

F. EMPLOYMENT AND ECONOMY

The purpose of this section is to:

1. Describe the labor force, economy, and economic changes in Lubec and the region
2. Identify economic links between the Town and region; and
3. Project for the next ten years the outlook for the employment, economic vitality, and economic development of Lubec.

FINDINGS

Economic development and availability of employment opportunities is the single most important over-riding issue facing the Town of Lubec. Since the 1992 Comprehensive Plan was written, Lubec has seen continued decline in traditional natural resource-based industries that formed the basis of the local economic for more than a century. Fishing and seafood processing continue as a major source of employment.

Overarching issues affecting employment and economic development in Lubec include a declining workforce, limited employment opportunities for younger workers, and the community's geographic isolation. The Town is working with regional economic development partners to address these and other issues. Lubec also uses the Town's revolving loan fund and promotes small business development.

LABOR FORCE AND EMPLOYMENT STATISTICS

The labor force is defined as all persons who are either employed or are receiving unemployment compensation. Table F-1 shows the distribution of persons aged 16 and above who are in or out of the workforce in Lubec and Washington County as a whole. Lubec's 1992 Comprehensive Plan notes that over the nine-year period from 1980 to 1989, the Town's labor force grew 16% to 816 people. By the 2000 Census, the Town's labor force declined 20% to 650 individuals – below the 1980 level.

The distribution of the labor force in Lubec is roughly comparable to the County as a whole. Notably, Lubec has a smaller portion of adults in the labor force (49% as compared to 57%) than in the county as a whole. The Census figures also show a very low (3%) unemployment rate in Lubec in 2000. This figure, however, underestimates the true unemployment rate due to a greater local reliance on seasonal and craft-based work in Lubec. The seasonal nature of such work is less likely to be reported in census data. In fact, a significant informal economy exists, especially in natural resource based jobs, in which residents supplement reported incomes with seasonal wages.

Table F-1 LABOR FORCE STATUS: 2000

Labor Force Status: 2000	Lubec		Washington County	
	Number	Percent	Number	Percent
Persons 16 years and over	1,329	100.0	27,214	100%
In labor force	650	49%	15,500	57%
Civilian labor force	647	49%	15,354	56%
Employed	602	45%	14,042	52%
Unemployed	45	3%	1,312	9%
Armed Forces	3	>1%	146	>1%
Not in labor force	679	51%	11,714	43%

Source: US Census

The labor force generally increases with population. It also increases when a larger percentage of the population works or looks for work. In Washington County, the labor force increased by almost 11% between 1980 and 2000 while the population remained essentially the same. Lubec's labor force declined by approximately 7% while the population declined by more than 20% over the same time period.

The employed population for Lubec and Washington County is described in Table F-2 by industry. The top two sectors of employment for Lubec in 2000 were 'Education, health and social services' and 'Agriculture, forestry, fisheries, and mining.' The next most important sectors in 2000 were 'Manufacturing,' and 'Retail trade.' This pattern is consistent with the overall employment picture in Washington County, with the notable exception that Lubec in 2000 was even more dependent on employment in 'Agriculture, forestry, fisheries, and mining' than the County as a whole. (Statewide, less than 3% of the labor force was employed in 'Agriculture, forestry, fisheries, and mining' in 2000).

More recent data is not available. With the closure of local food processing plants in 2001 and loss of employment in the regional pulp and paper industry, it is expected that the next Census will show a smaller portion of Lubec's workforce employed in 'Manufacturing.'

Correspondingly, increases are expected in 'Agriculture, forestry, fisheries, and mining' and 'Education, health and social services.' The strength of 'Agriculture, forestry, fisheries, and mining' as a sector of employment in Lubec is a testament to the important role played by fishing in the local economy (see *Chapter G. Marine Resources*).

