

Town of Falmouth, ME Economic Development Strategy

May 2015

Prepared by the Falmouth Economic Improvement Committee



About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. We specialize in real estate development feasibility and the economic and fiscal impact of public and private investments. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to Texas; corporations and organizations that include Lowes Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in twenty states and garnered attention from national media outlets including *Marketplace* (NPR), *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter @camoinassociate and on Facebook.

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Innovation Policyworks LLC serves organizations dedicated to economic development by providing policy and strategy development backed by research and analysis, implementation expertise and operational support.

Innovation Policyworks has almost twenty-five years of policy and operational experience in state government, economic development, academia, and consulting, primarily in rural states. Combined with our strong data collection and analytic expertise and our ability to synthesize lots of types of information, we can communicate and connect with a wide variety of audiences.

Our approach is fueled by Innovation Engineering™ a management system for innovation, that allows us to develop custom solutions for your region or section with the involvement of your stakeholders, relying deeply on data and benchmarks to yield strategies that will work. Our Innovation Engineering Black Belt Certification sets us apart -- we are the only economic development consulting firm trained in this system that increases the speed and decreases the risk of new product, process and service development. We will apply these principles to your situation, bringing innovation into the practice of economic development.

For more information, visit <http://www.innovationpolicyworks.com>.

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Falmouth Economic Improvement Committee Mission Statement:

The Economic Improvement Committee (EIC) shall:

- (1) Encourage and promote economic development within the town consistent with other ordinances and policies.
- (2) Undertake and support activities aimed at enhancing the economic well-being of the community by the promotion of a sustainable economy which will retain and create quality employment opportunities and a broadened tax base for the town and its' residents.
- (3) Provide advisory assistance to the town manager and town council for matters pertaining to economic development including but not limited to policy development, strategic planning, and land use.
- (4) Develop guidelines and recommendations in such areas related to economic development including but not limited to business retention, business attraction, workforce development, the development of infrastructure necessary to support economic growth, redevelopment, and business development.
- (5) Work with other public and private entities and staff to promote the economic well-being of the community and perform such other functions as may be appropriate to achieve such goals.
- (6) Develop an economic development plan for the town, submit to the town council for approval, and review this plan every three (3) years.
- (7) Participate in regional economic development efforts.

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Attachments:

- Attachment A – Economic Base Analysis
- Attachment B – Summary of Interviews
- Attachment C – Glossary of Terms

Executive Summary

Following the completion of the 2013 Comprehensive Plan, the Town of Falmouth has undertaken its first ever economic development planning process to guide growth over the next 10 years. This effort included participation by Town staff, the Falmouth Economic Improvement Committee, residents, businesses, and others throughout the community. What follows is a summary of the work conducted and the four major goals that have been identified by the Town as critical to future economic development.

Work Completed

The work involved in this planning process included significant data collection and analysis, review of existing documents, stakeholder interviews, market research, public forum discussions, and committee meetings. All of this work culminated in the development of a specific vision for the future of economic development in Falmouth, strategic goals for achieving this vision, and targeted strategies and actions for implementation. The plan has been designed so that when it is fully implemented, it will increase economic activity, improve quality of life, and create a more diversified tax base for Falmouth.

Economic Development Vision and Goals

The following is the vision for the future of economic development in Falmouth:

- Increase sustainable economic opportunities by encouraging business development in designated growth areas.
- Engage Town officials, residents and business owners regularly in meaningful discussions about the future of the community to guide development in a way that balances a diversified tax base with improving the quality of life for all residents.
- Use Falmouth's assets, including its world-class educational system, coastal location, recreational resources, and preserved open spaces, to attract and retain professional and retail businesses, by reusing and redeveloping existing spaces and developing key parcels.
- Grow new businesses of all sizes by supporting and leveraging the creativity and energy of Falmouth's innovative and entrepreneurial community that is creating jobs, wealth, and economic activity in the Greater Portland area.

The following goals were identified as critical to achieving the Town's vision for future economic development:

- 1) Improve Falmouth's economic development climate.
- 2) Enhance Falmouth's recruitment, creation, retention, and expansion efforts for commercial businesses.
- 3) Enhance Falmouth's recruitment, creation, retention, and expansion efforts for retail businesses.
- 4) Cultivate Falmouth's innovation and entrepreneurial climate.

Each of these goals has a number of strategies and actions associated with them. Each action comes with a priority level, timeframe, relative cost, performance metrics, and lead entity.

Introduction

Following the completion of the 2013 Comprehensive Plan, the Town of Falmouth decided to undertake its first ever economic development strategy to guide the town's future growth and development. The 2013 Comprehensive Plan was driven by the desire to "move the local economy forward; encouraging business development and expansion to the benefit of all residents" and included a specific action to "prepare, adopt and implement a Falmouth Economic Development Plan." Additionally, the Comprehensive Plan designated growth areas for commercial activity that the Town felt were in the best position to attract and support new economic activity.

As a direct result of the Comprehensive Plan the Town and the Falmouth Economic Improvement Committee (FEIC) started the economic development planning process with the goal of creating a long-term strategic economic development plan that includes broad collaboration of both public and private sector organizations and will guide economic development over the next 10 years. The Committee hired as a consultant Camoin Associates through a competitive bidding process.

The economic development planning process followed a three-phase approach that included (1) studying existing conditions, (2) developing priority projects, and (3) completing the plan. Throughout the process there were opportunities for public engagement, discussions with experts in particular areas, and use of a FEIC to guide the planning process.

This document will serve as the Town's economic development plan and includes a summary of the research and data collection completed, the town's vision statement and the Action Plan Matrix that outlines how the plan will be implemented. It is anticipated that this document, and the Action Plan Matrix in particular, will be used to help direct economic development initiatives throughout Falmouth.

The Action Plan Matrix includes an overall vision for economic development in Falmouth, four unique goals for realizing that vision, individual strategies for achieving the goals, and tasks to implement the strategies.

Work Completed

To develop an Economic Development Strategy for the Town of Falmouth, Camoin Associates conducted market research, collected data, interviewed business owners and stakeholders, and reviewed existing reports. The first step was to review other relevant documents to ensure this strategy would align with previous and concurrent initiatives. Some of the documents reviewed included:

- Town of Falmouth 2014 Comprehensive Plan
- Town Councils' Annual Work Plan
- Route 1 Zoning and Infrastructure Plan
- Current Tax Increment Financing Plans
- Business visitation notes from 2012
- Greater Portland Economic Development Council Draft Plan
- Mobilize Maine Plan for Greater Portland/Lakes Region

To better understand the past, present, and projected economic environment of Falmouth, Camoin Associates collected data from a variety of sources including Economic Modeling Specialists, Inc., ESRI Business Analyst Online, real estate reports, and other materials. Using this research, Camoin Associates developed an economic base analysis that included information on major industry sectors (past and

projected growth); occupational data (past and projected growth); a location quotient analysis of major industries; and demographic information. This information was collected for the Town of Falmouth, Cumberland County, the State of Maine, and the United States.

In addition to collecting data on economic, occupational, and industry trends, Camoin Associates interviewed local private business owners and stakeholders. These interviews supplemented the data and other research with local knowledge of the obstacles and opportunities in Falmouth and the Greater Portland region and included feedback and suggestions of types of projects that should be included in the final plan.

At key intervals in the planning process, Camoin Associates engaged the Falmouth Economic Improvement Committee, town residents, and staff to develop and refine the strengths, weaknesses, opportunities, and threats (SWOT) analysis and vision statement, solicit feedback on the findings from research and data collection, and determine appropriate projects to implement the recommendations of the plan.

The full Demographic and Economic Base Analysis can be found in attachment A at the end of this document.



Summary of Findings

The information gained from the economic base analysis, SWOT analysis, and interviews was all used to develop the key themes, vision statement, goals, objectives, and strategies that make up the implementation plan, also known as an Action Plan Matrix. What follows is a summary of the Economic Base Analysis and the SWOT analysis. More detailed information is available in appendix A.

Demographic and Economic Base Analysis

- Falmouth’s population of 11,640 in 2014 is expected to grow by 545, or 4.7%, in the next five years. This projected growth rate is higher than that of Cumberland County, Maine, or the United States. Growing population highlights the high quality of life in Falmouth and continued growth can result in increased demand for services and amenities.
- At 47.8 years old, Falmouth residents are older, on average, compared to those in Cumberland County, Maine, and the United States. These age characteristics have implications for the workforce as residents retire or look to transition into a more flexible time in their career with a home-based business or small, one-person consulting firms.
- The town has a very low share of young adults, especially those in the 25-29 cohort. This can impact companies who are looking for employees. It also speaks to the fact that Falmouth may not meet the needs of this population in terms of the type of community they wish to live in, or housing available.
- On average, the town residents have a high median household income at \$91,477 compared to \$53,046 nationally.
- Falmouth residents are highly educated, with 63.2% of the over 25-year-old population holding at least a bachelor’s degree.
- Between 2003 and 2013 total employment in Falmouth increase by 7% and outpaced Cumberland County, Maine, and the United States. This shows positive growth and a competitive advantage for the growing industries in Falmouth.
- Falmouth’s economy is dominated by office based industries including Finance and Insurance; Professional, Scientific, and Technical Services; and, Health Care and Social Assistance. With high employment figures and high location quotients (industry concentrations), these industries represent core opportunities for growth in the Falmouth region.
- Growing segments in Maine that are compatible with Falmouth goals, culture, and assets are:
 - a. Software, other information technology (IT) such as payment companies
 - b. Medical (offices, clinics, laboratories)
 - c. Environmental services firms
 - d. Financial/insurance
- Approximately 850 people in Falmouth are characterized as “self-employed”. As a percent of all employment that is 9%, compared to 6% in Cumberland County and 8% in Maine. These self-employed entrepreneurs are a source for job growth in the future as long as the right conditions are in place for them to stay and grow in Falmouth.
- The industries with the most self-employed people include Landscaping Services; Independent Artists, Writers, and Performers; Beauty Salons; Custom Computer Programming Services; and, Other Accounting Services.
- Falmouth has a higher number of self-employed Computer Systems Design and Related Services (4th largest group of self-employed in Falmouth) and it is not in the top 15 for Cumberland County or Maine. Growing and supporting this industry will be important to help it maintain its strength in the town.

- Nearly 40% of all residents of Falmouth work in Portland, followed by 13% who work in Falmouth. 72% of all commuters travel less than 10 miles to their jobs.
- Falmouth is a net importer of labor, since the number of in-commuters (5,757) exceeds the number of out-commuters (4,179). This fact is significant given the town's reputation as a primarily residential suburb of Portland. While the town certainly has a single-family residential character, it is also plays a role as an employment center within the region. The reputation and perception of Falmouth as a bedroom community may have a negative impact on growth potential as business owners do not consider Falmouth as a possible location.
- Office space is tight in Falmouth. The Falmouth, Cumberland, Yarmouth submarket has 8% of the total office space in the Greater Portland market with the majority of office space located in Downtown Portland. In order to accommodate growth it will be necessary to expand opportunities and ensure space is available.
- The Falmouth submarket has almost no vacant Class A space, but the highest vacancy rate for Class B office space at 15%. Since 2012 the average vacancy rate has gone down, showing growing demand for space and a healthy market.

SWOT Analysis

This Strengths, Weaknesses, Opportunities and Threats analysis has been developed based on all the research including the data collection, market research, interviews (see Attachment B for more information gained from the interviews), and public forum discussions.

Strengths:

- Location just north of Portland, ME, on coast
- Location on I-295, Turnpike spur, Rt. 1, Rt. 100, Turnpike Exit 53
- Excellent schools
- New comprehensive plan with two commercial-mixed use growth areas identified
- Significant Town investment in green space
- Rt. 1 South upgrades being completed
- Employment center, a few major long-time employers
- High net income and educational attainment levels
- High-speed broadband available
- Recreational amenities
- Attractive lifestyle for those in the later phase of their working life

Opportunities:

- Business, Professional, Medical employment growing in ME and in Falmouth. Recreation employment growing in Falmouth
- Limited space in Portland in long-run (peninsula)
- Housing shortages throughout region
- Commuter bus service being contemplated Portland-Brunswick, including Rt. 1 stop in Falmouth
- Desire for more density, mixed use developments at a time when older buildings are vacant, so renovation/replacement is possible without disruption of tenants
- Potential Route 100 Upgrades
- Reconfiguration of Turnpike Spur-Route 1 interchange may open up land for commercial use
- Potential new Turnpike exit in Cumberland
- Landlords/developers of vacant space want to find new/alternative uses

Weaknesses:

- Limited available land suitable for development (including lack of utilities)
- Zoning ordinances and enforcement make development challenging
- Perception of “business unfriendly” attitudes
- Several empty, large retail spaces
- Little available Class A (new, high quality) office space, especially less than 2500 sq ft.
- Housing too expensive for younger workers and seniors; limited apartment or condo space
- Relatively small population
- No rapid transit, limited bus service
- Suburban, car-based infrastructure

Threats:

- Falmouth and Maine demographics will cause worker shortages in 10-year horizon w/out changes
- Other retail, hotel hubs nearby that compete: Old Port, South Portland/Maine Mall, Freeport
- Millennials (today’s younger workers) want more amenities, more urban environment
- Nearby towns are “upping” their economic and community development game
- Defenders of the status quo will stop or slow down change
- Narrow commercial tax base may cause residential tax rates to rise

Vision Statement

This vision statement has been developed by the Falmouth Economic Improvement Committee as a guide to future economic development:

- Increase sustainable economic opportunities by encouraging business development in designated growth areas.
- Engage Town officials, residents and business owners regularly in meaningful discussions about the future of the community to guide development in a way that balances a diversified tax base with improving the quality of life for all residents.
- Use Falmouth's assets, including its world-class educational system, coastal location, recreational resources, and preserved open spaces to attract and retain professional and retail businesses, by reusing and redeveloping existing spaces, and developing key parcels.
- Grow new businesses of all sizes by supporting and leveraging the creativity and energy of Falmouth's innovative and entrepreneurial community that is creating jobs, wealth, and economic activity in the Greater Portland area.

Goals

Following the completion of the data collection, stakeholder interviews, SWOT analysis, and vision development, the committee worked to identify particular goals that would lead to the full realization of their vision. The following section includes a summary of each of the goals and some of the individual strategies associated with them.

All of the goals have been developed with the intention that there will need to be multiple entities, organizations, and agencies involved in order to accomplish them. The implementation of this plan will require significant collaboration, cooperation, and partnerships and some of those partners necessary to help move this plan forward include:

- Town of Falmouth
- Local and regional educational institutions
- Chambers of Commerce
- Business Associations
- Business owners
- Falmouth residents

Goal 1

Improve Falmouth's Economic Development Climate

In order for the Town to grow, create jobs, and diversify the tax base it is important that steps be taken to enhance Falmouth's economic development climate to foster a more business friendly environment. The goal is designed to support business and economic development throughout Falmouth while at the same time not taking away from the existing values or quality of life for Falmouth residents.

Through the interviews and public forum discussions it is clear that the community is experiencing a dichotomy in values/views towards Falmouth's future between "growth vs. no growth." This is perceived by some in the business and economic development community as a threat to growing business activity, investment, and jobs.

The strategies and actions identified as part of this goal are to encourage balanced policy and implementation in the town that include ongoing conversations with business owners, business partners/associations, and residents to determine the direction that the Town should move in when it comes to community and economic development initiatives including what the community is willing to accept.

The specific strategies identified as part of this goal include:

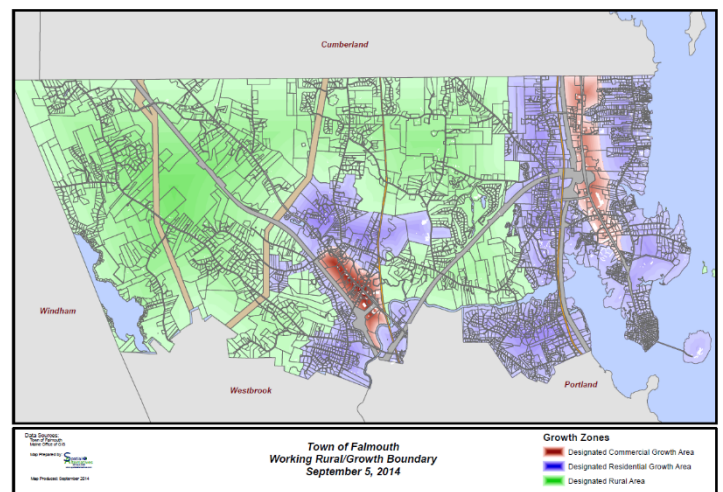
- Charge the Falmouth Economic Improvement Committee with implementation of the economic development strategy.
- Review the existing site plan review process to streamline and increase certainty in the permit process for businesses.
- Review all existing zoning ordinances to ensure they are properly aligned with economic development goals of the Town.
- Improve engagement and dialogue to promote the future of economic development in Falmouth. Include all partners in the discussion to encourage open communication and collaboration.
- Work regionally to attract businesses to Falmouth. Engage with the Maine business/real estate community and present Falmouth as a viable option within the Greater Portland region. Emphasize schools, recreation, transportation, accessibility, quality of local workforce (education levels).

Goal 2

Enhance Falmouth's Recruitment, Creation, Retention, and Expansion Efforts of Commercial Businesses

With such close proximity to Portland and positioned within the growing Greater Portland region, Falmouth is well positioned to attract office and commercial activity to the Route 1 and Route 100 corridors. With access to the market of a diversified workforce, suppliers, and transportation options, Falmouth should increase its efforts to attract and retain commercial businesses in its growth areas. Another aspect of attracting this type of economic development to Falmouth is for the community to make improvements to be more attractive to the talent and labor pool that will work at these establishments, which tend to be younger and in search of different housing options and amenities.

The analysis found that Falmouth has a specific competitive advantage in some targeted clusters including Professional, Scientific, and Technical Services; Finance and Insurance; and Health Care, making it a viable alternative for businesses moving to the region. However, it is also clear from the research that there are major employers in Falmouth that are bringing employees into the community on a regular basis that need to be supported and encouraged to stay and expand in Falmouth. The goals in this section are designed to help Falmouth create an environment that is both attractive to new businesses and encourages existing businesses to grow.



The specific strategies identified as part of this goal include:

- Market Route 1 and Route 100 to state and regional businesses. Focus on the targeted industries of Professional, Scientific and Technical Services; Finance and Insurance; and Health Care.
- Review existing infrastructure and transportation networks and identify areas for improvement to serve the business community including the continued use of the Capital Improvement Plan and Tax Increment Financing.
- Re-envision large vacant spaces, e.g., the Falmouth Shopping Center.
- Encourage development of smaller residential spaces (e.g. condominiums, apartments) suitable both for young workers and seniors who want less maintenance.
- Review zoning requirements to ensure that buildings in the designated growth area are able to include cafes, gyms, and other mixed-use type amenities.
- Focus on development of Class A office space.
- Create and promote energy efficiency and conservation, electric car charging stations, solar power usage, and business recycling.

Goal 3

Enhance Falmouth's Recruitment, Creation, Retention, and Expansion Efforts of Retail Businesses

This goal is intended to help the community start to expand its retail offerings. Based on the research conducted it is clear that Falmouth is experiencing difficulty in attracting some retail operations. This difficulty is likely because of the small population and proximity to other major retail hubs such as the Old Port, Freeport and the Maine Mall. Furthermore, Town policies around zoning ordinances have made retrofitting large vacant spaces, such as the Falmouth Shopping Center and Falmouth Plaza, for other uses extremely expensive and this is making it even more difficult to find a solution. This goal is designed to help retailers be successful in Falmouth and help the community set itself apart from the surrounding communities by offering unique retail and service options that are not available anywhere else. The strategies to support this goal are in line with national retail trends which include more 24/7 use of shopping areas with diversified usage beyond traditional retail to include amenities such as wireless, fitness and entertainment, food and restaurants and even medical facilities.

The specific strategies identified as part of this goal include:

- Increase patronage of local businesses and community organizations.
- Market Falmouth to local and regional retailers that will act as a destination and provide additional unique options to the existing retail market.
- Support and enhance the expansion of culinary establishments and events.
- Support existing and establish new cultural and recreation options throughout Falmouth.
- Research potential for hotel and conference space to serve the Greater Portland region.

Goal 4

Cultivate Falmouth's Innovation and Entrepreneurial Community

Cultivating innovation and entrepreneurship in Falmouth will help to support existing businesses and grow new, cutting-edge businesses that will create jobs and support the diversification of the economy. With good access to broadband and many other locational amenities enjoyed in Falmouth, this goal is designed to encourage entrepreneurs and small business owners to establish and/or expand their operations in town. The strategies associated with this goal are intended to improve the network of existing entrepreneurs, set children on the path to innovation, and create an environment where the entrepreneurs and innovators want to be. Also included in this section are strategies around building and enhancing the town's brand as a healthy and intellectual community through support for recreation and the arts, as these are assets that are attractive to young entrepreneurs. Support for the innovation community will be key to growing and bringing in new businesses to Falmouth.

