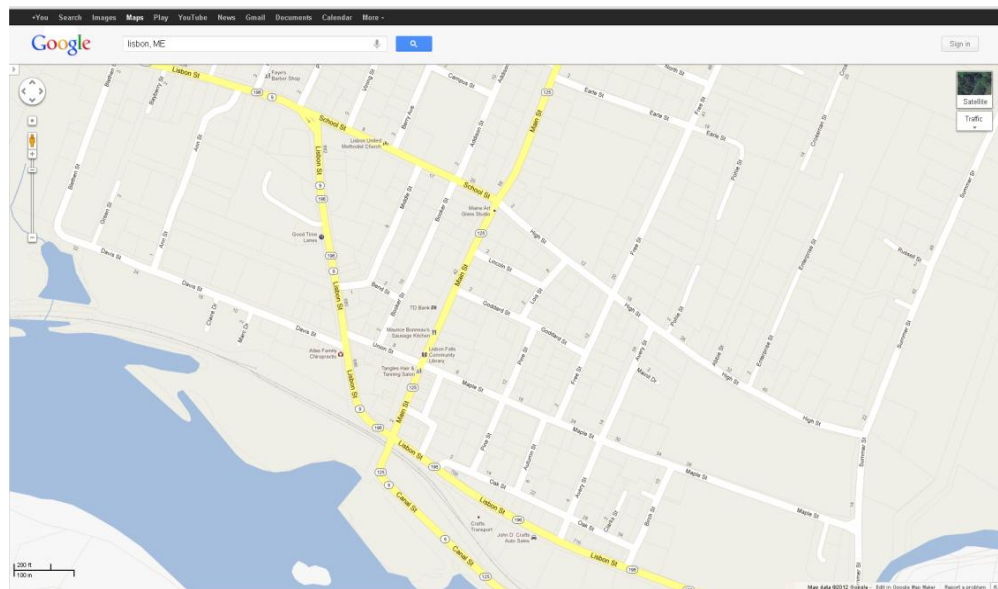
previously being considered for a Tim Horton's in the Downtown. That, or something similar, may be worth revisiting (in addition to and not in competition with a full service restaurant or pub as suggested above). However, as we suggest below "Other Retail" may be attracted to Downtown with a focused downtown development effort and to complement some of the unique establishments in existence.

4. The data indicates and it may be worth additional visitor market analysis to consider a mid-market hotel. Such a development may make more sense on the L/A side of Lisbon to help service the L/A market.

## Downtown Lisbon Falls

Main Street and the surrounding area have a mix of retail, residential and limited professional office space.<sup>3</sup> Based on our site visit and TAA plus Gap Analysis, Downtown Lisbon Falls has potential to develop some small retail opportunities and perhaps to build from those a renewed and enhanced "brand" to promote the Downtown commercial district. The public and private investments of late will likely begin to help develop a new image for the downtown.

Of particular note, and not at the exclusion of any others, are the public and private investments and location of the Maine Art Glass Studio (and teaching facility), Maurice Bonneau's Sausage Kitchen, and the redevelopment of the old Lisbon Falls High School into the Campus Commons elderly housing units. Such public and private investments are indicative of a Downtown working to create a "place" and attract residents and customers.



<sup>3</sup> We wish to note that we have not specifically defined the geographic boundary of downtown, but are generally referring to the recognized center of Lisbon Falls. A more detailed "downtown plan" would place some geographic boundary on such a study area.

No work on the retail or economic development efforts in Lisbon Falls would be complete without review of and some attention to the Town's close association with Moxie. As a brand Moxie has, of course, gained its own level of use. It is indeed, considered a word in the Oxford Dictionary and it has spawned about 3,220,000 Google search hits. It is the name of countless companies, including, for example:

- Moxie Advertising (web development) agency
- Moxie Girls Play Doll
- Moxie Restaurant in Beechwood, Ohio
- Moxie Software Company in Sunnyvale, California
- Moxie Hair and Body Lounge in Charlottesville, VA
- Moxie Outdoor Adventures, The Forks, Maine
- And of course, for Lisbon, the Home of the Moxie Festival

Lisbon has a proud history and relationship with Moxie. We do not wish to comment on the continued or expanded opportunity or weaknesses (if any) for Lisbon to capitalize on its association with Moxie when branding the community for business attraction purposes. It is worthy, however, of some attention given some of our following recommendations regarding retail development, marketing, and a niche for Downtown Lisbon Falls. Namely, we suggest the Downtown may consider development of a niche brand around unique food, art, and clothing stores.