Table F-2 EMPLOYMENT CHARACTERISTICS: 2000

INDUSTRY	Lubec		Washington County	
	Number	Percent	Number	Percent
TOTAL	602	100%	14,042	100%
Agriculture, forestry, fisheries, and mining	97	16%	1,531	11%
Construction	17	3%	944	7%
Manufacturing	83	14%	1,968	14%
Wholesale trade	20	3%	384	3%
Retail trade	57	10%	1,521	11%
Transportation, warehousing, utilities	33	6%	581	4%
Information	16	3%	146	1%
Finance, insurance, and real estate	14	2%	433	3%
Professional, scientific, management, admin. & waste management	3	>1%	438	3%
Education, health and social services	155	26%	3,694	26%
Arts, entertainment, recreation, accommodation and food services	40	7%	779	6%
Other services (except public administration)	35	6%	642	5%
Public administration	32	5%	981	7%
CLASS OF WORKER				
Private wage and salary workers	392	65%	9,225	66%
Government workers	119	20%	2,882	21%
Self-employed workers	91	15%	1,886	13%
Unpaid family workers	0	0%	49	>1%

Source: US Census

LUBEC BUSINESS AND EMPLOYMENT

As noted elsewhere, the role of the seas is an important one in the history of Lubec. Fishing and the canning industry fueled robust economic growth in Lubec from the mid-19th century through the mid-to-late 20th century. Whereas the population of Washington County as whole peaked around 1900, Lubec continued to see population growth through the 1930s and the first significant declines in Lubec's population began in the 1960s.

With the closure of sardine canneries from the 1970s through 2001, Lubec experienced a significant decline in employment. During the mid-to-late 1990s, this was mitigated by a spike in employment from rapid growth in both aquaculture and the urchin fishery. However, employment in both sectors of the local economy has since stabilized at levels well below the high levels of the 1990s.

Local businesses in Lubec provide a range of goods and services. Local residents also rely on retail locations in other nearby centers including Machias, Bangor, Calais, and Ellsworth. When residents travel to these larger centers they also purchase other goods and services that are available in Lubec and nearby communities creating a drain on the local economy.

Lubec offers employment opportunities that approximately mirror the types of employment elsewhere in Washington County (see Table E-2). According to the Census nearly one in six workers in Lubec finds employment in natural resources industries and these figures probably understate natural resource-based employment due to the seasonal nature of work in this sector. Education and health services make up another important sector of employment in Lubec comprising more than a quarter of local employment.

Self-employment plays a large role in Lubec's economy (see Table E-2). Among those who are self-employed many are employed in natural resource industries, most notably fishing. In this sense, home-based businesses play a particularly important role in the local economy and it is very important that the Town of Lubec continue to support home-based natural resource businesses.

Table F-3 EMPLOYMENT OF LUBEC RESIDENTS

Place of Work	1990	2000
Baileyville	19	4
Calais	11	3
Cutler	11	2
East Machias	7	6
Eastport	6	6
Jonesboro	2	1
Jonesport	-	5
Machias	29	50
Machiasport	5	9
Marshfield	-	2
Milbridge	1	2
Pembroke	3	
Perry	2	2
Whiting	-	2
Whitneyville	2	-
Elsewhere in Maine	8	4
Elsewhere in US	4	4
Canada	16	11
Total employer outside Lubec	126	113
Employed in Lubec	450	466

Source: US Census

Overall, the employment picture for Lubec residents shows a great deal of stability from 1990 to 2000. In both decades, the majority of employed Lubec residents found work in town. Among Lubec residents who found work outside of town, the only notable trend that emerged between 1990 and 2000 was an increasing orientation away from Calais and Baileyville and toward the Machias area. Although more recent employment data is not available, anecdotal evidence suggests that the overall employment picture in Table F-3 continues to be largely

accurate.

In Lubec as in Washington County, the majority of workers in 2000 reported commuting to work by private vehicle (72% in Lubec as compared to 76% in the county as a whole). Higher percentages of Lubec residents reported walking to work or working from home than in the rest of the county. Due to the fact that such a large portion of employed Lubec residents found work in town in 2000, the mean commute time in Lubec is only 16.5 minutes, well below the Washington County average (19.2 minutes) and well below the state average (22.7).