The specific strategies identified as part of this goal include:

- Engage with the entrepreneurial and start-up community. Support and participate in regular meet ups, networking events, training programs and communication with the existing entrepreneurial community and start-up companies.
- Build the town's informal or formal brand as a healthy, active, and intellectual community by leveraging the many existing assets and continuing to build on the recreation, arts and culture.
- Support science, technology, engineering, and mathematics (STEM) education throughout the system. Establish partnerships to support education efforts around STEM in the primary schools to encourage increased innovation, entrepreneurship and technology use throughout the community.
- Support and encourage additional small co-working/conference space, potentially in a community center, or developed with an existing business in Falmouth which has excess space.
- Make Route 1 retail area "wireless."
- Work with local developer to establish smaller Class A office space in Route 1 corridor, with expansion possible to larger, but not big (1,500-4,500 square feet) Class A office spaces.

Action Plan Matrix

The following matrix outlines the individual strategies associated with each goal as well as some tasks that will guide the efforts necessary to complete the strategy. Each strategy includes suggestions related to partner organizations, priority level, and timeframe but since this is a living document it is expected that these will change over time as different parts of the plan are implemented.

The Action Plan Matrix identifies potential partner agencies, organizations, or groups that should be involved to assist with implementation. It should be noted that there may be other potential partners that are identified at a later date and they should be included in the process as well.

In addition to the performance metrics listed on the Action Plan Matrix, the Town should also track macro-indicators on overall performance specifically comparing Falmouth to Cumberland County, Maine, and US for the indicators of (and update annually):

- Employment growth total and within targeted sectors
- Establishment growth total and within targeted sectors
- Median wage
- Median income
- Vacancy rates
- Growth of self-employed (“1099”) workers
- Education attainment
- Home ownership affordability
- Rental affordability
- Mill rate
- Commercial property valuation growth

Goal 1: Improve Falmouth's Economic Development Climate									
# 1	Strategy	Description	Reference	Actions	Priority Level (Low, Medium, High)	Timeframe (Short, Mid, Long)	Relative Cost	Performance Metrics	Status
1.A	Charge FEIC with implementation of the economic development strategy	Set the FEIC as the oversight body for the implementation of economic development strategy.	1	1.A.i - Charge the FEIC with the task of monitoring and implementing the economic development strategy through specific projects, collaborations, and network building as well as evaluating progress and recommending adjustments over time.	High	Short and Ongoing	Committee time	Renewed charge by Council for FEIC and steady implementation of the plan.	
1.B	Review the existing site plan permit review process	Increase certainty in process for businesses by streamlining the process and reducing wait times.	2	1.B.i - Survey businesses who have been through the process site plan review process within the last 3 years and ask for their feedback. Implement feedback from the survey to improve the process and codes to make it easier for applicants to understand and comply.	High	Short	Town staff time (medium)	Number of businesses surveyed; response rate	
			3	1.B.ii - Work with neighboring communities to hear about their site plan review processes, what works and what doesn't. Using information from the survey and data gathering establish improved processes that include goals around the amount of time required from start to finish and communications with applicants/customers. Develop a roadmap that can be provided to the applicants in the beginning that outlines the process, required documents, timeframes, approving bodies, etc.	High	Short	Town staff time (medium)	Improved roadmap of the site plan review process for applicants	
			4	1.B.iii - Create a feedback system to allow for improvements in the site plan review process. This may take the form of a survey that is provided to all businesses that go through the application process. Implement suggestions as feasible. Specific improvements may include improving staff customer service skills and project tracking systems.	High	Short	Low cost for survey and then staff time to implement	Improved results of the applicant survey related to customer satisfaction	

1.C	Align zoning ordinances with Town economic development goals	Ensure that the zoning ordinances are properly aligned with economic development goals of the town in a cost effective way, while not being too prohibitive for businesses.	5	1.C.i - Conduct a thorough review of the zoning ordinances to identify any areas in need of additional consideration.	High	Mid	Town staff time (significant)	Review zoning regulations	
			6	1.C.ii - Consider the cost-benefit of the ordinances to developers and the business community and how they fit into the larger picture of the economic development goals of the community.	High	Mid	Town staff time (medium)	Review of impact	
			7	1.C.iii - Revise the ordinances as applicable and work with the business community to both educate on why the ordinances are important and also see if they have suggestions.	High	Mid	Town staff time (significant)	Review and revision of zoning regulations; business views of new zoning based on business visitations and surveys	
1.D	Improve engagement and dialogue to promote the future of economic development in Falmouth	Encourage open communication and collaboration among the business and resident communities through different outlets.	8	1.D.i - Implement a regular business engagement effort including business visitation meetings to discuss issues, opportunities and listen to any concerns. Document, summarize, and communicate findings and trends on an annual basis. Follow-up with all specific concerns/issues raised.	Medium	Mid	Town staff time (regular and ongoing time required)	20 meetings per year; satisfaction with follow-up	
			9	1.D.ii - Establish regular gatherings of the resident and business community to discuss the economic future of Falmouth, a "Falmouth Future Forum".	Medium	Ongoing	Staff time (minimal)	4 discussions per year; attendance, satisfaction and value to participants	
1.E	Work regionally to attract businesses to Falmouth	Actively market Falmouth to the Maine business and real estate community as a viable option within the Greater Portland region.	10	1.E.i - Create promotional material and a website that highlights the assets of Falmouth including the schools, recreation, transportation, accessibility, and quality of local workforce. Focus on digital and web mediums as opposed to brochures and hard copy material.	Medium	Long	Cost to develop website and materials (can be significant)	Updated website and digital material; web analytics on website visits	
			11	1.E.ii - Work within networks to develop connections with commercial real estate agents, business site selectors, and other economic development organizations to work together to grow Falmouth and the Greater Portland economy.	Medium	Ongoing	Staff time (medium)	Attend 2 meetings a month	
			12	1.E.iii - Highlight business attraction and retention success stories to measure impact of the efforts.	Medium	Ongoing	Staff time (medium)	6 press releases and other media distributions a year and included on Town Website	

Goal 2: Enhance Falmouth's Recruitment, Creation, Retention, and Expansion Efforts of Commercial Businesses

# 2	Strategy	Description	Reference	Actions	Priority Level (Low, Medium, High)	Timeframe (Short, Mid, Long)	Relative Cost	Performance Metrics	Status
2.A	Market Route 1 and Route 100 to state and regional businesses	Focus on attracting targeted industries of Professional, Scientific and Technical Services; Finance and Insurance; and Health Care.	13	2.A.i - Prepare digital marketing material outlining the assets of Falmouth related to those industries including workforce, education, space, etc.	High	Short	Cost to develop materials (can be significant)	Updated marketing material; revise and renew at least annually	
			14	2.A.ii - Create an inventory of available land and building space to be able to quickly react and respond to inquiries. Put inventory on the internet for ease of access by site selectors.	High	Ongoing	Town staff time (minimal but ongoing)	Updated inventory; revise and renew every quarter	
			15	2.A.iii - Work with existing property owners to identify what improvements need to be made to further enhance the area and make it attractive to new development.	High	Short	Town staff time (medium)	Meet with 10 property owners each year	
2.B	Improve existing infrastructure and transportation networks	Identify areas for improvement to these networks to better serve the business community.	16	2.B.i - Connect the economic development plan with the Capital Improvement Plan and Tax Increment Financing for funding of projects, programs, and initiatives to support through these avenues.	High	Short	Town staff time (minimal but ongoing)	Quarterly review of CIP and TIF information with ED Strategy	
			17	2.B.ii - Meet with businesses and residents to hear about what types of pedestrian amenities, bike lanes, and lighting they would like to see to ease movement throughout the Town.	High	Medium	Town staff time (minimal)	Host 1 event per year to discuss	
			18	2.B.iii - Meet with public transit providers to find ways to expand public transit options linking Portland and other residential areas with Falmouth's office and employment locations.	High	Medium	Town staff time (medium)	Facilitate 1 meeting	
			19	2.B.iv - Continue to strongly support the commuter bus alternative from Portland to Brunswick linking the Route 1 retail area and commercial areas.	High	Ongoing	Town staff time (minimal)	Progress towards alternative	
			20	2.B.v - Study potential options for the reconfiguration of existing Turnpike-Route 1 interchange to increase economic activity at this location.	High	Medium	Engineering cost	Options outlined	
			21	2.B.vi - Explore how the Town can support and/or partner in the expansion of broadband throughout Falmouth.	High	Short	Town staff time (minimal)	Host 1 meeting with partners; update to economic plan with details specifically on broadband expansion	
			22	2.B.vii - Support ongoing investments in water quality and storm water management.	High	Ongoing	Town staff time (medium)	Include necessary investments in CIP	

2.C	Re-envision large vacant spaces, e.g., the Falmouth Shopping Center	Work closely with the property owners to envision and implement redevelopment.	23	2.C.i - Work closely with the property owners and developers in the community to envision an outcome that is benefit for all parties.	High	Mid	Committee staff time	Initiate at least two meetings to discuss	
			24	2.C.ii - Revise zoning, ordinances, and other requirements that may be hindering redevelopment.	High	Mid	Town staff time (minimal)	Review of zoning regulations, make recommendations to Planning Committee; Town Council	
2.D	Encourage development of smaller residential spaces in the designated growth areas	Increase the supply of smaller, less expensive units, that are suitable for young workers and older adults who may want less maintenance.	25	2.D.i - Review zoning to ensure there is adequate space to accommodate small residential development within the designated growth areas.	High	Mid	Town staff time (minimal)	Review of zoning regulations, make recommendations to Planning Committee; Town Council	
			26	2.D.ii - Inventory available space to make it easy to respond to inquiries from developers.	High	Ongoing	Town staff time (medium)	Create online inventory of space; keep current	
			27	2.D.iii - Reach out to developers completing similar smaller residential projects in the Greater Portland region and invite them to Falmouth for a tour of available space.	High	Mid	Town staff time (medium)	Host 1 tour event per year	
2.E	Review zoning requirements related to mixed-use buildings in growth areas	Updating zoning ordinances as necessary will ensure that the zoning ordinances allow the inclusions of cafes, gyms, and other mixed-use type amenities. Note that this is linked with actions listed in Strategy 1B.	28	2.E.i - Meet with existing business and property owners to hear about what type of amenities and mixed-uses they would like to be able to develop to be more attractive to employees and businesses.	Medium	Short	Committee and Town staff time	Host 2 discussions during FEIC meeting	
			29	2.E.ii - Conduct research into the latest trends in office/campus-style development to identify what types of uses should be allowable.	Medium	Mid	Committee staff time	Complete memo review and internal discussion	
			30	2.E.iii - Review zoning and make changes as necessary to accommodate mixed-uses that are attractive to employees and businesses.	Medium	Short	Town staff time (minimal)	Review zoning regulations and make recommendations	

2.F	Focus on development of Class A office space.	Encourage the development of Class A office space to increase supply throughout the town.	31	2.F.i - Review zoning regulations to ensure they coordinate with needs of a typical Class A development.	Medium	Mid	Town staff time (minimal)	Review zoning regulations and make recommendations	
			32	2.F.ii - Market existing vacant space for development of Class A campus style development in targeted growth zones and as appropriate with zoning.	Medium	Mid	Chamber staff time (medium)	Increased Class A development	
			33	2.F.iii - Enhance existing amenities and assets to make the town more attractive to tenants of Class A office space and therefore increase demand for that type of space.	Medium	Ongoing	Town staff time (medium)	Increased amount of Class A office space	
2.G	Create and promote energy efficiency and conservation, electric car charging stations, solar power usage, and business recycling.	Create and promote electric car charging stations, solar power usage, and business recycling.	34	2.G.i - Conduct research into available funding and grants for implementation of sustainability projects for municipalities.	Medium	Long	Committee time	Identification of grants and funding sources	
			35	2.G.ii - Support businesses or organizations that are undergoing efforts to increase sustainability, while improving their bottom line.	Medium	Long	Town staff time (minimal)	Number of sustainability measures implemented	
			36	2.G.iii - Highlight success stories and cost savings that are incurred as a result of the projects.	Medium	Ongoing	Town staff time (medium)	Number of press releases and digital postings	

Goal 3: Enhance Falmouth's Recruitment, Creation, Retention, and Expansion Efforts of Retail Businesses									
#3	Strategy	Description	Reference	Actions	Priority Level (Low, Medium, High)	Timeframe (Short, Mid, Long)	Relative Cost	Performance Metrics	Status
3.A	Increase patronage of local businesses and community organizations	Support programs and events that increase activity in the town, bring in new visitors, and create a more vibrant commercial environment.	37	3.A.i - Create an expanded calendar of events that will bring people into Falmouth including festivals, fairs, races, celebrations, and other events. Encourage participation from local retailers.	High	Ongoing	Staff time (minimal)	Create updated online calendar and add 5 new events	
			38	3.A.ii - Support local retailers in their efforts to expand business, work together to create packages, and increase their businesses.	High	Ongoing	Committee time	Help create 4 new partnership packages	
			39	3.A.iii - Expand and market the town's farmer's market to both increase demand and include more vendors for a year round market that showcases local goods and products.	High	Short	Committee time	Create year round market; number of vendors and number of customers	
3.B	Market Falmouth to local and regional retailers	Work to attract new retailers to Falmouth that will act as destinations and provide unique options to the existing retail market	40	3.B.i - Engage with regional retail associations and attend their meetings.	High	Mid	Town staff time (minimal)	Attend 4 meetings per year	
			41	3.B.ii - Prepare marketing material that highlights the assets of Falmouth that might be attractive to unique retailers.	High	Ongoing	Cost to develop materials (can be significant)	Creation of material, renew regularly	
3.C	Support and enhance the expansion of culinary establishments and events	Work with local and regional partners to build up Falmouth as a "food" destination including the attraction of restaurants	42	3.C.i - Work with local restaurants to understand their needs, how they may want to be involved in the effort to expand Falmouth's reputation as a food destination and what support they need in order to participate.	Medium	Mid	Committee time	Meet with 10 restaurants in first year	
			43	3.C.ii - Support collaborations and partnerships between local/regional agribusinesses and restaurants to encourage the use of local products as restaurants.	Medium	Mid	Committee time	Help two farmers get products into local restaurants/stores	
			44	3.C.iii - Work regionally to see if there are opportunities to expand existing restaurants or processors into Falmouth as an additional location.	Medium	Mid	Committee time	New restaurants and processors	

3.D	Support existing and establish new cultural and recreation options throughout Falmouth	Maintain and enhance the quality of life and healthy living culture of Falmouth by attracting cultural and recreational options such as health clubs, racquet clubs, indoor swimming, and multi-purpose performance spaces.	45	3.D.i - Reach out to developers completing similar cultural and recreation projects in the Greater Portland region and invite them to Falmouth for a tour of available space.	Medium	Long	Committee time	Host 5 developers on tour per year	
			46	3.D.ii - Meet with community groups to find out what types of cultural and recreational amenities they would be interested in.	Medium	Long	Committee time	Hold 4 meetings per year	
			47	3.D.iii - Ensure zoning regulations allow for such cultural and recreational development to occur in the appropriate areas.	Medium	Long	Town staff time (medium)	Review of zoning and make recommendations.	
			48	3.D.iv - Support and market existing cultural and recreational resources.	Medium	Ongoing	Town staff time (minimal)	Highlight assets in press and on website regularly	
3.E	Research feasibility of a hotel and conference center	Consider the development of a hotel and conference space that could serve the Greater Portland region.	49	3.E.i - Consider multi-use functions for the space including incorporating co-working space for home professionals to use.	Low	Long	Committee time	Case study research memo	
			50	3.E.ii - Conduct a financial feasibility analysis and pro-forma analysis to test whether a hotel and conference center project could work and issue a Request for Proposals from developers.	Low	Long	\$10,000 -\$20,000	Completed analysis	

Goal 4: Cultivate Falmouth's Innovation and Entrepreneurial Community									
#4	Strategy	Description	Reference	Actions	Priority Level (Low, Medium, High)	Timeframe (Short, Mid, Long)	Relative Cost	Performance Metrics	Status
4.A	Engage with the entrepreneurial and start-up community.	Support and participate in regular meet-ups, networking events, training programs and communication with existing entrepreneurial community and start-up companies.	51	4.A.i - Continue to engage with the existing entrepreneurial and small business networks and attend their functions.	High	Ongoing	Town/committee staff time (minimal)	Attend 6 events per year	
			52	4.A.ii - Support, facilitate, and partner with existing training programs that serve local entrepreneurs and small businesses.	High	Ongoing	Town staff time (medium)	Host 2 training programs per year	
4.B	Build on the town's healthy living culture.	Build the town's formal and informal brand as a healthy and active community by leveraging the many assets and continuing to build on the recreation, arts and culture.	53	4.B.i - Host a community calendar to be able to list all the events in the community and continue to build this.	Medium	Mid	Town staff time (medium)	Create, promote and update online calendar	
			54	4.B.ii - As new infrastructure projects are completed ensure they include sidewalks and bike lanes, where appropriate, and highlight what the Town is doing to promote healthy activities.	Medium	Ongoing	Town staff time (medium)	Publicize success stories as available	
4.C	Support STEM education throughout the system	Establish partnerships to support education efforts around STEM in the primary and secondary schools to encourage increased innovation, entrepreneurship and technology use throughout the community.	55	4.C.i - Establish a task force designed to bring together the employers in the region and teachers to establish a curriculum designed to encourage STEM.	High	Short	Town staff time to help create (minimal)	Development of a curriculum	
			56	4.C.ii - Create a "business" club at the school to teach the basics of starting a business.	High	Short	Town staff time (medium)	Creation and meeting of club	
			57	4.C.iii - Host a speaker series to have local business owners talk about how they started their own business and encourage young people to consider that path.	High	Ongoing	Committee time (medium)	Host 4 speaker series events	
4.D	Develop additional small co-working/conference space.	Support and encourage additional small co-working/conference space for start-ups and home professionals to build community.	58	4.D.i - Work to develop a list of home professionals, entrepreneurs, and small businesses who may be interested in working from a co-working location.	Medium	Mid	Committee time	Internal list created	
			59	4.D.ii - Research how other communities and organizations are doing similar projects.	Medium	Mid	Committee time	Case study research memo	
			60	4.D.iii - Use the list of potential co-working participants to ask them about what amenities they would want in terms of location, cost, features, membership models, etc.	Medium	Mid	Committee time	List of top features	
			61	4.D.iv - Look for potential locations for a co-working building and consider areas such as a community center or developed with an existing business in Falmouth that has excess space.	Medium	Mid	Committee time	List of potential sites	
			62	4.D.v - Conduct a financial feasibility analysis and pro-forma analysis to determine whether the project would be feasible.	Medium	Mid	\$10,000-\$20,000	Completed analysis	

4.E	Make Route 1 retail area "wireless"	Explore the potential to make the Route 1 retail area "wireless" enabled.	63	4.E.i - Meet with existing internet service providers to find out whether making Route 1 retail area "wireless" is possible and what type of infrastructure upgrades would be necessary.	Medium	Long	Town staff time (minimal)	Hold meeting	
			64	4.E.ii - Consider the increased cost associated with the Route 1 retail area going "wireless" and identify ways to raise money to cover these costs.	Medium	Long	Town staff time (medium)	Grants or other funds identified	
4.F	Work with developers to build smaller (1500-4500 sq ft) Class A office space.	Work with a local developer to establish Class A office space (1,500-4,500 sq ft)	65	4.F.i - Inventory available space to identify key locations for smaller Class A office space.	Low	Long	Town staff time (medium)	Updated online inventory	
			66	4.F.ii - Issue a request for proposal from developers to develop smaller Class A office space.	Low	Long	Town staff time (minimal)	RFP issued	

Priority:

- High: Major priority to be completed first
- Medium: To be completed following high priority tasks
- Low: Important but not an immediate issue

Timeframe:

- Short: Immediate to six months
- Mid: One to two years
- Long: Two to five years

*The majority of the actions listed above will require Town staff time to complete and therefore implementation may require additional staff capacity.

*The Town should also track macro-indicators on overall performance specifically comparing the Town to the County, Maine, and US for the following indicators (updating annually):

- Employment growth total and within targeted sectors
- Establishment growth total and within targeted sectors
- Median wage
- Median income
- Vacancy rates
- Growth of self-employed/1099 workers
- Educational attainment
- Home ownership affordability
- Rental affordability
- Mill rate
- Commercial property valuation growth

Attachment A – Economic Base Analysis

Town of Falmouth, Maine Economic Development Strategy: Demographic & Economic Base Analysis

December 2014

Prepared for:
Town of Falmouth



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In Partnership with:



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Executive Summary

As part of the initial research for the Town of Falmouth Economic Development Strategy, Camoin Associates gathered data in order to capture the existing conditions and trends that are impact economic development in Falmouth. The information gathered in this step of the process will be used to develop strategies and recommendations. What follows is a summary of the major take-aways from this research.

