

F. EMPLOYMENT AND ECONOMY

The purpose of this section is to:

1. Describe the labor force, economic activity, and economic changes in Machiasport and Washington County;
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 Machiasport.

FINDINGS

Machiasport is a rural town with a heavy dependence upon the ocean and other natural resources. The majority of businesses in town rely upon these resources or upon the two major employers, the Down East Correctional Facility and Atlantic Salmon of Maine. Nearly one in six workers work directly in natural resources industries. Education, healthcare and public administration (most located in neighboring Machias) also play an important role with nearly one in three worker finding employment in this sector.

Available statistic on employments, wages, and poverty describe a local workforce dominated by working class families. The nature of Machiasport's economy and its heavy reliance on natural resource-based industries also speaks to the important of home-based business and the informal economy. Efforts at local economic development should seek to build on relationships with surrounding communities; and should focus on job creation consistent with Machiasport rural character.

Infrastructure – and in particular the condition of Route 92 – is a significant issue for business development and development of retail and tourism-related businesses in Machiasport. The Town should work MDOT to seek roadway improvements as outline in *Chapter I. Transportation*. Machiasport should also work with private investors to seek development of a marina facility in Machiasport village and redevelopment of under-utilized public facilities as appropriate and in a manner consistent with the Town's Community Vision.

MACHIASPORT BUSINESS AND EMPLOYMENT TODAY

The role of the seas has been an important one in the history of the Machiasport area, providing several major occupations including fishing, fish processing, shipbuilding and shipping. Today there is less diversity in local economic enterprise than existed years ago.

Machiasport offers a variety of employment opportunities including an abundance of seasonal occupations in the areas of clamming, lobstering, worming, wreath making, blueberry raking and tourism. The town economy is largely geared towards fishing and marine industries, most of which are small businesses. Bucks Harbor is a significant fishing port.

Increasingly, many Machiasport residents work outside the Town. The Town experienced rapid growth in employment in the salmon aquaculture industry during the late 1990's. The Town 1996 Comprehensive Plan identified Atlantic Salmon of Maine and the Downeast Correctional Facility as the community's major employers. In the intervening time period, changes in the aquaculture regulation have drastically reduced employed in the industry locally. Atlantic Salmon of Maine, which at one time employed 150 people, ceased processing at the Machiasport facility in 2003. They are now operating again, but with employment below the 1990's levels.

In recent years, home construction – especially new construction for the second home market – was also a significant source of employment in Machiasport. Agriculture, in the traditional sense, has never been a major factor in Machiasport's commercial life.

Machiasport has a limit retail trade. Residents travel to nearby Machias for many goods and services. However, various essential items must be obtained from larger merchandisers in Bangor, Calais, and Ellsworth. When residents travel to these larger centers they purchase many other goods and services that aren't available in the local area creating a drain on the local economy.

INDUSTRY SECTORS

Commercial Fishing

Commercial fishing in Machiasport is of tremendous significance to the local economy. In 2003 Machiasport was 1st in Washington County communities in the number of clam licenses and 5th in the number of all commercial state licenses – see Table F-1. 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-1 FISHING PRESENCE IN WASHINGTON COUNTY

Community	Total Marine Licenses	Clam License	Total Per town
Steuben	138	21	159
Milbridge	144	70	214
Harrington	109	57	166
Addison	151	40	191
Jonesport	191	73	264
Beals	191	12	203
Jonesboro	79	44	123
Roque Bluffs	41	58	99
Machias	88	0	88
East Machias	50	27	77
Machiasport	150	79	229
Cutler	87	43	130
Whiting	16	6	22
Trescott Twp.	7	n/a	7
Edmunds Twp.	8	n/a	8

Community	Total Marine Licenses	Clam License	Total Per town
Lubec	209	59	268
Eastport	43	4	47
Pembroke	58	35	93
Perry	39	22	61
Robbinston	8	0	8
Calais	12	0	12
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

Fisheries currently landed in Machiasport include soft-shell clam, lobster, crab, scallop, urchin quahog, mussel, and marine worm in descending order of significance. Indeed with a year round population of only 1160 residents (2000 Census), there are nearly 160 commercial fishing licenses issued to Machiasport residents. It is estimated that these licenses support approximately 450 jobs in the fishing industry and associated trades for Machiasport and the region (Machiasport Maritime Plan).

Landings figures are not available at a Town level from DMR, but figures on licenses and trap count (lobster) indicate that the employment in the marine industry in Machiasport has probably been relative stable over the last couple of years. It is anticipated, though, that the current economic climate and weak price for lobsters will result in some loss of employment in the local marine industry.

