

INTRODUCTION

The following is a synopsis of Arundel's significant issues and weaknesses, its primary strengths and assets, and definable opportunities. This document represents a composite derived from a citizen input process that included a survey of more than 300 resident households, interviews with numerous residents and business interests, small focus group sessions as well as in some cases analyses conducted and experience associated with The Chesapeake Group, Inc. It is one of several documents provided to the Town of Arundel and its economic Development Committee by The Chesapeake Group, Inc. The presented issues, weakness and strength contents of the document neither reflect the opinion of The Chesapeake Group nor the Town of Arundel. The defined opportunities reflect those definable through analyses conducted by The Chesapeake Group or through its experiences with communities throughout this country.

It is important to consider that perceptions are reality to those who hold them, irrespective of whether or not they are based on fact. It is also important to recognize that success with economic development involves "political will," mitigation of negatives to the extent possible, and capitalizing upon assets.

SIGNIFICANT ISSUES & WEAKNESSES IMPACTING ECONOMIC DEVELOPMENT

1. Limited resources

Whether dealing with manpower and labor, local government capacity, and public sector fiscal resources; Arundel has a relatively small population and tax base. It does not have the internal capacity to generate resources by itself to accomplish major "public" utility, transportation enhancement or other efforts.

2. Lack of "public" services/utilities

Much of the land in Arundel is without current access to public sewer, water, and affordable, cheaper, and abundant forms of energy, such as natural gas. In most cases, the cost of tapping into those resources or developing them further is prohibitive given the rural and low density of development associated with the residential and non-residential components of the community. There are also no major "end users."

3. Aquifer

The aquifer that is found under Arundel is infiltrated with salt water, either limiting the traditional uses for aquifers or or creating mitigation costs necessary to increase the use.

4. Little sense of community

Arundel is viewed as an "area" that people simply pass through. Where it begins, who it is, and where it ends is not recognizable by the public. There is no public gathering place, a spot that someone can identify with. It has no "heart" or "core."

5. Costs – perceptions of high taxes and high utility rates

The perception exists that the cost of starting, locating and operating a business in Arundel is higher than in other places both outside of Southern Maine and, in some cases, within Southern Maine.

6. No oceanfront

The Kennebunk River is one of the borders for the community. However, unlike some of its “sister” neighboring communities, it has no oceanfront property. Over the years, most oceanfront property has increased in value as activity along it changed and in many cases grew.

7. Dominance of surrounding communities

Many perceive that Arundel is part of a larger region but dominated by other municipalities in the region, some because of their dominance for shopping and tourism and some for their greater employment opportunities.

8. Perceptions of the quality of available land

Many perceive that the primary developable tracts of land in Arundel have already been developed, particularly along the major vehicular thoroughfares. Slopes, soil conditions and other environmental factors, when coupled with regulations, are perceived to make development of parcels less than profitable.

9. Route 1’s internal conditions

Route 1 is viewed as simply “a narrow road through Arundel,” with a “need for upgrade of lighting at evening hours and enhanced character.”

10. Exportation of dollars

People do not generally shop, eat, have employment or conduct much other business in Arundel. The perception is that little flows back into Arundel from surrounding communities.

11. Conditions at Biddeford Airport

Because the airport borders Arundel, its condition and circumstances are viewed as an issue. Current management has chosen to not reinvest in even basic maintenance of the facility even though the funds for such investment is readily available.

12. Maine’s recent historic message to people

For much of the past few decades at least, Maine’s promotions have focused on tourism and extracting dollars associated with that activity with reasonable success. On the other hand, the message not sent was come live here permanently; and open businesses here. It was come, spend some money and go home. The argument can be made, particularly for areas outside of Southern Maine, that this has become a self-fulfilling prophesy. Southern Maine is one of the few areas with stable or growing population often linked to the continued expansion of the Boston region.

13. Little “participation” in current Maine and South Maine’s economic engine

Tourism has become a primary economic engine. Yet, Arundel, unlike some neighboring communities, has not fully taken advantage of the tourism or established a niche in that engine to date.

14. “Conflicted”

Arundel has been described as “conflicted,” with no shared goals, internal divisiveness in the community on fundamentals, and mixed messages. Some define this as historical within the staff and elected officials in Arundel; while others attribute it to a diversity of thought by the residents or no consensus direction.

15. Perception of not being business friendly

“It is harder to do business in Arundel than certain other neighboring areas; regulations coupled with high utility costs, taxes, and other factors make it difficult to develop or operate a profitable business in Arundel.” Perceptions of inconsistent review processes and decisions impact development. The proverbial “they” do not want businesses here.