- Falmouth's population of 11,640 in 2014 is expected to grow by 545, or 4.7%, in the next five years. This projected growth rate is higher than that of Cumberland County, Maine, or the United States. Growing population highlights the high quality of life in Falmouth and continued growth can result in increased demand for services and amenities.
- At 47.8 Falmouth residents are older, on average, compared to those in Cumberland County, Maine, and the United States. These age characteristics have an implication on the workforce as residents retire or look to transition into a more flexible time in their career with a home-based business or small one-person consulting firm.
- The town has a very low share of young adults, especially those in the 25-29 cohort. This can impact companies who are looking for employees. It also speaks to the fact that Falmouth may not meet the needs of this population in terms of the type of community they wish to live in.
- On average the town residents have a high median household income at \$91,477 compared to \$53,046 nationally.
- Falmouth residents are highly educated, with 63.2% of the over 25-year-old population holding at least a bachelor's degree.
- Between 2003 and 2013 total employment in Falmouth increase by 7% and outpaced Cumberland County, Maine, and the United States. This shows positive growth and a competitive advantage for the growing industries in Falmouth.
- Falmouth's economy is dominated by office based industries including Finance and Insurance; Professional, Scientific, and Technical Services; and, Health Care and Social Assistance. With high employment figures and high location quotients, these industries represent core opportunities for growth in the Falmouth region.
- Growing segments in Maine that are compatible with Falmouth goals, culture, and assets are:
 - a. Software, other IT such as payment companies (CashStar)
 - b. Medical (offices, clinics, laboratories)
 - c. Environmental services firms
 - d. Financial/insurance
- Approximately 850 people in Falmouth are characterized as "self-employed". As a percent of all employment that is 9%, compared to 6% in Cumberland County and 8% in Maine. These self-employed entrepreneurs are a source for job growth in the future as long as the right conditions are in place for them to stay and grow in Falmouth.
- The industries with the most self-employed people include Landscaping Services; Independent Artists, Writers, and Performers; Beauty Salons; Custom Computer Programming Services; and, Other Accounting Services.
- Falmouth has a higher number of self-employed Computer Systems Design and Related Services (4th largest group of self-employed in Falmouth) and it is not in the top 15 for Cumberland County or Maine. Growing and supporting this industry will be important to help it maintain its strength in the town.

- Nearly 40% of all residents of Falmouth work in the City of Portland, followed by 13% who work in Falmouth. 72% of all commuters travel less than 10 miles to their jobs.
- Falmouth is a net importer of labor, since the number of in-commuters (5,757) exceeds the number of out-commuters (4,179). This fact is significant given the town's reputation as a primarily residential suburb of Portland. While the town certainly has a single-family residential character, it also plays a role as an employment center within the region. The reputation and perception of Falmouth as a bedroom community may have a negative impact on growth potential as people do not consider Falmouth for their business location decisions.
- Office space is tight in Falmouth. The Falmouth, Cumberland, Yarmouth submarket has 8% of the total office space in the Greater Portland market with the majority of office space located in Downtown Portland. In order to accommodate growth it will be necessary to expand opportunities and ensure space is available.
- The Falmouth submarket has almost no vacant Class A space, but the highest vacancy rate for Class B office space at 15%. Since 2012 the average vacancy rate has gone down, showing growing demand for space and a healthy market.

Introduction

As part of the initial research for the Town of Falmouth Economic Development Strategy, Camoin Associates gathered data to fully understand the existing conditions in the town in terms of demographics and the economic base. This information is used to inform the subsequent steps of the analysis including identifying targeted clusters, potential economic development initiatives, and opportunities for economic growth. The following report includes a socioeconomic characterization and an economic base analysis.

Data Sources

Much of the data in this report were purchased from ESRI Business Analyst Online (ESRI) and Economic Modeling Specialists Intl. (EMSI).

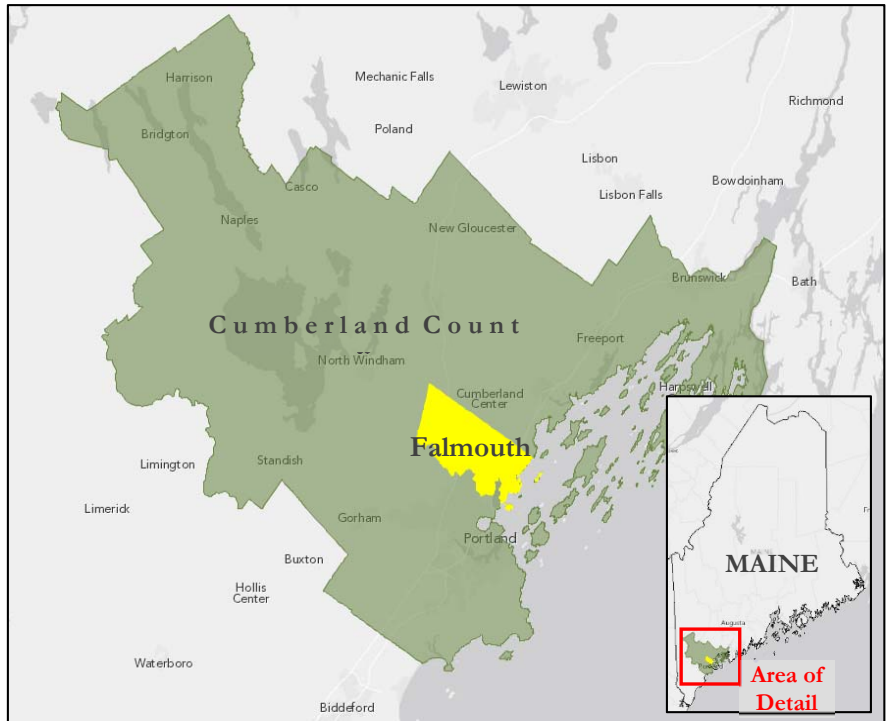
- ESRI's base data are the 2000 and 2010 Census. It uses proprietary statistical models and updated data from the U.S. Census Bureau, the U.S. Postal Service, and various other sources to project current statistics and future trends. ESRI data are often used for economic development, marketing, site selection, and strategic decision making. For more information, visit www.esri.com.
- EMSI's data are compiled from several sources, including the U.S. Census Bureau and U.S. Departments of Health and Labor using specialized proprietary processes and models to estimate current statistics and predict future trends. Visit www.economicmodeling.com for additional information. The data used are from EMSI's "complete employment" data set, which includes both covered and uncovered jobs.¹ In other words, it includes both traditional employment and non-traditional employment such as the self-employed (self-employed includes sole proprietorships and partnerships and the data comes from a number of sources including US Census Nonemployer Statistics). As traditional jobs have been replaced or augmented by freelance work, consulting, and self-employment, these non-covered jobs have become much more important to the economy and EMSI provides researchers with a way to track the trends over time.

¹ Jobs covered by unemployment insurance are tracked by the Bureau of Labor Statistics' Quarterly Census of Employment and Wages but EMSI uses EMSI *Complete* Employment uses Bureau of Economic Analysis data (www.bea.gov/region/) as its primary benchmark. In addition to covered jobs taken care of by QCEW, BEA data attempt to count all types of paid employment.

Other sources include the American Community Survey for demographic and socioeconomic data, the Maine Bureau of Taxation for property tax data, the Bureau of Labor Statistics for unemployment data, the FBI Uniform Crime Reporting database for crime statistics, the US Patent Office, and PriceWaterhouseCoopers for investment data.

Geographies Studied

This data analysis was conducted to identify existing conditions and trends within industry sectors that make up the local economy in comparison to the regional, state, and national economies. Data was collected for four geographies: the Town of Falmouth,² Cumberland County, the State of Maine, and the United States.



² EMSI data are available at the zip code level and not the town level. Zip code 04105 was used to approximate the area within the Town of Falmouth.

Demographic and Socioeconomic Profile

Introduction

As part of the planning process, it is important to understand the current socioeconomic conditions in the town in order to identify challenges and opportunities for future economic development initiatives. The following section highlights some important socioeconomic characteristics of Falmouth.

Falmouth’s population of 11,640 in 2014 is expected to grow by 545, or 4.7%, in the next five years. This projected growth rate is higher than that of all comparison geographies. Growth in the number of households will exceed population growth, with a projected increase of 4.9%.

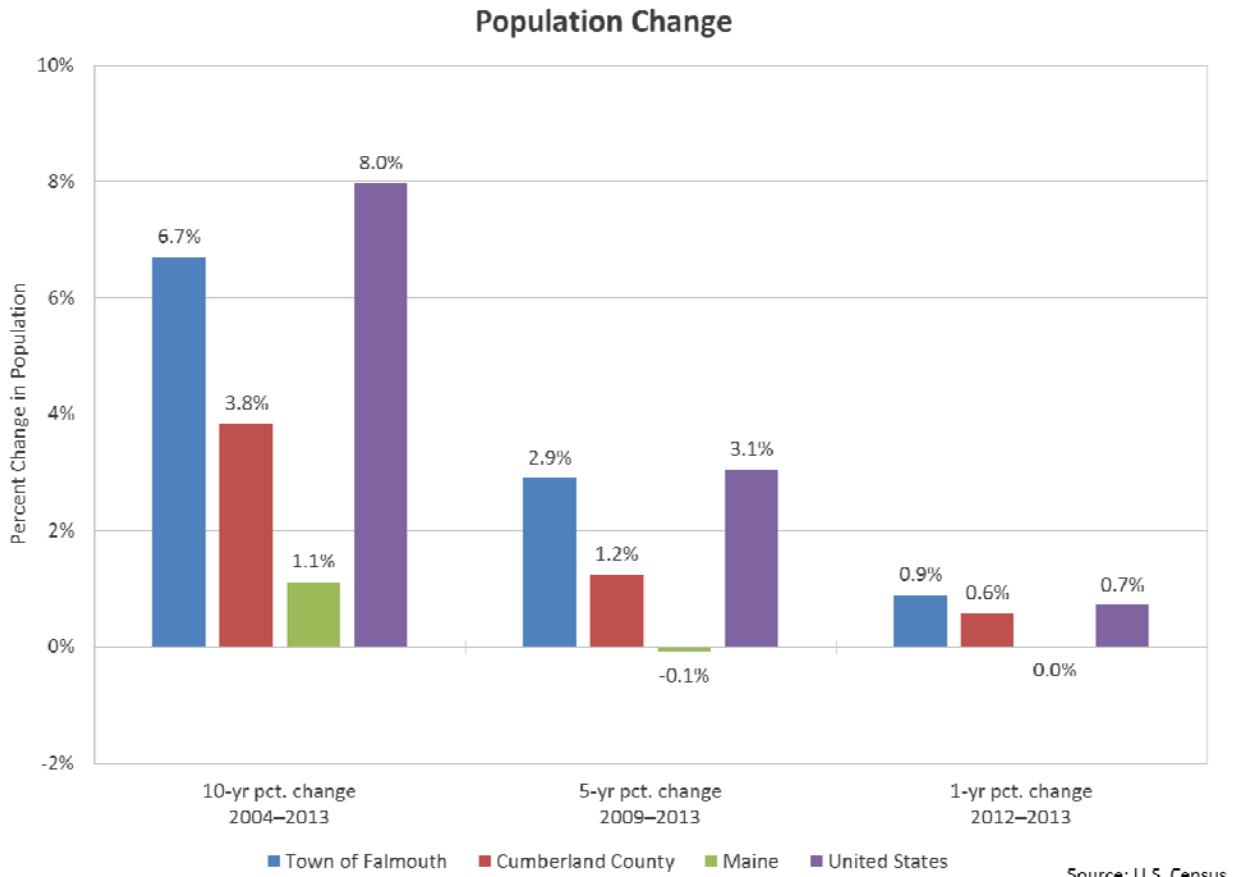
Median age is also projected to rise, from 46.8 years to 47.8 years in 2019. This increase is in line with trends at the county, state, and national levels. Note that residents of Falmouth are older, on average, than the other geographies studied.

Population				
	2014	2019	Projected Change	Projected % Change
Falmouth	11,650	12,195	545	4.7%
Cumberland County	285,544	292,613	7,069	2.5%
Maine	1,345,609	1,362,878	17,269	1.3%
United States	316,296,988	327,981,317	11,684,329	3.7%
Households				
	2014	2019	Projected Change	Projected % Change
Falmouth	4,334	4,545	211	4.9%
Cumberland County	120,041	123,492	3,451	2.9%
Maine	570,299	580,117	9,818	1.7%
United States	119,862,927	124,446,535	4,583,608	3.8%
Median Age				
	2014	2019	Projected Change	Projected % Change
Falmouth	46.8	47.8	1.0	2.1%
Cumberland County	42.0	42.7	0.7	1.7%
Maine	43.9	45.0	1.1	2.5%
United States	37.7	38.2	0.5	1.3%

Source: ESRI

Population Change

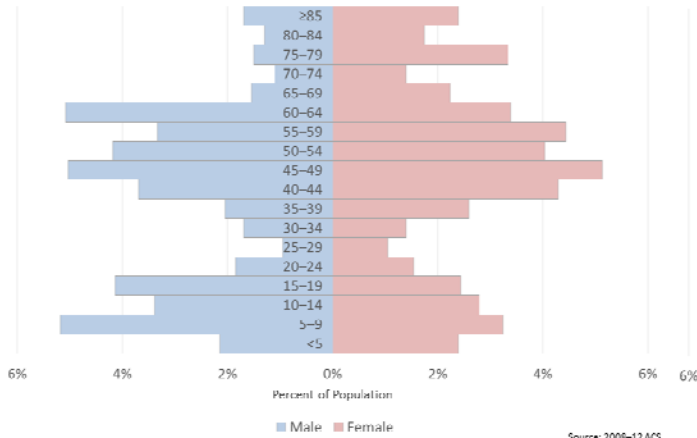
Between 2004 and 2013, Falmouth's population grew by 6.7%, exceeding population growth in Cumberland County (+3.8%) and Maine (1.1%), but not reaching the level of growth seen at the national level (+8.0%). From 2012 to 2013, however, Falmouth's population growth did overtake that of the nation (0.9% vs. 0.7%).



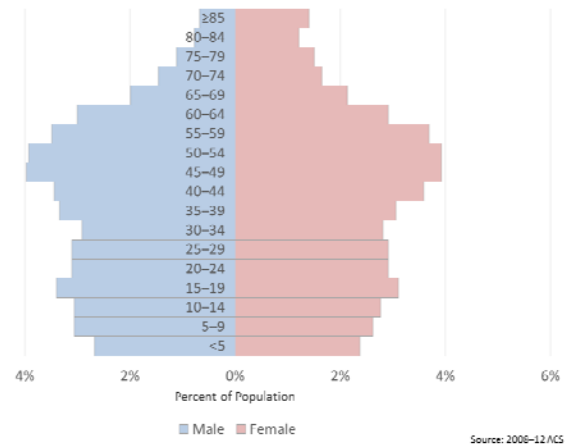
Age Distribution

The following population pyramids compare the age distribution by sex for Falmouth, Cumberland County, Maine, and the U.S. The shape of Falmouth's population pyramid stands out due to the town's very low share of young adults, especially those in the 25 to 29 cohort. The town has a notable share of adults ages 45 to 64, as well as children and adolescents between 5 and 19.

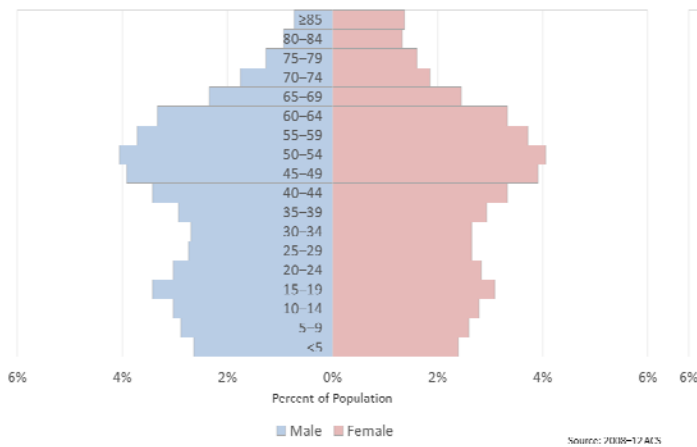
Falmouth Age Distribution



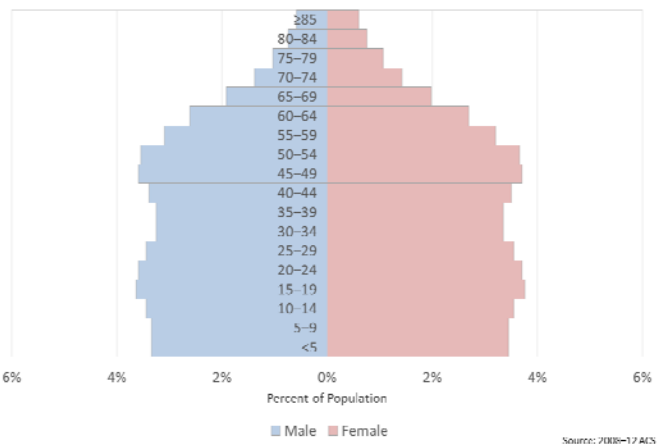
Cumberland County Age Distribution



Maine Age Distribution



U.S. Age Distribution



Race and Ethnicity

Falmouth is the least diverse of all the geographies analyzed, with a white population of almost 95%, though it is comparable to the populations of Cumberland County and Maine. In comparison, the U.S. population is only 71% white.³

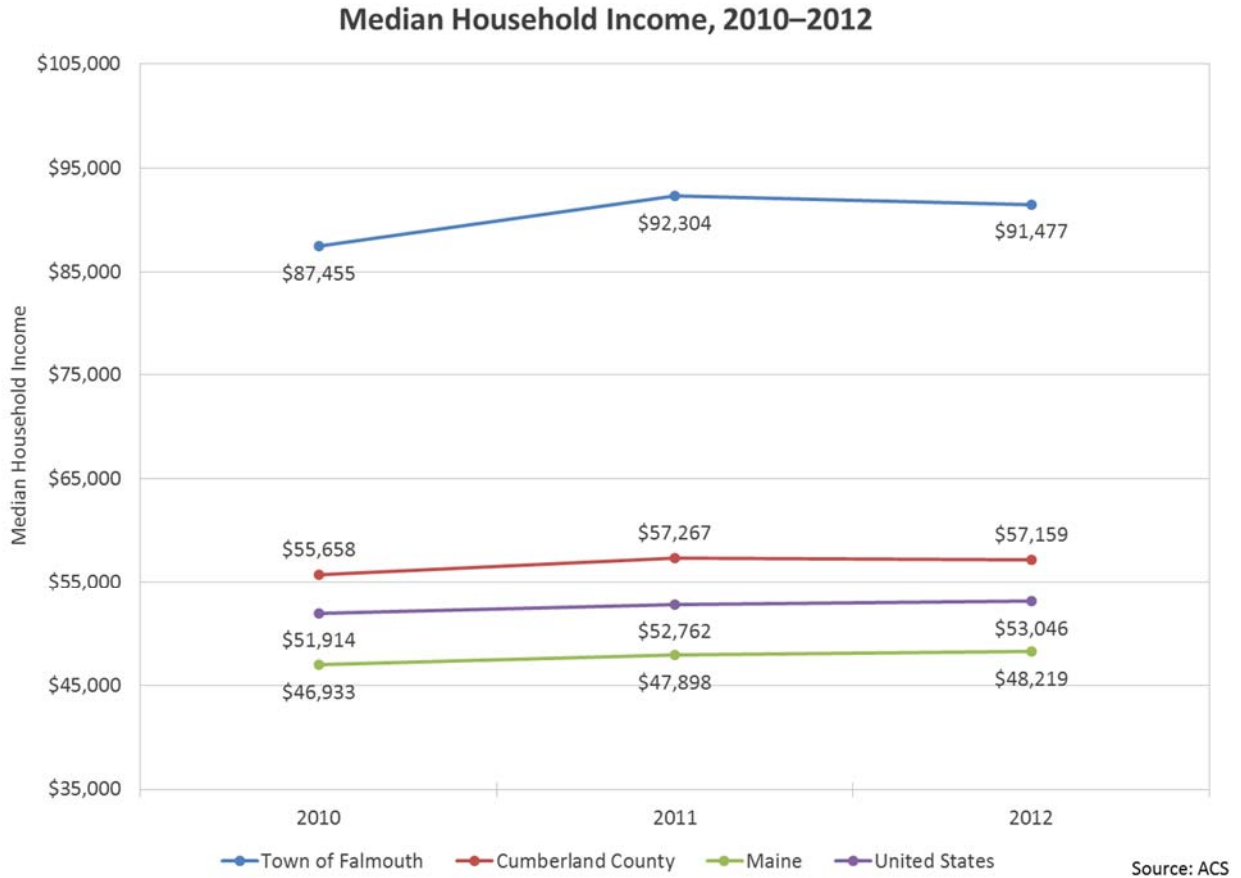
Race				
	Falmouth	Cumberland County	Maine	U.S.
White Alone	94.9%	92.0%	94.6%	71.2%
Black Alone	0.6%	2.7%	1.4%	12.7%
American Indian Alone	0.3%	0.4%	0.7%	1.0%
Asian Alone	2.5%	2.2%	1.2%	5.1%
Pacific Islander Alone	0.0%	0.1%	0.0%	0.2%
Some Other Race Alone	0.5%	0.6%	0.4%	6.6%
Two or More Races	1.3%	2.0%	1.8%	3.2%
Hispanic Origin				
Hispanic Origin (any race)	1.3%	2.1%	1.5%	17.5%

Source: ESRI

³ Note: "Alone" indicates that the respondent identified as only one race instead of identifying with two or more races.