Such a focus and "downtown brand" would build from the Moxie brand, Drapeau's Costumes of Maine, and Maurice Bonneau's Sausage Kitchen. It may include the development of a unique full scale restaurant as suggested by the Gap Analysis. Additionally, the Downtown may be able to encourage or attract unique or specialty gift stores, family clothing stores, or children's clothing stores as suggested by the Gap Analysis<sup>4</sup> to complement these existing (and other) stores in Downtown.

The Town might consider the development of a dedicated marketing program for events, programs, and new business investments in the Downtown. The *Envision Downtown: Lisbon 2030* report provides a "vision" for Downtown Lisbon Falls and may serve as a guiding document for some aspects of such a marketing program. It is beyond our scope to recommend action items on infrastructure as noted in that document, but we concur with the sentiments regarding the Worumbo Mill and trails (see below). A Downtown marketing program would promote the brand (to be determined) and stores of Downtown Lisbon Falls; encourage visiting Lisbon, and the range of products available in Downtown. Such a program may be financed, in part, by dedicated funds established within a Downtown Tax Increment Financing (TIF) District. Additional dedicated financing may be created through a special Downtown Taxing District. Further, we would suggest that a Downtown TIF District may be integrated with a TIF District in the Midtown Plaza area or in an area encouraging development of the home furnishings and specialty suppliers of home products sectors.

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<sup>4</sup> A closer review of the Gap Analysis suggests that a community the size of Lisbon would support at least four additional Family Clothing Stores and likewise two Children's and Infant's Clothing Stores.



We would be remiss if we did not comment and offer suggestions on the redevelopment of the Worumbo Mill and even the Knight-Celotex Mill (formerly US Gypsum or Masonite Corporation) as they relate to Downtown. We offer some unsolicited additional economic development comments on these properties in general below, as well. Any development effort in the Downtown must take into account the potential market development of the Worumbo Mill in particular, but we suggest the Knight-Celotex Mill as well. Of particular note here, and mentioned additionally below, we would encourage the development and extension of the proposed Androscoggin River Trail, as part of the Lisbon Trail System. The proposed trail system, extending from Lisbon Village crossing Route 196 at the Sabattus River Launch and Park and continuing within close proximity of Midtown Center and to the Maine DOT Park and Ride in downtown is a tremendous asset. The final piece to truly integrate this asset into a downtown development plan will be to include it into the redevelopment plans at Worumbo and perhaps even Knight-Celotex. Particularly, as we allude to only briefly in the following section, the integration and extension of the trail through the Worumbo Mill is necessary to truly engage the trail as an asset to Downtown—thus the need to fully engage the redevelopment of the Mill with efforts to continue to develop Downtown.

## **Additional Economic Development Opportunities**

The Knight-Celotex location has a unique “gateway” location to Lisbon Falls, and perhaps even the Downtown, but it also faces many challenges. It is beyond our scope to focus on details around this, or any other particular site, but based on our data and site visit we offer the following observations. The rail crossing presents many challenges. It is our understanding, however, that this line is not used. The rail remains, as it is often difficult to have lines removed in the hope that there may be a uses in the future. On a grander scheme, however, there may be value in considering full conversion of the rail right-of-way to a recreation trail.

We understand that plans and funding are in place to extend the Lisbon Trail System from the Sabattus Boat Launch along the Androscoggin River and rail lines to downtown Lisbon Falls. We would further propose the trail be extended, perhaps along the rail line, as far as the Knight-Celotex location. Extension here offers this location the opportunity to develop as a “terminix” of this new trail - a trail that may serve as an attraction to consumers outside the community. The Knight-Celotex site may then focus its efforts to develop a terminal destination, bike rentals, restaurant, and perhaps some housing.

The Worumbo Mill is, of course, the center of Lisbon Falls and development of this property will help cement the future of the downtown. Again, we are not in a position to offer concrete recommendations on this site. It does appear that the Town is assisting, as much as it may, in exploring leads and the options considered for redevelopment. The most aggressive position any community can take to redevelop such a site is to take on ownership and seek to redevelop the site itself. Many communities do so or create special purpose development organizations for that purpose.

Municipal ownership, in itself, does not guarantee redevelopment but rather sets forth a clear community commitment and vision and provides focus, resources, and capital (often in the form of outside grants) to seek out new development that may be lacking with the existing private ownership. The most celebrated and recent examples may be the Cities of Lewiston and Brewer, but other communities in Maine have taken and are taking on the risk in anticipation of the mid to long-term reward of some form of redevelopment. It may be time for Lisbon to consider what role it may need to play in the redevelopment of the Worumbo Mill.