Table F-4 LUBEC COMMUTING TO WORK: 2000

Commuting to Work: 2000	Lubec		Washington County	
	Number	Percent	Number	Percent
Workers 16 Years and over	579	100%	13,743	100%
Drove alone	415	72%	10,444	76%
In carpools	63	11%	1,657	12%
Using public transportation	4	>1%	64	>1%
Using other means	4	>1%	162	1%
Walked	51	9%	722	5%
Worked at home	42	7%	694	5%
Mean travel time to work (minutes)	16.5	-	19.2	-

Source: US Census

EMPLOYERS

Despite negative population growth and an overall decline in the labor force, Census figures indicate that over the ten year period between 1990 and 2000, total employment in Lubec grew by 40% from 579 individuals in 1990 to 821 in 2000. Growth in employment over this time is reflective of both of the late-1990s boom in aquaculture and the urchin fishery and of broader economic growth and high rates of labor force participation in Lubec and Washington County. Although more recent employment statistics are not available at the town-level, anecdotal evidence suggests that due to significant local jobs loss in 2001, the 1990 employment figures more closely reflect the current employment in Lubec than the 2000 figures.

Table F-5 EMPLOYMENT IN LUBEC, 1990-2000

	1990	2000
Lubec residents	450	466
Non-residents	129	355
Total Employment	579	821

Source: US Census

There is a general feeling that employment opportunities within the Town of Lubec are limited. The largest employers in Lubec include the Regional Medical Center at Lubec, the Lubec Consolidated School, and the Oceanview Nursing Home.

Table F-6 PARTIAL LIST OF EMPLOYERS IN LUBEC, JULY 2009

Employers in Lubec	Approx # of Employees
Regional Medical Center at Lubec	50+
Lubec Consolidated School	~50
Oceanview Nursing Home	~50
Lyon's Market	10-20
Peacock's	10-20
Correy & Correy	0-10
Uncle Kippy's	0-10
Cohill's Restaurant	0-10
The Village Restaurant	0-10
Atlantic House Coffee Shop	0-5
Customs & Border patrol	10-20
Post Office	0-10
Lubec Town Office	0-5
Bar Harbor Bank & Trust	0-10
Quick Shop Gas Station	0-10
McFadden's Gas Station	0-5
Eastland Motel	0-5
Due East Realty	0-5

Source: Lubec Comp Plan Update Committee

In addition to employers listed above there are a significant number of micro-businesses and self-employed individuals in Lubec, including fishermen, contractors, electricians, plumbers, property managers, small retail operations, smokehouses and seasonal businesses. As elsewhere in Washington County, the relative importance of small businesses has partially off-set declining employment in manufacturing and “shift-work” over the last three decades.

Education, health and social services

In Lubec, as in Washington County as a whole, education, health and social service is the largest sector of the local economy, employing more than a quarter of the local workforce in 2000. The largest employers in Lubec – Regional Medical Center at Lubec, Lubec Consolidated Schools, and Oceanview Nursing Home – are all in this industry. Since 2000, employment in this industry has been stable, with some growth in healthcare employment at the Regional Medical Center at Lubec and other regional healthcare employers. Early this year (2010), the Town of Lubec voted to close the Lubec High School. Closure of the high school will result in some loss of employment within the local economy.

Commercial Fisheries

The Town of Lubec supports a vibrant commercial fishery. The most economically significant species in Lubec in terms of employment are scallops, urchins and lobster. Commercial fishing

licenses are one measure of the importance of fisheries to the local economy. According to data from the Department of Marine Resource, Lubec residents hold the greatest number of commercial fishing licenses for any town in Washington County. (Note that the following tables do not add up to the same total number of licenses because individuals can hold more than one license).