Income

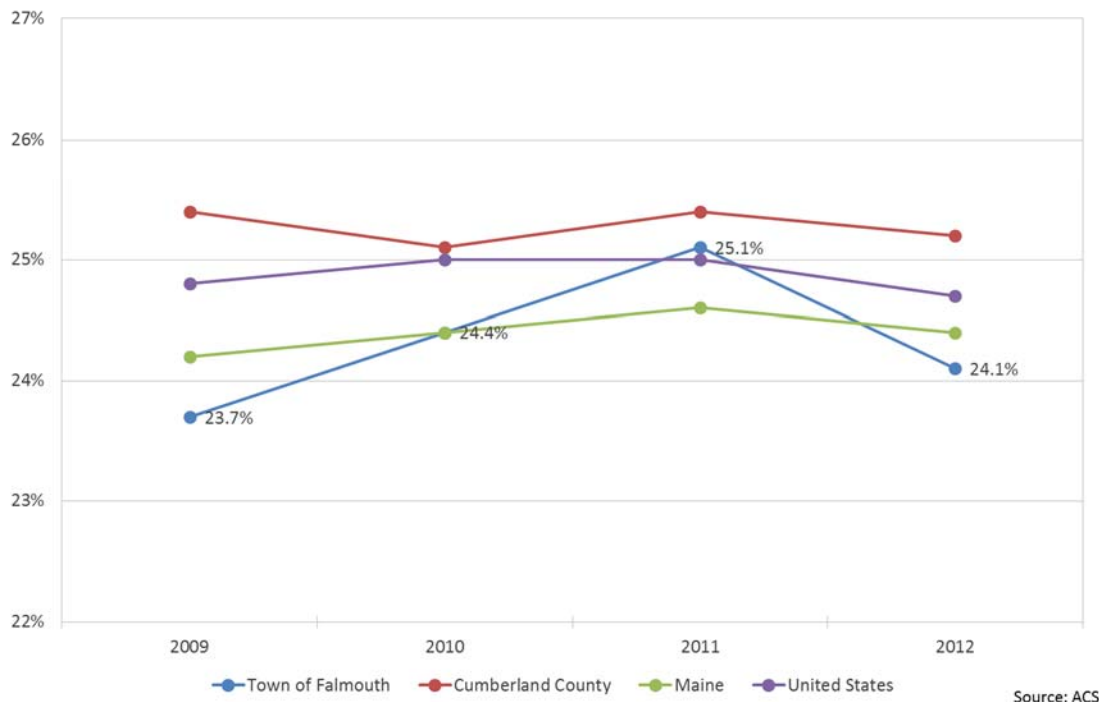
Median household income in Falmouth has been well above that of the county, state, and nation. In 2012, Falmouth's median household income was \$91,477, compared to \$57,159 in Cumberland County, \$48,219 in Maine, and \$53,046 nationally.



Housing

For Falmouth homeowners with a mortgage, median monthly housing costs as a percent of household income were 24.1%, slightly lower than they were for homeowners in Cumberland County, Maine, and the U.S., although all values were within a 1.1 percentage point range and comfortably below the generally accepted 30% threshold for housing affordability.

Median Monthly Housing Costs as a Percent of Household Income, Owners with a Mortgage, 2009–2012



While this indicates that Falmouth homeowners are able to comfortably afford the costs associated with owning a house, it does not mean that the cost of housing is affordable for the typical household. The table below shows that median monthly housing costs for homeowners with a mortgage far exceed those in Cumberland County, Maine, and the United States. Housing costs are offset by very high household incomes. Affordable housing in Falmouth remains out of reach for young people and other households with moderate incomes.

Median Monthly Housing Costs and Median Household Income, Owner-Occupied Housing Units with a Mortgage, 2012

	Median Monthly Housing Costs*	Median Household Income	Median Owner Costs as a Percentage of Household Income†
Falmouth	\$ 2,373	\$ 125,208	24.1%
Cumberland County	\$ 1,704	\$ 81,722	25.2%
Maine	\$ 1,355	\$ 68,718	24.4%
United States	\$ 1,559	\$ 78,697	24.7%

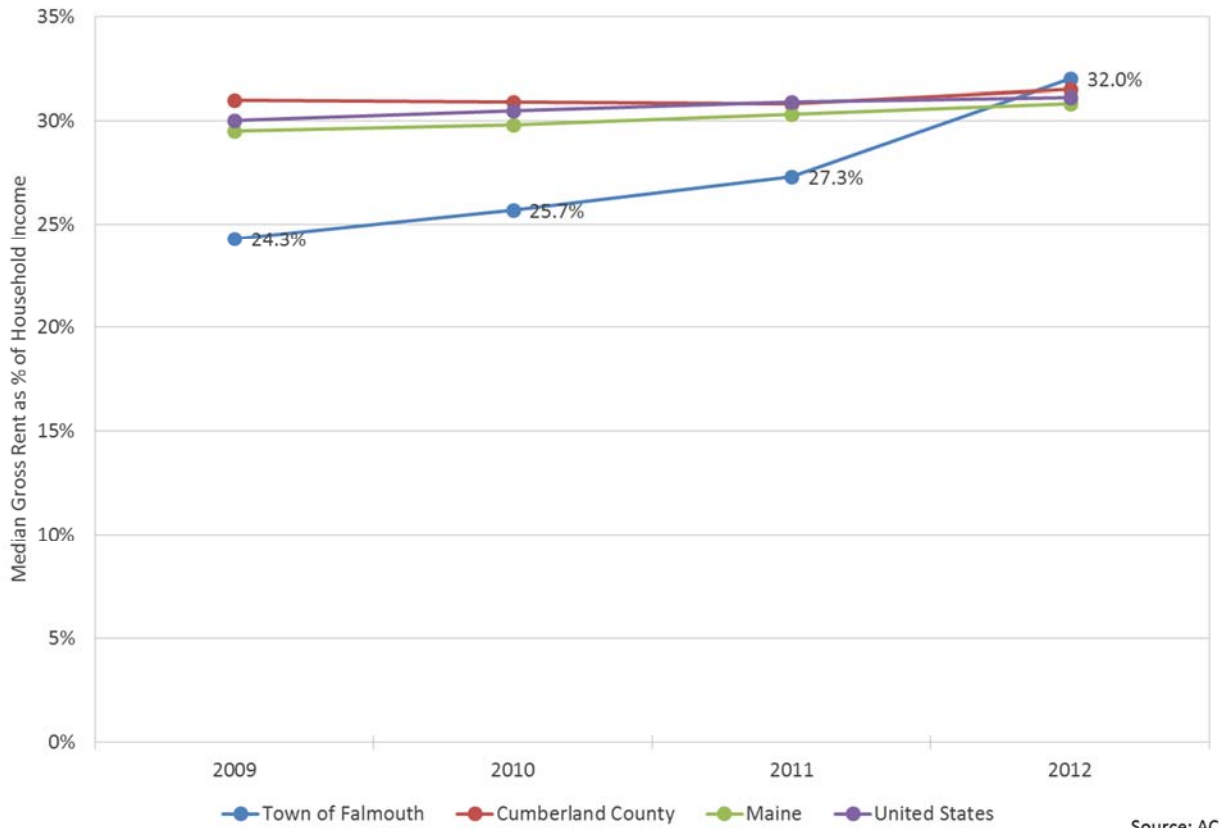
* Includes payments for mortgages, taxes, insurance, utilities, and fuels.

† Median calculated after dividing housing costs by household income for each owner household.

Source: 2008–2012 ACS 5-year estimates

Housing costs as a percent of household income for renters were considerably higher for all geographies. In Cumberland County, Maine, and the U.S., median gross rent as a percent of household income hovered around 30% for all years between 2009 and 2012, while in Falmouth the indicator only surpassed this threshold in 2012, jumping 4.7 percentage points from 2011 to 32.0%.

Median Gross Rent as a Percent of Household Income, 2009–2012



Median gross rents in Falmouth are quite high, and median household income for renters is much lower than it is for owners (\$34,651 vs. \$125,208). Significant concern exists in Falmouth about affordability and availability of housing for young workers and families.

Median Gross Rent and Median Household Income, Renter-Occupied Housing Units, 2012			
	Median Gross Rent*	Median Household Income	Median Renter Costs as a Percentage of Household Income†
Falmouth	\$ 1,252	\$ 34,651	32.0%
Cumberland County	\$ 918	\$ 30,566	31.5%
Maine	\$ 750	\$ 26,214	30.8%
United States	\$ 889	\$ 32,212	31.1%

* Includes rent plus estimated average monthly cost of utilities if these are paid by renter.

† Median calculated after dividing gross rent by household income for each renter household.

Source: 2008–2012 ACS 5-year estimates

About 19.5% of occupied housing units in Falmouth are renter-occupied, considerably fewer than at the county, state, and national levels.

Percent of Occupied Housing Units that are Renter-Occupied	
	Percent Renter
Falmouth	19.5%
Cumberland County	31.9%
Maine	27.9%
United States	34.5%

Source: 2008–2012 ACS 5-year estimates

The 2012 property tax burden in Falmouth was slightly lower than in Cumberland County and slightly higher than in Maine overall. Property taxes on a home of median value in Falmouth were 5.7% of median household income, compared to 6.5% in Cumberland County and 5.1% in Maine. The tax burden is based on full-value tax rates provided by the State.⁴⁵



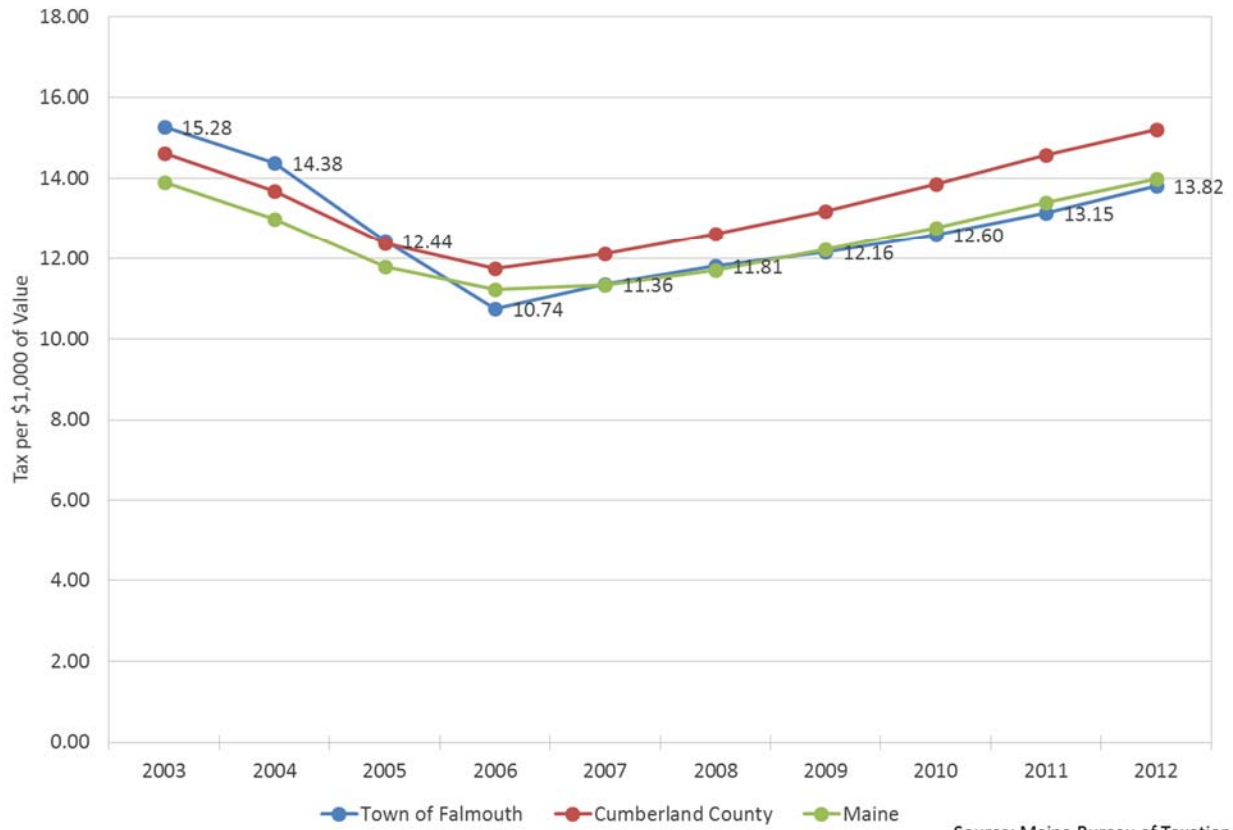
Source: Maine Bureau of Taxation, ACS

⁴ Calculated by dividing a municipality’s property tax assessment by the municipality’s state-equalized valuation of property. State-equalized valuations are used to allow for equitable comparison among municipalities. The rates presented here are for municipal, school, and county property taxes combined.

⁵ Note that Falmouth receives relatively low amounts of State Aid and if that was taken into account Falmouth’s number would likely compare more favorably to the Maine percent.

Between 2006 and 2012, full value property tax rates⁶ for Falmouth have been in line with rates statewide, and below rates in Cumberland County. Tax rates for all three geographies have been climbing since 2006. In 2012, Falmouth’s full value property tax rate was 13.82 per \$1,000, compared to 15.21 in Cumberland County and 13.99 in Maine.

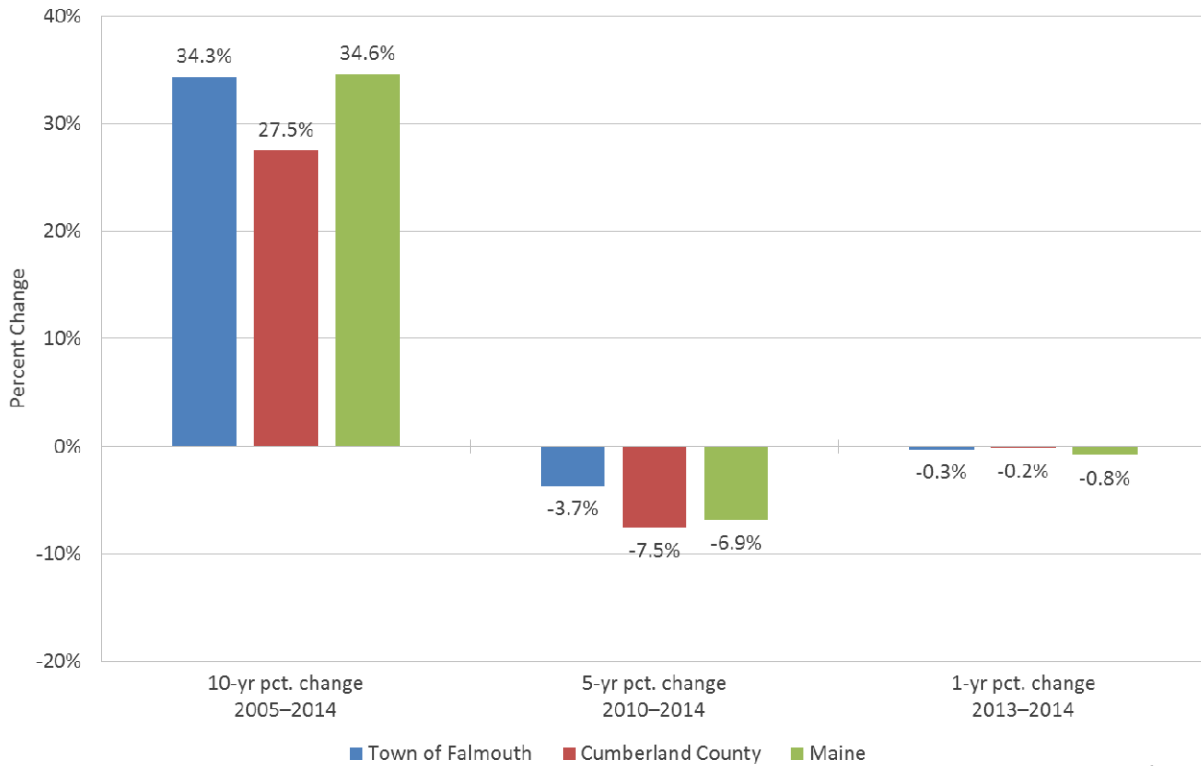
Full Value Property Tax Rates, 2003–2012



⁶ Calculated by dividing a municipality’s property tax assessment by the municipality’s state-equalized valuation of property. State-equalized valuations are used to allow for equitable comparison among municipalities. The rates presented here are for municipal, school, and county property taxes combined.

Between 2005 and 2014, property valuation town-wide increased by 34.3%, compared to 27.5% in Cumberland County and 34.6% in Maine.

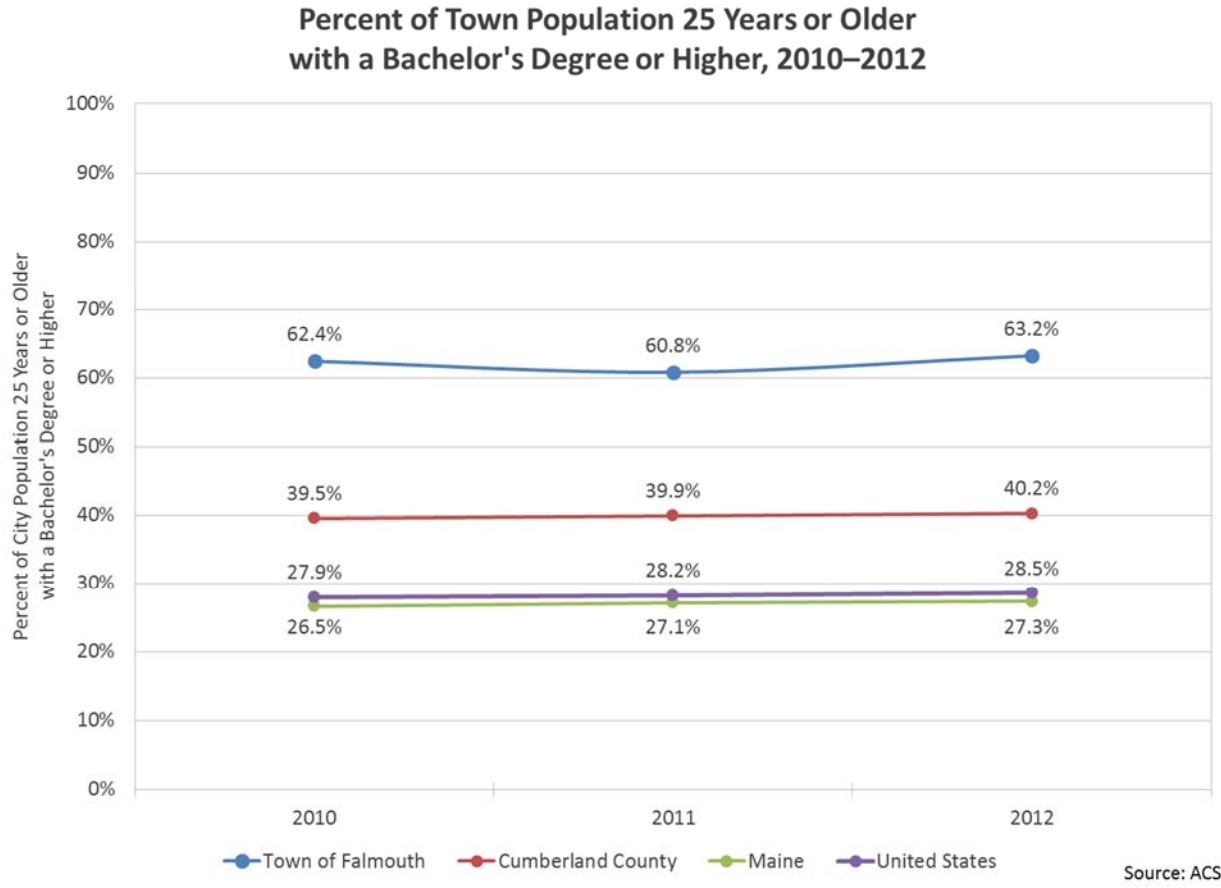
Percent Change in State-Adjusted Property Valuation



