

# SKOWHEGAN MAINE

## DOWNTOWN IMPROVEMENT PROGRAM



SKOWHEGAN, MAINE  
DOWNTOWN IMPROVEMENT PROGRAM

Prepared By:

Operation T.P.

With Assistance Provided By

Town of Skowhegan

Edward C. Jordan Co., Inc.

North Kennebec Regional Planning Commission

3208-00

OPERATION T.P. - SKOWHEGAN  
DOWNTOWN IMPROVEMENT PROGRAM

ACKNOWLEDGEMENTS

The Operation T.P. was formed as a consortium of local businesses to give direction to improving downtown Skowhegan.

A small grant from the Economic Development Administration obtained through the State of Maine Governor's Discretionary Funds (Section 304) was used as "seed" money. With this funding and donations provided by the Skowhegan business community, Operation T.P. initiated a program to plan for and provide improvements to downtown Skowhegan.

The objective has been to make the downtown area economically viable. Thus, the stage would be set for a comfortable, convenient and attractive shopping area for residents of the Skowhegan region.

We wish to express our gratitude to those merchants, citizens and municipal leaders who have given their time to make possible the concepts and direction for the revitalization of our downtown.

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SECTION I  
SUMMARY AND CONCLUSIONS

In general, the Skowhegan market area has been successful in maintaining a rate of retail growth comparable to the area and statewide markets. The notable exception is the 'General Merchandise' category. Not only has the local market failed to keep pace with the general growth trend regionally and statewide, but it has experienced a net loss of sales in the period of 1974 to 1978.

The Skowhegan market experienced a decline in 'General Merchandise' sales of \$652,000 in the five-year period. The surrounding market areas experienced a 20 percent to 40 percent growth in the same period. If Skowhegan had succeeded in maintaining a comparable rate of growth (assuming 20 percent) there would have been an increase of \$1,149,000 in 'General Merchandise' sales. This would account for a 2 percent increase in total retail sales in the Skowhegan area.

While the size of the local market population and larger regional markets will limit the size and diversity of the 'General Merchandise' market, there appears to be sufficient potential for strengthening sales in this category.

In a series of meetings conducted by the Operation T.P. Board of Directors, the following objectives were adopted for the downtown improvement program:

- o reduce traffic congestion;
- o improve parking;
- o improve signing;
- o maintain a consistent visual theme; and
- o improve the riverbank and footbridge.

Vehicular traffic and circulation appear to be generally well-defined, but tends to overburden pedestrian traffic.

Building conditions are generally good. However, there are some vacant, deteriorating properties on the periphery of the commercial areas that create a negative visual impact. These properties take on increasing importance since many are located at key downtown entrance and exit points.

Prime commercial space is at a premium with very limited useful, vacant space on Water Street. Upper level floor space is seriously underutilized. The principal problem here appears to be a result of poor access, limiting both the types of uses and users for this space.

The general orientation of the downtown area, emphasizing vehicular traffic rather than pedestrian traffic, has resulted in minimum emphasis on aesthetic value and pedestrian amenities. Signs geared to vehicular traffic dominate

the view of Water Street. The lack of landscaping and public rest areas discourages greater use of the area by downtown shoppers. The first impression one has approaching the downtown from Bridge Street is that of an attractive downtown but one which a visitor would drive through without stopping. Just the width of Water Street itself is an imposing barrier to pedestrians. Though vehicular traffic appears to be well-defined, it tends to overburden pedestrian traffic and separates valuable commercial properties.

Improvement of the visual and economic climate of downtown Skowhegan will require the close cooperation of both the public and private sectors. Through a program of improved layout of existing parking lots, expansion of the parking area, south of Water Street, and changing the existing on-street parking configuration, adequate parking can be developed for both long-term and short-term users. Providing for a much needed separation of pedestrian and vehicular traffic has taken on the most important aspect of downtown revitalization. The closing of Water Street to through traffic will dramatically improve pedestrian circulation, but will also increase traffic on Madison Avenue. The proposed bridge by-pass program is essential to the free movement of future traffic.

Improvement of the visual environment of downtown Skowhegan can be achieved by the development of a sign policy; removal of dilapidated, vacant buildings; general introduction of landscaping; upgrading of alleyways and vacant lots; and facade improvements, especially along peripheral streets.

An improved shoppers' environment will require a public sector program of placing greater emphasis on the pedestrian, the extension of curbs at intersection points, the use of bollards to reinforce separation of pedestrian and vehicular traffic, and the introduction of benches at key rest areas. Complementary to these improvements in the private sector would be a greater diversity of merchandise, both in existing and new products, and improved use of commercial spaces.

Redevelopment of underutilized or vacant properties is essential to the long-term success of upgrading the downtown area. It is anticipated that such redevelopment will offer significant economic and visual improvements to the area.

Implementation of the downtown improvement program is visualized as a partnership between federal and local governments and the business community. It is expected that funding will be sought from various sources including the Department of Housing and Urban Development, (HUD) the U.S. Department of Commerce - Economic Development Administration (EDA), the U.S. Department of the Interior-Heritage, Conservation and Recreation Services (HCRS) and the State of Maine Department of Transportation. Investor confidence expressed through private investments by downtown merchants is essential for this public/private sector partnership to succeed.

Three alternatives are presented for implementing the downtown revitalization plan. Alternative A, a full project with Urban Development Action Grant (UDAG) funding, contemplates a request for a \$650,000 grant from HUD. This

level of UDAG funding would require a commitment from the private sector of about \$3.2 million.

Alternative B, a partial project with UDAG funding, would include a UDAG application for \$433,000 with a matching private sector commitment of \$2.1 million.

Alternative C realizes the possibility that no UDAG funding may be granted. This situation projects a local expenditure of \$179,500 by the community over a four-year period. To amortize bonding of this amount from increased taxes, the private sector would have to invest approximately \$1 million.

During the preparation of funding applications, variations of these three alternatives may need to be considered and new alternatives developed to reflect the level of private investment commitment.

## SECTION II INTRODUCTION

The development of this report represents a team approach to recognizing, identifying and addressing problems in Skowhegan's central business district. The study area includes the commercial area bounded by the Kennebec River, North Street, High Street, and portions of Pleasant and Elm Streets.

This study is the result of the business community organizing to review downtown economic conditions, to reverse a declining market share, and to improve building conditions. The business community formed Operation T.P. in 1979, funded by private contributions and a state grant. Operation T.P. with the assistance of the North Kennebec Regional Planning Office (NKRPC), conducted a number of studies to identify existing problems and needs. The Edward C. Jordan Co., Inc. joined as an outside consulting resource to review existing data, identify further data needs, and help develop a conceptual plan that would be sensitive to the needs of the area.

Rebuilding consumer interest and activity, as well as investor confidence in the downtown area, is the principal goal of this project. The program outlined in this report focuses on some of the key elements necessary to respond to consumer needs. The emphasis of this document is on public improvements. Success of the plan relies on joint public and private contributions. The public sector emphasis relates to parking, traffic, and public amenities and improvements. To complement these activities, private sector improvements must include building improvements, more attractive signs and window display techniques, and merchandise diversity.

Throughout the process of addressing the problems and developing responses, the Operation T.P. Board of Directors has held public meetings and has used media coverage to elicit public comments and encourage community-wide involvement.

This report has been developed to be used as a tool in the long-term process of revitalizing and improving the business climate of Skowhegan. With this plan, the community can encourage greater private participation and commitment in identifying and seeking funding assistance.

SECTION III  
PLAN DEVELOPMENT

A. GOAL

The goal of a redevelopment plan for downtown Skowhegan is to:

1. increase the viability of the downtown area for citizens;
2. reduce traffic congestion and improve pedestrian areas;
3. improve the parking opportunities for shoppers; and
4. maximize the area values both in terms of financial return to the town and as a place where Skowhegan area residents will want to go.

