

DRAFT

ECONOMY

INTRODUCTION

MAJOR EMPLOYERS

UNEMPLOYMENT

ECONOMIC DEVELOPMENT PRIORITIES

DOWNTOWN BELFAST

NATURAL RESOURCE INDUSTRIES

TOURISM

HOME OCCUPATIONS

PUBLIC FACILITIES

CONDITIONS AND TRENDS

INCREMENT FINANCING

RETAIL SALES

INTRODUCTION

This chapter identifies and analyzes the local and regional economy, including employment sectors, businesses, employment rates, and retail sales. The goal of this chapter is to develop policies that expand the City's tax base, improve job opportunities for residents needing employment, and encourage overall economic well-being.

Belfast is the principal service center community for the labor market area and for Waldo County. Most of the region's jobs are located in Belfast. Accordingly, commute times for Belfast residents are noticeably lower than for the County as a whole, **see graph x**. The American Community Survey estimated in 2019 that about 50% of the City's labor force worked in management, professional, and related occupations. About one-fourth worked in sales and office occupations. The third largest category, service occupations, employed 18.2% of the population. See **graph x**.

MAJOR EMPLOYERS

In 2019, athenahealth remained the largest employer in Belfast with between 800-900 employees. Bank of America and Waldo County Healthcare, Inc. are the second largest employers in the City, with between 700-800 employees each.

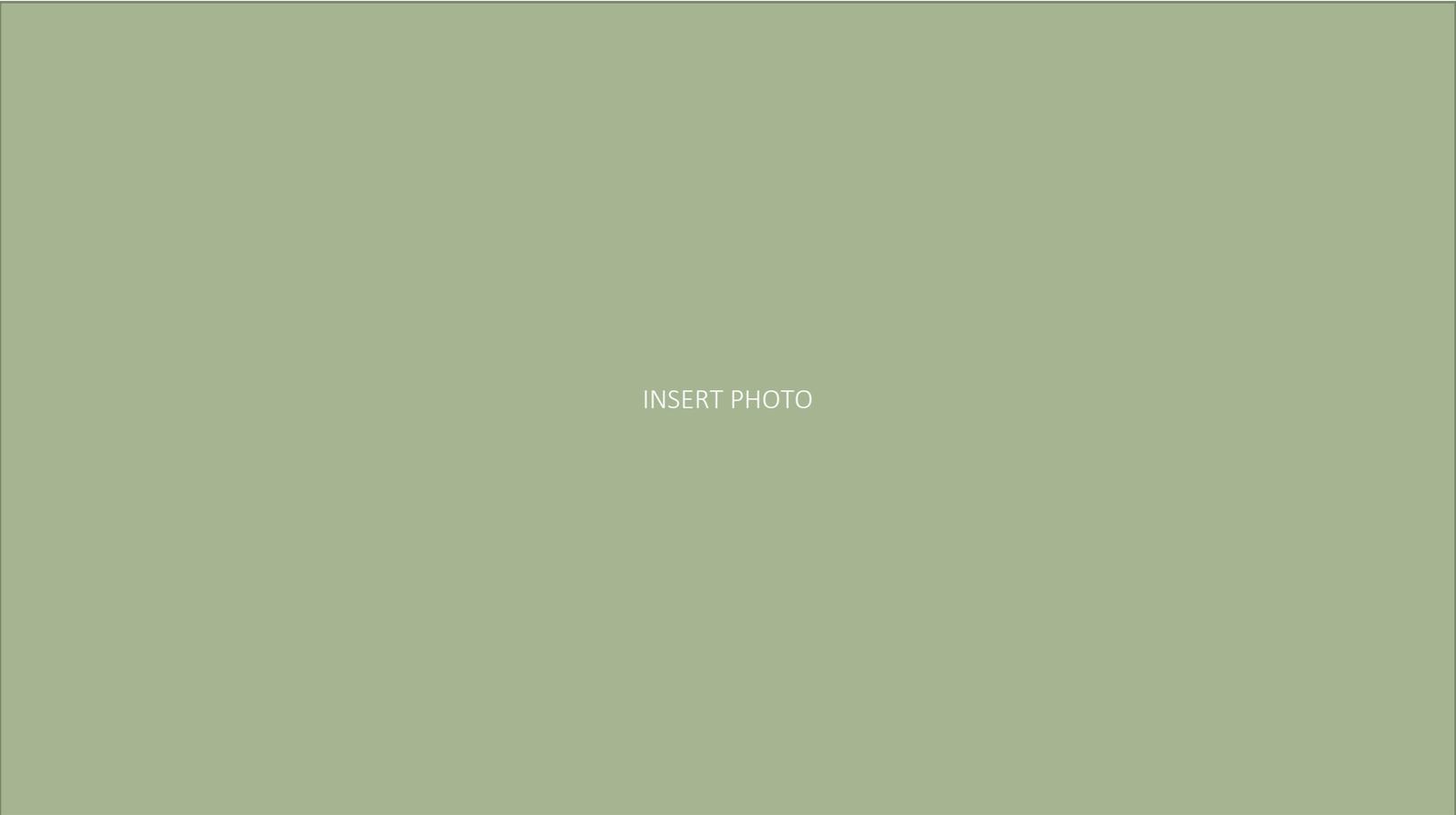
Waldo County Healthcare, Inc., which operates Waldo County General Hospital, has remained a larger employer over the years and has invested in new office buildings and renovations. Medical and related occupations have remained strong, and are likely to increase with the aging of the City's population.