As far as the opportunities, based on our data and site visit, we suggest the Worumbo Mill offers, outside of any manufacturing at the site, a mixed use of housing and destination retail, perhaps with some service (office) space development. By “destination retail” we suggest that a unique shopping opportunity be considered as part of an overall downtown economic development marketing and branding effort. As alluded to above with regards to the downtown, the full development of the Lisbon Trail System offers market potential at the Mill. Consider inclusion and extension of the trail, literally, through the Mill opening up the downstairs floor to specialty retail, specialty food products and perhaps an indoor specialty market (as part of a more complex mill redevelopment plan). Such a plan, we suggest, should be very closely integrated (and perhaps hand-in-hand) with a Downtown Lisbon Falls Action Strategy. As noted above, the development of the Downtown and the Mill go together. We believe that action-oriented feasibility analyses, based on the market analysis completed here, should identify those sectors and types of operations that would offer cash-flow to a municipally-owned property. At the same time, a schedule of additional State or Federal investments should be pursued (only available for the most part with municipal ownership).

Finally, we would like to make note of the investments by Premier Development under the leadership of Scott Kelly, owner of ETTI. Mr. Kelly is developing a 45-acre commercial park on Route 196. From initial construction, it appears Mr. Kelly is building an upper-end business location with underground utilities, including natural gas. Our analysis indicates this may be a good site for some of the specialty home furnishing sectors or product lines we commented on above. Likewise, perhaps with additional research, a lodging establishment may be considered for this development, as also suggested above. Additionally, from a service market standpoint, the Gap Analysis suggests the entire Lisbon, L/A, B/T region has relatively fewer Information, Professional, Scientific, and Technical Service establishments, notably on the Lisbon and L/A side of the regional market. Additional focus on those service sectors are beyond our scope, but generally include a range of professions from the Legal, Accounting, Environmental, Design, Public Relations, Marketing, Advertising, and similar sectors.<sup>5</sup>

We would urge the community to support this significant private investment as means to encourage new business growth in Lisbon.

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<sup>5</sup> For a listing of NAIC 54 see [http://www.census.gov/svsd/www/services/sas/sas\\_summary/54summary.htm](http://www.census.gov/svsd/www/services/sas/sas_summary/54summary.htm)

## Summary Conclusion

In summary, and to conclude our Local Assessment based on the Community Retail TAA and Gap Analysis, we believe that Lisbon has opportunity for expanded retail development. We believe those opportunities center on niche markets in some sectors on the Lewiston side of town along Route 196 and some specialty brand retail and focus for the Downtown. This is not to exclude other retail development, notably in mid-town area. The data and results here apply to the community as a whole and indeed there appears to be opportunity for retail in many sectors. The data shows that, compared to other communities of similar market size, there is potential for new retail sales (from existing or new business) in Lisbon. What we have done, in this *Local Assessment*, is to try to help clarify and “ground truth” this data to make the recommendations that follow. The key for any successful community and economic development effort is to focus and dedicate time and attention on clear and concise short and mid-term action items. We believe this data offers some areas for that focus.

## Potential Target Sectors

The TAA identifies retail “leakage” across all sectors. As explained, we believe that is due to the nature and location of Lisbon and its retail market—in between the larger markets of Lewiston\Auburn and Brunswick\Topsham. That said, we have identified three sectors that we believe may be worth pursuing as part of a municipal business development and attraction program. Although the recommendations that follow are focused on business attraction or development of new business, we want to emphasize that the retail analysis and development may as well pertain to the expansion of existing business or the expansion of current business owners into these market sectors.

- a) **‘Home & Garden’** – The Building Supply and General Merchandise categories represent the two largest retail leakage as a percent of total potential sales. These sectors offer more “room” for tapping the overall unmet total potential sales. We believe the recent growth in sales in these sectors may, in part, be attributed to relatively new and successful businesses. This suggests a “cluster” of businesses that may attract customers from the Lewiston\Auburn market. The Gap Analysis suggests, as well, that communities of the size of Lisbon and L\A combined generally support 1-3 such type stores. .
- b) **Specialty Retail** – The data indicates that this sector (captured as the “Other” sector in the TAA) has consistently demonstrated a population “leakage” of nearly 13,000 persons and the third highest percent of sales leakage to potential sales. The Gap Analysis suggests that communities the size of Lisbon generally support 1-2 “Gift or “Souvenir”, e.g., “Specialty” stores. Furthermore, such retail often become destinations that draw consumers to a given area, such as Bonneau’s Sausage Kitchen, Drapeau’s Costumes and the Maine Art Glass Studio already do. Focus in this area can help revitalize traditional downtown areas like Main Street, Lisbon Falls. We recommend you build on the existing business base in the downtown, develop a “brand” for the downtown and focus on further development of specialty foods, arts and crafts type

stores.