Table F-7 FISHING PRESENCE IN WASHINGTON COUNTY

Community	State License	Clam License	Total Per town
Addison	151	40	191
Beals	191	12	203
Calais	12	0	12
Cutler	87	43	130
East Machias	50	27	77
Eastport	43	4	47
Edmunds Twp.	8	n/a	8
Harington	109	57	166
Jonesport	191	73	264
Jonesboro	79	44	123
Lubec	209	59	268
Machias	88	0	88
Machiasport	150	79	229
Milbridge	144	70	214
Pembroke	58	35	93
Perry	39	22	61
Robbinston	8	0	8
Roque Bluffs	41	58	99
Steuben	138	21	159
Trescott Twp.	7	n/a	7
Whiting	16	6	22
Totals	2007	667	2674

Source: Paths and Piers: A Study of Commercial Fishing Access in Downeast Maine Coastal Communities, Sunrise County Economic Council, April, 2003

Over the last several years employment in the fishing industry, as measured by the number of residents holding licenses, has declined by 40% from 210 harvesters in 2002 to 150 licensed harvesters in 2007. During this time period, the most significant declines were seen in the number of residents licensed for commercial fishing as a single operator (from 105 licenses in 2002 to 83 in 2007) and for commercial shellfish harvesting (from 69 licenses in 2002 to 44 licenses in 2007). The decline in resident licenses is not necessarily a reliable gauge of declining employment in the industry. In particular, local fishermen indicate that the drop-off in shellfish licenses held by Lubec residents in 2005 most likely occurred because long-time license holders failed to renew licenses as a result of red-tide.

Table F-8 COUNT of LUBEC RESIDENTS HOLDING MARINE RESOURCE LICENSES

Year	2002	2003	2004	2005	2006	2007
Dealers	10	6	3	5	6	7
Harvesters	210	203	184	148	153	150

Source: Maine Department of Marine Resources, 2008

Lubec fishermen are currently dealing with the impacts of the national economic downturn, increased regulatory oversight and a highly competitive global market for their products. It is expected that changes in regulations and weak prices for lobster and scallops will force some local operators out of the industry over the next couple of years.

Over the years the Town of Lubec has made significant investment to support the local marine industry including construction of marine infrastructure and direct support of fisheries businesses through the Lubec revolving loan fund. For more discussion of marine fisheries in Lubec, see *Chapter G: Marine Resources*.

Manufacturing

At one point manufacturing was a major economic force in Lubec. Sardine factories provided jobs for generations of Lubeckers, from the late 19th century through 2001. As late as 1990, manufacturing accounted for 18% of employment in Lubec and 14% of employment in 2000. With the closure of the Town's last sardine factory in 2001 (as well as a small salmon processing factory in the previous year), Lubec lost 200 jobs and the relative importance of manufacturing in Lubec's economy declined sharply.

The loss of employment in manufacturing has had a significant impact on the local economy. Notably, the loss of manufacturing jobs – and the stable income they provide – is a contributing factor in the loss of young families. A few small manufacturing operations remain in Lubec, mostly producing food products.

Retail Trade

Taxable sales are one measure of the vibrancy of the retail trade. Table F-9 presents information on taxable sales of consumer goods by sector in Washington County and the total amount of taxable sales for Lubec. All figures are in real dollars, not adjusted for inflation, and represent only taxable sales.

Lubec had an increase in total taxable sales (9%) for the period of 2002 to 2005 while the county saw an increase of just 6.1%. Declines in General Merchandise and Other Retail were off-set by growth in other categories. It is worth noting that Restaurant and Lodging sales accounted for nearly half of taxable sales in Lubec in both 2002 and 2005, compared to the rest of Washington County where Restaurant and Lodging sales account for only 1/8 of taxable sales. This speaks to the relative importance of tourism in the local economy.