With the exception of dealers and seafood processors, more people working in commercial fisheries in Machiasport are self-employed or employed by a micro-business (2 or 3 employees). Many commercial fisherman, hold multiple licenses. For more discussion of the local marine industry see *Chapter G. Marine Resources*.

Light Industry

Machiasport formerly had a variety of light industry and manufacturing companies. In particular, seafood processing has historically been an important part of the local economy. Light industry in Machiasport is currently limited to a few seafood and seafood processing businesses located in Buck Harbor (most notably Cook Aquaculture). These use fit well within the local land use context in Bucks Harbor, as reflected in the Future Land Use Plan (see *Chapter K. Land Use*).

Service Sector

The service sector in Machiasport is limited. A handful of service sector small and micro-businesses operate in Machiasport offering “seasonal services” (landscaping, snow removal, et cetera). Most services are available in the neighboring town of Machias.

Tourism

There are a handful of tourism-related businesses operating in Machiasport (bed and breakfast, weekly home rentals); and many residents of Machiasport find employment in tourism-related industries (including work seasonal work such as grounds keeping that supports seasonal homes

& rental in Machiasport). However, tourism is not a major component of the local economy in Machiasport at the present time.

It is generally felt that Machiasport’s scenic coastal islands, natural beauty and historic resources represent under-developed potential for the development of tourism-related businesses. Consistent with Machiasport’s rural character, a majority of respondents to the community survey support development of small scale tour-related business (bed and breakfast, restaurants, multi-use trails, and marinas). But there was markedly less support for larger tourism-related, businesses such as hotels and motels (see *Appendix C*, pg. 4-8).

Retail

As the figures show, Machiasport has a very small retail sales sector. Total taxable sales in 2005 were just over \$300,000. As such, the 29% decrease in taxable sales over the three year period is not necessarily indicative of changes in the Town over economic well being. The growth in taxable sales at the county level, and more particularly in Machias, is likely a better indicator of changes in the buying power of Machiasport residents over the same time.

Table F-2 TAXABLE SALES (in thousands of dollars)¹

Selected Retail Sectors	Washington County			Machiasport			Machias		
	Total Sales 2002	Total Sales 2005	2002-2005 % Chg	Total Sales 2002	Total Sales 2005	2002-2005 % Chg	Total Sales 2002	Total Sales 2005	2002-2005 % Chg
Business Operating	15,210	16,960	12%	95.8	175.6	83%	1,785	1,170	-34%
Food Store	32,591	33,463	3%	165.	30.4	-82%	5,678	7,610	34%
General Merchandise	53,255	55,284	4%	62.9	1.7	-97%	2,134	4,049	90%
Other Retail	10,614	13,324	26%	21.9	5	-77%	3,332	3,327	-0.1%
Auto Transportation	30,973	29,211	-6%	17.1	31.1	82%	8,303	5,271	-37%
Restaurant/Lodging	27,026	26,613	-2%	64.8	58.6	-10%	5,623	7,131	27%
Total Consumer Sales	180,403	190,672	6%	331.	126.8	-62%	31,125	3,5433	14%
Total Taxable Sales	195,658	207,632	6%	427.	302.4	-29%	32,910	36,603	11%

Source: Maine Revenue Service

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).
- 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, etc.
- 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.

While not necessarily indicative of changes in the overall economic well being of town residents, the decline in taxable sales is nonetheless a worrying trend. Machiasport's retail sector is very small, even in comparison to its population.

The retail index listed below is 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 indicate lower levels of taxable sales than would be predicted based on population. With a value of 0.08, Machiasport had one of the smallest retail sectors in the County in 2000, even as measured against what would otherwise have been predicted based on population. (It is worth noting that much of the economic activity in Machiasport is not subject to tax. This includes much of the economic activity in the informal economy. Weekly lodging rental were also not included as taxable sales at the time this data was collected).

Table F-3 SPECIALIZATION IN RETAIL SALES, 2000 (selected towns)

	2000 Per capita Sales	Retail Index
Beals	316.4	0.06
Jonesboro	3581.7	0.72
East Machias	1492.6	0.30
Machias	13286.2	2.67
Machiasport	385.2	0.08
Whiting	2876.1	0.58
Lubec	2351.0	0.47
County Total	\$ 4,985.30	

Source: US Census, Maine Revenue Service, WCCOG

Informal Economy

The term informal economy refers to economic activity that is not officially monitored. It covers a wide variety of economic activities that occur “under the table:” from very small scale home-based businesses, to “barter” transactions that are never officially registered. By definition, there are no official statistics on the size of the informal economy. Especially in rural communities like Machiasport, though, the informal economy often plays an important role in community and economic life – provide side-line income or some and a means of coping with rising prices for others. Examples of local residents engaged in activities that fall under the heading of “informal economy” cut across industry sectors are too numerous to site here. In general these types of activities seem to be on the increase.