Several major new employers have decided to locate to Belfast in the last decade. These include: OnProcess Technology, a technology optimization business which now employees around 150-250 persons and the Front Street Shipyard, a boat repair, boat retrofit, boat storage and boat building business which purchased and redeveloped the former Stinson Seafoods site in 2011. Front Street Shipyard now employees between 50-150 persons. These new enterprises and several long-standing significant employers; Ducktrap River of Maine (100-249 employees), Mathew Brothers Company (100-249 employees), Penobscot McCrum (100-249 employees), and government services such as RSU 71, the City, and the County of Waldo; provide a strong major employer base for the community and region.

Belfast has been and remains the largest service center community in Waldo County. Historically, residents of surrounding communities have chosen to work and shop in Belfast. That trend continues. The market for goods and services offered in Belfast extends well beyond the City's borders and its population. Belfast's economy has weathered the rise and fall of several once significant sectors, from maritime activities, fishing, shipbuilding, to food

processing, and most recently financial services. Tourism including most prominently accommodations, retail stores, and to a lesser but growing extent, artisan crafts and fine arts, has had a steadily increasing importance to the local and regional economy. With the aging of Belfast’s long-time and new residents, the provision of medical and social services continues to grow as well.

In 2019 athenahealth was the largest employer in Belfast and Waldo County. Overall, there are more jobs available in Belfast than there are persons over 18 years of age who are in the workforce; Belfast is a net importer of jobs. Most employers located outside of Belfast but within the Belfast labor market area operate businesses that employ less than 100 persons.



INSERT PHOTO

Belfast Labor Market Area Major Employers with 50+ Employees Each

(Sorted by Size, then by Name)

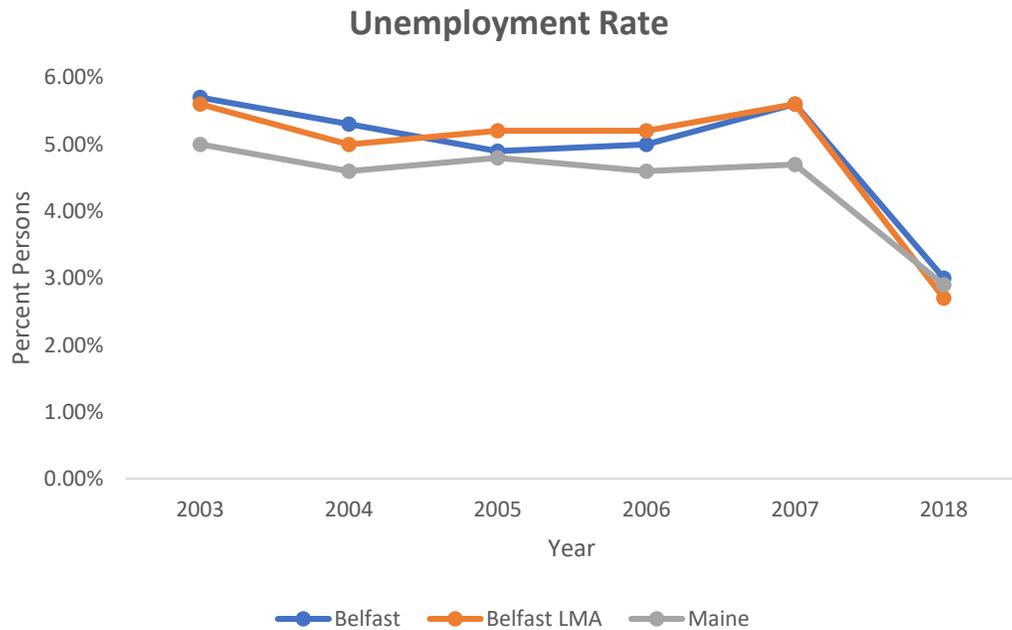
Company/Organization Name	Partial Address	Municipality	Sector	Employees
athenahealth	Hatley Rd	Belfast	Health Services	800-900
Bank of America	Schoodic Dr	Belfast	Finance	700-800
Waldo County Healthcare, Inc.	Northport Ave	Belfast	Hospital	700-800
Pride Manufacturing Co LLC	10 N Main St	Burnham	Furniture-Manufacturers	250-499
RSU #71	173 Lincolnville Ave	Belfast	Schools	200-300
OnProcess Technology	Schoodic Dr	Belfast	Technology	150-250
City of Belfast	Church Street	Belfast	Municipal	150-250
Hannaford Supermarket & Phrmcy	Lincolnville Ave	Belfast	Grocery	100-249
Mathews Brothers Co.	Footbridge Rd	Belfast	Millwork	100-249
Ducktrap River of Maine	Little River Dr	Belfast	Seafood-wholesale	100-249
Penobscot McCrum, LLC	Pierce Street	Belfast	Manufacturing	100-249
Tall Pines	Martin Ln	Belfast	Nursing & Convalescent Homes	100-249
Genesis Health Care, LLC	2 Footbridge Rd	Belfast	Health Services	100-249
Hamilton Marine	US 1	Searsport	Marine equipment - supplies	100-249
Hidden Valley Camp	161 Hidden Valley Rd	Montville	Camps	100-249
Harbor Hill Ctr	Footbridge Road	Belfast	Nursing care	100-249
Robbins Lumber, Inc.	NA	Searsmont	Lumber	100-249
Unity College	Ghent Rd	Unity	Education	100-249
Belfast Co-op	High St	Belfast	Grocery	50-150
Front Street Shipyard	Front Street	Belfast	Boat Repair & Bldg	50-150
Belfast Area High School	Waldo Ave	Belfast	Education	50-99
Fair Haven Camps	81 W Fairhaven Ln	Brooks	Campgrounds	50-99
GAC Chemical Corp	Mack Point	Searsport	Chemicals-industrial	50-99
Irving Oil	Station Ave	Searsport	Oils-petroleum	50-99
Lane Construction Corp	190 Swan Lake Rd	Belfast	General Contractors	50-99
Leroy H Smith School	319 S Main Street	Winterport	Schools	50-99
Mt View High School	Mount View Rd	Thorndike	Education	50-99