Table F-9 TAXABLE SALES (in thousands of dollars)¹

Selected Retail Sectors	Washington County			Lubec		
	Annual Total Sales 2002	Annual Total Sales 2005	2002-2005 % Chg	Annual Total Sales 2002	Annual Total Sales 2005	2002-2005 % Chg
Business Operating	15,210.4	16,959.5	11.5%	134.2	252.4	88.1%
Building Supplies	25,988.9	32,778.2	26.1%	415.5	491.3	18.2%
Food Store	32,591.4	33,462.6	2.7%	1,517.6	1,787.3	17.8%
General Merchandise	53,255.5	55,283.7	3.8%	22.8	2	-91.2%
Other Retail	10,613.5	13,324.4	25.5%	395.2	339.5	-14.1%
Auto Transportation	30,972.5	29,211	-5.7%	367.3	419.6	14.2%
Restaurant/Lodging	27,026.2	26,612.9	-1.5%	2499	2,538.5	1.6%
Total Consumer Sales	180,403.1	190,672.8	5.7%	5,217.4	5,578.2	6.9%
Total Taxable Sales	195,658.4	207,632.3	6.1%	5,351.6	5,830.6	9.0%

Source: Maine Revenue Service, 2007

While growth in retail sales was strong over the past several years, Lubec's retail sector remains small as compared with other communities in Washington County. The retail index listed below is given as an indicator of retail sales importance to the local economy. Figures higher than 1 indicate that communities have more taxable sales than would otherwise be predicted based on their population; whereas figures below 1 indicate lower levels of taxable sales than would be predicted based on population. With a value of 0.47, Lubec had a smaller retail sector in 2000 than would otherwise have been predicted based on population.

¹ Below are the definitions of each retail sector:

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 oil purchase).
Building Supply:	Durable equipment sales, contractors' sales, hardware stores and lumberyards.
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 lines generally carried in large department stores. These include clothing, furniture, shoes, radio-TV, household durable goods, home furnishing, etc.
Other Retail:	This group includes a wide selection of taxable sales not covered elsewhere. Examples are dry good stores, drug stores, jewelry stores, sporting good stores, antique dealers, morticians, bookstores, photo supply stores, gift shops.
Auto Transportation:	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 rental tax.

Table F-10 SPECIALIZATION IN RETAIL SALES, 2000

	2000 Per capita Sales	Retail Index
Calais	\$20,657.88	4.14
Eastport	\$3,152.56	0.63
Lubec	\$2,351.02	0.47
Whiting	\$2,876.12	0.58
Machias	\$13,286.20	2.67
County Average	\$4,985.30	

Source: US Census, Maine Revenue Service

Tourism

Tourism plays a significant and growing role in Lubec's economy. Lubec benefits economically from the presence of two major attractions in the local area: West Quoddy Head Light at the easternmost point in the United States (in Lubec) and Roosevelt Campobello International Park on neighboring Campobello Island in New Brunswick. In addition, the SummerKeys music education program draws a growing number of longer-term and return visitors to Lubec each summer.

Direct employment in tourism includes bed-and-breakfasts, gift shops, galleries, a motel, a privately-owned campground and employment at the Roosevelt Campobello International Park. Tourism and summer residents also provide an economic boost to businesses that local residents depend on including restaurants, grocery stores and tradesmen.

Tourism in Lubec is seasonal with most visitors and summer residents arriving in July and August. This is reflected in sales tax data that show an average of 34% of taxable sales occurring in the third quarter (July, August, and September). Over the years Lubec has encouraged growth in the tourism industry by supporting businesses through the revolving loan fund and by promoting local attractions through the Town's website.

OTHER LOCAL ECONOMIC CONSIDERATIONS

Income and Loss of Employment

The over-riding economic consideration in Lubec is the long-term decline in employment in manufacturing and fisheries with the associated impact on employment and income. Remaining large employers in Lubec are heavily concentrated in the education, health and social services sector. Limited employment opportunities in other sectors such as manufacturing is a major factor forcing younger workers (including families with young children) to leave town. This trend is reflected in population data (see *Chapter C. Population*). Younger workers are affected by loss of employment in manufacturing because the small businesses that have replaced larger, regional employers offer fewer opportunities for career advancement. In addition younger workers are less likely than middle-aged workers to have acquired the skills and financial

resources needed to succeed as entrepreneurs. Simply put there are not enough jobs that provide a stable income to retain younger workers in the local economy.