16. Inconsistent information and processes

Uncertainty with respect to developing any property can have a negative impact. Messages are perceived to change from one day to another at the staff level on what is required. A board that reviews development is perceived to often differ from staff, requiring a “redo” of costly engineering and other related soft costs.

17. Perception of inflexible regulations without incurring costs and uncertainty

Parcels to be developed have different characteristics. Yet, it is perceived that Arundel’s regulations, coupled with regulations at the State level do not provide for the opportunity to develop many sites in a way that provides a return on investment as well as the best quality of development for parcels. Each parcel is different because slopes, soil conditions, ingress and egress opportunities, requiring differing design and engineering of the site, structures on sites, setbacks, etc.

18. Perception that non-residential is synonymous with retail

There is a fear among some residents that the major thoroughfare corridors will develop in a way, duplicating a long linear retail and related services strip found elsewhere in “suburbia.”

19. National demographics

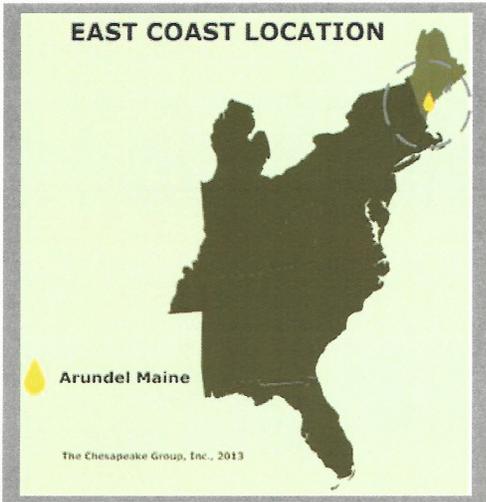
While the country’s population is aging as a result of lower birth and fertility rates, lower marriage rates, later marriages, and economic conditions; Arundel’s demographics suggested that the proportion of senior households is much greater than the country in general. Furthermore, minority populations continue to grow rapidly. There are few minorities in Arundel. Majority of the students in higher education institutions in the United States being trained in technology and math are either from other countries or are minorities. They are less likely to move and locate to Maine and Arundel. Technology continues to change rapidly, replacing former skilled labor positions with a lesser number but well paid technology driven positions.

20. Population size

Arundel is small in terms of population and smaller than many of its neighboring jurisdictions. Commercial operations are dependent upon importing dollars for success.

PRIMARY ECONOMIC DEVELOPMENT ASSETS OR STRENGTHS

1. Proximity

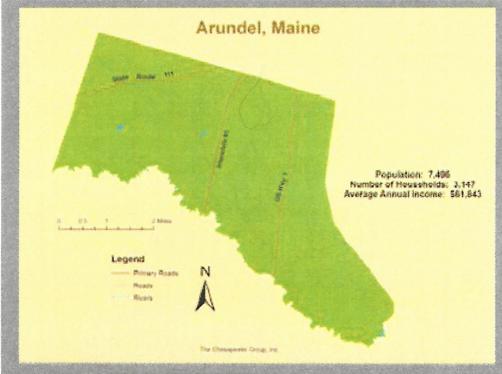
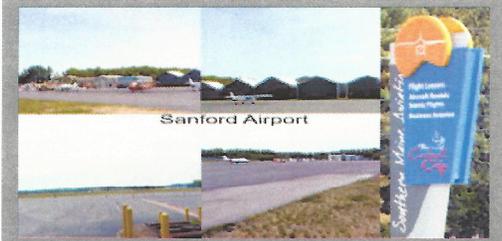
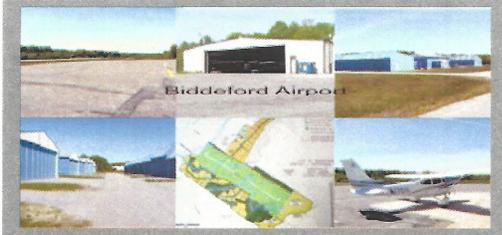


There is an adage in real estate and economic development that success is all about “location, location, location.” Certainly proximity and location are fundamental to Arundel’s future development. Arundel is:

- A. In close proximity to millions of people along the East Coast.
- B. Closer to home, it is at the edge of the Boston Metropolitan Area.
- C. Central to large population centers in Southern Maine.
- D. Near major internationally known tourist attractions.
- E. Near vast natural resources, the ocean and other draws and attractions.

The proximity provides opportunities to draw local, Southern Maine and large region populations with a strategic mix of activity.

2. The transportation network



The transportation network facilitates the movement of people, goods and services creating linkages to other markets and providing opportunities.