Source: Maine Bureau of Taxation

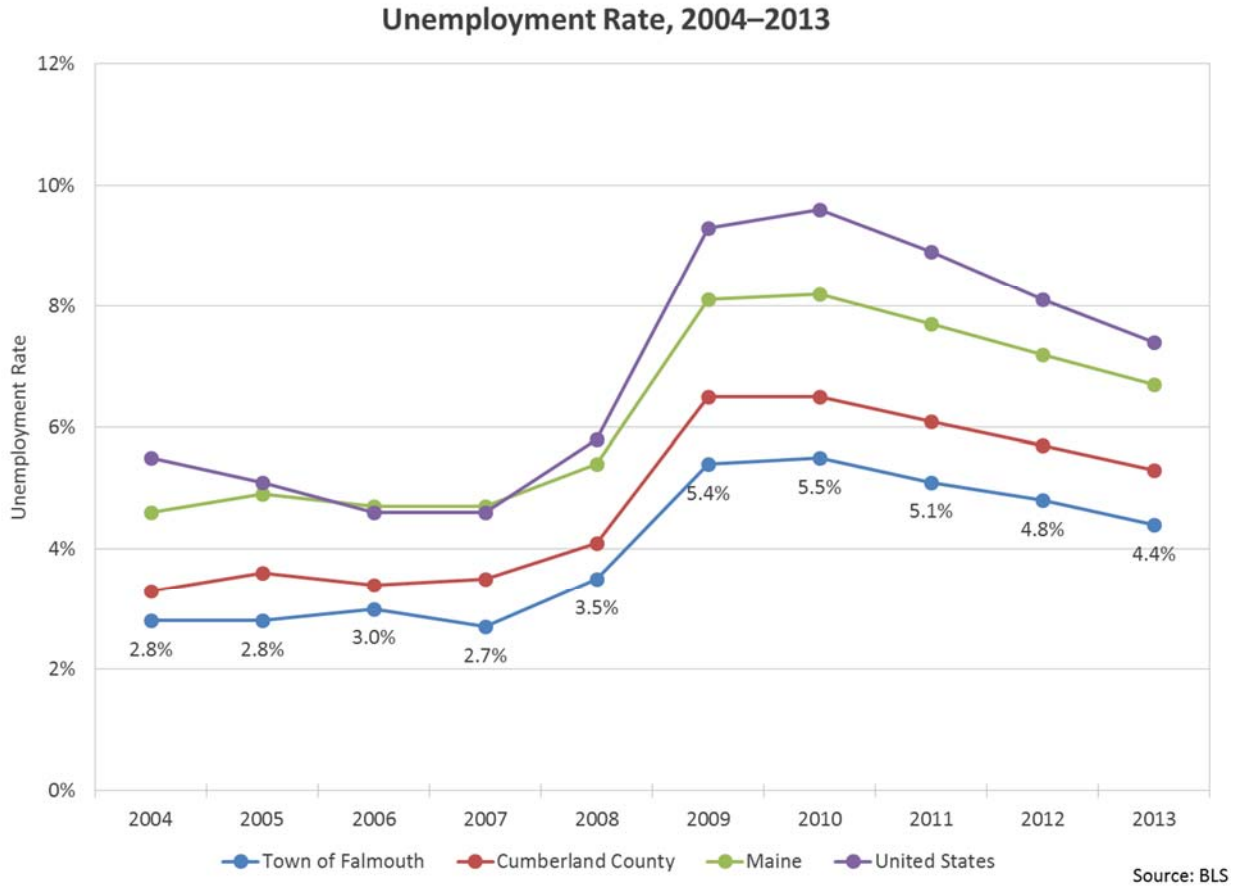
Education

Falmouth has a highly educated population, with 63.2% of the population 25 and older in 2012 holding at least a bachelor's degree. This is more than double the equivalent percentage in Maine and the U.S., and over 20 percentage points above that of Cumberland County.



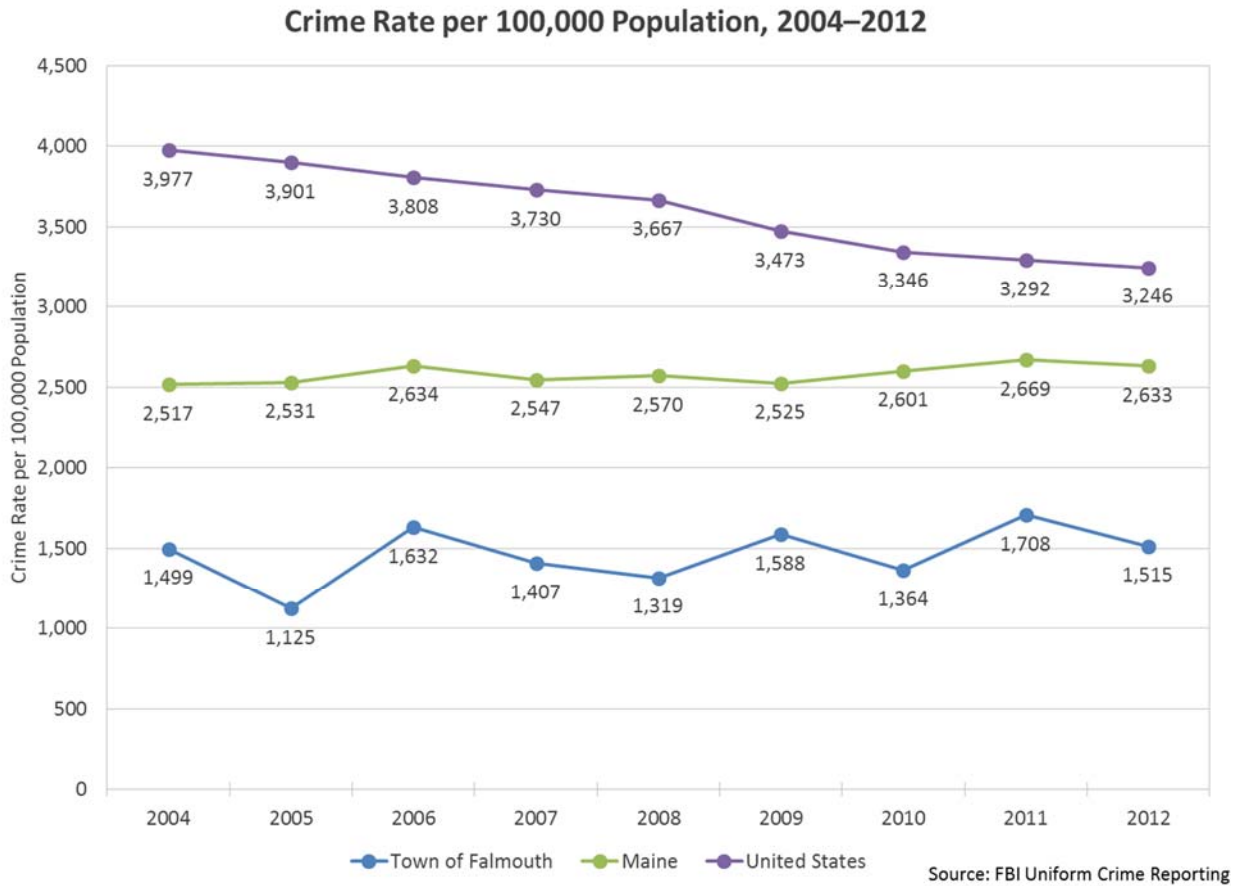
Unemployment

Falmouth's unemployment rate has consistently remained below that of all other comparison geographies. In 2013 it was 4.4%, well below the national rate of 7.4%. Since 2004, the highest the unemployment rate has been was 5.5% in 2010 at the peak of the Great Recession.



Crime Rate

The crime rate⁷ in Falmouth has hovered at around 1,500 per 100,000 population since 2004. While it has remained low compared to Maine and the U.S., it has not shown the same downward trend as exhibited by the national rate.



⁷ Includes both violent and property crimes.

Economic Base Analysis

Introduction

To analyze the economic base of the county, industry data organized by the North American Industrial Classification System (NAICS) are assessed. Camoin Associates subscribes to Economic Modeling Specialists Intl. (EMSI), a proprietary data provider that aggregates economic data from approximately 90 sources. EMSI industry data, in our experience, are more complete than most or perhaps all local data sources (for more information on EMSI, please see www.economicmodeling.com). Local data sources typically miss significant employment counts by industry because data on sole proprietorships and contractual employment (i.e. 1099 contractor positions) are not included and certain employment counts are suppressed from BLS/BEA figures for confidentiality reasons when too few establishments exist within a single NAICS code.

NAICS codes are maintained by the U.S. Census Bureau and are the standard used by Federal statistical agencies in classifying business establishments. 2-digit codes are the highest aggregate NAICS code level and represent broad categories such as “retail,” whereas 4-digit industry codes present a finer level of detail such as “grocery stores.” For more information on the composition of the NAICS and detail about what is included in each industry, we direct the reader to <http://www.census.gov/eos/www/naics/>.

Largest Industries

The table below highlights the 2-digit NAICS sectors with the highest employment counts in Falmouth in 2013. It compares Falmouth’s employment distribution to that of Cumberland County, Maine, and the U.S. The following observations about employment in Falmouth can be made from this data:

- **Finance and Insurance** jobs were considerably more prevalent in Falmouth, making up 12.1% of all employment. This was almost double this sector’s share in Cumberland County, and close to triple its share in both Maine and the U.S.
- The **Professional, Scientific, and Technical Services** sector rounds out the top 5 employment sectors in Falmouth with 11.9% of jobs, also considerably higher than its share in Cumberland County (6.6%), Maine (4.5%), and the U.S. (6.2%).
- **Health Care and Social Assistance** made up the second largest share of Falmouth employment with 13.2% of all jobs, compared to 16.8% in Cumberland County and 15.9% in Maine.
- **Retail Trade** represented 12.6% of Falmouth jobs, roughly equal to its share in the comparison geographies.
- **Administrative and Support/Waste Management and Remediation Services**⁸ accounted for the most jobs in Falmouth, representing 13.4% of all employment. This is a catchall industry sector. In Falmouth about 72% of jobs in this sector were in the Services to Buildings and Dwellings subsector. This sector’s share of employment in Falmouth was considerably greater than it was for all other comparison geographies.

⁸ **Administrative and Support and Waste Management and Remediation Services** sector (NAICS 56) comprises establishments performing routine support activities for the day-to-day operations of other organizations. These essential activities are often undertaken in-house by establishments in many sectors of the economy. The establishments in this sector specialize in one or more of these support activities and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

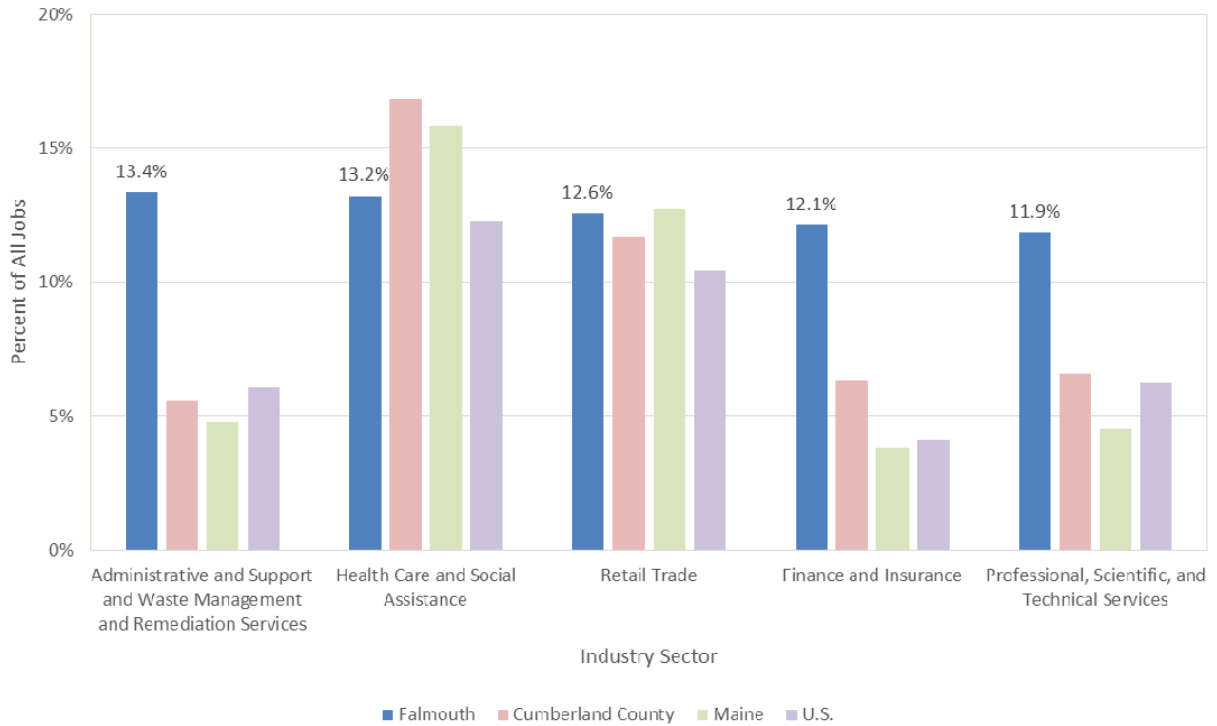
- The large numbers of employees in the **Finance and Insurance, Health Care, and Professional, Scientific, and Technical Services** industries suggest opportunities within those industries for growth. The existence of these companies already in Falmouth indicate that there is a degree of a competitive advantage that Falmouth has over other communities.
- The smaller percent of employment in **Government** is a function of the size of geography being studied. The larger geographies will have more government offices and agencies meeting different needs.
- The level of employment in **Arts, Entertainment and Recreation** reflects significant employment at the local golf courses (327 employees), fitness centers (48), and the marina (47) and other amenities in the town.
- The Town has a smaller percent of jobs in **Accommodation and Food Services** compared to the other geographies. The Town does not have the major tourism industry that Portland or other parts of Maine do that lead to growth in these related industries.

Falmouth Top Employment Sectors, 2-digit NAICS						
NAICS Code	Description	Falmouth		Cumberland County	Maine	U.S.
		2013 Jobs	% of All Jobs	% of All Jobs	% of All Jobs	% of All Jobs
11	Agriculture, Forestry, Fishing and Hunting	13	0.2%	0.6%	2.1%	1.2%
21	Mining, Quarrying, and Oil and Gas Extraction	<10	–	0.0%	0.0%	0.5%
22	Utilities	<10	–	0.2%	0.2%	0.4%
23	Construction	307	4.0%	5.4%	6.2%	5.1%
31	Manufacturing	93	1.2%	5.1%	7.8%	8.1%
42	Wholesale Trade	151	2.0%	3.7%	3.0%	3.9%
44	Retail Trade	955	12.6%	11.7%	12.7%	10.4%
48	Transportation and Warehousing	32	0.4%	3.0%	2.6%	3.2%
51	Information	17	0.2%	1.6%	1.2%	1.9%
52	Finance and Insurance	922	12.1%	6.4%	3.8%	4.1%
53	Real Estate and Rental and Leasing	119	1.6%	1.8%	1.3%	1.6%
54	Professional, Scientific, and Technical Services	902	11.9%	6.6%	4.5%	6.2%
55	Management of Companies and Enterprises	<10	–	2.1%	1.1%	1.4%
56	Administrative and Support and Waste Management and Remediation Services	1,017	13.4%	5.6%	4.7%	6.1%
61	Educational Services (Private)	57	0.7%	3.2%	2.5%	2.5%
62	Health Care and Social Assistance	1,006	13.2%	16.8%	15.9%	12.3%
71	Arts, Entertainment, and Recreation	581	7.6%	1.8%	1.7%	1.6%
72	Accommodation and Food Services	424	5.6%	8.3%	8.2%	8.2%
81	Other Services (except Public Administration)	260	3.4%	4.5%	4.4%	4.9%
90	Government	749	9.8%	11.8%	16.0%	16.1%
	Total	7,607	100.0%	100.0%	100.0%	100.0%

Source: EMSI

The chart below visually represents the share of employment in Falmouth made up by the top 5 2-digit NAICS sectors as compared to Cumberland County, Maine, and the U.S. **It emphasizes the fact that jobs in the Finance and Insurance; Professional, Scientific, and Technical Services; and Administrative and Support/Waste Management and Remediation Services sectors represent a vastly greater share of jobs in Falmouth than they do in the reference geographies.** Employment in the Health Care and Social Assistance and Retail Trade is more line with that of the other geographies.

Top 5 Employment Sectors in Falmouth, 2-digit NAICS, 2013



Employment Concentration and Change, 2003–2013

The table below shows employment counts for Falmouth at the 2-digit NAICS level for 2003 and 2013, as well as national location quotients, and average earnings per job. The highlighted rows show the sectors with especially high location quotients (LQs). A high location quotient indicates a higher than average concentration of jobs in a certain industry relative to the nation.

- Between 2003 and 2013, total employment increased by 7%, from 7,096 jobs to 7,607 jobs. Falmouth outpaced Cumberland County in terms of job growth, which experienced an increase of 2%, while Maine saw a decrease of 2%, and U.S. employment grew by 4%.
- Four sectors had LQs over 1.5, all of which added jobs over the period: **Arts, Entertainment, and Recreation**; **Finance and Insurance**; **Administrative and Support/Waste Management and Remediation Services**; and **Professional, Scientific, and Technical Services**.
- **Arts, Entertainment, and Recreation** had the highest location quotient, 4.69, indicating that this sector's share of employment in Falmouth was over four times its share at the national level. It ranked 7th in terms of jobs overall, with 581 jobs in 2013.
- **Finance and Insurance** had an LQ of 2.95, followed by **Administrative and Support/Waste Management and Remediation Services** (2.20), and **Professional, Scientific, and Technical Services** (1.91). All of these sectors showed employment growth between 2003 and 2013, with Professional, Scientific, and Technical Services exhibiting the greatest growth in both percentage and absolute terms (+64%, +351 jobs). All three of these industry groupings appeared in the top five employment sectors overall.
- Employment sectors with especially low representation in Falmouth as compared to the nation include Information (LQ = 0.12); Transportation and Warehousing (LQ = 0.13); Agriculture, Forestry, Fishing, and Hunting (LQ = 0.14); and Manufacturing (LQ = 0.15). All of these showed either declines or minimal growth between 2003 and 2013.

Falmouth Employment, 2-digit NAICS							
NAICS Code	Description	2003 Jobs	2013 Jobs	Change	% Change	2013 National Location Quotient	2014 Avg. Earnings Per Job
11	Agriculture, Forestry, Fishing and Hunting	<10	13	--	--	0.14	\$19,257
21	Mining, Quarrying, and Oil and Gas Extraction	<10	<10	--	--	--	--
22	Utilities	16	<10	--	--	--	--
23	Construction	365	307	(58)	(16%)	0.79	\$46,640
31	Manufacturing	147	93	(54)	(37%)	0.15	\$50,195
42	Wholesale Trade	189	151	(38)	(20%)	0.51	\$82,559
44	Retail Trade	962	955	(7)	(1%)	1.20	\$28,655
48	Transportation and Warehousing	52	32	(20)	(38%)	0.13	\$47,748
51	Information	21	17	(4)	(19%)	0.12	\$23,252
52	Finance and Insurance	878	922	44	5%	2.95	\$78,954
53	Real Estate and Rental and Leasing	140	119	(21)	(15%)	0.95	\$57,839
54	Professional, Scientific, and Technical Services	551	902	351	64%	1.91	\$82,748
55	Management of Companies and Enterprises	<10	<10	--	--	--	--
56	Administrative and Support and Waste Management and Remediation Services	872	1,017	145	17%	2.20	\$34,779
61	Educational Services (Private)	46	57	11	24%	0.30	\$37,929
62	Health Care and Social Assistance	861	1,006	145	17%	1.08	\$46,907
71	Arts, Entertainment, and Recreation	544	581	37	7%	4.69	\$25,905
72	Accommodation and Food Services	360	424	64	18%	0.68	\$19,485
81	Other Services (except Public Administration)	231	260	29	13%	0.70	\$25,444
90	Government	854	749	(105)	(12%)	0.61	\$61,196
99	Unclassified Industry	0	0	0	0%	0.00	\$0
	Total	7,096	7,607	511	7%		\$49,503

Source: EMSI

The following table compares 2003–2013 employment change in Falmouth to employment change in Cumberland County, Maine, and the U.S.