Renys Department Store	Belfast Plz	Belfast	Retail	50-99
Sweetser	Sweetser Dr	Swanville	Social services	50-99
Troy Howard Middle School	Lincolnville Ave	Belfast	Education	50-99
Viking Lumber, Inc.	Searsport Ave	Belfast	Construction	50-99
Sequel Care of Maine	321 W Main St	Searsport	Counseling Services	50-99
Tarratine Golf Club	241 Golf Club Rd	Islesboro	Golf Courses	50-99
Xact Telesolutions	4 Clifford Cmns	Unity	Telephone Companies	50-99

Source: Maine Department of Labor, info USA 2019. Note: Belfast LMA includes the municipalities of Belfast, Belmont, Brooks, Freedom, Islesboro, Jackson, Knox, Liberty, Monroe, Montville, Morrill, Northport, Searsmont, Searsport, Stockton Springs, Swanville, Thorndike, Unity, and Waldo.

UNEMPLOYMENT

The Belfast economy, like most in the State, has experienced decreasing levels of unemployment since 2013. The rate of unemployment in the Belfast Labor Market area has been slightly less than in the State. The following graph identifies the size of labor force, the number employed, the number unemployed, the unemployment rate for Belfast Labor Market, and the unemployment rate for the State. Overall, the size of the labor force in the Belfast Labor Market has grown by 173 workers in the past 6 years from 2013-2019 and the number of people employed in 2019 increased by 114 from the previous year.



Source: Maine Department of Labor

Note: Belfast LMA includes the municipalities of Belfast, Belmont, Brooks, Freedom, Islesboro, Jackson, Knox, Liberty, Monroe, Montville, Morrill, Northport, Searsport, Searsport, Stockton Springs, Swanville, Thorndike, Unity, and Waldo.

The Belfast economy experienced a tremendous loss in 2005 when MBNA sold its operations to Bank of America. MBNA, more than any other employer, helped pull Belfast out of the economic malaise it suffered in the late 1980's when several major processing plants closed in Belfast. From 1995 to 2005 MBNA quickly grew into employing nearly 2400 persons in Belfast, the largest of MBNA's operations in Maine. Fortunately, Bank of America remains a strong employer (about 700-800 employees). In late 2007 athenahealth purchased the former phase I MBNA campus and now employs about 800-900 people with similar skills to the former MBNA employees. This provided employment opportunities for some who lost positions when MBNA left. MBNA, Bank of America, and athenahealth have resulted in a significant increase in the amount of professional office and service employment sectors in Belfast.

Belfast has a diverse economy and its many employers offer employment opportunities for persons who are highly skilled to positions which require lesser skills. On the whole, employment opportunities in Belfast, like most areas of the State and country are requiring more specialized skills and greater educational training. See the Housing Chapter for more information, including a discussion on business, industrial and residential property values.

ECONOMIC DEVELOPMENT PRIORITIES

The City seeks to maintain and enhance a diversified economic base, with expanding job opportunities in various sectors, with emphasis on employing local residents, graduates of local schools, and attracting new working-aged residents to the City and region. Diversity in employment opportunities could protect the city from downturns in specific sectors, as seen in the past with food processing and more recently with finance. Likewise, the City believes that residents should have access to a wide range of retail stores and services. Accordingly, the City has and will continue to seek to attract new businesses that can serve resident needs.