- A. Arundel activity is potentially served by a number of **airports** to large markets including three “international” airports within a one-half to one and one-half hour drive in Southern Maine, New Hampshire and Boston.
- B. Arundel is also served potentially by regional and municipal airports in neighboring communities, including Biddeford and Sanford. The Biddeford airport borders Arundel. The Sanford airport is well maintained and has longer runways accommodating a broader range of aircraft than Biddeford.
- C. It is served by **both Route 1 and Interstate-95**, providing quality vehicular access to and from. Dual access is also important should one of the two major routes become blocked or have other issues that impede traffic.
- D. Arundel also has land and sites that are served by **rail**.
- E. Arundel activity has easy port access.

The range of the network provides a solid foundation to capitalize on Arundel’s proximity and location.

3. The communications network

Technology is increasingly the driving force behind business. One of the most important is communications technology in a global economy. Arundel has an adequate communications network at this time for most business activity.

4. Rural character & quality of life



The rural non-urbanized and non-village character is a defining factor for Arundel. Quality of life at present is linked to this character by existing businesses and residents alike. Numerous studies have defined quality of life as a key factor in business location decision making. Arundel provides an alternative character for business activity that might seek an alternative to many of the communities in Southern Maine. In a sense it is “another world” in close proximity to the communities of differing characters.

5. Agricultural History & Continuance



Agriculture is one of the most significant industries in the history of the country and one where the country continues to be dominant from both the research and production side. Much of the land in Arundel is utilized for agricultural purposes. The range in production is significant. Kate's is introducing a research component and advancing the agri-tainment and agri-education end of the spectrum.

Fresh from farm to table is a growing movement in this country. Agri-tainment, agri-tourism and agri-education are arguably some of the fastest growing tourism activity in the United States both in those located in close proximity to large population centers and in rural settings not near or in urban centers

6. Kate's Home Made Butter



The construction and opening of Kate's in Arundel bridges the gap between modern industry and agriculture. Kate's is an attraction with strong interest in the pursuit of agri-education, modern agricultural techniques, advanced production processes and agri-education. It is likely to become a significant visitor draw upon which others can cooperate and capitalize.

7. Educated, Aging Population

The relatively large senior population base in the community provides for transference opportunities of knowledge and skills, potential entrepreneurship for small business activity and fiscal resources that can be tapped. Seniors to stay in the community over time may desire varied housing options. (The Wall Street Journal recently highlighted a growing “risk aversion” in America, particularly in populations under 45.)

8. Relative Affluence

The average household income in Arundel is higher than the majority of other communities in the immediate and larger Southern Maine area in York County. This provides Arundel with a greater aggregate purchasing power than average in the area in spite of its smaller size.

9. Affordability

Land, housing and property values are lower in Arundel than some the immediate neighboring communities.

10. Taxes

Local tax rates are lower in Arundel than some of the immediate neighboring communities.

11. The Community

Welcoming, warm and “neighborly” are terms often used to describe the Arundel community.

12. Existing Business Activity



While the numbers are small; the diversity from manufacturing activity, such as Arundel Machine, to locally owned and operated food service establishments and new vehicle dealerships flourish in Arundel. Arundel has established a strong presence in the regional economy in certain niches such as vehicle dealerships and certain craft endeavors.

Existing larger operations have incorporated cutting-edge and emerging “green” technology and other innovations.

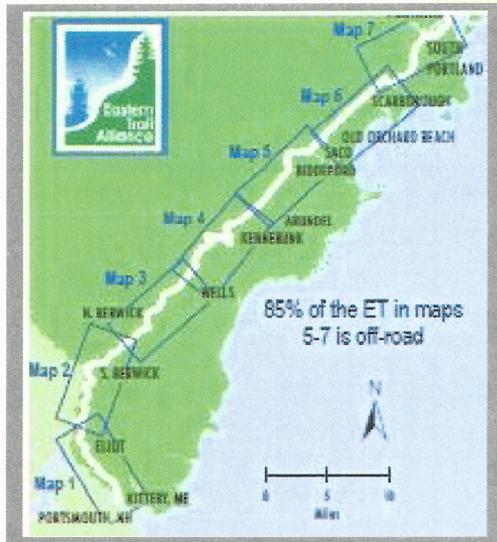
13. Schools

A range of education and training opportunities exist in the Arundel region. Local school achievement performance is reported to have improved in Arundel with recent regionalization of resources.

14. Land

The supply of land is sufficient to facilitate or provide for expanded non-residential and residential activity and still maintain the rural character, without incurring redevelopment costs. In some cases, including existing business parks, land near Biddeford airport and other locations; such activity is not likely to require large capital outlays from the jurisdiction or those that develop parcels. In other cases, utilities would be required to be brought to sites.