EMPLOYMENT

Machiasport is not a major employment center. The majority of people who work in Machiasport are believed to be Machiasport residents. In 1990, the majority of those employed in Machiasport were residents of the town (60.8%). With the boom in aquaculture, employment in Machiasport grew from 227 individuals in 1990 to 348 individuals in 2000.

Most of the growth in employment during the 1990, though, was in non-residents employment. The number of local residents employed in Town only grew from 138 individuals in 1990 to 147 in 2000, while the number of non-residents employed in town grew from 89 to 201. Among non-residents employed in Machiasport, the majority come from the surrounding communities (Machias, East Machias, Cutler, and Marshfield). Although more current statistic at the town level are not available, there is reason to believe that employment in Machiasport is currently somewhat lower than the 2000 levels.

Table F-4 PERSONS LIVING OUTSIDE MACHIASPORT & WORKING IN TOWN

Community	#1990	#2000	Community	#1990	#2000
Addison	-	10	Jonesport	4	1
Beals	-	2	Lubec	5	9
Calais	-	4	Machias	33	34
Cherryfield	-	2	Marshfield	-	14
Columbia	-	3	Milbridge	-	1
Columbia Falls	-	3	Pembroke	-	4
Cutler	-	16	Roque Bluffs	-	5
Edmunds, Trescott	4	2	Steuben	-	6
East Machias	22	58	Whitneyville	-	2
Eastport	-	2	Other ME Towns	3	14
Harrington	3	6	TOTAL	76	201
Jonesboro	2	3			

Source: US Census

Machiasport has historically had handful of “large” and medium-sized employers. A list of employers from the 1996 Comprehensive Plan is provided below. Employers not located in Machiasport are underlined; and those that have gone out business since 1995 appear in italics.

Table F-5 SOURCES OF EMPLOYMENT IN MACHIASPORT, 1995

Municipal Government	Corn Hill Stripper Company
Eastern Atlantic	Atlantic Salmon of Maine
J.R. Wood Transportation	<u>Downeast Community Hospital (Machias)</u>
BBS Lobster Company	Downeast Correctional Facility
<i>Rasco’s Garage</i>	Pettegrow’s Boatyard
<i>Bucks Harbor Lobster Company</i>	Village Store
<u>Machias Bay Seafood</u>	<u>US Navy (Cutler)</u>
<i>Gardiner Shingle</i>	Non-profits
<u>J.L. Huntley</u>	B. Wood & Sons
<u>State Government</u>	<u>County Government</u>

Source: Machiasport Comprehensive Plan, 1996; Comp Plan Update Committee

As the table shows, there have been some changes in employment in Machiasport since 1995, notably loss of employment at the Cutler Navy Base and several small businesses. It is also noteworthy that while the number of residents seeking employment outside of Machiasport

increase from 1990 to 2000, a number of number of employers identifies in the 1996 Comprehensive Plan are located outside of the community.

Table F-6 PARTIAL LIST OF EMPLOYERS IN MACHIASPORT, 2008

Employers in Machiasport	Industry	Approx # of Employees
Downeast Correctional Facility	Public Sector	75+
Cook Aquaculture (formerly Atlantic Salmon)	Seafood	~50
BBS Lobster	Seafood	10-20
Fort O'Brien School	Public Sector	10-20
Town Government	Public sector	2-5
JR Wood Transportation	Transportation	2-5
Pettegrow's Boatyard	Boat Repair	2-5
Bucks Harbor Shopping Mall	Retail	2-5
Hospice Education Institute	Non-profit	2-5
Post Office	Public Sector	2-5
Gerald Wood & Son	Construction	2-5

Source: Maine Dept. of Labor (4th Quarter of 2000), and Maine Manufacturing Guide; input from Machiasport Comprehensive Plan Committee and local research, 2008

Employment in Machiasport is notably concentrated in the public sector (town government, school and the Correctional Facility). The largest employers in Machiasport today is the Downeast Correctional Facility (see Table F-6). There is also a strong informal economy in Machiasport, as discussed above. Small businesses and the informal sector in Machiasport are both heavily dependent on marine industries.