Despite setbacks associated with the recession that began in 2007 – 2008, the City is greatly encouraged by the development of several new significant employers in the past 10+ years; OnProcess Technology, athenahealth, and Front Street Shipyard. In addition, since 2014, 53 new businesses have opened in the downtown area; including restaurants, retail establishments, and several offices and service businesses. While most of these businesses have only several employees, collectively, they represent a major addition to the workforce. Continuing, Belfast's Creative Economy, the importance of which was highlighted in the 2006 Creating Vibrancy Report, is growing, which is consistent with the City's goal to encourage entrepreneurial development and the health of the downtown area.

DOWNTOWN BELFAST

Belfast's traditional downtown, which is located adjacent to its working waterfront, has

experienced significant additional business development in recent years. Few buildings, the upper floors as well as the lower floors, remain unoccupied. Upper floor development includes both residential apartments and professional office and service businesses. The amount of pedestrian and vehicular traffic has increased, and many believe that Belfast is experiencing a parking problem in the downtown --- too much demand for too few spaces.

Growth in the downtown and the community's perception of the downtown and waterfront area has been spurred by the Front Street Shipyard's redevelopment of the former Stinson Seafoods property; a development which has had a transformative impact on the working waterfront and which has attracted additional business to the downtown. In addition, the community's decision to establish Our Town Belfast (Main Street program) has provided an invaluable resource to help organize downtown merchants and encourage additional events in Belfast. Further, the Belfast Creative Coalition, Waterfall Arts and the Friday Night Art Walks have provided support to the art community, encouraged more visitor traffic and generated excitement. Several of the larger new employers in the City, such as athenahealth and Front Street Shipyard, have cited the services and character of the downtown as one of the key reasons they chose to come to Belfast.

Belfast's downtown features many historic structures that are 100+ years old; most of which contribute greatly to the downtown's character. Downtown property owners and business owners have frequently had to adapt to shifting economic realities, such as in the 1960's when the Route 1 by-pass was constructed, and again in the 1980's when many of the manufacturing plants in the downtown permanently closed. At present, the downtown features a mix of traditional stores, such as a hardware store and a shoe store, as well as specialty shops, service businesses, a growing number and variety of eating establishments, and residential units (upper floors) for persons who want to live in the downtown. Downtown Belfast is a vibrant center for the City and the region.

NATURAL RESOURCE INDUSTRIES

Less than 2% of Belfast's residents currently work in farming, fishing, and forestry occupations. It remains important, nevertheless, that the City and region's environment be protected in order to allow a continuation of fishing and other marine based activities. Likewise, opportunities for forestry activities, as a way to augment the income of residents, must be done in a manner that sustains the forestry resources for future generations. Improper timber harvesting can negatively impact existing and prospective residents, through increased pollution runoff, degradation of groundwater drinking supplies and soil erosion. The City and area also appears to be experiencing a growing interest in agricultural operations, mostly small and/or specialized farms. Chase's Daily, a downtown restaurant, is an example of a business which uses its agricultural fields in Freedom, Maine for the menu and goods that they sell in downtown Belfast. See the Natural Resources Chapter for more information. Crucially, the tourism-based economy could be threatened by degradation of our environment.

TOURISM

Tourism is an important part of our economy. Although less prominent than seen in communities to our south like Camden, tourism is a sector with promise for growth. Most believe that the amount of tourism in the community has grown significantly in the past decade, and that the community is poised to experience additional growth in the next 5 years and beyond. The City has worked with and funded the Chamber of Commerce and Our Town Belfast to enhance tourist-based businesses. Annual events and festivals are held to attract tourists and promote the creative economy, and the number of local events is growing. The development of the Front Street Shipyard, the collective efforts to focus on the Arts, and City's efforts to improve its downtown infrastructure, such as the reconstruction of the Armistice Bridge in 2006 and construction of the Belfast Harbor Walk in 2013, all contribute to the health of the tourism market. Continuing, Belfast is one of the top 10 ports in Maine for the number of cruise ship visitors per year, and we are experiencing an increasing amount of bicycle related tourism. Belfast has worked hard to establish a good environment for both residents and tourists and the community's efforts appear to be yielding results. Several tourism enhancing strategies are included in this plan.