A further issue affecting younger workers and their families is the prevalence of poverty in Lubec. Even before the loss of employment that occurred in 2000 and 2001, many Lubec residents were struggling economically. This is reflected in household income data from the 2000 Census: median household income in Lubec is 20% lower than the county and 45% lower than the state.

Table F-11 MEDIAN HOUSEHOLD INCOME

	U.S. Census	
	1989	1999
Lubec	\$14,398	\$20,565
Washington County	\$19,967	\$25,869
Maine	\$27,896	\$37,240

Source: U.S. Census

Overall poverty rates in Lubec were higher than in Washington County as a whole in 2000. According to the Census, 27% individuals in Lubec and 20% of families reported income level below the federal poverty level (as compared to 19% of individuals and 14% of families in Washington County). Moreover these rates of poverty are nearly double the statewide average. Perhaps the most worrying trend is the prevalence of poverty among families with young children. In 2000, 43% of Lubec families with children under the age 18 and 45% of Lubec families within children under the ages of 5 had incomes that fell below the federal poverty level.

Table F-12 POVERTY STATUS IN 1999

Poverty Status in 1999	Lubec		Washington County	
	Number	Percent	Number	Percent
Below poverty level				
Individuals	450	27%	6,272	19%
Persons 18 years and over	303	23%	4,524	18%
Persons 65 years and over	69	19%	1,076	19%
Families	84	20%	1,319	14%
With related children under 18 years	66	43%	861	20%
With related children under 5 years	21	45%	312	24%

Source: U.S. Census

Cumulatively, the lack of stable employment opportunities for younger workers, lower median household income levels, and the prevalence of poverty have led many younger workers and their families to seek employment elsewhere. This situation contributes to a sense of despair that many younger residents feel regarding the future of their community.

Location

A second over-riding economic consideration with regard to Lubec's economy is the impact of geography. Lubec sits on the end of a peninsula (actually several peninsulas) as the easternmost edge of the United States. In the 19th century, Lubec's location near major shipping channels between Boston and Atlantic Canada provided a ready market for sardines and other locally manufactured goods.

These days Lubec is figuratively – if not literally – at the end of the road. It is over 100 miles from Lubec to the nearest interstate highway. The region lost freight rail service in the mid-1980s. Poor connections by land and sea to the nearby community of Eastport and to neighboring New Brunswick contribute to the community's relative isolation.

The Town of Lubec supports efforts to enhance access to the region through restoration of rail and improvements at the Port of Eastport. The Town also supports efforts to enhance the community's visibility through roadway improvements and enhanced signage. Other improvements to the transportation system that would improve connections for people and goods moving to and from Lubec are discussed in *Chapter I. Transportation*.

Seasonal Economy

A third over-riding economic consideration in Lubec is the seasonal nature of many types of economic activity within the community. As noted above, tourism in Lubec is highly seasonal with 34% of taxable sales occurring during the third quarter and most visitors present in the months of July and August. Many businesses (bed-and-breakfasts, restaurants, galleries) that are geared toward tourism are either only open in the summer or operate on much reduced hours during winter months.

Downtown

A final over-arching economic consideration affecting Lubec is the community's downtown. Much of the infrastructure in Lubec's downtown dates from an era when Lubec was a larger community than it is today. The historic houses and buildings in downtown Lubec are a source of pride for local residents and contribute to Lubec's tourism industry. However, as discussed in *Chapter D. Public Facilities*, the community struggles to maintain existing infrastructure (notably public sewer and water systems) that are operating below their designed capacity and with fewer rate payers than in previous years. Water Street was the historic commercial center of Lubec. It was where people worked (in canneries), shopped, and ate. In that sense, Water Street is Lubec's traditional "Main Street," and it continues to be an important center of community life.

In recent years commercial development has increasingly occurred along Washington Street – in an area still within the existing downtown. With greater availability for parking and high traffic volume, commercial development along Washington Street increasingly includes those

businesses geared toward residents day-to-day needs (banks, supermarket, gas stations); and commercial development on Water Street is increasingly geared toward “destination businesses” (e.g. bed-and-breakfast, gift shops, restaurants, bars). In this sense, Lubec’s “Main Street” has moved.