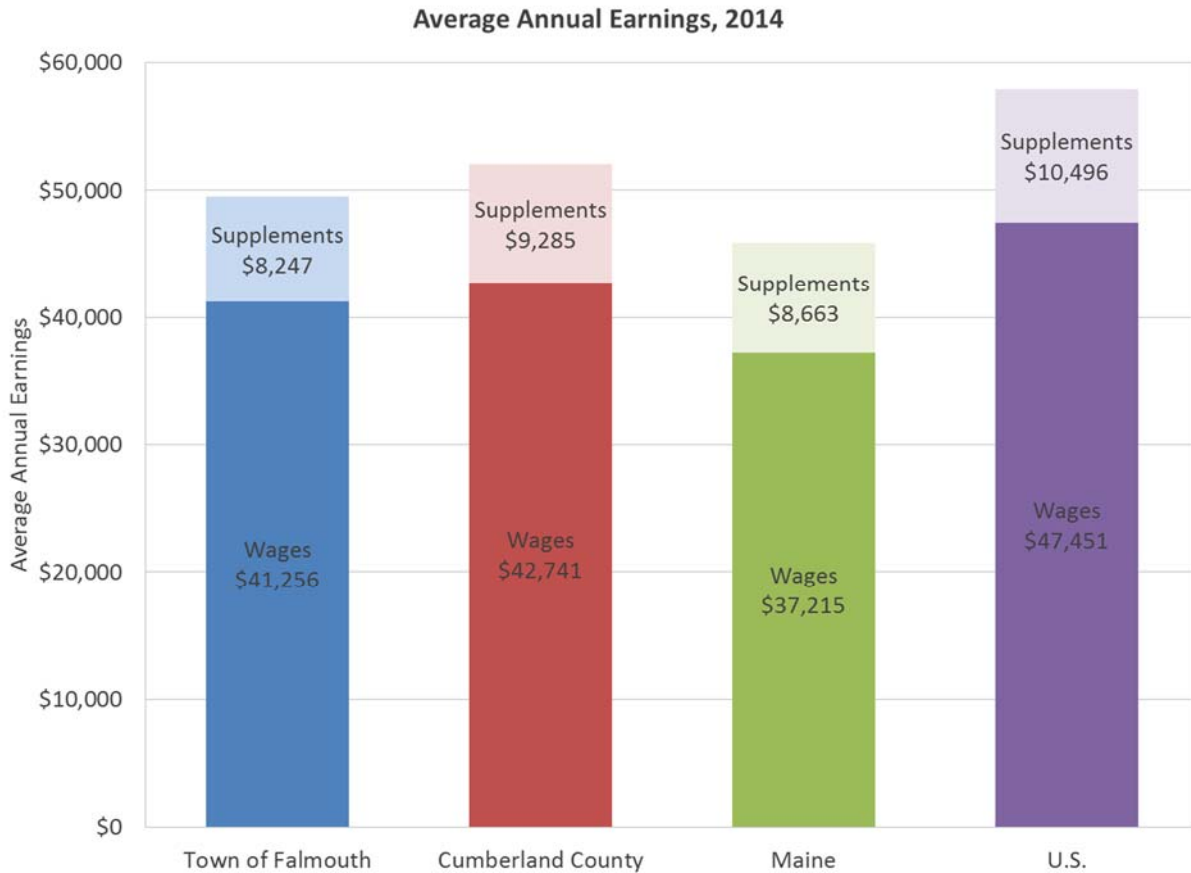
- Employment growth in **Professional, Scientific, and Technical Services** in Falmouth (+64%) greatly outpaced that in Cumberland County, Maine, and the U.S., though all geographies experienced double-digit increases.
- The **Private Educational Services** sectors was the second fastest-growing industry (+24%), though its growth paled in comparison to that in Cumberland County (+42%), and was about even with national growth (+25%). This sector added 11 jobs over the period.
- **Finance and Insurance** employment saw slight growth (+5%), which is significant in light of the fact that the other geographies showed declines. This could be due to Group Dynamics, a 3rd party administrator of flexible benefit plans who may have seen increases in business with the passage of the Affordable Care Act.
- **Transportation and Warehousing** was the sector that declined the most in Falmouth (–38%), even though the other geographies experienced gains.
- **Manufacturing** declined by 37% in Falmouth, while the other geographies shed no more than 21% of manufacturing jobs.

Percent Change in Employment, 2003–2013, 2-digit NAICS					
NAICS Code	Description	Falmouth	Cumberland County	Maine	U.S.
11	Agriculture, Forestry, Fishing and Hunting	--	(12%)	(10%)	(3%)
21	Mining, Quarrying, and Oil and Gas Extraction	--	62%	34%	60%
22	Utilities	--	(28%)	(19%)	(5%)
23	Construction	(16%)	(10%)	(15%)	(13%)
31	Manufacturing	(37%)	(18%)	(21%)	(17%)
42	Wholesale Trade	(20%)	(6%)	(8%)	1%
44	Retail Trade	(1%)	(11%)	(6%)	(1%)
48	Transportation and Warehousing	(38%)	22%	10%	7%
51	Information	(19%)	(37%)	(33%)	(15%)
52	Finance and Insurance	5%	(6%)	(10%)	(1%)
53	Real Estate and Rental and Leasing	(15%)	(7%)	(12%)	(5%)
54	Professional, Scientific, and Technical Services	64%	25%	11%	18%
55	Management of Companies and Enterprises	--	41%	27%	25%
56	Administrative and Support and Waste Management and Remediation Services	17%	14%	21%	9%
61	Educational Services (Private)	24%	42%	15%	25%
62	Health Care and Social Assistance	17%	20%	11%	25%
71	Arts, Entertainment, and Recreation	7%	7%	6%	11%
72	Accommodation and Food Services	18%	12%	7%	16%
81	Other Services (except Public Administration)	13%	4%	(2%)	2%
90	Government	(12%)	(11%)	(4%)	2%
99	Unclassified Industry	0%	--	(3%)	(7%)
	Total	7%	2%	(2%)	4%

Source: EMSI

Annual Earnings

Average annual earnings for Falmouth jobs were \$49,503. Of that amount, \$41,256 were direct wages. Average Falmouth wages were slightly less than the average Cumberland County job (\$42,741) and slightly more than the average Maine job (\$37,215). National wages were the highest of all comparison geographies (\$47,451).



Top Industries, 4-digit NAICS

The following table shows the top 25 industries in Falmouth, Cumberland County, Maine, and the U.S. Several observations can be made based on this data:

- The top-employing industry by far was **Services to Buildings and Dwellings**, with 733 jobs in 2013 and 31% growth since 2003. This industry group comprises establishments primarily engaged in cleaning building interiors and windows; landscaping installation, care and maintenance; and providing other services to buildings and dwellings. Jobs in this industry represented 10% of all jobs in Falmouth.
- **Depository Credit Intermediation** was the second largest employer with 567 jobs, but no growth since 2003. Subsectors within this industry include commercial banking, credit unions, and savings institutions. This industry accounted for 7% of Falmouth jobs.
- **Computer Systems Design and Related Services** ranked third with 523 jobs and almost doubled between 2003 and 2013. This industry comprises establishments primarily engaged in providing expertise in the field of information technologies through one or more of the following activities: (1) writing, modifying, testing, and supporting software to meet the needs of a particular customer; (2) planning and designing computer systems that integrate computer hardware, software, and communication technologies; (3) on-site management and operation of clients' computer systems and/or data processing facilities; and (4) other professional and technical computer-related advice and services.
- **Other Amusement and Recreation Industries** were also a significant employer, accounting for 490 jobs and growing 10% since 2003. This industry includes golf courses and country clubs, fitness and recreational sports centers, marinas, and a variety of other types of recreational facilities.
- Industries showing the greatest absolute increases in job numbers between 2003 and 2013 include **Computer Systems Design and Related Services** (+256 jobs) and **Services to Buildings and Dwellings** (+172 jobs). These were the third- and first-ranked industries in terms of total jobs, respectively.
- Only six of the top 25 industries saw declines over this period, with **Federal Government** jobs (both military and civilian) showing the greatest losses (–51 and –28 jobs, respectively). **Education and Hospitals (Local Government), Nursing Care Facilities, Child Day Care Services, and Lessors of Real Estate** also lost jobs.
- In percentage terms, **Management, Scientific, and Technical Consulting Services** showed the most significant increase, more than doubling (+105%, +66 jobs).
- **Other Support Services**⁹ was the industry in the top 25 with the highest location quotient (LQ = 11.68).

⁹ Auctioneers, independent, Bartering services, Bottle exchanges, Cloth cutting, bolting, or winding for the trade, Coin pick-up services, parking meter, Coupon processing services, Coupon redemption services (i.e., clearinghouse), Diving services on a contract or fee basis, Document shredding services, Electrical meter reading services, contract, Fire fighting services as a commercial activity, Flagging (i.e., traffic control) services, Float decorating services, Gas meter reading services, contract, Inventory computing services, Inventory taking services, License issuing services (except government), motor vehicle, Locating underground utility lines prior to digging, Lumber grading services, Meter reading services, contract, Motor vehicle license issuing services, private franchise, Printing brokers, Private volunteer fire fighting, Tape slitting (e.g., cutting plastic or leather into widths) for the trade, Textile cutting services, Trading stamp promotion and sale to stores, Trading stamp redemption services

Top 25 Industries in Falmouth, 4-digit NAICS

NAICS Code	Description	2003 Jobs	2013 Jobs	Change	% Change	2013 % of All Jobs	2013 National Location Quotient	2014 Avg. Earnings Per Job
5617	Services to Buildings and Dwellings	561	733	172	31%	10%	5.58	\$27,681
5221	Depository Credit Intermediation	567	567	0	0%	7%	6.43	\$79,322
5415	Computer Systems Design and Related Services	267	523	256	96%	7%	5.64	\$96,638
7139	Other Amusement and Recreation Industries	445	490	45	10%	6%	7.93	\$26,524
9036	Education and Hospitals (Local Government)	407	385	(22)	(5%)	5%	0.90	\$61,583
4451	Grocery Stores	301	316	15	5%	4%	2.41	\$26,227
5242	Agencies, Brokerages, and Other Insurance Related Activities	267	312	45	17%	4%	4.87	\$75,492
6231	Nursing Care Facilities	303	281	(22)	(7%)	4%	3.34	\$36,393
7222	Limited-Service Eating Places	204	258	54	26%	3%	1.14	\$17,770
6213	Offices of Other Health Practitioners	130	214	84	65%	3%	4.94	\$39,223
4521	Department Stores	178	188	10	6%	2%	2.66	\$22,046
5619	Other Support Services	133	179	46	35%	2%	11.68	\$41,775
8121	Personal Care Services	134	155	21	16%	2%	2.60	\$23,113
9039	Local Government, Excluding Education and Hospitals	151	155	4	3%	2%	0.55	\$55,778
5416	Management, Scientific, and Technical Consulting Services	63	129	66	105%	2%	1.75	\$57,212
7221	Full-Service Restaurants	109	119	10	9%	2%	0.48	\$21,405
6211	Offices of Physicians	118	118	0	0%	2%	0.93	\$100,575
6212	Offices of Dentists	101	117	16	16%	2%	2.54	\$77,654
5413	Architectural, Engineering, and Related Services	102	107	5	5%	1%	1.47	\$81,805
6244	Child Day Care Services	107	104	(3)	(3%)	1%	1.68	\$21,228
5311	Lessors of Real Estate	103	89	(14)	(14%)	1%	2.25	\$61,341
2382	Building Equipment Contractors	81	82	1	1%	1%	0.81	\$59,432
9012	Federal Government, Military	131	80	(51)	(39%)	1%	0.76	\$48,755
9011	Federal Government, Civilian	107	79	(28)	(26%)	1%	0.53	\$84,450
6241	Individual and Family Services	57	75	18	32%	1%	0.77	\$20,574

Non-Traditional Workforce Analysis

As mentioned in the Data Sources section of this report, the data used for this analysis (EMSI) provides numbers that include both traditional and non-traditional employment in their Complete Employment data set. The EMSI dataset also allows the analyst to select only those classes of workers that they want to analyze. The following table pulls out the non-traditional employment as a way to understand the role that sole proprietors, freelancers, and consultants (collectively “self-employed”) play in the Falmouth economy.

The first step was to look at the number of self-employed individuals at the two-digit level since 2004.

- The number of self-employed workers in the town has increased by over 100 since 2004 and is projected to continue to grow. There are over 850 people characterized as self-employed in Falmouth out of a total of 9,024 total employment in the town (or approximately 10% of jobs in Falmouth are characterized as self-employed).
- At the two-digit level the industry with the largest number of self-employed is **Administrative and Support and Waste Management and Remediation Services**. The number of self-employed in this industry has grown since 2004 and is projected to continue to grow.
- Another large two-digit industry with large numbers of self-employed in Falmouth is **Professional, Technical and Scientific Services**, with 156 persons, up from 125 a decade ago, and continued growth projected.
- Since 2004 the number of self-employed people in the **Construction** industry has declined which is likely an impact of the Great Recession and the reduction in construction activity throughout all sectors. Other industries with a declining number of self-employed includes **Retail Trade; Finance and Industry; Real Estate and Rental and Leasing; Health Care and Social Assistance; and Other Services (except Public Administration)**.

Town of Falmouth - Self Employed					
NAICS	Description	2004 Jobs - Self Employed	2014 Jobs - Self Employed	2024 Jobs - Self Employed	04-24 Change
11	Crop and Animal Production	<10	<10	<10	
21	Mining, Quarrying, and Oil and Gas Extraction	<10	0	0	
22	Utilities	0	0	0	
23	Construction	124	99	52	
31	Manufacturing	<10	<10	10	
42	Wholesale Trade	<10	<10	<10	
44	Retail Trade	33	29	23	
48	Transportation and Warehousing	<10	<10	<10	
51	Information	<10	<10	<10	
52	Finance and Insurance	24	15	<10	
53	Real Estate and Rental and Leasing	23	18	12	
54	Professional, Scientific, and Technical Services	125	156	186	
55	Management of Companies and Enterprises	0	0	0	
56	Administrative and Support and Waste Management and Remediation Services	139	235	320	
61	Educational Services	<10	<10	<10	
62	Health Care and Social Assistance	56	47	30	
71	Arts, Entertainment, and Recreation	96	120	139	
72	Accommodation and Food Services	<10	<10	<10	
81	Other Services (except Public Administration)	96	102	92	
90	Government	0	0	0	
99	Unclassified Industry	0	0	0	
Total		750	852	896	

Source: EMSI 2014.3 – Self-Employed and EMSI 2014.3 – QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors

■ Increasing between 2004 and 2024
■ Steady between 2004 and 2024
■ Decreasing between 2004 and 2024

The analysis also compared self-employment at the 6 digit level to all employment in that industry to identify any industries where self-employment plays a larger role.

- There are 19 industries at the 6-digit level that have people who are characterized as self-employed (all shown in the following table).
- The industry with the largest number of self-employed is the **Landscaping Services** industry with 195 out of 692 (28% of all those employed in the industry are identified as self-employed). The second largest group of self-employed employees is in the independent **Artists, Writers, and Performers**.
- The **Nail Salon** industry has the highest percent of self-employed (24) as a percent of all employment in the industry (35) at 69%.

Town of Falmouth - Self Employed				
NAICS	Description	2014 Jobs - Self Employed	2014 Jobs - All	Self Employed as % of All
561730	Landscaping Services	195	692	28%
711510	Independent Artists, Writers, and Performers	61	243	25%
812112	Beauty Salons	57	137	42%
541511	Custom Computer Programming Services	45	484	9%
541219	Other Accounting Services	38	218	17%
238350	Finish Carpentry Contractors	38	90	42%
624410	Child Day Care Services	26	111	23%
812113	Nail Salons	24	35	69%
711219	Other Spectator Sports	24	95	25%
713910	Golf Courses and Country Clubs	20	333	6%
236118	Residential Remodelers	19	37	50%
541611	Administrative Management and General Management Consulting Services	17	46	38%
561720	Janitorial Services	16	292	6%
541890	Other Services Related to Advertising	14	34	42%
814110	Private Households	11	23	50%
561499	All Other Business Support Services	11	18	61%
453310	Used Merchandise Stores	11	69	16%
236115	New Single-Family Housing Construction (except For-Sale Builders)	11	35	31%
238910	Site Preparation Contractors	10	52	20%

2014.3 – Self-Employed

Finally, the following table compares the amount of self-employment in Falmouth to Cumberland County and Maine (4-digit NAICS level).¹⁰

- Overall 9% of all workers in Falmouth are characterized as self-employed, compared to 6% of Cumberland County employment and 8% of Maine employment.
- One area that stands out is that Falmouth has a higher number of self-employed Computer Systems Design and Related Services (4th largest group of self-employed in Falmouth) and it isn't in the top 15 for the other geographies.

¹⁰ NAICS codes are maintained by the U.S. Census Bureau and are the standard used by Federal statistical agencies in classifying business establishments. 2-digit codes are the highest aggregate NAICS code level and represent broad categories such as “retail,” whereas 4-digit industry codes present a finer level of detail such as “grocery stores.” For more information on the composition of the NAICS and detail about what is included in each industry, we direct the reader to <http://www.census.gov/eos/www/naics/>.

Self Employment - 4 digit NAICS				
NAICS	Description	2014 Jobs - Self Employed	2014 Jobs - All	Self Employed as % of All
Falmouth				
5617	Services to Buildings and Dwellings	213	995	21%
8121	Personal Care Services	82	172	47%
7115	Independent Artists, Writers, and Performers	61	243	25%
5415	Computer Systems Design and Related Services	53	587	9%
2383	Building Finishing Contractors	42	106	39%
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	38	226	17%
5416	Management, Scientific, and Technical Consulting Services	37	214	17%
7139	Other Amusement and Recreation Industries	35	488	7%
2361	Residential Building Construction	33	76	43%
6244	Child Day Care Services	26	111	23%
7112	Spectator Sports	24	95	25%
5614	Business Support Services	22	35	64%
5418	Advertising, Public Relations, and Related Services	19	69	27%
5242	Agencies, Brokerages, and Other Insurance Related Activities	14	378	4%
2389	Other Specialty Trade Contractors	13	62	21%
	Total	852	9,024	9%
Cumberland County				
8121	Personal Care Services	845	1,863	45%
5416	Management, Scientific, and Technical Consulting Services	788	2,977	26%
2383	Building Finishing Contractors	758	2,524	30%
2361	Residential Building Construction	681	1,582	43%
5617	Services to Buildings and Dwellings	643	4,174	15%
1141	Fishing	586	707	83%
7115	Independent Artists, Writers, and Performers	577	2,309	25%
6244	Child Day Care Services	453	1,943	23%
2389	Other Specialty Trade Contractors	428	2,045	21%
5411	Legal Services	421	2,470	17%
5311	Lessors of Real Estate	367	4,823	8%
8141	Private Households	365	725	50%
8111	Automotive Repair and Maintenance	326	1,346	24%
2382	Building Equipment Contractors	286	3,400	8%
5414	Specialized Design Services	277	683	41%
	Total	13,620	229,164	6%
State of Maine				
1141	Fishing	4,853	6,058	80%
2361	Residential Building Construction	3,970	8,563	46%
5617	Services to Buildings and Dwellings	3,856	16,183	24%
2383	Building Finishing Contractors	3,686	10,006	37%
8121	Personal Care Services	3,654	6,273	58%
2389	Other Specialty Trade Contractors	2,447	9,666	25%
8111	Automotive Repair and Maintenance	2,162	6,504	33%
6244	Child Day Care Services	2,145	7,406	29%
5416	Management, Scientific, and Technical Consulting Services	2,046	6,288	33%
8141	Private Households	1,816	3,619	50%
7115	Independent Artists, Writers, and Performers	1,733	7,165	24%
2382	Building Equipment Contractors	1,657	10,656	16%
2381	Foundation, Structure, and Building Exterior Contractors	1,167	4,803	24%
5311	Lessors of Real Estate	1,047	14,407	7%
5411	Legal Services	959	5,239	18%
	Total	62,566	812,698	8%

Source: EMSI 2014.3 – Self-Employed and EMSI 2014.3 – QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors

Industries of Employment of Falmouth Residents

The table below shows 2008–2012 American Community Survey detailing the industries in which Falmouth residents were employed. These jobs may or may not be located within the Town. The top employment sector is Health Care and Social Assistance, which accounts for 16.1% of all employed residents' jobs. Thirteen percent (12.7%) of residents were employed in Professional, Scientific, and Technical Services, followed by Educational Services (12.3%) and Retail Trade (12.1%).