- c) **Restaurant** – Restaurant and Lodging Sales have been on the decline over the years of the Study. Furthermore the Gap Analysis suggests communities the size of Lisbon generally have 5-6 more restaurants. Given our brief site visit we recommend a family or pub style restaurant may be worth attracting or developing. A regional, state, or national franchise (or multiple site, single owned) restaurant might be considered.

## **Suggested Action Plan**

We offer the following suggested Action Plan. This is far from a detailed implementation plan, but is intended, based on our limited work, to recommend the actions the community might take to further develop its retail market, based on our work here.

### **a) Data Gathering**

- a. Develop and maintain inventory of available locations including existing facilities available for lease or sale, and available land for new development
- b. Prepare traffic counts for all sites within the above inventory
- c. Use the data in the TAA and Gap Analysis to create “business briefs” or “sales sheets” that document the data, along with traffic counts and other data to demonstrate the case for the business being sought.
- d. Consider conducting a consumer survey. These range in detail and cost and can now be easily done on-line or through social media. A word of caution—consult experts in surveying to avoid the errors many make in crafting a survey to assure the accuracy of the results.

### **b) Lead Generation**

- a. Engage your existing business community, including those within the recommended clusters (such as Home & Garden), to identify “contacts” and “leads” on potential new businesses. Reach out to existing business, owner’s sales agents, and others to support a business attraction program. The existing business community is often and should be the first to consider a new venture, contacts for complimentary ventures, or may include those persons who may invest in a new venture.
- b. Engage and reach out, as well, to the local land and building owners as they will be critical to securing a new business. Determine rents that will be demanded or seek out incentives from land and building owners (first six months free lease, etc.)
- c. Research appropriate franchisee and commercial real estate contacts for national and regional chains (not just in the restaurant sector). Consider to owners of successful restaurants in Maine or those that have 1-2 sites.
- d. Build a contacts-leads database from the above to systematically research potential new business contacts and “leads” from those contacts. Consider purchasing data sets for business contacts to further establish that database. Identify any regional or state companies or franchises that fit the targeted sector and reach out to identify decision-makers for direct contact.

- e. Consider a “marketing campaign” for the sectors with existing businesses targeted for growth. Meet with those business owners to consider innovative means to reach out and implement a marketing strategy to target the L/A and B/T market residents. Build a “buzz” around the targeted sectors (see Implementation).

**c) Incentives**

- a. There are limited state incentives for retail business. However, communities may use tax increment financing and credit enhancement agreements to encourage investments in properties that house retail establishments.
- b. Lisbon has some financial resources that may be used to provide gap financing for retail business. To pursue business attraction in any way, such resources should be flexible and “at the ready” for wise investments. We have not reviewed these, but recommend that they might be reviewed to assure flexibility in use, while maintaining asset management.
- c. Consider developing a community-wide tax increment financing (TIF) program. We understand that Lisbon has used TIF and Credit Enhancement Agreements (CEA) to encourage new private investment. Communities often have written or unwritten policies on the size of investment or job generation necessary before a TIF or CEA may be considered. We believe that is wise but that local TIF programs should be integrated to create a communitywide TIF Program that uses the tool to its best value.
- d. We recommend that the *Envision Downtown: Lisbon 2030* serve as a starting point for a Lisbon Downtown Revitalization effort. We recommend clearly establishing a Downtown District and using that District as the footprint for a downtown TIF District. At the same time, as noted below, we recommend timing the establishment of the District to coincide with a significant effort to redevelop or help foster investment in the downtown, including the Worumbo Mill. This is important in order to create the investment for the TIF program that can be the on-going fund for continued public and private investment. A Downtown TIF can help to continue to support new retail or other commercial investment in the downtown, public infrastructure, the branding and marketing of the downtown, the maintenance, extension, and improvements to the proposed Androscoggin River Trail, and other efforts.