Table F-7 EMPLOYMENT BY SECTOR: 2000

Sector	Machiasport		Washington County	
	#	%	#	%
Agriculture, forestry, fishing & mining	74	16%	1,531	11%
Construction	25	5%	944	7%
Manufacturing	41	9%	1,968	14%
Wholesale trade	6	1%	384	3%
Retail trade	37	8%	1,521	11%
Transportation & warehousing, & utilities	13	3%	581	4%
Information	0	0%	146	1%
Finance, insurance, real estate, rental & leasing	13	3%	433	3%
Professional, scientific, management, & admin.	33	7%	438	3%
Educational, health & social services	116	25%	3,694	26%
Arts, entertainment, rec., accomod. & food serv.	40	9%	779	6%
Other services (except public administration)	35	8%	642	5%
Public administration	32	7%	981	7%
TOTAL	465	100%	14,042	100%

Source: US Census

This is born out by Census figure (see Table F-7) that show 16% of Machiasport's workforce employed in "Agriculture, forestry, fishing & mining" as opposed to 11% in the County as a whole and less than 5% State-wide. Census data also helps underline the important of public sector employment on Machiasport's economy with nearly a third of workers employed in

'Educational, health & social services' (25%) and 'Public administration' (7%). Given the importance of employment in these sector, the Town should remain engages in state and federal policy discussion that affect these sectors, notably regarding schools, and the prison.

REGIONAL ECONOMY

Traditionally, Washington County has been one of the most depressed counties in New England. Nearby in recent years, portions of Waldo County and Southwest Penobscot County have experienced deeper economic depression as a result of the closure of traditional manufacturing industries in those areas. Washington County continues as an economically depressed area because of its distance from other sections of the State, and reliance on a seasonal economy (blueberries, wreaths and Christmas trees, fishing and clamming, wood harvesting, etc.).

According to the Eastern Maine Economic Strategy, prepared by the Eastern Maine Development Corporation in 2002, the Machias-Eastport Labor Market Area (LMA) lost population in the last 20 years (-1.6% 1980-1990; -2.9% 1990-2000). This decline was greatest among two age groups - the school aged, and those aged 25-44 - who could contribute to the regional economy now and in the future. This out migration is reflected in drastically declining school enrollment figures in Washington County (-26.2%) as well as an increase in the dependency ratio within households. The dependency ratio is a figure that essentially adds the elder and youth population together and then divides that sum by those of working age. It is a rough measure of a community's ability to generate income to support its needs. The ultimate impact of this decline in a working age population is a poverty rate in the Machias-Eastport LMA of 19.8% in 2001 representing an increase of 6.0% since 1990.

Economic sectors in the Machias-Eastport LMA that saw the largest growth in employment from 1998-2000 were Depository Institutions (banks), Health Services and Wholesale Trade and Non-Durable Goods. Of the three, only Health Services saw employment growth of greater than 10% and moderate wages (between \$371-\$491/week). Depository Institutions saw moderate growth (5-10%) in employment and supported moderate wages (between \$371-\$491/week) but Wholesale Trade, Non-Durable Goods had moderate growth in employment (5-10%) but low wages (<\$378/week). While Special Trade Contractors experienced only stable or declining growth in employment, they do earn a moderate wage (between \$371-\$491/week). All other significant industry sectors in the Machias-Eastport LMA (Automotive Dealers and Service Stations, Eating and Drinking Places, Educational Services, Food and Kindred Products, Food Stores, Social Services) show stable or declining growth in employment and low wages (<\$378/week).

Note that in 2005 the Eastport-Machias Labor Market Area was redefined due to changes in commuting patterns observed in the 2000 census. It was renamed the Machias Labor Market Area and now includes the area previously encompassing the Jonesport-Milbridge LMA and the city of Eastport is included in the Calais LMA.

Many Machiasport residents commute to jobs located in surrounding communities. With a mean travel time to work of 16.6 minutes Machiasport residents are not traveling as far as the Washington County average (19.2 minutes; see Table E-8); however Machiasport residents are more likely to drive to work alone than Washington County residents as a whole. According to the Census, the Machiasport workforce commutes primarily by private vehicle (79%). The second largest segment (12.7%) commutes by carpools. In 2000, no Machiasport residents report using public transportation to commute to work and less than 1% walked. With increasing fuel prices, the relative dependence of Machiasport workers on cars for transportation to work erodes the growth in disposable income, particularly for low and moderate income earners.

The lack of options for commuting is also a significant workforce development issue. Employment patterns since 1990 show that in excess of 160 Machiasport residents consistently employed in Machias. Since most of the town's population lives on or along Route 91, there may be opportunity to explore expanded employer-base ride share or other alternative commuting options. The Town should contact the Department of Transportation's GoMaine! Program and regional employers to explore opportunities to improve commuting options for local residents.