In addition to the positive impacts from an increased tax value, greater use of the downtown area will keep money in the local area, provide an improved climate for additional employment, and reduce the high energy consumption associated with frequent shopping trips to Waterville and Auburn. In order to realize Skowhegan's goals, it is necessary that all sectors of the community recognize the benefits both economically and psychologically that can accrue to the Town. The objective of this plan is to provide a more pleasant and useful shopping environment. Principal areas of concentration include improved traffic circulation, parking, improved pedestrian orientation, and improved commercial facilities.

B. TRAFFIC AND CIRCULATION

An analysis of the traffic flow in downtown Skowhegan has shown that the existing directional pattern operates well but to the exclusion of downtown pedestrians.

The downtown of Skowhegan has historically developed about the intersections of Route 201 and 2. The downtown area serves as a meeting point for north/south and east/west traffic. Water and Russell Streets serve as one way couplets circulating traffic in a counter clockwise direction through and around the major retail business district of the Town.

Water Street is extremely wide, measuring in many locations approximately 70 ft. Historically the Town has provided for diagonal parking on both sides of the street. Diagonal parking was appropriately replaced several years ago, but not without continuing community discussion for returning diagonal parking.

In 1976, traffic studies in connection with plans for a new bridge crossing of the Kennebec River, cited the heavy traffic movement on Bridge Street as a crucial factor in the need for a more defined and organized junction for north/south, east/west traffic. Predicted traffic volumes will overburden Bridge and Water Streets. Though seven different bridge locations have been

studied, additional studies have been commissioned to determine the most appropriate location for a new river crossing.

In terms of downtown revitalization, a new bridge is important if downtown Skowhegan is to successfully reach into the future. It is considered imperative that through and local traffic be separated. In this manner, only those wishing to travel into the downtown would do so.

Several alternatives have been considered for removing the vehicular/pedestrian conflicts. The selected alternative would close Water Street to all but emergency and parking traffic, rerouting Route 2 and 201 traffic along Madison Avenue, which would become two-way, and onto Russell Street for Route 2 traffic. Originally, High Street was considered for carrying all Route 2 truck traffic. Correspondence with the Maine State Department of Transportation (MDOT) has indicated that High Street is unacceptable as a truck route as presently constructed.

In an April 1980 letter to the Town, the MDOT expressed its concerns and requirements for the suggested Water Street changes:

"The intersection of Madison Avenue and Russell Street would become the critical intersection under the proposed concept. From a capacity standpoint, this intersection would function at a reasonable level of service through 1982, but if traffic volumes grew beyond that level, it would function with increasing congestion. This assumes a simple two-phase traffic signal with pedestrian walk or parallel green. Also, since truck traffic cannot logically be routed over High Street without significant expense, the taking of a building in the southeast quadrant of the intersection would be necessary to allow semi-trailer trucks with a so-called WB-50 turning radius to negotiate the turn. This taking would be required initially prior to initiation of the proposed scheme."

Thus, proposed changes to the circulation pattern in downtown Skowhegan must also allow for intersection improvements and building demolition. These projects must be funded by any federal redevelopment monies available to the community. This is not, however, the intent of the Operation T.P. Board of Directors. The Board does not anticipate the taking and demolition at Russell Street.

With implementation of the above changes, it will be important to limit hours of delivery vehicles on Russell Street. For traffic to move freely, peak hour traffic periods must not be held up by delivery vehicles stopping along Russell Street.

### C. PEDESTRIAN AREAS

The evolution of the downtown area has resulted in a greater orientation toward vehicular traffic than to the pedestrian. In the evolutionary process, the area has become less comfortable and less attractive for the pedestrian. One advantage to reversing this trend by providing an attractive and comfortable downtown area is that shoppers will be encouraged to spend more time in

the commercial area. Orientation toward vehicles not only discourages longer visits by shoppers, but also prevents greater use of the outdoor environment by the large number of people employed in the downtown.

The peripheral parking areas north and south of the downtown currently have inadequate lighting. This makes use of the parking areas unattractive after dark, discourages greater use of the buildings and creates a negative visual impact for people entering Skowhegan. On Water Street the current lighting fixtures are oriented toward vehicular traffic and tend to emphasize the streetway.

Currently, inadequate or nonexistent curbing, particularly along Russell Street and Madison Avenue, results in poor control of vehicular traffic, impedes the flow of pedestrian traffic across roadways, and does not allow for sufficient separation of the two.

### Analysis and Recommendations

The program of extending curb areas at key locations throughout the downtown area would provide positive impacts to both vehicle and pedestrian flow. Along Water Street, the current sidewalk width and on-street parking make placement of rest areas impossible. With the development of nodes at intersection points and shutting off vehicular traffic, an attractive rest environment with benches and landscaping can be provided. In addition to positive visual impact, rest areas would provide the intown shopper with a much needed waiting or relaxing area, island employees and residents with access to the outdoor environment, and an opportunity for greater social contact. At the same time, the extended curb areas will narrow the road widths and channel vehicles in a more controlled pattern allowing for easier and safer pedestrian crossings and for more secure on-street parking. A view up Water Street with the program implemented is shown in the conceptual drawing on the following page.

The use of bollards along Russell Street and Madison Avenue will further define the separation of pedestrian and vehicles. They will also serve to orient pedestrian views towards the buildings, rather than toward the street.

A means of improving pedestrian emphasis is the introduction of sidewalk lighting. The use of a lower sidewalk light will offer improved lighting for the pedestrians and greater emphasis to storefronts. Additional lighting fixtures are recommended for Russell Street in order to improve nighttime use of parking facilities and to encourage greater use of properties in that area.

### D. PARKING

On-street and off-street parking in downtown Skowhegan is perceived to be the second major problem by merchants. Though the town maintains a fairly large parking lot north of Russell Street, there seems to be a reluctance on the part of downtown shoppers to use the provided spaces. Along the various downtown streets, on-street parking is provided as follows: Water Street

(Madison Avenue to North Street) 58; Madison Avenue (Water Street to Russell Street) 15; and Russell Street 15.

There have been numerous proposals put forward over the past few years to restore diagonal parking along Water Street. Each proposal has been rejected by either the community or the MDOT.

### Analysis and Recommendations

There does not appear to be a significant problem with the available number of parking spaces in downtown Skowhegan. However, many spaces are not being properly utilized, and off-street spaces are not sufficiently developed or organized.