Abandoned and derelict properties

Abandoned and derelict properties are an issue affecting economic development in Lubec. Abandoned and derelict properties negatively impact the property values of adjacent property owners and, by extension, the overall tax base of the community.

Successful communities deal with their blighted properties with both firmness and the extreme sensitivity that is needed when private property is involved. The focus is not on penalization and demolition, but rather on restoration of abandoned and derelict properties to productive use whenever possible. It is a complex issue that requires careful thought to develop a policy that is strong enough to resolve the problem yet even-handed enough to sustain respect over time. Moving forward, the Town should develop an action plan to identify the means of dealing with this issue.

COMMUNITY ECONOMIC DEVELOPMENT PRIORITIES

Lubec’s priorities for economic development are to increase employment – in particular to encourage the growth of business that will provide employment opportunities for younger residents – and to retain employment in existing natural resource-based industries. In recent years, Lubec has been successful in promoting and retaining micro-businesses through use of the communities’ revolving loan funds and through cooperation with regional economic development agencies (such as the Sunrise County Economic Council and the Washington County Development Authority). Lubec’s priorities are well reflected in regional economic development plans that also stress job growth and retention of jobs in natural resource-based industries.

The Town of Lubec does not anticipate that any major capital investments will be needed to accommodate new commercial development. Municipal water and 3-phase power is widely available. There is ample capacity within the water and sewer systems to accommodate any reasonably projected level of commercial development. Access to broadband Internet continues to be an issue in parts of the community but on-going regional efforts to expand broadband service should improve access in the near-term.

Regional transportation investments are the most significant investments that will facilitate business investment in Lubec. In addition to improvements to Route 189, these would include investment in Route 1 and connector roads to facilitate freight transportation from coastal Washington County to I-95. Lubec would also benefit economically from the proposed freight connections serving the Port of Eastport (which include an extension of rail service from New

Brunswick to Perry and an accompanying truck-rail trans-loading facility).

Poor cell phone service is a second issue. There is one cell phone service provider offering coverage throughout most of the Town and reception is poor or non-existent in many places. In other places, cell phones pick up signals from international towers, incurring roaming charges for users. As the availability and reliability of cellular phone service becomes more and more universal throughout the rest of the country, these issues with cell coverage in Lubec contribute to the perception that Lubec is not adequately “business friendly.”

Tax Incentives

Pine Tree Zones are a tax incentive program created by the State to reduce state taxes for eligible businesses for up to ten years. The goal is to create quality jobs in targeted industries within target geographic areas. Expanding participation in this program, possibly in conjunction with development of a municipal business park could help spur new business investment in Lubec.

TIF (tax increment financing) allows a municipality to return a portion of any new property investments to the owner over a pre-determined period (up to 30 years). The TIF works when one or more property owners choose to make substantial improvements to their properties. Within pre-defined rules of the TIF district, a portion of the additional tax revenue generated by those investments may be returned to the owner to assist with improvement costs or be directed by the municipality to improve local infrastructure.

Lubec does not currently have any TIF districts. The Town of Lubec should develop a Downtown Business Development TIF to encourage development/redevelopment of several abandoned and vacant properties within commercial areas along Water St. and Washington St. Given the importance of maintaining the historic character of Water Street to the local economy, development of the TIF district should be coordinated with development of any design standards for Water Street that may be included in a proposed land use ordinance (see Chapter K. Land Use).

Seventy-nine % of respondents to the Community survey think that the Town of Lubec should adopt policies and take actions to encourage businesses to locate in Lubec. Consistent with Community Survey responses and the Community Vision, the Future Land Use Plan identifies areas appropriate for larger scale business development (including industrial) along Route 189.

Existing economic development policies and strategies

Town policies relative to economic development as established by the 1992 Comprehensive Plan are summarized in the table below as are recommended implementation strategies and notes on the status of each recommendation. A complete list of the policy recommendation from the previous Comprehensive Plan is included in *Appendix A: Executive Summary of the Town of Lubec Comprehensive Plan, 1992*. A full copy of the previous plan is on file in the Town Office.