Table F-8 MACHIASPORT COMMUTING TO WORK: 2000

Commuting to Work: 2000	Machiasport		Washington County	
	Number	Percent	Number	Percent
Workers 16 Years and over	440	100.0	13,743	100.0
Drove alone	349	79.3	10,444	76.0
In carpools	56	12.7	1,657	12.1
Using public transportation	0	0.0	64	0.5
Using other means	8	1.8	162	1.2
Walked	4	0.9	722	5.3
Worked at home	23	5.2	694	5.0
Mean travel time to work (minutes)	16.6	--	19.2	--

Source: US Census

Many of the major Washington County regional employers are located in the neighboring community of Machias. Census data shows that slightly fewer Machiasport residents found work outside of Town in 2000 (293 individuals) than in 1990 (295 individuals). However, this may in part be attributed to Town residents' ability to find employment in the local aquaculture industry during the late 1990's, a trend which has since subsided.

Table F-9 PERSONS LIVING IN MACHIASPORT AND WORKING ELSEWHERE

Community	#1990	#2000	Community	#1990	#2000
Alexander	3	-	Machias	191	163
Baileyville	2	3	Marshfield	1	-
Beals	-	2	Meddybemps	-	2
Calais	2	4	Milbridge	2	1
Cherryfield	-	2	Princeton	-	3
Columbia	-	2	Robbinston	2	-
Cutler	26	10	Roque Bluffs	2	2
Danforth	-	2	Steuben	-	2
Deblois	9	-	Topsfield	3	-
East Machias	15	40	Wesley	7	2
Eastport	3	4	Whiting	-	8
Harrington	-	1	Whitneyville	-	2
Jonesboro	5	7	Other ME Towns	9	10
Jonesport	4	11	Outside ME	7	
Lubec	2	10	TOTAL	295	293

Source: US Census

Regional employers as identified by the Department of Labor in 2001 are shown in Table E-10. The most notable change in regional employment since that time is that employment at Domtar Paper Mill in Baileyville is currently well below the 2001 levels. This impacts that County economy generally, but is outside of Machias-Eastport LMA; and has not had a significant impact on the local economy in Machiasport.

Table F-10 REGIONAL EMPLOYERS

Business	Industry	Location	Approx. # of Employees
Domtar (formerly Georgia Pacific)	Paper Mill	Baileyville	554
Atlantic Rehab and Nursing Cent	General Medical	Calais	75
Calais Regional Hospital	Medical / Hospital	Calais	203
Calais School Dept.	Public School	Calais	136
Thomas Di Cenzo, Inc.	General Contractors	Calais	100-249
Calais Childrens Project	Groups Homes and Counseling	Calais	100-249
Eastern Maine Electric Co-op	Electric Services	Calais	100-249
Wal-Mart	Dept. Store	Calais	181
Shop 'N Save	Grocery Store	Calais	100-249
School Union 104	Public Schools	Eastport	129
School Union 107	Public Schools	Baileyville	100-249
Regional Medical Center at Lubec	General Medical	Lubec	140
Ocean View Nursing Home	Skilled Nursing Care	Lubec	56
Washington Academy	Private School	East Machias	48
Tex-Shield	Specialized Garment Manufacture	Eastport	50-99
Washington County Comm College	College	Calais	50-99
Mingo's Evergreen Products Inc.	Retail Nurseries, Lawn and Garden	Calais	20-49
State of Maine	Various Departments/ Government	Washington County	40-99

Business	Industry	Location	Approx. # of Employees
Downeast Community Hospital	Medical / Hospital	Machias	249
School Union 102.	Public Schools	Machias	137
Maine Wild Blueberry Co	Food Processing	Machias	100-249
Marshall’s Health Care Facility	Skilled Nursing Care	Machias	113
Shop ‘N Save	Grocery Store	Machias	100-249
University of Maine at Machias	University	Machias	163
Worcester Industries	Crafts/Peat&Power Plant/Sales	Harrington	100-249
Wymans	Agriculture, Food Processing	Cherryfield	58
Cherryfield Foods	Agriculture, Food Processing	Cherryfield	125
SAD 37	Public School	Harrington	40-99
Narraguagus Bay Health Care	Skilled Nursing Care Facilities	Milbridge	100-249
Dorr Lobster Co.	Seafood	Milbridge	100-249
Sunrise County Evergreens	Manufacturing Industries	Milbridge	100-249
Mardens	Dept. Store	Ellsworth	50-100
Maine Coast Memorial Hospital	Medical / Hospital	Ellsworth	100-249
Walmart	Dept. Store	Ellsworth	100-249
Jackson Labs	Biotech	Bar Harbor	1179

Source: Maine Dept. of Labor (4th Quarter of 2000), Maine 2001 Manufacturing Guide and telephone surveys.