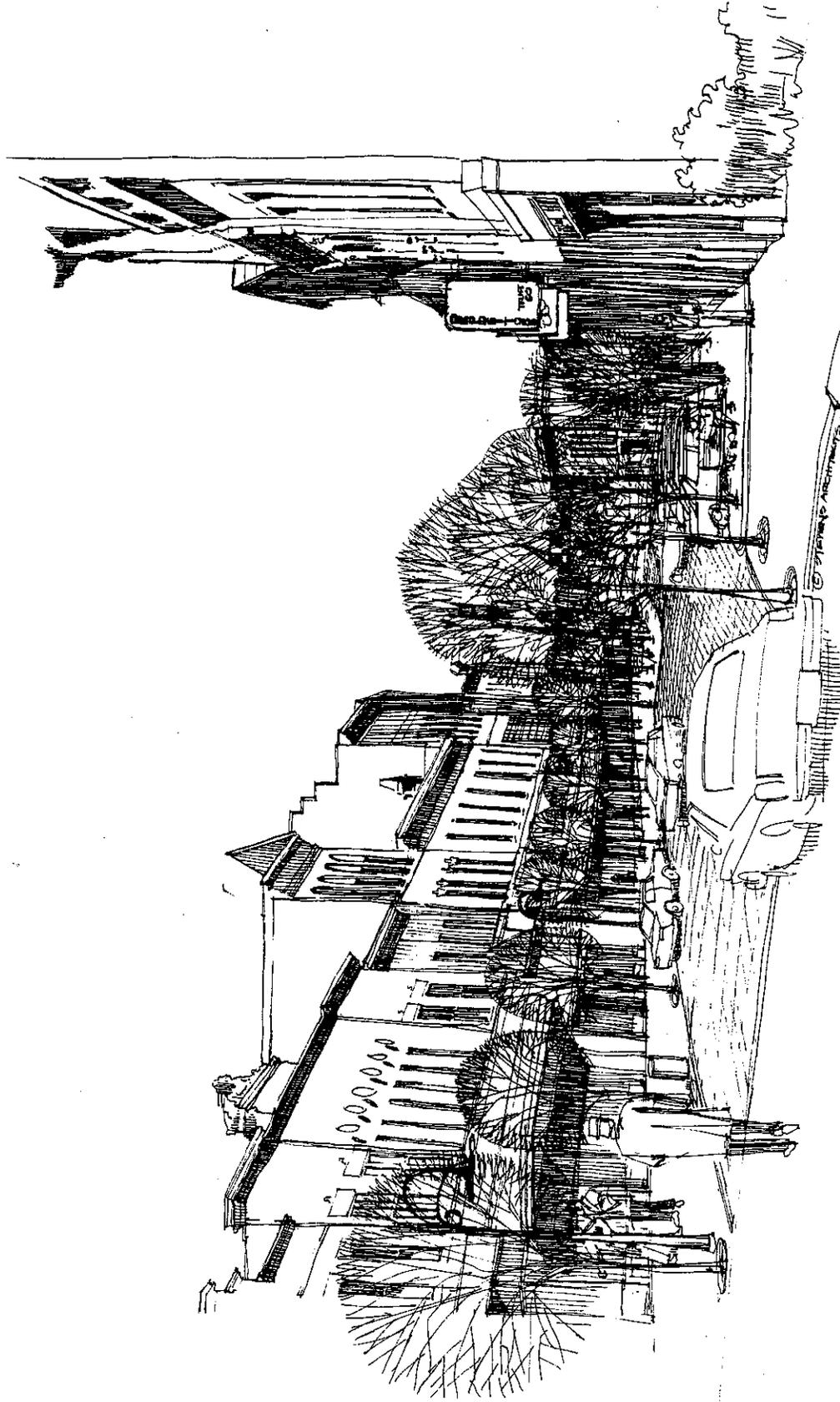
In any redevelopment plan, provision of well-organized and convenient parking is essential. For the downtown area to compete with a modern shopping center (which always has ample parking), comfortable solutions must be found for the motorist and the pedestrian. The approved conceptual improvement plan will change significantly the parking layout within the downtown by providing for better organized, more formal off-street parking.

It is suggested that the proposed parking layout, as shown on the map entitled "Concept Plan", be implemented as one of the first objectives of the revitalization effort. On-street parking spaces should be reserved strictly for short-term shoppers who would utilize the spaces for convenient drop-off and pickup points within the downtown. The off-street parking spaces should be oriented principally towards the long-term shopper and workers within the downtown. Specifically, the Russell Street parking lot should be considered for both workers and long-term shoppers within the downtown. The Water Street and Riverfront parking lots should be oriented towards short-term parkers and persons who would be spending one or two hours within the downtown. In this manner, shoppers would have a distinct focal point for arriving at the downtown and parking their vehicles. Shoppers should be oriented towards the Water Street parking lot and the on-street spaces existing along Water Street extending to the Municipal Building. Perspective views of the Russell Street and Riverfront parking lots are shown on the following pages.

With proper organization, the projected parking spaces should provide a convenient and comfortable environment in which to park and gain access to Water and Russell Street and Madison Avenue stores. A higher utilization of defined spaces will provide the town with an ample supply of parking.

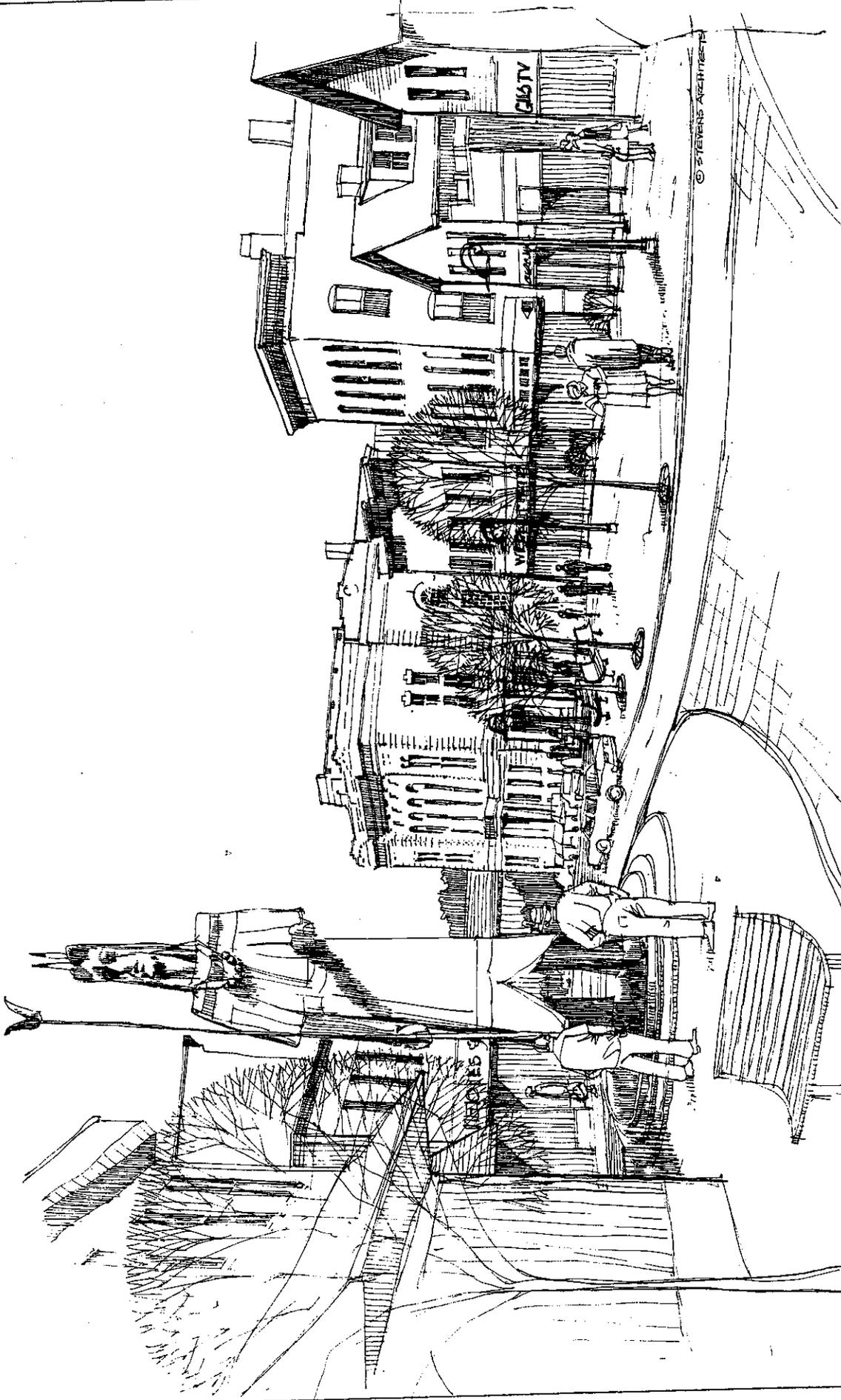
In addition to providing new and convenient off-street parking spaces, the town should adopt a parking policy throughout the downtown. This policy will consider the establishment of on-street parking zones up to 30 to 60 minutes; the restriction of on-street loading/unloading operations to specific times and locations which wouldn't conflict with major traffic and shopping periods; and increased parking fines for long-term and all-day parking violations on Russell Street.