HOME OCCUPATIONS

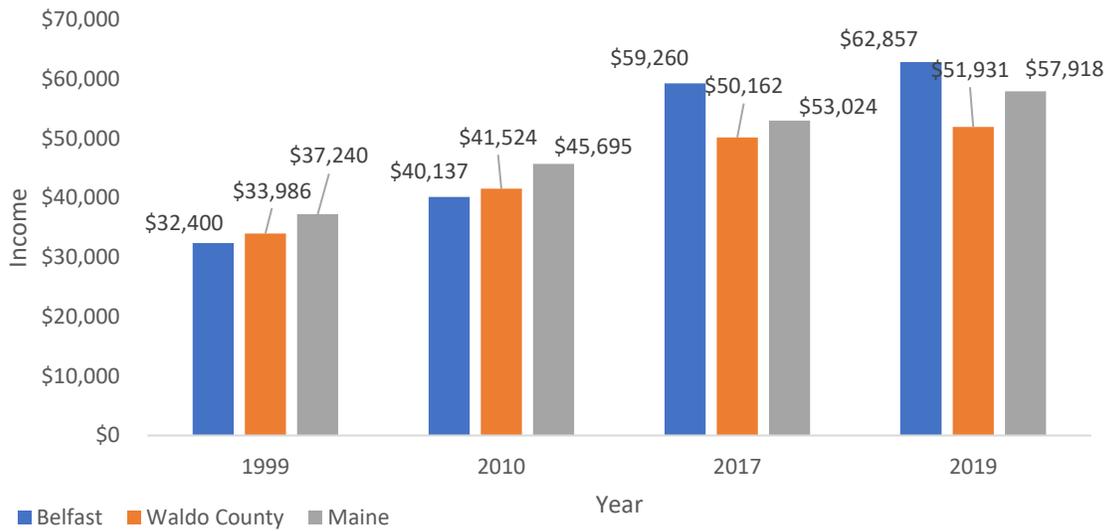
Home occupations are allowed in all residential districts; in recognition of the value such businesses have in our local and regional economy. The adopted Future Land Use Plan proposes revisions to current standards governing home occupations in rural areas, with the intent of creating more opportunities for home based businesses. Working from home for one's self or telecommuting to save transportation costs, is becoming increasingly popular. In 2019, about 6.8% of Belfast's resident labor force worked at home. Residents are more likely to remain in our community if the City affords them the opportunity to earn a better living through their own ingenuity. At the same time, City land use code provisions seek to protect the residential character of neighborhoods, by limiting those activities that could cause a nuisance or threaten the environment, and so would be better located in industrial and commercial districts.

PUBLIC FACILITIES

Public and private provision of sewer and water are described in the Public Facilities Chapter and are mapped. Opportunities for businesses to connect to these and other infrastructure like broadband (DSL, T1, wireless, and cable) and three-phase power are available in the commercial and industrial districts accessing Routes 1 and 3. Outside of these areas, broadband service is limited and can affect opportunities for business activity and home occupations that require internet connectivity. The City's intent is to use existing areas which feature public sewer and water as its prime growth areas to support non-residential development. To date, most larger employers have located in areas with existing services and public infrastructure. The City believes that modern facilities are available for new and expanding businesses, and are estimated to meet the need of the planning period (10 years) of this comprehensive plan as well as for future years. Belfast far surpasses its neighbors in the provision of public facilities.

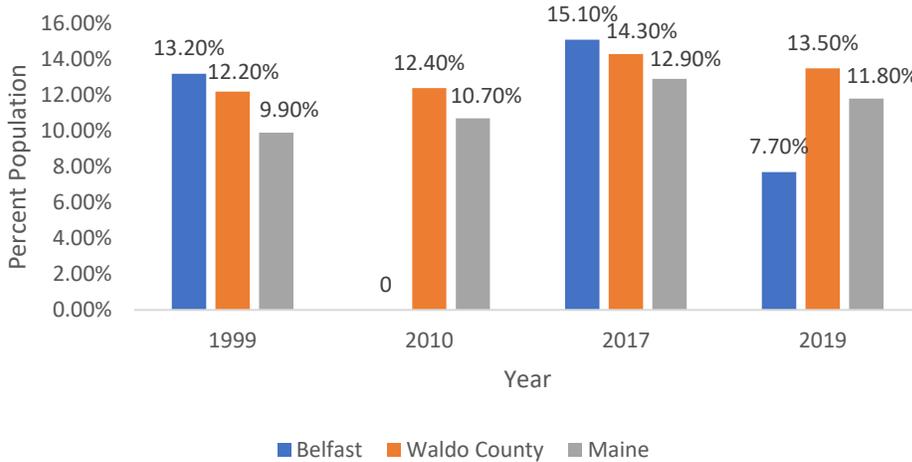
CONDITIONS AND TRENDS

Median Household Income



Source: Census. ACS 5-year Estimate.