Employment Industries of Falmouth Residents				
Industry	Employed Residents	% of Employed Residents		
		Falmouth	Cumberland County	Maine
Agriculture, forestry, fishing and hunting	36	0.6%	1.0%	2.3%
Mining, quarrying, and oil and gas extraction	0	0.0%	0.0%	0.1%
Utilities	40	0.7%	0.5%	0.8%
Construction	111	2.0%	5.8%	7.2%
Manufacturing	329	5.8%	7.4%	9.5%
Wholesale trade	157	2.8%	2.9%	2.4%
Retail trade	680	12.1%	13.0%	13.7%
Transportation and warehousing	197	3.5%	2.8%	3.3%
Information	185	3.3%	2.5%	1.9%
Finance and insurance	474	8.4%	7.0%	4.7%
Real estate and rental and leasing	197	3.5%	2.3%	1.5%
Professional, scientific, and technical services	718	12.7%	7.7%	4.9%
Management of companies and enterprises	0	0.0%	0.1%	0.0%
Administrative and support and waste management services	140	2.5%	3.7%	3.6%
Educational services	696	12.3%	9.9%	10.2%
Health care and social assistance	905	16.1%	17.1%	16.7%
Arts, entertainment, and recreation	107	1.9%	1.7%	1.7%
Accommodation and food services	249	4.4%	7.3%	6.7%
Other services, except public administration	257	4.6%	4.2%	4.5%
Public administration	158	2.8%	3.1%	4.2%
Total	5,636	100.0%	100.0%	100.0%
Industry Falmouth residents comparatively more likely to work in				
Industry Falmouth residents comparatively less likely to work in				

Source: 2008–2012 ACS 5-year estimates

Comparing the share of Falmouth residents in various industries to residents of Cumberland County and Maine, Falmouth residents are considerably more likely to work in the high-skill sectors, such as Professional, Scientific, and Technical Services; Educational Services; and Finance Insurance. They are less likely to be employed in Construction, Manufacturing, and Accommodation and Food Services.

Occupation Analysis

In addition to looking at employment by industry, Camoin Associates analyzed employment by occupation for all jobs located in Falmouth. **Occupations refer not to the product or service being provided, but by the defined set of tasks of the employee in question.** Occupations are classified using the Standard Occupational Classification (SOC) system. This is the system used by Federal statistical agencies to classify workers into one of 840 occupational categories. For more detail on occupations and the “Standard Occupational Classification” system (SOC), we refer the reader to <http://www.bls.gov/soc/>.

All occupation data for this report was collected from EMSI Complete Employment.

Occupational data are helpful in evaluating how the skills, education, and certifications of a particular community’s residents match up with the area’s occupational needs of the future. The report identifies the top occupations and fastest-growing occupations within each community.

The following tables contain the results of the occupation analysis including employment in occupations at the 2-digit level and the top 25 largest occupations at the 5-digit level.

From the occupation analysis, we find the following:

- **Office and Administrative Support Occupations** account for the largest percent (15% of all jobs) of jobs in Falmouth, which is similar in Cumberland County and throughout Maine. This sector includes occupations like secretaries, receptionists, bank tellers, bookkeepers, and office clerks. These positions usually do not require more than a high school degree in order to be qualified.
- The second and third largest occupations in Falmouth include **Sales and Related Occupations** (13% of all occupations) and **Building and Grounds Cleaning and Maintenance Occupations** (12% of all jobs).
- Most of the largest occupations in Falmouth do not require more than a high school degree. Some exceptions include **General and Operations Managers** (149 jobs), **Accountants and Auditors** (144 jobs), **Nursing Assistants** (137 jobs), **Hairdressers, Hairstylists, and Cosmetologists** (101 jobs), and finally **Teacher Assistants** (80 jobs).
- The **Landscaping and Groundskeeping Occupation** saw the largest increase in positions between 2004 and 2014, with a 41% increase or 152 new openings. On average this occupation has 37 new openings.

Largest Occupations - 2 Digit SOC Code

SOC	Description	Town of Falmouth		Cumberland County		Maine	
		2014 Occupations	% of All Jobs	2014 Occupations	% of All Jobs	2014 Occupations	% of All Jobs
11-0000	Management Occupations	548	6%	15,856	7%	59,556	7%
13-0000	Business and Financial Operations Occupations	564	6%	11,941	5%	34,917	4%
15-0000	Computer and Mathematical Occupations	400	4%	4,698	2%	11,677	1%
17-0000	Architecture and Engineering Occupations	105	1%	3,038	1%	10,330	1%
19-0000	Life, Physical, and Social Science Occupations	48	1%	1,923	1%	6,790	1%
21-0000	Community and Social Service Occupations	60	1%	4,121	2%	14,275	2%
23-0000	Legal Occupations	26	0%	1,884	1%	4,932	1%
25-0000	Education, Training, and Library Occupations	401	4%	10,919	5%	44,202	5%
27-0000	Arts, Design, Entertainment, Sports, and Media Occupations	447	5%	8,402	4%	25,371	3%
29-0000	Healthcare Practitioners and Technical Occupations	366	4%	13,742	6%	44,513	5%
31-0000	Healthcare Support Occupations	291	3%	6,878	3%	24,174	3%
33-0000	Protective Service Occupations	75	1%	3,239	1%	12,772	2%
35-0000	Food Preparation and Serving Related Occupations	679	8%	16,570	7%	57,794	7%
37-0000	Building and Grounds Cleaning and Maintenance Occupations	1,054	12%	8,749	4%	33,376	4%
39-0000	Personal Care and Service Occupations	497	6%	10,441	5%	39,444	5%
41-0000	Sales and Related Occupations	1,170	13%	29,522	13%	102,872	13%
43-0000	Office and Administrative Support Occupations	1,325	15%	33,990	15%	104,650	13%
45-0000	Farming, Fishing, and Forestry Occupations	20	0%	1,132	0%	12,464	2%
47-0000	Construction and Extraction Occupations	297	3%	9,809	4%	43,450	5%
49-0000	Installation, Maintenance, and Repair Occupations	213	2%	8,127	4%	30,778	4%
51-0000	Production Occupations	157	2%	9,363	4%	41,555	5%
53-0000	Transportation and Material Moving Occupations	188	2%	11,170	5%	41,567	5%
55-0000	Military occupations	78	1%	2,510	1%	7,129	1%
99-0000	Unclassified Occupation	16	0%	1,139	0%	4,110	1%
	Total	9,024	100%	229,164	100%	812,698	100%

Source: EMSI 2014.3 – QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors

Town of Falmouth - Largest Occupations - 5 Digit SOC Code

SOC	Description	2014 Occupations	2004 - 2014 Change	2004 - 2014 % Change	2013 Avg. Annual Earnings	Annual Openings	Typical Entry Level Education
37-3011	Landscaping and Groundskeeping Workers	527	152	41%	\$24,506	37	Less than high school
41-2031	Retail Salespersons	298	(9)	(3%)	\$23,630	22	Less than high school
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	260	46	21%	\$27,547	11	Less than high school
41-2011	Cashiers	210	2	1%	\$20,321	14	Less than high school
43-3071	Tellers	170	(16)	(9%)	\$26,733	10	High school diploma or equivalent
11-1021	General and Operations Managers	149	13	10%	\$94,450	5	Bachelor's degree
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	145	33	29%	\$19,492	8	Less than high school
13-2011	Accountants and Auditors	144	(30)	(17%)	\$65,313	8	Bachelor's degree
41-3021	Insurance Sales Agents	144	6	4%	\$46,508	8	High school diploma or equivalent
31-1014	Nursing Assistants	137	(25)	(15%)	\$26,279	4	Postsecondary non-degree award
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	134	6	5%	\$34,350	3	High school diploma or equivalent
43-9061	Office Clerks, General	132	1	1%	\$31,243	4	High school diploma or equivalent
43-3031	Bookkeeping, Accounting, and Auditing Clerks	130	(3)	(2%)	\$39,058	3	High school diploma or equivalent
35-3031	Waiters and Waitresses	129	12	10%	\$22,291	7	Less than high school
41-1011	First-Line Supervisors of Retail Sales Workers	121	(2)	(2%)	\$33,538	7	High school diploma or equivalent
43-5081	Stock Clerks and Order Fillers	117	(6)	(5%)	\$25,315	8	Less than high school
43-4051	Customer Service Representatives	111	(10)	(8%)	\$35,750	4	High school diploma or equivalent
41-9022	Real Estate Sales Agents	106	28	36%	\$36,164	5	High school diploma or equivalent
39-5012	Hairdressers, Hairstylists, and Cosmetologists	101	4	4%	\$25,388	6	Postsecondary non-degree award
37-2012	Maids and Housekeeping Cleaners	94	11	13%	\$20,959	4	Less than high school
43-1011	First-Line Supervisors of Office and Administrative Support Workers	90	(3)	(3%)	\$50,726	3	High school diploma or equivalent
35-2021	Food Preparation Workers	82	5	6%	\$22,371	3	Less than high school
25-9041	Teacher Assistants	80	(1)	(1%)	\$32,610	3	Some college, no degree
39-9011	Childcare Workers	80	(6)	(7%)	\$17,714	5	High school diploma or equivalent
55-9999	Military occupations	78	(50)	(39%)	\$45,757	2	N/A

Source: EMSI 2014.3 – QCEW Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors

* Median hourly earnings multiplied by 2,000 hours

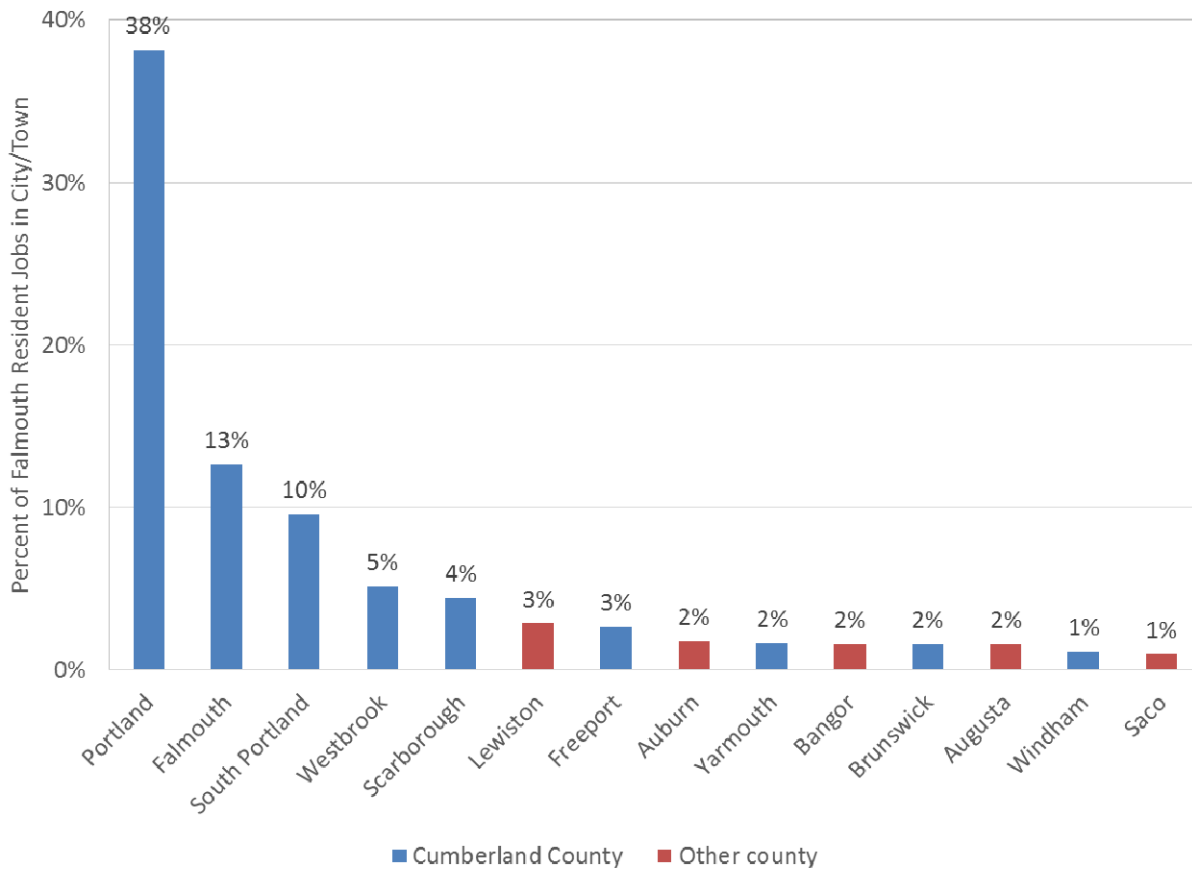
Labor Shed Analysis

Where Falmouth Residents Work

There were 4,784 jobs held by Falmouth residents in 2011.¹¹ Eighty-two percent (82%) of these jobs were held by workers commuting within Cumberland County. Commutes were relatively short, with 72% of commuters traveling less than 10 miles to their jobs.

Of all jobs held by Falmouth residents, 38% were located in the City of Portland, followed by 13% within Falmouth itself. South Portland accounted for 10%. The chart below shows the 14 cities and towns that were home to at least 1% of the jobs held by Falmouth residents. These 14 municipalities collectively accounted for over 85% of jobs. The majority of these municipalities were in Cumberland County and located relatively close to Falmouth, although Augusta (50 miles away) and Bangor (125 miles away) each accounted for 2% of jobs held by Falmouth residents.

Cities and Towns Where Falmouth Residents Work



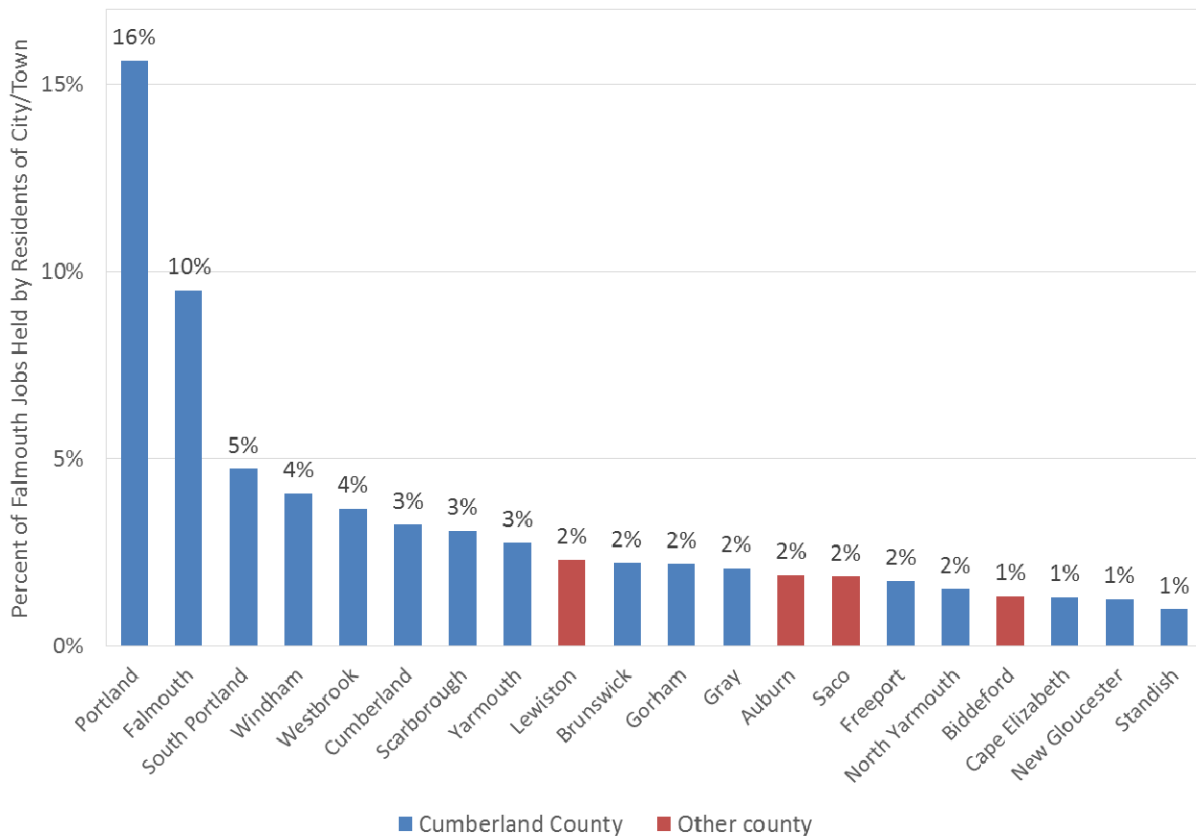
¹¹ Jobs data reported in the Labor Shed Analysis is from Longitudinal Employer-Household Dynamics (LEHD) from the U.S. Census Bureau. LEHD job counts are lower than those provided by EMSI because EMSI includes additional job data beyond what is included in the Quarterly Census of Employment and Wages.

Where Falmouth Workers Live

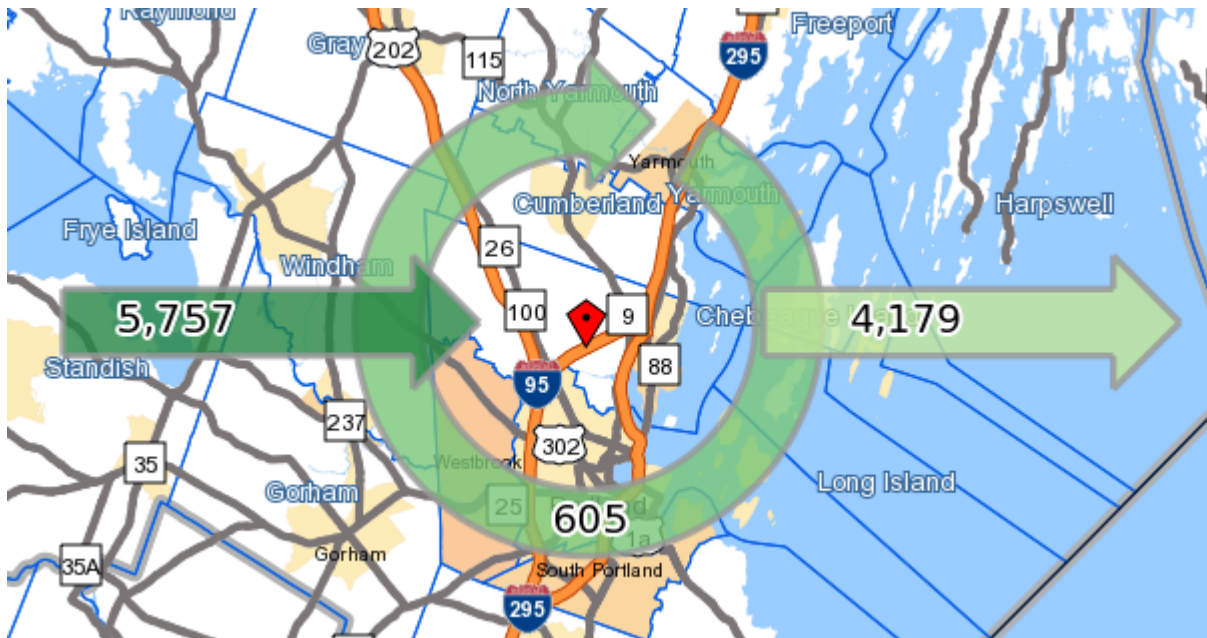
Within the Town of Falmouth there were 6,362 jobs in 2011. The chart below shows all the towns and cities that are home to at least 1% of workers with jobs located in Falmouth. Portland sends the most workers to Falmouth (16%), while 10% of Falmouth workers live in Falmouth itself. South Portland provides 5% of Falmouth’s labor. The 20 municipalities listed in the chart collectively account for about two-thirds of all Falmouth workers.

While 82% of Falmouth residents work in Cumberland County, just 63% of Falmouth workers live in Cumberland County. Therefore, it makes sense that only 47% of in-commuters have commutes of less than 10 miles, compared to 72% of out-commuters.

Cities and Towns Where Falmouth Workers Live



Falmouth Commuter Inflow and Outflow



Source: Longitudinal Employer-Household Dynamics (LEHD) from the U.S. Census Bureau

Falmouth is a net importer of labor, since the number of in-commuters (5,757) exceeds the number of out-commuters (4,179). This fact is significant given the town's reputation as a primarily residential suburb of Portland. While the town certainly has a single-family residential character, it also plays a role as an employment center within the region.

As mentioned in the previous section, it is interesting to note that only 13% of jobs (605 jobs) held by Falmouth residents were located in the Falmouth. This suggests that a mismatch exists in the town between residents' skillsets and the jobs available. This presents an opportunity for the town to focus on attracting high-skill, high-salary jobs so that fewer residents out-commute.