Table F- 14: ECONOMIC DEV. POLICIES & STRATEGIES FROM 1992 COMP PLAN

Policy	Notes
It is the policy of the Town of Lubec to actively support and participate in appropriate State and Regional economic and business development programs which enhance the Town's economic well being and increase job opportunities for local residents.	<i>This policy continues to align with municipals goals and should be continued.</i>
It is the policy of the Town of Lubec to encourage and promote the development of small businesses and light manufacturing within its jurisdiction.	<i>This policy continues to align with municipals goals and should be continued.</i>
Strategy	
Compile a data base concerning technical assistance for residents interested in starting a small business within the Town. Sources of information should include but not be limited to the Washington County Planning Commission [<i>sic</i> : now Washington County Council of Governments] and appropriate state offices.	<i>This strategy has been largely implemented. The Administrator of the town's revolving loan fund provides references to other services.</i>
Designate appropriate areas in Town for the development of commercial enterprises.	<i>This strategy has not been implemented.</i>
Participate in regional economic development efforts which benefit the Town's economy, yet do not negatively affect its environment.	<i>This strategy has been implemented. Lubec participates in WCCOG, SCEC and others regional efforts. This strategy should be continued.</i>

In addition to the policies and strategies listed above, the 1992 Comprehensive Plan laid out a detailed economic development program with specific implementation strategies designed to meet the following objectives:

- Increase the efficiency of existing businesses.
- Encourage business formation from within the community.
- Attract new employers
- Improve the ability to capture dollars.

Information on various economic development programs is available through the Town Office and the revolving loan fund. Various implementation strategies within the broader economic development program have been implemented, typically at the regional level. The Comprehensive Plan Update Committee feels that the level of detail in the economic development programs set forth in the 1992 Comprehensive Plan is more appropriate at the regional level and that the Town does not need to duplicate services offered by regional economic development agencies.

Policies and implementation strategies to relative to economic development in Lubec are presented on the following pages. They include revisions as noted above, along with additional policies and strategies that reflect changes in conditions on the ground, local priorities and State and Federal policy since the previous Comprehensive Plan was adopted.

POLICIES AND IMPLEMENTATION

Goal: Promote an economic climate that increases job opportunities and the overall well being of Lubec.			
Policy	Implementation Strategy	Responsibility	Timeframe
Encourage and promote the development of small businesses and light manufacturing within its jurisdiction.	Identify sites suitable for redevelopment and/or new business development through the Future Land Use Plan and subsequently work with landowners to pre-approve sites for development.	Selectmen	Immediate
	Continue to use the Town’s revolving loan fund to support small businesses in Lubec.	Revolving Loan Fund	On-going
	Develop and adopt incentives to attract new business to Lubec, such as the creation of a TIF district.	Selectmen	Immediate
Promote the economic impact of tourism.	Continue to use the Town website to promote tourism in Lubec.	Selectmen	On-going
	Improve the availability of information about local businesses available at trailhead, state parks and other tourism-related facilities.	Selectmen	Immediate
Support actively and participate in appropriate State and Regional economic and business development programs which enhance the Town’s economic well being and increase job opportunities for local residents.	Work with regional business development organizations (EMDC ² , SCEC, Coop Ext’n, IWW) on providing assistance to new and existing business owners. This assistance could include newsletters, seminars, and open forums.	Selectmen	On-going
	Participate in regional transportation planning efforts to seek continued improvement to regional transportation infrastructure on which Lubec depends, and to improve signage directing visitors to Lubec.	Selectmen	Ongoing
	Participate in regional economic development efforts which benefit the Town’s economy, yet do not negatively affect its environment.	Town Staff	On-going

² EMDC – Eastern Maine Development Corporation
 SCEC - Sunrise County Economic Council
 Coop Ext’n – University of Maine Cooperative Extension
 IWW - Incubators without Walls (Washington Hancock Community Agency)