Population Below Poverty



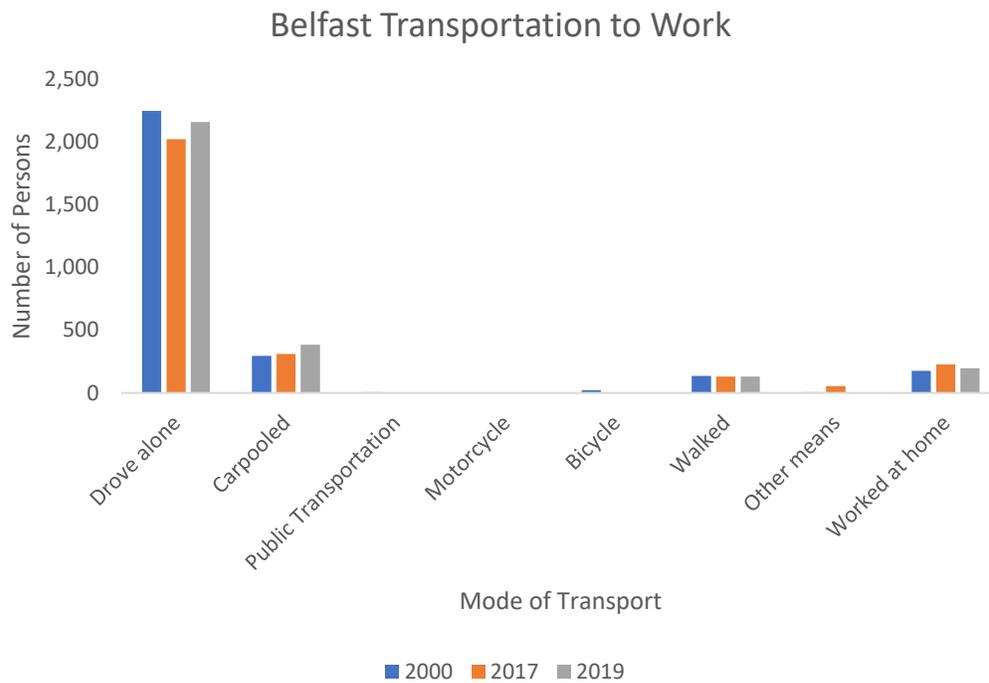
Source: Census, Claritas, Inc. ACS 5-year Estimate.

- Since 1990, the median household income in Belfast, Waldo County, and Maine have steadily increased.
- From 1990-2010, the median household income in Belfast was slightly lower than that of the County and State, however since 2017, the median household income in Belfast has been slightly higher than that of the County and State.
- As of 2019, the percent of persons below poverty in Belfast has decreased by about 49% from 2017.

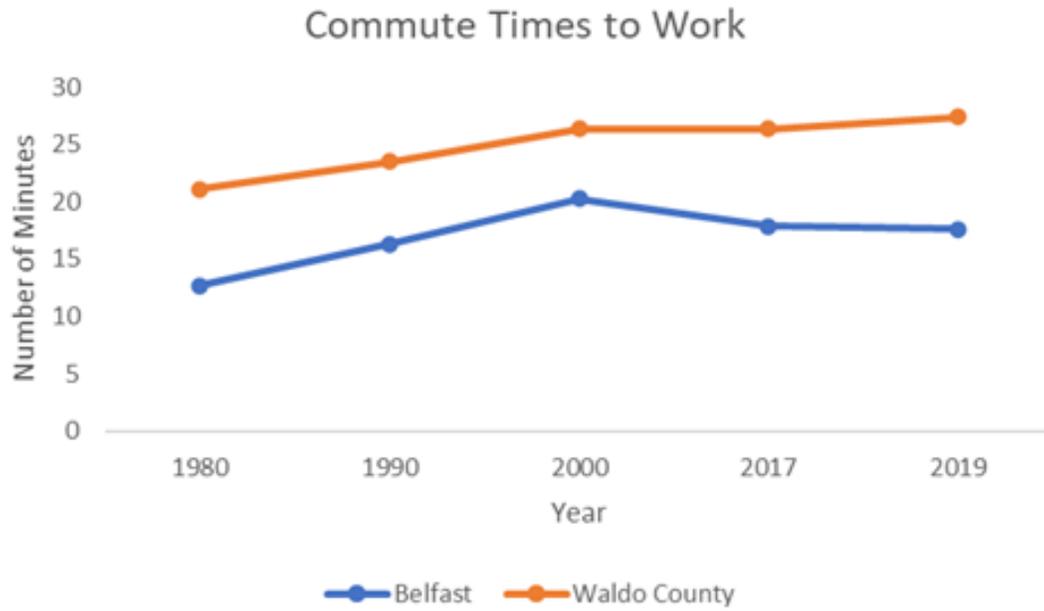
- The percent of persons below poverty in both the State and the County have generally remained steady.
- Most Belfast residents since 2000 have worked in management related occupations.