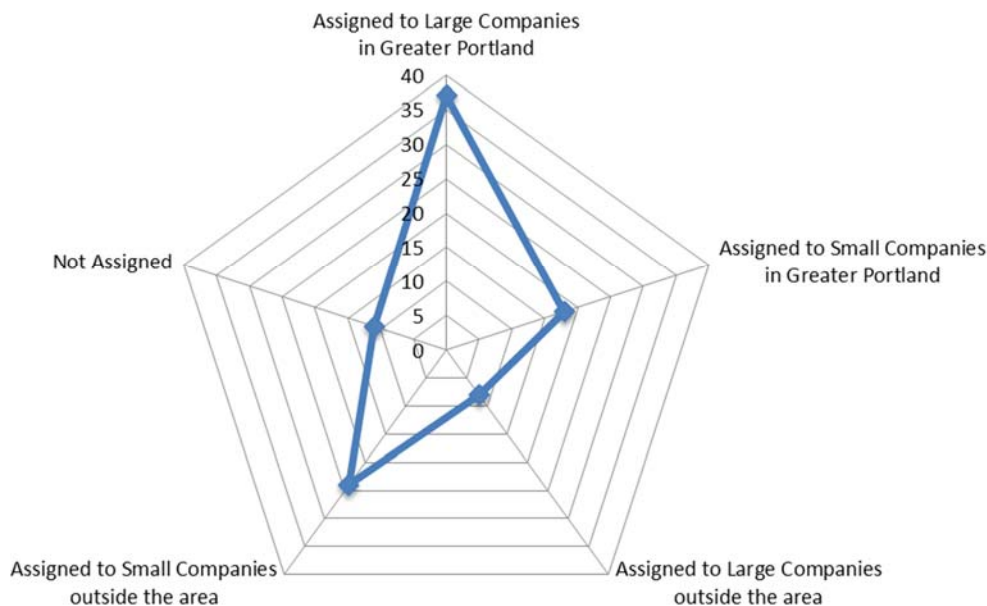
Innovation Indicators

Patents

Patents are an important indicator of innovative activity in a place because ideas that get patented must be novel and unique. Measures of new knowledge and innovation are critical because they are the basis of roughly 80% of new economic growth. However, there are two components: what ideas are conceived of in a particular place and what ideas are imported into a place?

In this case, the majority of patents associated with Falmouth were created by residents, but assigned to companies outside the town. Between 2008 and September, 2014, 98 patents were awarded to Falmouth residents. As shown below, 38 percent were assigned to large companies in Maine, notably Fairchild Semiconductor (20) and Idexx Laboratories (18). Another 18 percent were assigned to small companies in Maine. The rest were assigned to companies outside the area, although several were nearby in NH.

Patents Issues to Falmouth Residents 2008-2014, by Assignment

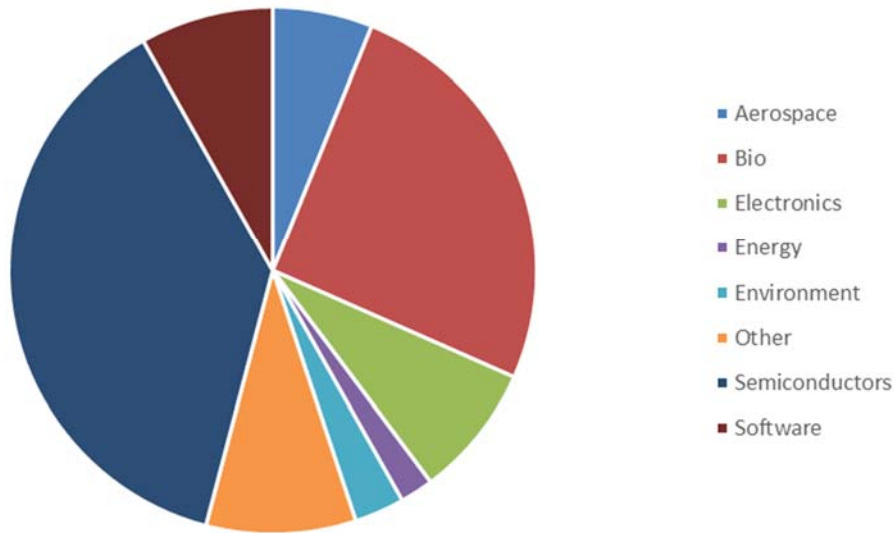


Source: Data analysis by Innovation Policyworks, LLC from United States Patent and Trademark Office Data

Falmouth residents are patenting at a rate 6 times higher than what we would expect based on population. There were 1,774 patents in ME during the period selected, in a population of around 1.3 million people. This is a rate of 1.36 patents per thousand people. However, **Falmouth's 11,185 residents generated 97 patents, a rate of 8.67 patents per thousand resident.** Some residents are quite prolific inventors, notably several who work at Fairchild Semiconductor in South Portland, and several who are self-employed and/or entrepreneurs who have more than five apiece.

Another view of this data shows that Falmouth residents have patented in semiconductors (38%); biotechnology (26%); software (8%); and aerospace (8%). See figure below.

Patents Issued to Falmouth Residents, 2008–2014, by subject



Source: Data analysis by Innovation Policyworks, LLC from United States Patent and Trademark Office Data

Compared to the large number of patents by Falmouth residents, the number of patents assigned to Falmouth-based entities is extremely small at four. All of these are individual inventors who have assigned their patents to entities that they set up for the purpose. In other words, no Falmouth-based businesses are in-licensing patents.

SBIR/STTRs

Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants are made by federal government agencies to small businesses. These are highly coveted grants that start at \$75,000, and can be as large as \$500,000 for Phase II efforts. They cover early research and development projects that are difficult to fund otherwise.

Maine's track record in SBIR/STTR is relatively strong for a rural state, but Falmouth has had only one winner (but at least five other applicants) in the last five years. The winner, Sequela, was awarded over \$1.5 million in 2008 and 2010 by the National Institutes of Health. In addition, they were awarded almost \$500,000 of funds from the Maine Technology Institute (MTI) in 2005. The company appears to be operating currently in Scarborough, but its founder, a pioneer in biomedical research, lives in Falmouth.

Maine Technology Institute Grants

Since its inception in 2000, the Maine Technology Institute has given grants to Maine companies for the development of new technology. Therefore, the list of awardees is one way to identify innovative companies in Falmouth. Sixteen companies with Falmouth addresses have won awards. Another company that operates in Falmouth, but is based in Portland, has also been funded.

The majority of the awards were small, Seed Grants, and the companies are no longer in existence. Four of the sixteen companies appear to still be active: ClaimVantage (now in South Portland); Maine Aerospace Consulting; Sequela (in Scarborough) and Wireless Sensors.

Angel and Venture Capital

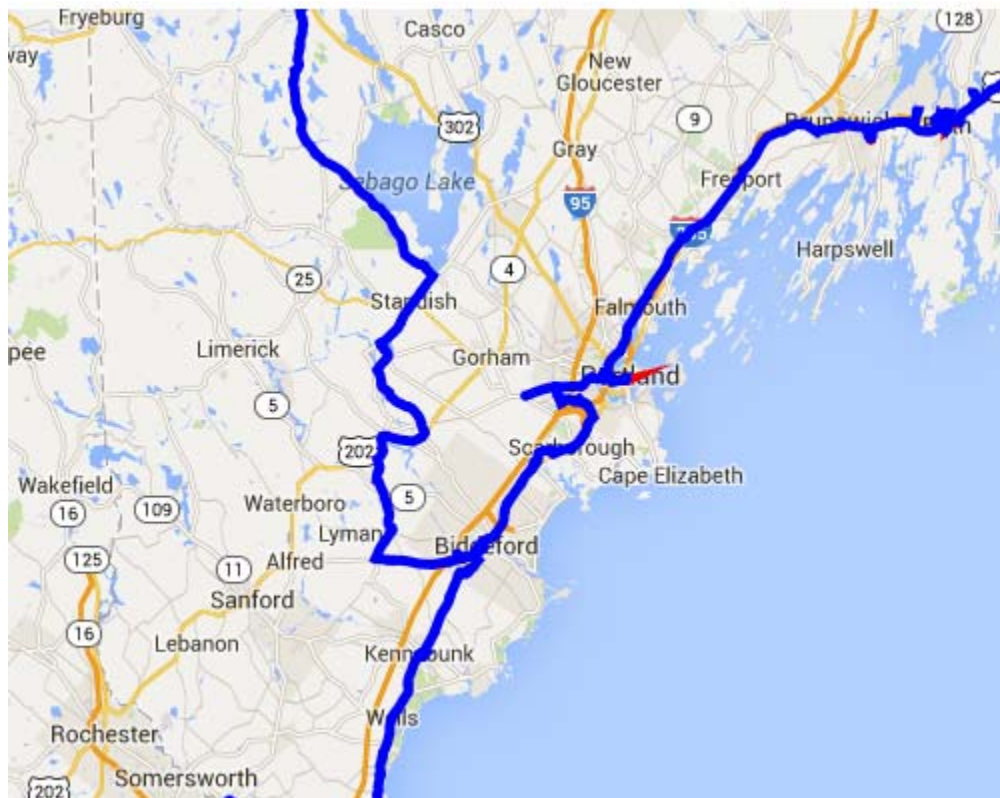
In order to scale up, most technology companies require equity financing. This is in contrast to retail and other small businesses whose physical assets such as inventory and buildings are often financed through loans. Therefore, angel financing (from individual, high net-worth investors) and professional venture capital investments are a way to identify high-growth companies in a place.

Unfortunately, Maine's venture capital investments are rather rare, and there are none in Falmouth in the recent past. Similarly, there are no known angel investments in the town, either, based on data shared by Maine Angels.

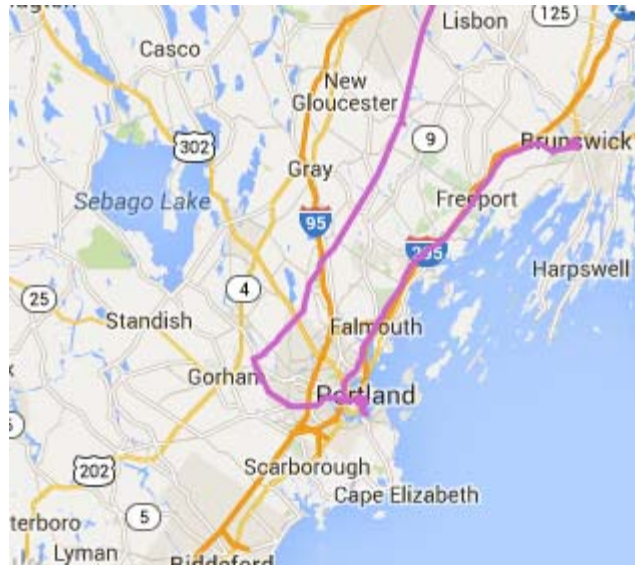
Development Assets

Broadband Access

An important aspect of the development analysis is understanding what assets and infrastructure are in place to serve businesses, including access to fiber and broadband. The map below shows the available high-capacity dark fiber network that is available in Falmouth as part of the region's Three Ring Binder network. From the Maine Fiber Company's website: "The network is largely an open-access middle-mile infrastructure and is available to all carriers and service providers on a non-discriminatory basis. Dark fiber products include Mileage Commitment Leasing, Regional Distribution Rings, and Direct Transit Routes. Carrier class ReGen and Fiber Distribution Sites are available at various locations on the network."



The map below shows the network for MaineCom which provides private fiber optic or copper cable installation.



Commercial Space Market

In addition to understanding the existing industry and occupation trends for Falmouth, it is also important to quantify the existing commercial real estate market and the amount of space available for growth within the town. The following summarizes research pulled from leading industry analysts at CB Richard Ellis, and property searches from local real estate companies Malone Commercial Brokers and The Dunham Group.

CB Richard Ellis 2014 Office Market Outlook report looks at the Greater Portland area and quantifies a number of different data, including total square footage in Class A and Class B space, vacancy rates, and absorption rates. The Falmouth, Cumberland, Yarmouth submarket has 653,000 square feet of Class A office space and 257,800 square feet of Class B office space. The table below shows that the Falmouth submarket has almost no vacant Class A space, but the highest vacancy rate for Class B office space at 15%. Since 2012 the average vacancy rate has gone down, showing a growing demand for space and a healthy market. (Source: CB Richard Ellis 2014 Office Market Outlook).

The largest percent of office space is in Downtown Portland (38% of all space) followed by the Maine Mall Area (17%) and then Suburban Portland (16%). The Falmouth, Cumberland, Yarmouth submarket has 8% of the total office space in the Greater Portland market. Similarly, the Downtown Portland submarket and the Maine Mall Area have the largest percent of the total vacant space.

CB Richard Ellis - 2014 Greater Portland Market Outlook								
Markets / Office Space Class		Size (SF)	% of All Space	No. of Buildings	Vacant 2013 (Direct)	% Vacant	% of All Vacant Space	Absorption 2012-2013
Downtown Portland	A	2,025,616	17%	24	167,848	8%	17%	82,474
	B	2,492,691	21%	80	235,020	9%	24%	95,619
Suburban Portland	A	994,647	8%	15	3,145	3%	0%	-
	B	908,661	8%	27	107,783	12%	11%	(2,293)
Falmouth, Cumberland, Yarmouth	A	653,162	6%	26	13,948	2%	1%	4
	B	257,789	2%	17	38,981	15%	4%	4,426
Westbrook	A	279,400	2%	4	3,829	1%	0%	-
	B	275,408	2%	8	39,027	14%	4%	(11,403)
Maine Mall Area	A	1,655,883	14%	41	224,116	14%	23%	33,542
	B	404,078	3%	15	54,977	14%	6%	(18,798)
Scarborough, South Portland	A	203,712	2%	11	16,545	8%	2%	29,522
	B	575,114	5%	16	22,898	4%	2%	13,634
Medical	A	834,999	7%	32	14,958	2%	2%	(4,992)
	B	260,300	2%	17	18,738	7%	2%	(6,325)
Total		11,821,460	100%	333	961,813	8.14%	100%	215,410

Source: CBRE - The Broulous Company: Greater Portland 2014 Market Outlook

A review of available properties on regional real estate brokerage websites shows that there is a mix of available commercial space for lease and purchase. On average the price per square foot is around \$13.50 per year with retail space averaging higher than office space.

Sample of Available Properties - Town of Falmouth				
Address	SqFt	PSF/Price	Use Type	
244 B US Route 1	7,238	\$ 15.00	Retail-Commercial	
75 Clearwater Drive	3,698	\$ 14.75	Office	
65 Gray Road	4,909	\$ 16.50	Retail-Commercial	
75 Leighton Road	5,500	\$ 12.75	Office Building, Business Park	
80 Leighton Road	2,000	\$ 10.00	Office - Business Park	
390 US Route 1	1,906	\$115,000-\$250,000	Office - Mixed Use, Flex Space	
240 US Route 1	6,159	\$ 20.00	Retail-Commercial, Free-Standing Building, Restaurant	
390 US Route 1	2,000	\$ 10.00	Office	
400 US Route 1	24,605	\$ 10.50	Office or Mixed Use	
US Route 1 and Johnson Road	52 acres	\$2.5 million	Vacant Land	
98 Clearwater Drive	1,203	\$ 15.00	Office	
390 US Route 1	864	\$ 13.00	Office or Industrial	
74 Lunt Road	3,482	\$ 12.00	Office	
US Route 1 - Falmouth/Cumberland Line	1.89 acres	\$ 130,000	Vacant Land	
251 US Route 1 - Falmouth Shopping Center	50,800	Unknown	Shopping Center	

Source: Dunham Company and Malone Commercial Brokers

Attachment B – Summary of Interviews

The following people were interviewed as part of this process to gain additional insight and information.

Andrea Ferrante
Catherine Cleale
Dave Libby
David Jones
David McClees
David Rubenstein
David Stone
Holly Malloy
Jeffrey Andle
Jim Wellehan
Nathan Bateman

Paul Dobbins
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The following is a summary of the interviews and data collection broken down by major theme.

1) Attitude Around Business and Economic Development

- Interviewees almost unanimous on “business unfriendly” attitudes held by Town Council and some staff members based on historic and recent experience. This also is related to a dichotomy in values/views towards Falmouth’s future between “growth vs. no growth” keep things the way they are because they are good vs economic and businesses development. This dichotomy is being “picked-up” by the business and economic development community.
- Several highly visible code enforcement actions, contentious Town Council and Planning Board meetings have reinforced beliefs among local business owners, developers and entrepreneurs that Falmouth does not really want development.
- Zoning ordinance has been amended many, many times, is prescriptive. Some believe it is too restrictive – examples – no off-premise signage allowed, four square design, limitations on numbers of commercial vehicles.
- The Comprehensive Plan does call for development in Rt. 100 corridor and Rt. 1 corridor (north and south of Turnpike spur), but focus is on broadening the tax base, rather than serving local residents or growing employment per se.
- Many business owners, developers find communications with Town officials difficult; Rt. 1 construction project has exacerbated this. Some major businesses say they have never been consulted.
- Developers actively taking prospects away from Falmouth to other locations where there is more certainty to the planning and zoning approval processes.
- Several businesses have moved and/or decided to locate outside of Falmouth because of zoning restrictions.

2) Commercial Business and Professional Attraction, Creation and Retention

- Few, if any, amenities north of Turnpike Spur (this is by design).
 - Major businesses in Rt. 1 north of Turnpike Spur feel left out of the conversation, have had major run-ins with Town officials.
 - There is open land and an opportunity to develop in north of the Turnpike Spur, with limited impact on traffic, residential neighborhoods. Similarly, there is development opportunity for office and commercial in Rt. 100 area.
-

- Many Falmouth residents that commute away from Falmouth to work have high educational attainment and incomes.
- Residents proud of Falmouth schools, open space, all contribute to a great quality of life, which attracts business people and professionals.
- Commuting patterns show that 4,179 people leave Falmouth every day to go to work; 5,757 come in. In-flow is both service workers who cannot afford to live in Falmouth, but also professionals who work at major employers like Tyler Technologies.
- Access to I-295 and Turnpike makes Falmouth a great location; Rt. 100 area also easy access to Gorham-Windham-Westbrook-Gray, and Lewiston-Auburn, for broad workforce.
- Free parking is a huge benefit; lack of amenities (coffee shops, lunch places, health clubs, bicycle lanes) a deterrent.
- Nationally, office space needs are down roughly 20% because companies are increasing their use of shared, open spaces. So, less space per employee is required.
- Generation Y and Millennials want to work in more urban spaces where walkability and biking are healthy, non-car oriented options. They want everything nearby. Interestingly, as Baby Boomers age, they also want similar amenities, so suburban areas are having to adapt.
- The Town has very low commercial space vacancy.
- Rt. 1 North through Freeport is growing as corporate headquarters corridor
- Targeted opportunities appear strongest in:
 - Professional, Scientific and Technical
 - Finance and Insurance
 - Health care
 - Recreation
- Growing segments in Maine (per Battelle report) that are compatible with Falmouth goals, culture, and assets are:
 - Software, other IT such as payment companies (CashStar)
 - Medical (offices, clinics, laboratories)
 - Environmental services firms
 - Financial/insurance

3) Retail Attraction, Creation and Retention

- Falmouth perceives it is a more attractive retail market than it really is. Population is relatively small, although affluent. Retail hubs in Old Port, Freeport and Maine Mall area compete, so limited opportunity for national retail chains to locate in Route 1 corridor.
 - Same demographic factors may have doomed movie theater. Existing national retailers like Wal-Mart and Staples may not be as profitable in Falmouth location as they like to be, raising the possibility of three large format spaces being empty.
 - Retrofit of vacant large spaces such as former Shaw's location is extremely expensive, given zoning requirements, and this discourages a solution.
 - Limited market for hotels, tourism-related businesses because no access to the ocean, no large attraction nearby, building boom in hospitality on Portland peninsula.
 - Local businesses are struggling in this corridor; construction is making it worse. Some reported up to 60% decline in business.
 - National trends see more use of shopping areas as 24/7 – increased usage beyond traditional retail to include amenities, wireless, fitness and entertainment, food and restaurants, medical facilities.
-

4) Innovation Community

- All entrepreneurs we talked with have only briefly considered Falmouth as a location due to limited office space availability, lack of amenities that appeal to Millennials (their employees).
 - Around 700+ professional/technical home-based businesses in Falmouth.
 - Broadband availability high because of fiber and multiple telecommunication providers.
 - Many entrepreneurs active in Falmouth, but currently take their businesses and networking to other locations in Maine.
 - School Department is an asset for this community and interested in further opportunities/partnerships – i.e. coding initiative.
-

Attachment C – Glossary of Terms

Class A Office Space - Most prestigious buildings competing for premier office users with rents above average for the area. Buildings have high quality standard finishes, state of the art systems, exceptional accessibility and a definite market presence.

Class B Office Space - Buildings competing for a wide range of users with rents in the average range for the area. Building finishes are fair to good for the area. Building finishes are fair to good for the area and systems are adequate, but the building does not compete with Class A at the same price.

Class C Office Space - Buildings competing for tenants requiring functional space at rents below the average for the area.

FEIC – Falmouth Economic Improvement Committee

STEM – Science, Technology, Engineering, and Mathematics

SWOT – Strengths, Weaknesses, Opportunities, and Threats

Attachment B – Summary of Interviews

The following people were interviewed as part of this process to gain additional insight and information.

Andrea Ferrante
Catherine Cleale
Dave Libby
David Jones
David McClees
David Rubenstein
David Stone
Holly Malloy
Jeffrey Andle
Jim Wellehan
Nathan Bateman

Paul Dobbins
Tony Payne
Craig Gunderson
Steve Woods
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