VIEW OF NEW PEDESTRIAN MALL  
ON WATER STREET

SKOWHEGAN DOWNTOWN REVITALIZATION  
EDWARD C. JORDAN CO. INC. OPERATION T.P.



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VIEW OF WATER STREET  
ACROSS NEW PEDESTRIAN MALL

SKOVHEGAN DOWNTOWN REVITALIZATION  
EDWARD C. JORDAN CO. INC. OPERATION T.P.

The town should use discretion in enforcing minor overtime parking violations by customers of downtown establishments. The overall policy will be designed to create an attractive and convenient parking environment to encourage more visits by shoppers. Enforcement should focus on chronic violators who abuse short-term parking locations. Merchants and property owners must take personal responsibility to ensure that they and their employees park in designated long-term spaces and not in short-term shopper spaces.

#### E. BUILDING CONDITIONS AND APPEARANCE

A majority of the buildings within the downtown appear to be needing very little rehabilitation work. Several buildings along the river are in poor condition, however.

To build on the existing base of buildings along Madison Avenue, Water and Russell Streets, there are a number of recommendations which seek to restore storefronts, replace inappropriate signs and/or materials and increase the general level of maintenance throughout the downtown. Perspective sketches of the Water Street area, as presented in this report, indicate basic changes to facades, signage, windows and general appearance of the storefronts. Basically the efforts would involve cleaning up storefront areas and coordinating signs to give them a more consistent scale and a pedestrian orientation.

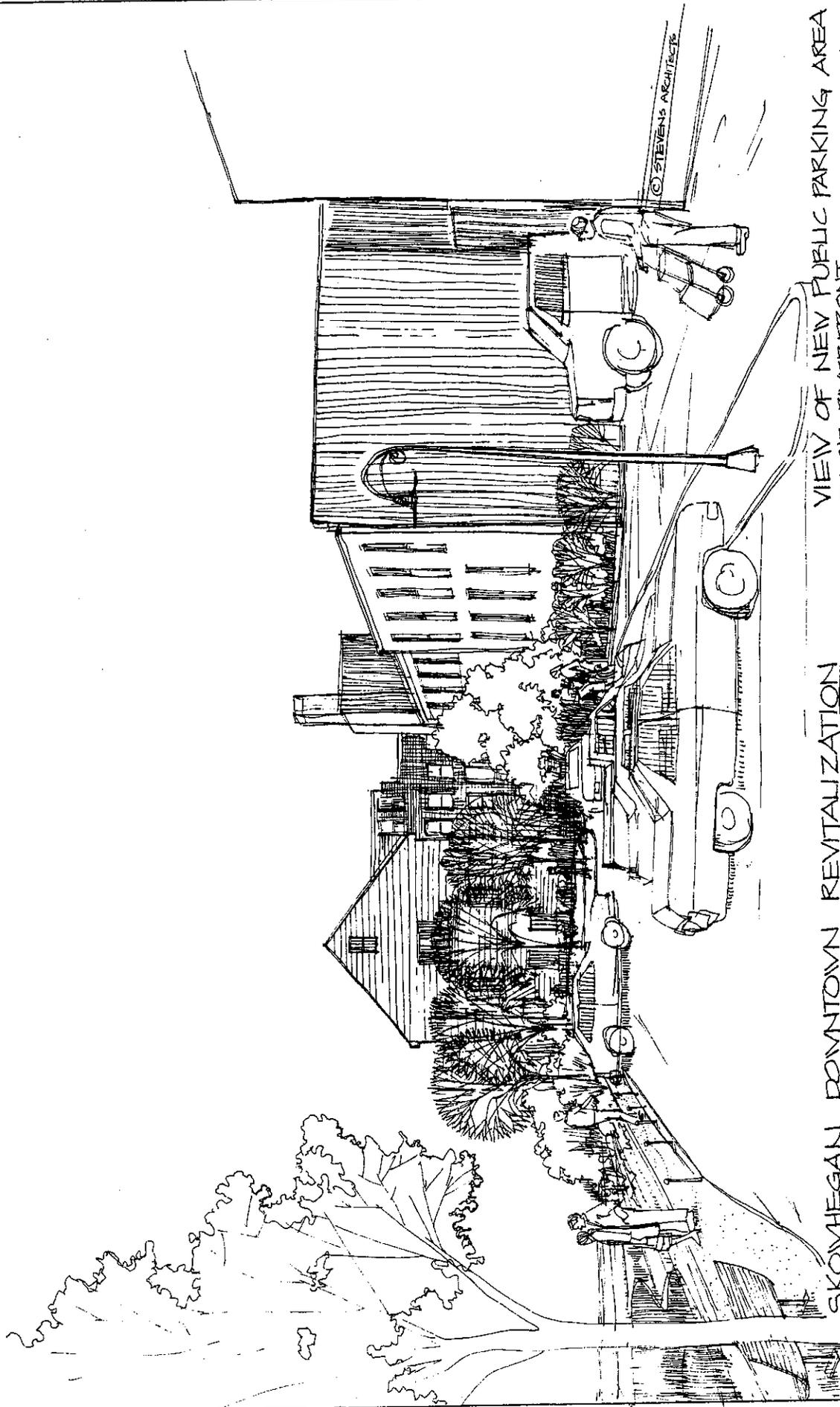
Conditions along Water Street are typical of towns where merchants attempt to reach out to motorists passing by. With the changes proposed in the concept plan, much less emphasis will be placed on motorists and more emphasis on pedestrians.

Since many of the downtown structures appear to have historical significance, the town should consider designating buildings in the downtown as part of an architecturally historic district and requesting such designation through the Maine State Historic Preservation Office. This action could give building owners yet another implementation tool for restoration and revitalization.

The Tax Reform Act of 1976 establishes the criteria through which federal income tax benefits would accrue to those property owners who undertake certified rehabilitation of historic properties. Available benefits include accelerated depreciation of improvements and building value and rapid amortization. This could significantly increase the incentive and return on building improvement investment. The Act requires that such improvements be completed by July 1, 1981.