INCOME

The median household income in Machiasport increased (20.1%) since 1990 while median incomes in the county and State have risen by just below and just above 30% respectively. Median income in Machiasport, which was higher than the County as whole in 1989, remained higher in 1999 (additional detail on household income is included in *Chapter C. Population*). However, Machiasport’s median household income, which was 12.5% lower than the State median in 1989 had slipped to 21.3% below the State median by 1999.

Table F-11 MEDIAN HOUSEHOLD INCOME

	1989	1999
Machiasport	\$24,412	\$29,315
Washington County	\$19,967	\$25,869
Maine	\$27,896	\$37,240

Source: U.S. Census

Sources of income for residents of Machiasport in 1999 were derived primarily from wage and salaried positions. This was even more the case for Machiasport than for the County as a whole. Wage and salary income includes wages, salary, commissions, tips, piece-rate payments and cash bonuses earned before tax deductions were made. Wage and salary employment is a broad measure of economic well-being but does not indicate whether the jobs are of good quality.

In the 2000 Census 19% of Machiasport residents report self-employment income (see Table E-11). This is higher than the county average and a further reflection of strong local employment in

the fishing industry and the importance of home-based business to the local economy.

A slightly lower percentage of residents in Machiasport collect social security income (31%) than do residents of the county (34%), reflecting the large retiree population in the County. Not reflected in these income figures are the growing number seasonal residents, many of whom are retired with Social Security and or retirement income.

Only 4.4% of Machiasport resident reported receiving public assistance income as compared with 6.4% of Washington County residents. Public assistance income includes payments made by Federal or State welfare agencies to low-income persons who are 65 years or older, blind, or disabled; receive aid to families with dependent children; or general assistance.

Table F-12 INCOME TYPE IN 1999

Income Type in 1999 (Households often have more than one source of income, as seen here)	Machiasport		Washington County	
	Number	Percent	Number	Percent
Households	383	100	14,119	100
With wage and salary income	311	81.2	10,162	72.0
With Social Security Income	119	31.1	4,795	34.0
With Supplemental Security income	12	3.1	949	6.7
With public assistance income	17	4.4	910	6.4
With retirement income	67	17.5	2,382	16.9

Source: U.S. Census

In 2000, the average poverty threshold for a family of four persons was \$17,050 in the contiguous 48 states (U.S. DHHS). Nearly 12 percent of Machiasport families were listed as having incomes below the poverty level, which included 14 families. This is significantly lower than for the entire county. Likewise, whereas 23.5% of Washington County families with children under 5 fell below the poverty threshold in 1999, in Machiasport the figure was 13.3%, better than in the State of Maine as a whole (16.0%).

Table F-13 POVERTY STATUS IN 1999

Poverty Status in 1999	Machiasport		Washington County	
	Number	Percent	Number	Percent
Below poverty level				
Individuals	113	12.2	6,272	19.0
Persons 18 years and over	82	11.5	4,524	17.8
Persons 65 years and over	23	15.3	1,076	19.2
Families	32	11.8	1,319	14.2
With related children under 18 yrs	14	12.1	861	20.3
With related children under 5 years	4	13.3	312	23.5

Source: U.S. Census

ECONOMIC DEVELOPMENT STRATEGIES

The Town of Machiasport is a rural, coastal community. Commercial fisheries and home-based businesses are particularly important to the local economy. The Town has identified a number of investments and policies to support the local marine industry (as outlined in *Chapter G. Marine Resources*). In general, the type and character of economic development that Machiasport would like to promote includes small to medium scale businesses that are consistent with the community's rural character. Community survey respondent were favorable to the development of the types of facilities that support small scale tourism (bed and breakfast, restaurants, multi-use trails, marina, etc...). Opinions regarding development of natural resource based industries varied. Respondent were generally favorable of the developing forestry and livestock operations, more neutral vis-à-vis sand and gravel or mining operations; and generally opposed to water extraction (see *Appendix C*, pg 4-8).

These view are consistent with Machiasport's Community Vision statement which places a strong emphasis on Machiasport's small-town, rural character; and on maintaining marine resources that are at the base of the local economy. The Community Vision statement also looks at promoting and preserving the particular character of each of Machiasport's distinct villages and hamlet. In line with that vision, the Comprehensive Plan Committee has identified a number of projects that would support the type and intensity of development that Machiasport seeks to foster.

Most notably, these include development of marina facility in Machiasport village. The small marina facilities should include docks and a boat launch and adequate parking, and may also include limited berthing for recreational boats; water, fuel and pump-out facilities; and a small restaurant or retail operation. Development of this type of facility in Machiasport would relieve pressure to develop addition mooring space and facilities for recreational boating at Bucks Harbor; and would support the type of development envisioned for Machiasport village. The Town does not anticipate developing and running a marina as a municipal venture, but will work with private investors and other interested parties to support this type of development as appropriate.