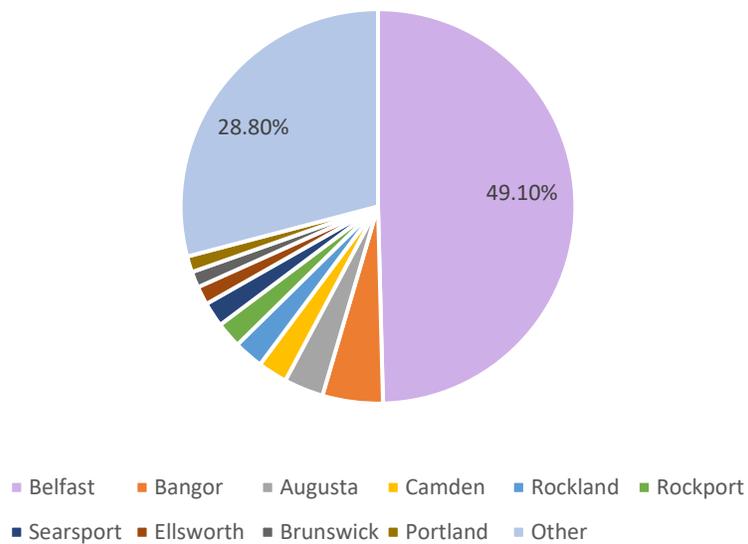
Source: Census. ACS 5-year Estimate.



Source: Census. ACS 5-year Estimate.



Communities in which Belfast Residents Worked



Source: Census. ACS 5-year Estimate.

- **Over 70% of Belfast residents between 2000-2019 drove alone to work.**
- **Commute times to work in Belfast have increased from 1980-2000 and declined slightly from 2000-2019.**
- **Commute times to work in Waldo County have been steadily increasing since 2000.**

- Nearly 50% of Belfast residents work in the town of Belfast.

TAX INCREMENT FINANCING

Belfast, in 2006, designated a Downtown/Waterfront TIF (Tax Increment Financing) District. Taxes assessed above the figure set on the date that the TIF was established can be used for improvements in this District, including infrastructure enhancements that will make the area more attractive for existing and new development, and will bring more consumers to the downtown. When the TIF was first established the City anticipated that the Belfast Bridge, LLC redevelopment project proposed for the former Stinson Seafoods site would generate considerable annual revenues to the TIF. Unfortunately, this project was unsuccessful and few dollars flowed into the TIF for its first 5 years. However, Front Street Shipyard's development of the same former Stinson Seafood's' site began generating revenues to the TIF in 2011. The City has used some of these new revenues to construct the Harbor Walk and other downtown improvements.

The City also established the Northport Avenue TIF district in 2005, mostly so the City could obtain revenues to pay the cost of a sewer extension to the Mathew Brothers manufacturing plant on Perkins Road; an approach which helped the company expand.

RETAIL SALES

Taxable sales are one of the few available indicators of the actual size, growth, and retail economic character of a region. Table 2-1 shows total taxable retail sales for Belfast for the third quarter of several years. All figures are in real dollars, not adjusted for inflation. From 2011-2016, total taxable sales in Belfast increased by 23.7%. The largest sector was Building Supply, comprising almost 20.3% of total taxable sales in 2016. This sector saw an increase of almost 33% during this six-year period. Percentagewise, Food Stores had the largest increase in sales, while Other Retail had the smallest increase. In 2016 Belfast's total retail sales comprised more than 82% of the total retail sales of Waldo County. Categories are defined after Table 2-13.

Belfast Retail Sales: 2011-2016							
Categories	2011	2012	2013	2014	2015	2016	Change %
Business Operating	\$4,413,021	\$4,540,110	\$5,078,216	\$5,239,223	\$5,098,778	\$5,656,717	28.1%
Bldg. Supply	\$25,046,622	\$27,341,668	\$26,534,210	\$30,050,157	\$31,943,869	\$33,239,741	32.7%
Food Store	\$21,952,177	\$23,065,734	\$23,724,923	\$24,612,652	\$25,267,016	\$32,263,631	46.9%
General Mdse.	\$19,031,206	\$19,034,959	\$19,201,905	\$19,507,721	\$19,911,327	\$20,494,165	7.6%
Other Retail	\$13,195,140	\$13,829,856	\$13,688,196	\$13,522,527	\$13,935,968	\$14,657,589	11%

Auto Transportation	\$25,265,575	\$25,154,649	\$27,816,221	\$29,390,461	\$30,701,843	\$29,411,296	16.4%
Restaurant	\$18,237,873	\$20,307,316	\$21,264,981	\$21,087,681	\$20,226,043	\$21,736,843	19.1%
Lodging	\$4,496,654	\$4,891,625	\$5,046,875	\$5,064,444	\$5,593,684	\$5,502,670	22.3%
Total	\$131,638,268	\$138,165,917	\$142,355,527	\$148,474,866	\$152,678,528	\$162,962,652	23.7%
Of which: <i>Consumer Retail Sales</i>	\$127,225,247	\$133,625,807	\$137,277,311	\$143,235,643	\$147,579,750	\$157,305,935	23.6%