#### F. MERCHANDISING

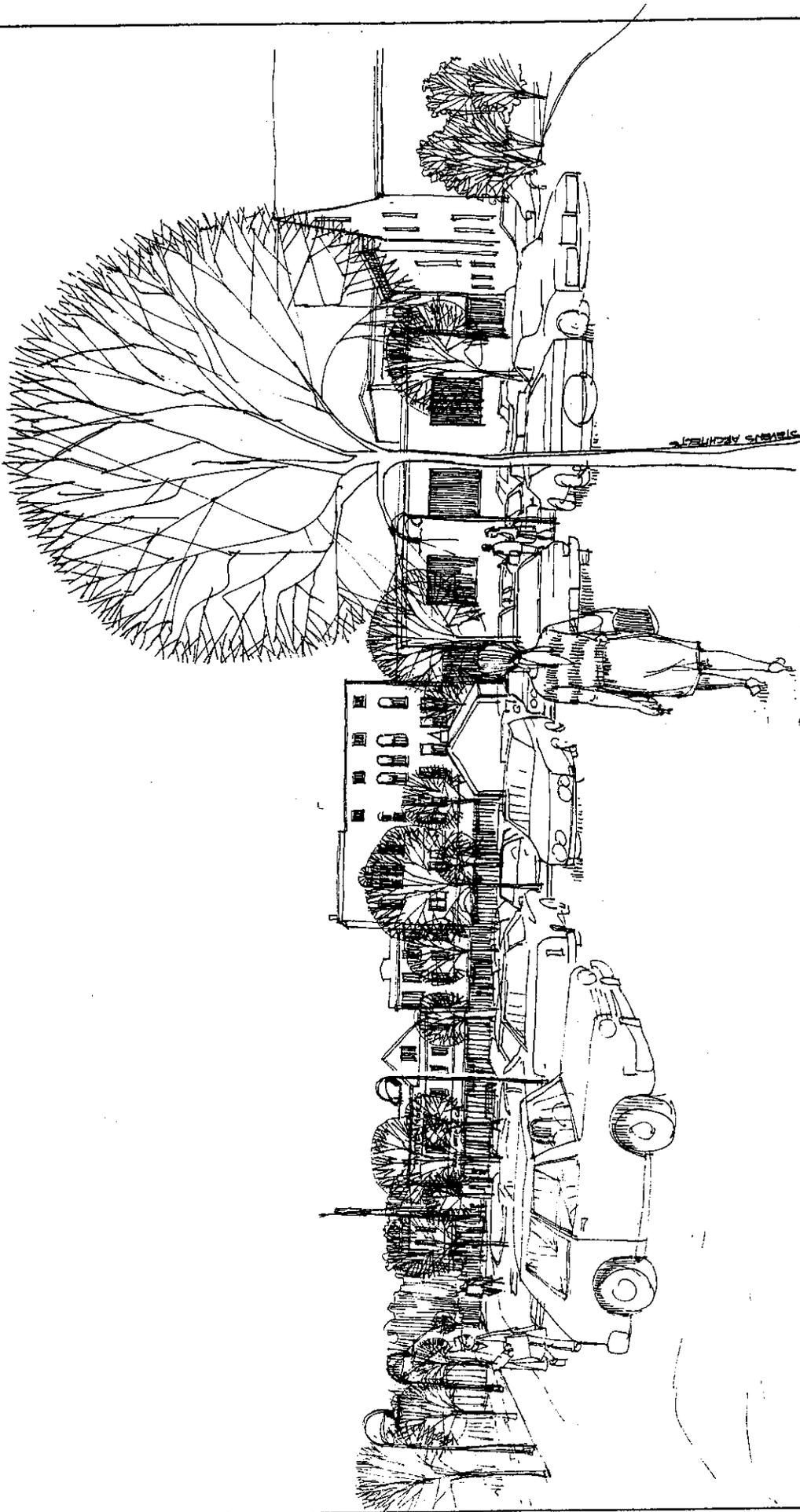
Parking, circulation and visual improvements to the downtown area are principal elements in a successful redevelopment program. At the same time, merchants must offer the shopper incentives to frequent the area. The Skowhegan merchants need to carry out activities that will attract and increase the number of shoppers. A more active merchandising policy should be developed, both individually and collectively. Principal elements of improved merchand-



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VIEW OF NEW PUBLIC PARKING AREA  
ON THE RIVERFRONT

SKOWHEGAN DOWNTOWN REVITALIZATION  
EDWARD C. JORDAN CO. INC. OPERATION T.P.



VIEW ACROSS PARKING LOT  
TO RUSSELL STREET

SKOVHEGAN DOWNTOWN REVITALIZATION  
EDWARD C. JORDAN CO. INC. OPERATION T.F.

ising include improvement of window displays, improvement of store layout and accessibility, a pleasant individual assistance and sales approach, willingness to place special orders, and acceptance of major credit cards. In addition, a strong, collective advertising policy should be encouraged to market downtown Skowhegan as a shopping district. Encouragement of other community activities in the downtown area would help refocus and reorient people to the use of the downtown.

As simple an element as a stronger, more attractive policy on window displays would greatly assist downtown merchants in the ability to attract shoppers. A concerted marketing/merchandising effort needs to be worked out by merchants. An organization like Operation T.P. could provide the impetus.

#### IV. IMPLEMENTING THE PLAN

Successful implementation of desired Downtown Improvements Program elements will require a concerted effort by all citizens and government leaders. Implementation must be recognized as a worthwhile exercise, one that will propel the community into the future with a stabilized downtown, expanding economic base and center for community life. Returns to the town will be evidenced by an expanding tax base, job stabilization and a new vitality, not only within the downtown, but throughout the town. Merchants must recognize that the proposed improvements will prepare the island for greater economic viability, enhancing their ability to attract and retain business trade.

Implementation of the downtown improvement program is visualized as a partnership between the federal and local governments and the business community. The town will seek out a variety of funding sources to provide a framework within which private investment can realize a reasonable rate of economic return. It is expected that town officials will seek funds from the U.S. Department of Housing and Urban Development (DHUD), the U.S. Department of Commerce - Economic Development Administration (EDA), and the U.S. Department of the Interior - Heritage, Conservation and Recreation Service (HCRS).

Most important, however, is the commitment of downtown merchants to the town, as expressed through investment. Without private investor confidence, this plan will remain a plan, rather than a course of action leading to community vitality. Investor confidence is essential for the public/private sector partnership to succeed.

The Urban Development Action Grant (UDAG) program to which the revitalization program is oriented, is a highly flexible economic development tool which seeks to create partnerships among the Federal government, municipal government and private business to overcome problems of declining urban areas. Action grants are designed to assist severely distressed towns and cities in revitalizing their stagnating economies and reclaiming deteriorating areas. Activities eligible under the UDAG program include: land clearance; site improvements; public infrastructure activities such as sidewalks, landscaping and utilities; rehabilitation; and construction activities. Approvals by the Department of Housing and Urban Development are being given to those communities which, in competition with each other, have the greatest potential for successfully completing revitalization through the partnership effort.

The UDAG program offers a unique opportunity for the town and the business community to establish a strong economic foundation which will reach far into the future. It offers the chance for completion of revitalization with the public sector providing a proper urban setting and the business community then taking advantage of the setting. Both sectors will be providing the citizens with a better environment, functionally and economically.

To be successful, however, the revitalization program must be workable and must have the strong backing of merchants, owners and citizens. The UDAG program will require a matching leverage of four or five to one, so that for every dollar requested and received from the Federal government, there must be

private expenditures of four to five dollars by merchants, both existing and potential.

The choice is upon us all. We can maintain the status quo and watch the increasing erosion of downtown/shopping center relationships, or we can create an investment strategy which will turn the downtown into a successful economic unit which can compete in providing a safe, convenient and comfortable place to shop, work and live. A strong public/private sector partnership will create a unique opportunity - perhaps the only opportunity - to accomplish this goal in a concentrated and coordinated basis.

DOWNTOWN IMPROVEMENT COST ESTIMATES  
PUBLIC SECTOR

The following is a listing of projects, costs and timing for improvements to the downtown which will set the stage for private sector investment.

It is important to stress that the improvements provided herein are not engineered but only conceptualized. They do not represent engineered improvements which will withstand the test of competitive bidding. An excellent example of this is Water Street. Without detailed site work, it is impossible to predict the ramifications of sidewalk construction on street grades, storm water systems and manhole locations. Depending upon any number of situations, the costs could be greater or less, depending on exact street-sidewalk relationships. Many contingencies may develop during detailed engineering of all factors related to the overall project.

Estimates are based on improvements measured from maps which are not corrected for engineering purposes. They are not sufficiently detailed to provide anything but an overall idea of costs. All costs are 1979 estimates and not projected to implementation dates. They are provided solely to allow the town to proceed through application to engineering with a reasonable basis for projecting improvement costs.