If water contamination issues can be address, the Committee also identified redevelopment of the former base housing at Howard Mountain as the type of project that could support economic development in Machiasport. Potential uses may include housing, recreational space or light industrial uses; but should be at a scale and intensity to conform with nearby land uses. Redevelopment of this site may benefit from an EPA Brownfield's Assessment Grant to identify potential issues related to contamination.

Infrastructure

A number of need investments in infrastructures supporting economic development that were identified in the 1996 Comprehensive Plan have been successfully implemented, notably improvement to the Kennebec Road. Cellular telephone service is now available through most of Machiasport; and high speed internet access is available throughout parts of town. It is anticipated that on-going project will further improve the availability of cellular coverage and high-speed internet access in the near future.

Nonetheless, Machiasport has limited infrastructure to support commercial development. Portions of the town are served by 3-phase power, but there is no municipal water or sewerage in Machiasport.

One limitation to economic development is the condition of Route 92, the primary road serving much of the Town. Route 92 does not comply with modern engineering standards for commercial truck traffic and is in need of significant investment. The Town has identified a potential re-alignment for a portion of Route 92 that would by-pass Machiasport village. This improvement (discussed in *Chapter I. Transportation*) would freight enhance access to Buck Harbor and Downeast Correction Facility by eliminating a section of very steep grade and two sharp corners with very limited sight distances.

Tax Incentives

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). A TIF District 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. The additional valuation generated by the property investment is not considered by the State when calculating the county tax, general revenue sharing, or school aid formula for the life of the TIF – providing a tax shelter for the town. Communities have used TIF to finance infrastructure improvements, downtown revitalization, even affordable housing.

Machiasport has considered using a TIF District to finance infrastructure improvements in the past. Creation of a TIF District is one possible mechanism for financing a proposed water district or municipal investment in a marina or other maritime facilities. There are currently no TIF districts in Machiasport.

Regional Cooperation

Many residents of Machiasport find employment in neighboring communities. Likewise, Machiasport residents regularly shop, attend school and seek out various services in neighboring communities. Few services are available in town.

A priority goal for Machiasport is the creation and retention of jobs and services for local residents. The town believes in regional cooperation for development and is an active participant in the Washington County Council of Governments, the Sunrise County Economic Council, Washington County Development Authority, and the Machias Bay Area Chamber of Commerce.

FINDINGS OF PREVIOUS COMPREHENSIVE PLAN & EXISTING POLICIES

Relative to economic development, the Comprehensive Plan adopted by the Town of Machiasport in 1996 found that “Machiasport is a rural town with a heavy dependence upon the

ocean and other natural resources. The majority of businesses in town rely upon these resources or upon the two major employers, the Down East Correctional Facility and Atlantic Salmon of Maine. The predominantly rural character of the town is a major reason behind many residents’ decision to live in Machiasport. Results of the Comprehensive Plan Survey indicate that 65% of the respondents thought the town should organize a more pro-active strategy to attract and develop year-round business and industry. The survey also revealed that 66% favored encouraging a business district.”

Based on these findings, the Comprehensive Plan establish as municipal goal: “to promote an economic climate that increases the number of jobs available locally.” This goal continues to align with municipal priorities and should be continued.

In order to achieve this goal, the 1996 Comprehensive Plan made policy recommendations as summarized in the table below along with notes on the status of the policy recommendations. A complete list of the policy recommendation from the previous Comprehensive Plan is included in *Appendix A: Executive Summary of the Town of Machiasport Comprehensive Plan, 1996*. A full copy of the previous plan is on file in the Town Office.

**Table F-14 POLICIES & IMPLEMENTATION STRATEGIES
RELATED TO ECONOMIC DEVELOPMENT FROM THE 1996 COMP PLAN**

Policies	Notes
The Town of Machiasport will actively support and participate in an appropriate State and Regional Economic and Business programs which enhance the Town’s economic well-being and increase job opportunities for local residents.	<i>This policy continues to align with municipal goals and should be continued.</i>
Increase the number of jobs available locally and to manage future commercial activity.	<i>This policy should be amended to read: “Increase the number of jobs available locally and to manage future commercial activity in a manner consistent with Machiasport’s rural character.”</i>
To encourage appropriate economic growth in the community.	<i>This policy is adequately address by the previous policy as amended.</i>
Implementation Strategies	
Future economic development in Machiasport will be encourages in the growth areas and discouraged by ordinance in other areas. Growth areas are described on the Land Use Map. Within these areas, the Town will assist in programs that are, or may become, available to help small businesses.	<i>This policy has not been fully implemented. Ordinances that would discourage growth in rural areas have not been written. The policy should be continued and implemented.</i>
The Town does not encourage heavy industry to locate here.	<i>This policy continues to align with Machiasport’s Community Vision and economic development goals and should be continued.</i>
Encourage light industrial and commercial development through participation in regional State and regional development programs.	<i>This policy should be amended to read: “Encourage light industrial and commercial development in designated growth areas through participation in regional State and regional development programs.”</i>