**d) Implementation (Marketing)**

- a. Consider an innovative and perhaps Internet based method to attract new customers to existing business and attract new business. Focus a campaign on the targeted sector(s). Create, for example, a social media plan to target new “friends” or “likes” to Lisbon or, more specifically, the targeted sectors in Lisbon.
- b. Begin making calls. Use the contacts database to begin a systematic method to reach out to new business, new investors, and new customers. Begin with low-cost methods, but be prepared to build into a larger marketing plan and budget. Stage two of such a plan may be targeted placed advertising to meet the “brand” and targeted market you seek.
- c. There are, then, a number of other techniques to generate contacts and leads each with their own uses and pitfalls if misused including, mailings, advertising,

sue of social media, trade show events, and others. A detailed business attraction program makes use of those techniques most suited to the targeted sectors, community financial resources, and is uniquely tailored to meet community goals.

d. Specialty Home Market

- i. Follow up with existing business owners in the home product and landscaping market. Seek their input on segments within that market that make sense for development or attraction (using the TAA and Gap Analysis as a resource).
- ii. Develop the “business case” that will be used to deliver the pitch to new business owners or interested parties. Have the commitment of the Town’s incentives, if any, for new business investments.
- iii. Seek out advice from the existing business owners, their sales agents, suppliers, and the like to build the contacts database. Consider purchase of data to further build the database.
- iv. Develop the contacts database and begin to reach out to those contacts.
- v. Have the existing business owners prepared and ready to meet with interested parties.

e. Downtown

Retail development in and around the Downtown will follow full implementation of the *Envision Downtown Strategy*, perhaps updated to focus on specific business development activities. It is our understanding that many of the “Priority 1” items in the *Envision* report have been implemented, notably around organization. It is beyond our scope to recommend an update to the *Envision* report, but based on our work here, we recommend the following action-items:

- i. Develop a brand for Downtown
- ii. Incorporate final development of the Androscoggin River Trail into the marketing for Downtown<sup>6</sup>
- iii. Focus on a target niche for new business attraction in the Downtown. Based on a review of the TAA and Gap Analysis, we recommend a specialty food product target or mix of targets.
- iv. See Restaurant development, below.
- v. Identify immediate investments in the existing structure and establishments that may be encouraged, perhaps as part of the installment of a Downtown Tax Increment Financing District (this includes investment in the Androscoggin Trail)
- vi. Clearly define the Downtown and coordinate that definition with the establishment of a Downtown Tax Increment Financing District. Include

<sup>6</sup> We understand there is both interest and concern about connecting the Lisbon trails to B/T and L/A and suggest that our recommendations support those efforts at this stage of development.



a zero-interest of forgivable interest loan program for taxable improvements to properties in the establishment of the Downtown TIF

- vii. Integrate an aggressive development municipally-lead development effort of the Worumbo Mill (see below)

f. Restaurant Development

- i. Consider what, if any, regional or national brands might fit the local mix and demand for a restaurant and reach out to those brand owners of franchisee owners
- ii. Reach out the New England culinary schools and market properties and business support to new graduates. Accompanying this may be reaching out to local business owners who might offer leadership to a new restaurateur

g. Worumbo Mill (and Knight-Celotex ) Mill

Consider an aggressive, municipally-lead, redevelopment effort of the Worumbo Mill and perhaps, as well, the Knight-Celotex Mill. These might be developed in partnership with a newly formed (or perhaps existing) non-profit development corporation. Such an effort is not without risk and is at best a mid-term to long-term development program. But the alternative, the status quo, may lead to the continued deterioration of the existing structures. As noted, in most cases, mill redevelopment has some public (municipal) support. This is not in any way intended to suggest redevelopment of Worumbo has not had public support; it is to say that a more aggressive municipally-lead effort may be necessary, including consideration of municipal ownership.

The development of the Downtown and retail development in general will be enhanced by redevelopment of the Worumbo Mill. The Mill can and should become the “anchor” for downtown. The Mill itself may be a center for retail development such as:

- i. Location of a restaurant.
- ii. As a “part” of and interconnected “point” on the Androscoggin River Trail. An innovative suggestion would have the trail continuing straight through the mill itself, connecting the lower floor to a restaurant, regional (Maine) food market, and specialty retail center of significance to attract customers from outside the community.
- iii. Development or expansion of existing business warehouse or production facilities. A space might be used for an “annex” to the successful downtown businesses.

- iv. Housing development will likely need to be part of the redevelopment and should be marketed to the redevelopment that would match continued development in the Downtown.

Our final word is one of encouragement. There are challenges and Lisbon is located in a position between two larger and more competitive markets; but there may be some opportunities. Those opportunities will only be recognized and achieved through focused and aggressive action from both the private and public segments.