TABLE 1

DOWNTOWN IMPROVEMENTS

COST ESTIMATES—ORDER OF MAGNITUDE

Project	Order of Magnitude Costs	Order of Full Project with UDAG		Alternative A Partial Project with UDAG		Alternative B Local Project	
		Federal	Local	Federal	Local	Federal	Local
1. Water St.	123,500	123,500		123,500			123,000
2. Russel St.	26,500	26,500		26,500			26,500
3. Madison Ave.	59,000	59,000		59,000			
4. Russell St. Parking Lot	54,000	54,000		54,000			30,000
5. Water St. Parking Lot	166,000	166,000		70,000			
Administration Loan Pool	\$ 429,000	429,000	0	\$ 333,000	30,000		179,500
		45,000		0			
		175,000		100,000			
		649,000	0	433,000	30,000		179,500

## ALTERNATIVE A

Full Project with UDAG - Under this alternative, approximately \$650,000 would be requested from the Department of Housing and Urban Development. This level of UDAG request will require the private sector to develop an expenditure of approximately \$2.5-\$3.2 million. This level of economic activity requires substantial construction and would undoubtedly require new business locations within the community.

## Alternative B

Partial Project with UDAG - This approach anticipates a reduced scope of activities for downtown revitalization. The program contemplates little public action for the Water Street Parking Lot sites, no monies from federal sources for the administration and reduced loan pool amounts. Under the approach offered here, however, all other projects are retained. The administration account has been reduced to reflect the limited project scope and town funding. This level of project would require a UDAG application of \$433,000 with a matching private sector commitment of \$1.7-\$2.1 million at a four or five to one leverage ratio.

## Alternative C

Local Project - No UDAG - The real possibility remains that Skowhegan may not be granted UDAG monies even with strong private investor commitments. The community must be cognizant of the very stiff nationwide competition for UDAG monies. This last alternative anticipates a strong public support for improving its downtown. Approximately \$179,500 are projected to be spent by the community over a four year implementation period. If the private sector's investment is sufficiently strong to support an investment of this magnitude, the local costs could be borne by the increased taxes generated by the improvement program. Decision criteria include the economic climate of the community and the solving of a major parking/pedestrian problem within the town.

In order to support from increased taxes a \$200,000 (rounded) bond for downtown improvements, the private sector would have to invest approximately \$1 million, which over 20 years would amortize the local bond. This approach would dedicate increased tax revenues over the bond life to downtown improvements.

General - During the course of preparing funding applications, key decisions on strategy will be made reflecting the level of private investment committed to downtown improvements. Variations of the above alternatives must be considered, and new alternatives will develop. The approaches offered here are those which appear at this time to be reasonable and sufficient to implement a downtown improvement program. All approaches require commitment and cooperation by the private and public sectors.

The goal of the town should be to develop a private investment commitment of \$3.2 million. Failing this goal, the town must re-evaluate its overall program, reduce its revitalization scope and seek federal monies at the level

supported by a leverage ratio of 4 to 1. The Water Street Parking Lot program could be reconsidered in order to reduce the scope. If the nature of the downtown program is not sufficiently competitive to receive favorable response by the Department of Housing and Urban Development, the community still has, as an option, a locally funded redevelopment package. The \$180,000 anticipated local cost for revitalization would serve the community far into the future. Even if the community were unsuccessful in securing UDAG monies, the additional investment created by a \$1 million private sector commitment would raise additional taxes each year within the downtown. This level of additional tax gain would support a \$200,000 20-year bond issue for improvements to the downtown.

Regardless of which alternative the town eventually pursues, it is anticipated that the downtown can be revitalized by 1984. This will allow the community to reach far into the future with a prosperous, functioning downtown. The following schedule is offered as a time frame for implementation.

	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>	<u>SEP</u>
PUBLIC PARTICIPATION PROCESS	Revitalization Hearings Program Formulation		Final Project Goals-Application Review Town Approval					
APPLICATION PREPARATION	Organize Basis for Application-Develop Information Determine Program Elements	Prepare Draft-Present to Task Force	Finalize Application-Town Approval Submit to A-95 Review	Submit to D.H.U.D.	Revise as Requested by D.H.U.D. Submit Additional Info.	Receive Word on Approval		
PRIVATE INVESTMENT	Initiate Discussions with all Private Investors-Redevelopment site packaging	Secure Letters of Intent for \$3,200,000	Continue Redevelopment Commitment Attempts			Begin Securing of Legally Binding Commitments by Investors		
ACTIONS REQUIRED			April Submission of Application to A-95	Mid to end of May Final Application D.H.U.D.				
Operation T.P. MEETINGS PROJECTED 2/MONTH	Outline project objectives and specifics - public review application organization - private investment objectives and staff direction.	Review application approve, submitting-present to town -submit to A-95.	Continue private investment efforts	Status reports from staff on application - develop additional information as requested.	Initiate implementation with legally binding commitments.			

1982 Activities - Construction of all parking lots  
 site purchase and building removal  
 1983 Activities - All street, intersection and sidewalks

The following is a list and description of the various methods to pursue for funding of desired improvements. Each must be considered within the context of the overall downtown improvement program, building upon the partnership philosophy of the entire program.

Municipal Capital Improvements - The town should set aside a certain amount of its capital improvements budget for local shares of anticipated projects. Included within this would be monies to fund local shares (where necessary) of suggested improvements such as municipal parking lot improvements, and outdoor recreation projects.

Service Club Sponsorship - Service clubs, fraternal groups, school classes or other community oriented organizations could sponsor projects or portions of projects such as tree planting, street landscaping, etc. For example, school class competition could select one area for tree planting to spark interest in the downtown. If the school classes could compete with each other, the use of monies could serve several functions. First, it would provide small additional amounts of private money. Second, it could serve to spark an interest on the part of school age children for a revitalized downtown. Third, it could provide sufficient interest which might mitigate some vandalism of landscaping within the downtown. Fourth, it would serve to orient public attention to the revitalization effort and show the investor confidence that school age children have in a functioning downtown. School dances, car washes, food sales and raffles could serve as money-making opportunities for the school classes.

Community Development Corporation - A nonprofit community corporation could be established to manage a revolving fund for the acquisition, development, and resale of properties within the downtown. This corporation could serve as the machinery for many of the improvements for the private merchants, and as a catalyst in the redevelopment activities. Operation TP could logically serve this function.

State and Federal Programs - Previously, this report has suggested federal participation through the Department of Housing and Urban Development for Urban Development Action Grant funds. In addition, the National Endowment for the Arts (NEA) could be used for building improvements related to buildings. Other potential sources of money would include the Department of Commerce-Heritage Conservation and Recreation Services monies, and the U.S. Department of Agriculture-Soil Conservation Service monies. Each federal agency has a different focus within downtown revitalization. In addition, the state government, principally through the Maine Department of Transportation, could play a major role in the downtown program.

Private Sector Investment - All three levels of program implementation will require the concerted effort of private investors to commit improvement monies within the downtown. Any improvements that result from the town's efforts toward improving the downtown should be considered for allocation to the Downtown Improvement Program. Improvements eligible under the UDAG application process include any monies expended as the result of increased investor confidence developed by implementation of the revitalization program. This would include interior and exterior improvements to buildings, internal lay-

outs of stores, land and building purchase, new construction or related site improvements for the businesses. With the functioning and prosperous downtown proposed by Operation TP it is anticipated that significant private investment will be committed for the downtown. In order for the program to succeed, this investor confidence must be expressed and committed.

## SECTION V

### ECONOMIC/MARKET EVALUATION

#### A. DESCRIPTION OF THE STUDY AREA

There are three areas under consideration in this study. The first is the downtown commercial area, the second the general market area, and the third the extended market area. The commercial area is a principal, although not exclusive shopping area for the market population. The general market area is the primary service population, actual and potential. The extended market area includes that population that will utilize the commercial study area on a limited, periodic basis.