Implementation Strategies, cont'd	Notes
Continue to encourage home occupations that do not detract from residential areas or affect the rural character of the town, provided that such home occupations do not adversely affect the Town's resources.	<i>This policy should be amended to read: "Continue to encourage home occupations and small business that do not detract from residential areas or affect the rural character of the town, provided that such home occupations do not adversely affect the Town's resources."</i>
Define the difference between small and large-scale commercial activity, and develop a site-review ordinance with standards and buffering provisions.	<i>This policy has not been implemented. It should be continued and implemented.</i>
The Planning Board, in conjunction with the present Harbor Committee, Beach Committee and Conservation Committee, prepare a plan to obtain improved access to the shore and docking facilities.	<i>This policy has been successfully implemented. The Town should continue to support working waterfront access in line with Harbor Management Plan. See Chapter G. Marine Resources.</i>
In conjunction with this effort the Committee should consider regulation of the Town-owned shore facilities.	<i>This policy has been successfully implemented. See Chapter G. Marine Resources.</i>
The Town supports efforts to attract environmentally sound industry to Machiasport.	<i>This policy continues to align with Machiasport's Community Vision and economic development goals and should be continued.</i>

Policies and implementation strategies to support continued economic development in Machiasport are presented on the following pages. They included 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 STRATEGIES

The Comprehensive Plan Update committee recommends the following policies and implementation strategies relative to economic development.

Goal: Machiasport will promote an economic climate that increases the number of jobs available locally.			
Policy	Implementation Strategy	Responsibility	Timeframe
Increase the number of jobs available locally and to manage future commercial activity in a manner consistent with Machiasport’s rural character.	Future economic development in Machiasport will be encouraged in the growth areas and discouraged by ordinance in other areas. Growth areas are described on the Land Use Map. Within these areas, the Town will assist in programs that are, or may become, available to help small businesses.	Planning Board	Short-term (1-2 years)
	Encourage light industrial and commercial development in designated growth areas through participation in regional State and regional development programs.	Planning Board; Selectmen	On-going
	Continue to encourage home occupations and small business that do not detract from residential areas or affect the rural character of the town, provided that such home occupations do not adversely affect the Town’s resources.	Planning Board	On-going
	Define the difference between small and large-scale commercial activity, and develop a site-review ordinance with standards and buffering provisions.	Planning Board	Short-term (1-2 years)
	The Town supports efforts to attract environmentally sound industry to Machiasport.	Selectmen	On-going
	The Town does not encourage heavy industry to locate here.	Selectmen	On-going
Support development of a marina facility and redevelopment of under-utilized facilities as appropriate.	Work with interested developers or other parties to support development of a marina facility in Machiasport through the use of tax incentives and other municipal efforts, as appropriate.	Selectmen, Harbor Committee	Medium-term (3-5 years)
	Work interested developer(s) to redevelop the former base housing facility or other under-utilized facilities in a manner consistent with Machiasport rural character.	Selectmen	Medium-term (3-5 years)
	Explore the use of a Brownfield Assessment grant or other appropriate mechanism to facilitate redevelopment of the former base housing at Howard Mountain.	Selectmen; Planning Board	Immediate

Goal: Machiasport will promote an economic climate that increases the number of jobs available locally.			
Policy	Implementation Strategy	Responsibility	Timeframe
Support infrastructure and transportation investments with will support the type of economic development desired by Machiasport.	Work with MDOT to make roadway improvement that will enhance freight access to Buck Harbor and Downeast Correction Facility. This may include a roadway re-alignment as identified in <i>Chapter I. Transportation.</i>	Selectmen; Road Commissioner	Medium-term (3-5 years)
	Explore expanded employer-base ride share or other alternative commuting options through GoMaine! or other appropriate programs and partnerships.	Planning Board	Immediate
Actively support and participate in an appropriate State and Regional Economic and Business programs which enhance the Town’s economic well-being and increase job opportunities for local residents.	Continue municipal participation in regional economic and community development organizations including Washington County Development Authority, Sunrise County Economic Council, Washington County Council of Governments, <i>et al.</i>	Selectmen	On-going
	Appoint a Town “point person” to advocate on the Town’s behalf on issues regarding state policy (notably as it affects the prison and school consolidation).	Selectmen	Immediate