15. The “Trail”



The Eastern Trail is the southern Maine section of the East Coast Greenway, a developing trail system, spanning 2,900 miles as it winds its way between Calais, Maine and Key West, linking all the major cities of the eastern seaboard. The Greenway is approximately 25% complete.

The Eastern Trail (ET) is a 30% complete vision of a 65-mile recreation/transportation greenway connecting Casco Bay at Bug Light in South Portland with Strawberry Banke in Portsmouth, New Hampshire. This world-class, 10-foot wide trail is enjoyed by thousands of users for hiking, snowshoeing, cross-country skiing, walking, biking, birding, nature study and many other muscle-powered healthy activities.

The trail includes a four mile section in Arundel, and passes through miles of quiet woodlands and wetlands. The trail is administered by the Eastern Trail Alliance.

There are trends and indications that participation levels and demand for recreational and choices will continue to increase in the years ahead.

16. Natural Resources.

There is a diversity and an abundance of natural resources, both internal and external to Arundel. Much emphasis in the larger region has been placed on their use for recreation, tourism and formerly extraction. However, there are substantial and in some cases greater use options.

AREAS OF OPPORTUNITY

1. Local and visitor population demand driven based on spending or employment needs

The primary and secondary markets, consisting of residents in York County including those in Arundel, will generate demand for about 1.3 million square feet of additional retail goods and related services space over the next ten years.

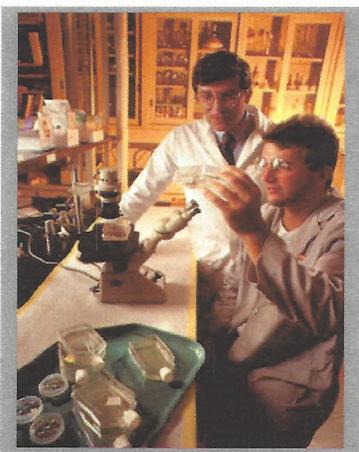
Visitors to the general area, coming from outside of York County from other parts of Maine and generally surrounding states, will generate increased demand for retail goods and related services space, pumping and additional \$400 million in new retail sales into the regional economy.

From the collective markets, Arundel could attract and support a minimum of **100,000 square feet to 230,000 square feet of retail goods and related services space.**

Arundel could attract an additional **25,000 to 50,000 square feet of traditional office space.**

Additional manufacturing activity could include space associated with smaller-scale medical, botanical and pharmaceutical manufacturing; pottery product manufacturing; and subsets of sporting goods for winter activity.

2. Agricultural industry driven



The emergence of Kate's along with the existing agricultural activity, that includes dairy farming, specialized horse ranches and a full range of ag products could play a key role in defining Arundel as an **ag-tourism and education mecca** within Southern Maine. In so doing, Arundel could play a substantial role in increasing visitations, expanding existing visitor stays and generating spin-off commercial activity.

There is a strong interest on the part of Kate's to encourage agri-education and agri-tourism on their property in Arundel. This welcome addition could be the stimuli to bring ag area interests together for on-site and seasonal on and off-site activity. **This would be a spur to the regional economy, could assist with significantly expanding tourism activity in "off-seasons" as well as generating increased revenues for current farming community members in Arundel.**

Kate's will also be involved with introducing modern farming techniques and related **research** in the area. This could once again act as a catalyst for additional such activity and product research and development through joint efforts.

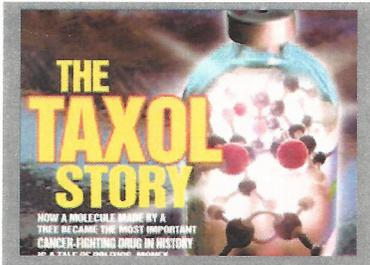
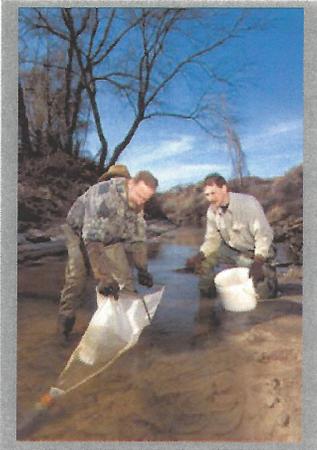
Substantial research opportunities exist for Arundel in the following general areas.