#### Boundary of Study Area

The study area includes those properties and activities between the Kennebec River and High Street from Madison Avenue to North Street, but excluding the two blocks between Cross and High Streets as defined in Figure 1.

The area represents the downtown center of the community with a diversity of street-front retail establishments and private and government services. There is some intown apartment rental of upper-level floor space. The study area borders areas of single-family residential neighborhoods.

#### B. OTHER RETAIL AREAS

Within Skowhegan additional retail activities are located in two major shopping centers north of town on Route 201. A smaller center is located on the south side of the Kennebec at the entry to the downtown area.

Most of the market area communities support small, limited local retail activity.

The larger, more diversified commercial activities in Waterville, approximately 20 miles to the southeast, produce the affective limitation on the sphere of influence of the Skowhegan retail market.

#### C. MARKET AREA

Three factors that determine Skowhegan's sphere of influence include the geographic location of the town, its political importance as the shore town, and its strength as the largest population base. Additionally, the manufacturing activities of the town attract outside residents for employment opportunities.

The principal factors that determine the boundaries of the Skowhegan market are the location of larger urban centers with greater diversity of retail activities and the general orientation of the transportation network.

In addition to the communities within the general market area, there are six communities between Solon and the Canadian border along Route 201 which, in spite of distance, generally rely on Skowhegan for major purchases. These communities are indicated in Table 2.

TABLE 3  
POPULATION OF EXTENDED MARKET AREA

Town	Population (1976) <sup>1</sup>
Jackman	903
Bingham	1,238
The Forks	117
Moose River	255
Caratunk	116
Moscow	669
Extended Market Area	3,298

<sup>1</sup>U.S. Department of Commerce, Bureau of Census 1976 Population Estimates.

The total population of the potential market area is 26,749.

The population of the area has grown approximately 10.6 percent in the period 1970 to 1976. This compares with a statewide growth rate of 7.9 percent.

In addition to the higher growth rate being experienced in the market area, the age composition as of 1970 for Somerset County is somewhat younger than for the state as a whole, as indicated in Table 3.

TABLE 4  
AGE COMPOSITION - MARKET AREA

Age Group:	0-15	15-19	20-44	45-64	65+
Market Area:	32%	9%	30%	19%	10%
State:	29%	9%	29%	21%	12%

Source: Bureau of Census, 1970.

The size of the average household in Somerset County is estimated at approximately 2.9 persons per household as of 1975. On this basis, there is approximately 9,200 households in the market area.

## F. ECONOMIC BASE

### 1. Income and Employment

Economic data in individual communities is sparse and often of limited use. The most useful income component in defining the economic health of an area is the level of household income. In small communities such as those in the market area, the composition of household incomes is not available. Recognizing the shortcomings of aggregate data, it is still helpful to look at what data is provided. The estimated median household disposable income for Somerset County as of 1976 is \$11,045.<sup>1</sup>

In general, the median family income of Somerset County is approximately 10 percent below the state median income.

Other factors to be considered in the economic profile are the rate of unemployment and the labor participation rate. Both these factors influence the availability of labor for future employment opportunities, and the ability of individual households to expand their incomes by increasing the number of workers per household.

The Skowhegan labor market consistently has an unemployment rate approximately 2 percent above the state level. The 1979 average unemployment labor pool is 1,900. Because the labor market area includes all of Somerset County, a portion of this labor pool is considered to be beyond the reach of Skowhegan employment.

The 1970 labor participation rate as reported by the Bureau of Census was approximately 55 percent. Increased income households have upped this rate, however, there is not sufficient data to determine the current rate. Based on the increased activity in the area and the reported size of the current labor force, the labor participation rate is estimated to be 68 percent.

With the size of the available and potential labor pool there is sufficient local labor market to accommodate an accelerated rate of growth in the area.

### 2. Industrial Activity

The strength of the Skowhegan area industrial base lies in the shoe industry which accounts for approximately 68 percent of the manufacturing labor force

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<sup>1</sup>"1977 Survey of Buying Power" Sales and Market Management, July 1977.

and 72 percent of the dollar value of manufacturing product. The second largest industry is pulp, paper and wood with approximately 20 percent of manufacturing value and labor.

Data available from the Bureau of Commerce indicates that output, wages and employment in the leather (shoe) industry has experienced strong growth in the period 1974 to 1977.

Of long-term concern to the retail market is the strength of the existing labor market and the potential for expansion. A heavy reliance, in excess of 50 percent of the manufacturing labor force, on one industry makes the local area more vulnerable to fluctuations in the dominant market. In the case of the leather and shoe industry, strong competition from foreign imports has been presenting serious problems for growth of the domestic manufacturers.

In the long run a more diversified manufacturing base will be essential to providing a more stable and greater growth potential to the local retail market.

#### G. RETAIL SALES PROFILE

The following analysis is based on best available data. Assumptions about spending habits have been tempered to provide cautious estimates as to potential available income. Data is only readily available for taxable sales. All non-taxable expenditures have been estimated. The analysis is based on 1975 data. To the extent that employment has expanded in the area since 1975, the estimated available income is understated.

#### Taxable Sales Pattern

Table 3 provides a look at the volume of sales in the Skowhegan market area for the period 1974 through 1977. Sales are recorded by general type of enterprise. The categories and their types of outlets are as follows:

<u>Category</u>	<u>Types of Stores</u>
Building Supplies	Business durables, including farm tractors, industrial equipment, store and office equipment, contractors sales, lumber and hardware stores and business use tax.
Food Stores	All food stores, sales of non-food items only.
General Merchandise	Clothing, furniture, shoes, radio, TV, household durable goods, home furnishings, etc.
Other Retail	Taxable sales not covered elsewhere, including dry good stores, drug stores, jewelry sporting goods, book stores, gift shops, etc.

Auto	All transportation, auto dealers, auto parts, aircraft, boats, etc.
Restaurant/Lodging	Prepared food for immediate consumption and rental tax.

TABLE 5

ANNUAL RETAIL SALES BY TYPE (\$000)  
SKOWHEGAN MARKET AREA

Year	Total Sales	Building Supplies	Food	General Merch.	Other Retail	Auto	Rest./Lodging
1974	30,303	4,176	3,769	5,744	3,423	8,758	2,927
1975	31,503	4,442	4,225	5,374	3,643	9,306	3,292
1976	35,663	5,991	4,648	4,021	4,370	11,446	4,127
1977	48,088	6,817	4,668	5,180	5,009	12,569	3,793
1978	49,135	6,889	5,315	5,092	5,193	13,495	3,957

Source: Quarterly Sales Tax Report, State Planning Office, Augusta, Maine, August 1978.

Characteristics of Local Sales

The overall growth of retail sales has been strong in Skowhegan in the period 1974 to 1977. The major strength has been related to the building supplies area. It is likely that much of this growth relates to the construction of the Scott Paper Mill at Hinckley.

In the Skowhegan retail market the other retail category has been reasonably strong. This is a retail group which most serves the local market. It does not represent high priced or major purchase items. It does suggest that the local merchants have been successful in meeting the general needs of the local and market area consumers.

The strength of auto sales represents the ability of the Skowhegan area to attract area consumers.

The poor record of sales in the general merchandise category presents the area where Skowhegan has been unsuccessful in establishing a role as a strong regional market. At the same time, the growth of general merchandise sales in the Waterville market area indicates the strength and variety of the larger market, and has drawn off sales from Skowhegan.

## H. POTENTIAL SALES MARKET

The availability of disposable income is the basis for reviewing the strength of the current retail market and the potential for growth. The determination of disposable income is calculated on available data of market area population, number of households and median household effective buying income. Table 5 indicates the household gross and net disposable income and the total available disposable income.