Source: State Economist 2016

Notes: See Category descriptions below Table 2-13

Taxable Retail Sales - Quarterly (Thousands of \$)	2013-Q3	2014-Q3	2015-Q3	2016-Q3	2017-Q3	2018-Q3
Belfast, Maine						
Personal	\$51,389.40	\$53,605.90	\$55,296.40	\$58,322.80	\$58,915.70	\$63,864.10
Business Op	\$2,028.43	\$2,053.61	\$1,933.05	\$2,105.39	\$2,144.39	\$2,704.34
Building	\$9,113.09	\$10,328.50	\$10,337.00	\$10,403.00	\$11,100.20	\$1,4252.00
Food Store	\$9,003.95	\$9,138.18	\$9,124.80	\$11,608.00	\$11,247.10	\$11,687.50
General	\$5,707.67	\$6,140.89	\$6,245.74	\$6,326.47	\$6,750.07	\$7,009.24
Other	\$5,397.60	\$5,015.19	\$5,308.13	\$5,501.07	\$6,035.38	\$5,931.63
Auto Trans	\$8,859.26	\$9,258.01	\$10,287.30	\$9,597.99	\$8,824.81	\$9,246.91
Restaurant	\$8,526.10	\$9,030.60	\$8,597.99	\$9,386.57	\$9,468.59	\$10,186.90
Lodging	\$4,781.78	\$4,694.57	\$5,395.46	\$5,499.68	\$5,489.56	\$5,519.90
Rest and Lodg	\$13,307.90	\$13,725.20	\$13,993.40	\$14,886.30	\$14,958.10	\$15,706.90
Total	\$118,115.00	\$122,991.00	\$126,519.00	\$133,637.00	\$134,934.00	\$146,139.00

Source: State Economist 2018

Table 2-13 shows total taxable sales for Waldo County. From 2011 to 2016, total taxable sales in Waldo County increased by approximately 25%. The sectors that saw the largest change were “Food Store” and “Lodging”. These sectors saw an increase of almost 39% each during this six-year period. Percentagewise, Business Operating had the smallest increase in sales.

Waldo County Retail Sales: 2011-2016

Categories	2011	2012	2013	2014	2015	2016	Change %
Business Operating	\$8,130,000	\$7,926,000	\$8,958,000	\$8,580,000	\$8,122,000	\$8,417,000	3.5%
Bldg. Supply	\$27,854,000	\$30,239,000	\$29,503,000	\$34,079,000	\$35,291,000	\$36,812,000	32.16%

Food Store	\$28,467,000	\$29,815,000	\$31,006,000	\$31,907,000	\$31,996,000	\$39,533,000	38.87%
General Mdse.	\$19,896,000	\$20,015,000	\$20,309,000	\$21,335,000	\$21,886,000	\$22,738,000	14.29%
Other Retail	\$15,326,000	\$16,078,000	\$16,758,000	\$16,765,000	\$17,342,000	\$18,339,000	19.66%
Auto Transportation	\$29,421,000	\$29,539,000	\$32,439,000	\$34,433,000	\$36,292,000	\$35,511,000	20.70%
Restaurant	\$21,363,000	\$23,169,000	\$24,303,000	\$24,474,000	\$23,745,000	\$25,837,000	20.94%
Lodging	\$7,152,000	\$7,895,000	\$8,168,000	\$8,460,000	\$9,673,000	\$9,936,000	38.92%
Total	\$157,609,000	\$164,676,000	\$171,445,000	\$180,034,000	\$184,347,000	\$197,123,000	25.07%
Of which: Consumer Retail Sales	\$149,480,000	\$156,750,000	\$162,487,000	\$171,454,000	\$176,225,000	\$188,706,000	26.24%

Source: State Economist 2016

Note: In Maine's sales tax system, codings are by store type, not product. Thus, each store is coded into one of the store-type groups below depending on its predominant product; i.e., furniture sold by a furniture store will be included in General Merchandise sales while furniture sold by a hardware store will be included in Building Supply sales.

Consumer Retail Sales: Total taxable retail sales to consumers

Total Retail Sales: Includes Consumer Retail Sales plus special types of sales and rentals to businesses where the tax is paid directly by the buyer (such as commercial or industrial heating oil purchases)

Building Supply: Durable Equipment Sales, Contractors' Sales, Hardware Stores and Lumber Yards.

Food Stores: All food stores from large supermarkets to small corner food stores. The values here are snacks and non-food items only, since food intended for home consumption is not taxed.

General Merchandise: In this sales group are stores carrying product lines generally carried in large department stores. It includes clothing, furniture, shoes, radio-TV., household durable goods, home furnishings, etc.

Other Retail: This group includes a wide selection of taxable sales not covered elsewhere. Examples are dry goods stores, drug stores, jewelry stores, sporting goods stores, antique dealers, morticians, book stores, photo supply stores, gift shops, etc.

Auto: This sales group includes all transportation related retail outlets. Included are auto dealers, auto parts, aircraft dealers, motorboat dealers, automobile rental, etc.

Restaurant/Lodging: All stores selling prepared food for immediate consumption.

The Lodging group includes only rentals tax.