- ✓ Commercial and small business farming
- ✓ Dairy farming

- ✓ Animal husbandry
- ✓ Poultry growing, manufacturing and processing

With capital, there is an opportunity to expand ag production of certain products through **hydroponics and aquaculture that would include flowering plants and fresh marketable fruit and vegetable products, such as tomatoes, grown in climate controlled conditions.**

3. Resource driven



As noted, the major emphasis on natural resource use in Maine in general and in the Arundel region has been for extraction, recreation, and tourism. Yet, natural resources associated with both land and water have been the foundation of human and animal “healing” for centuries both in this country and around the world.

The overwhelming number of pharmaceuticals produced in the past century as well as most vitamins and supplements are derived from either natural resources or agricultural products.

The aging of the population has led to substantial research in the learning capabilities and memory functions of many species around us and in abundance in Maine and the Arundel area.

Climate change and continued debate has also contributed to research opportunities. As an example, understanding of the pine trees role in the ecosystem continues to be debated.

Arundel, in partnership with institutions, has the opportunity to grow a new industry that creates high paid jobs without negative impacts on either the rural character or the resources. In fact, in some cases the researchers and research entities desire a more pristine and quiet environment, yet one that is close to numerous amenities and necessary destinations around the United States and globe.

Arundel could attract 30,000 to 150,000 square feet of research and related development space.

4. Man-made Linkages driven

While concrete numbers are not available, there is every reason to believe that the portion of the trail in Arundel is underutilized; and its role in economic activity within Arundel is negligible at this time. One of the primary reasons for both is the lack of adjacent or nearby parking at the head of the trail in Arundel.



Yet, the trail could be couple with ag-tourism activity, the trolley museum, and craft activity to create a hub for Arundel and extract visitor dollars. The trail and linkages could expand visitation, merging natural and ag resource energy and spinoff dollars. It could also be used to strengthen the fledgling art activity within the community by providing opportunities for display and working environment at an adjacent or nearby area coupled with the parking. This would provide Arundel complementary, not competitive regional appeal.

5. Transportation network driven



Opportunities associated with Biddeford Airport could be significant for Arundel which has substantial adjacent acreage. There is known demand for an increased in the number of hangars, which would significantly expand the use of the airport, increase maintenance operations and related employment, and provide additional opportunities.

One of the opportunities is for storage and maintenance of antique planes from earlier eras or those used for aviation shows. Other small municipal airports have had success in this arena.



Another is to foster small plane construction through the Experimental Aircraft Association or other entities. While most of the aircraft industry product development and production has been negatively impacted by recent economic conditions, those conditions have opened the door for the expansion of the “light aircraft” development and production niche by both amateurs and professionals. As a result of affordability and other factors, the development opportunity for light aircraft in the Arundel area, with its airports in neighboring Biddeford and Sanford, its adjacent underutilized land, and multiple means of arriving and departing via air and land presents an opportunity upon which Arundel could capitalize. The opportunities range from attracting an existing assembler/manufacturer from other parts of this country or from another country altogether, to developing a start-up operation based on existing skills and talents, or to promoting the opportunities for those involved with development of the aircraft as amateurs.

Seizing the above opportunities does not necessarily require runway expansion, but enhanced maintenance of the existing runway at Biddeford.

There have been both public and private plans for enhancement of the Biddeford airport that have not reached fruition in spite of available funding for many of the needed improvements.

6. Emerging technology driven



Manufacturing, in particular, is undergoing a metamorphous, much like the type associated with the evolution of the computer for homes and offices in the 1990's. The combination of the application of technology, including but not limited to multi-tasking robotics with 3-D printing, is changing dynamics rapidly. It is mitigating traditional "blue-collar" labor costs, increasing the importance of transportation costs to the production and "bottom line." Thus, locations closer to large population centers gain increased importance and work to the advantage of Arundel in the foreseeable future.

Employment and training needs will change, but the opportunity exists to increase the manufacturing component of the Arundel area that is increasingly compatible with its rural character.

There is opportunity for multi-tenant small spaces, such as flex space. Based on the anticipated previously defined growth in the labor force and changing space needs based on the changes in the amount and types of labor, 120,000 to 170,000 square feet of manufacturing space could be developed that does not require heavy utility use.

7. Community character driven

The United States is increasingly diverse in terms of its increasing population. While the proportion of people that seek non-urbanized environments is decreasing; the numbers seeking non-urbanized situations are, at least, stable, or even increasing. In other words, the share of the proverbial "pie" is shrinking; while the "pie" continues to grow.

The rural character provides ample opportunity to establish a campus setting for small higher education institutions; specialized institutions, such as those associated with the food preparation and hospitality industry; extension services; and those focused on research linked to other industries that prefer isolation.