It is believed to be more reflective of rapid increase in housing and utility costs. The figure includes total average cost for mortgage/rental plus utility charges based on 1975 income levels.

The estimated savings rate is a rough gross average based on intended rather than actual savings rates. It is a figure highly sensitive to inflation rates and sudden unexpected expenses. The rate is not consistent between different income levels, however, based on median income data, it is believed to reflect a median level of savings.

The household net disposable income reflects that income considered available for all expenditures after housing and utility costs are met.

Once total available disposable income has been estimated, it is necessary to review the local spending patterns to determine what income is potentially available to the local market. For consistency, 1975 spending levels have been utilized. To the extent that new retail businesses have opened in Pittsfield or existing businesses have captured a larger portion of total sales, the final available income may be overstated.

It was assumed that approximately 60 percent of reported building supply sales pertain to corporate expenditures rather than individual household purchases. Additionally, it was estimated that approximately 50 percent of restaurant and lodging sales represent expenditures by non-local residents.

Non-taxable food sales are not represented in the reported sales items. It has been estimated that food purchases account for approximately 25 percent of total household purchases. Therefore, \$5.9 million has been added to local sales. The assumption is that all household food purchases are made in the market area. Based on the previous estimates, it is calculated that approximately \$7.25 million of disposable income is currently being spent outside of the local market area. This equals nearly 31 percent of local net disposable income. Table 6 illustrates the final estimated expenditures and gross total potential sales.

Of the \$7.25 million, there are expenditures not previously accounted for, such as professional services, and expenditures not to be realized locally, such as major items not offered locally, and travel and vacation expenses. It is estimated that such items account for approximately 50 percent of these expenditures. On this basis, there should be an approximate \$3 million that could be captured locally through expansion of product lines and more aggressive marketing.

TABLE 6

RETAIL SALES INDEX  
PITTSFIELD, SKOWHEGAN WATERVILLE MARKETS  
(1974 = 100)

Market Area	Total Sales				Food				General Merchandise				Other Retail							
	78/77	77/76	76/75	75/74	78/74	77/76	76/75	75/74	78/74	77/76	76/75	75/74	78/74	77/76	76/75	75/74	78/74			
Pittsfield	96.4	115.8	114.4	109.1	139.3	101.0	105.2	113.9	106.0	128.4	101.0	110.7	105.2	103.8	121.9	123.7	97.6	94.0	103.2	118.2
Skowhegan	102.2	134.8	113.2	104.0	162.1	113.8	100.4	110.0	112.1	141.0	98.3	128.8	74.8	93.6	88.7	124.7	114.6	120.0	160.4	151.7
Waterville	105.1	105.9	110.7	116.0	142.8	102.3	104.5	115.9	114.8	142.2	104.5	109.4	110.2	114.1	143.8	103.7	114.1	119.5	123.0	176.0
State	108.2	110.7	115.4	105.9	146.4	108.1	108.6	109.9	114.0	147.0	107.8	108.7	111.2	107.8	140.4	112.4	115.8	115.3	104.0	156.0

	Building Supplies			Auto			Rest/Lodging								
	78/77	77/76	76/75	78/74	77/76	76/75	78/74	77/76	76/75	78/74					
Pittsfield	87.3	120.2	113.6	125.0	149.1	108.9	123.5	130.0	96.0	167.7	80.2	100.5	139.9	75.1	84.7
Skowhegan	101.1	113.8	134.9	106.4	165.0	107.4	109.8	123.0	106.3	154.1	104.3	91.9	125.4	112.5	135.2
Waterville	110.7	102.6	114.7	96.7	126.0	110.1	105.5	119.4	105.7	146.7	115.4	101.9	124.1	119.9	174.9
State	111.3	110.1	115.4	95.7	135.4	107.9	111.2	126.0	108.1	163.5	110.5	110.1	115.5	112.9	158.4

Market Areas:

- Pittsfield: Burnham, Cambridge, Detroit, Hartland, Palmyra, Pittsfield, Ripley, St. Albans
- Skowhegan: Anson, Athens, Canaan, Cornville, Ebben, Harmony, Madison, Mercer, New Portland, Norridgewock, Skowhegan, Solon, Starks
- Waterville: Albion, Belgrade, Benton, China, Clinton, Fairfield, Freedom, Oakland, Palermo, Rome, Sidney, Smithfield, Thorndike, Troy, Unity, Unity Township, Vassalboro, Waterville, Winslow
- Source: Quarterly Sales Tax Report, State Planning Office, Augusta, Maine, August, 1978.

TABLE 7

ESTIMATED NET-DISPOSABLE INCOME  
SKOWHEGAN MARKET AREA

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Total Households		8,100
Median Household		
Effective Buying Power <sup>1</sup>		\$11,045
Less: 43 Housing Costs	(\$3,600)	
Gross Disposal Income		7,400
Less: Savings Rate (.20)	( 1,400)	
Net Disposable Household Income		6,000
Total Available Disposable Income (6,000 x 8,100)		\$48.6 Million

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<sup>1</sup>Somerset County - 1976 Sales and Marketing Management, 1977 Survey of Buying Power, July 1976.

TABLE 8

EXTENDED MARKET AREA  
POTENTIAL SALES

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Total Households		1,137
Median Household		
Effective Buying Power		\$ 11,045
Less 1/3 Housing Costs	(\$3,600)	
Disposable Income		7,400
Less: Savings Rate (.20)	( 1,400)	
Net Disposable Income		6,000
Total Available Disposable Income (\$6,000 x 1,100)		\$6,600,000
General Merchandise Expenditures Approximately 10% Exp.		\$ 660,000

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TABLE 9

ESTIMATED POTENTIAL SALES  
SKOWHEGAN MARKET AREA

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Total Gross Taxable Sales (1976)	\$35,663,000
Less: 60% Building Supplies (\$3,594,000)	
50% Restaurant Lodging ( 2,063,000)	
Total Net Taxable Sales	30,006,000
Add: Estimated Foot Sales	<u>12,000,000</u>
Total Retail Sales	\$42,006,000
Total Available Disposable Income	48,600,000
Less: Total Estimated House- hold Retail Sales	42,000,000
Gross Total Potential Sales	\$ 6,600,000

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I. LOCAL MARKET POTENTIAL

In general, the Skowhegan market area has been successful in maintaining a rate of retail growth comparable to the area and statewide markets. The notable exception is the "General Merchandise" category. Not only has the local market failed to keep pace with the general growth trend regionally and statewide, but it has experienced a net loss of sales in the period of 1974 to 1978.

The Skowhegan market experienced a decline in "General Merchandise" sales of \$652,000 in the five-year period. The surrounding market areas experienced a 20 percent to 40 percent growth in the same period. If Skowhegan had succeeded in maintaining a comparable rate of growth (assuming 20 percent) there would have been an increase of \$1,149,000 in "General Merchandise" sales. This would account for a 2 percent increase in total retail sales in the Skowhegan area.

While the size of the local market population and larger regional markets will limit the size and diversity of the "General Merchandise" market, there appears to be sufficient potential for strengthening sales in this category.

2 3 12

J. IMPROVEMENTS TO THE STUDY AREA

Downtown merchants should carry on an active advertising and merchandising program aimed at market area communities. To the extent that Skowhegan can provide goods and services comparable to larger regional markets, this must be pursued.

Every effort should be realized to attract businesses into vacant store space in the downtown areas. This will not only help attract most customers to the downtown area, but will also improve the community tax base. A review of area retail businesses should be conducted in order to identify those types of businesses currently absent from the downtown business district. There is a strong presence of services, professional and government, helping attract regional residents to downtown Skowhegan.