



# Economy

York's local business economy is primarily driven by the health care, service, and retail industries. The town's natural amenities and historic character have created a strong tourism economy with support from the Town. With high property values, York's economy is bolstered by high property tax revenue. However, these high property values also make it more expensive for new businesses, as well as year-round and seasonal residents and workers, to locate in York. Land values and property tax revenue are also at high risk from sea level rise and climate change.

## This topic includes...

- York's economy
- Employment trends for employers within York
- Impacts of the COVID-19 pandemic on local economy
- Employment trends for York's labor force
- Tourism economy
- Economic development
- What the community said
- Key takeaways

### Defining Terms

"**York employment**" and "**York job base**" mean jobs at private and public sector employers (including large and small businesses, government units, and non-profit organizations) within the town's borders whose workers may live anywhere.

**York's "employed labor force"** means all York residents 16 years or older who are working at a job in any location.<sup>1</sup>

---

<sup>1</sup> In 2019, 62.6% of York's employed residents worked outside the town (4274) and 37.4% worked in the town (2558). Residents working remotely for an employer outside the town are considering to be working outside the town (not for a York employer).



## York's Economy<sup>2</sup>

York's local business economy is primarily driven by the health care, service, and retail industries. Employment in service and retail increased from 2009 to 2019, while employment in health care declined over this decade. All three industries were hit hard by the COVID-19 pandemic and could benefit from recovery support. York's economy also benefits from its reasonable commuting distance to Boston and Portland.

York's natural amenities and diverse geography, including its beaches and coastline, forest, and rivers have created a strong tourism economy, which the Town has helped support. The town's historic character contributes to its attraction to visitors. Pandemic recovery is also a key issue for tourism, as is the ongoing challenge of affordable accommodations for seasonal staff. The business economy could benefit from investment in more year-round economic opportunities.

In addition to its business economy, the Town's economy is bolstered by high property tax revenue as a result of high property values. On the other hand, these high property values present barriers for potential new businesses and year-round and seasonal residents. High housing costs are a major current factor affecting the economy, making it difficult for local employers to recruit talent. Land values and property tax revenue are also at high risk from future sea level rise due to climate change.<sup>3</sup>

In addition to high real estate values and housing costs, there are other factors that limit economic development<sup>4</sup> opportunities in York, including:

- Loss of younger residents and workers
- Aging population
- Proximity to a state with a perceived better tax structure
- High energy costs
- Lack of broadband access in rural communities
- Climate change, sea level rise, and impacts from coastal storms

---

<sup>2</sup> Information in this section: York's Comprehensive Planning Economic Data Set obtained from the state in Spring 2021. The data set included links to a number of relevant resources including MaineHousing, the Maine Department of Labor, the Maine State Economist, and the U.S. Census. An analysis of economic and employment trends for York, York County, and Maine was completed using Maine's QCEW data set and was done along with analysis of the town's labor force and educational attainment using the U.S. Census American Community Survey Data. Additional information was obtained from the *Maine State Economic Development Strategy 2020-2019, Southern Maine Comprehensive Economic Development Strategy, and Strengthening Maine's Clean Economy Report*.

<sup>3</sup> Adapted and expanded from the *York Comprehensive Plan Economic Base Chapter* (2005).

<sup>4</sup> Adapted from *SMPDC Comprehensive Economic Development Strategy*, 2018.



In addition to the regional barriers above, the supply of developable commercial and industrial land in York is limited, and most (but not all) large parcels near Maine Turnpike Exit 7 are already developed or are protected conservation land.

## Employment Trends for Employers within York

In 2019, York had 683 employers (including large and small businesses, government units, and non-profit organizations) located within the town's borders, with 6,016 jobs.<sup>5</sup> Many of these jobs are concentrated in the health and tourism sectors.<sup>6</sup>

From 2009-2019, York's employment base grew 11%, adding 603 jobs (Table 1). This growth rate was slightly lower than York County's 13.4% job growth for the same time period, but higher than the State of Maine's job growth of 6.8%. Job growth occurred in most sectors; the largest absolute increases occurred in Accommodation and Food Services (204 jobs, +17.9%), Administrative and Waste Services (141, +97.9%), Manufacturing (121, +39.4%), and Professional and Technical Services (91, +74%). Retail Trade also grew by 63 jobs, a 10% growth, during this period, while jobs in this industry declined 2.4% statewide and stayed stable for York County. Health Care and Social Assistance was the only sector with significant job loss in York during this 10-year period, with 101 fewer jobs in 2019 (-7%). This is York's largest industry, and any continued declines could represent some changes to the Town's economic portfolio.<sup>7</sup>

---

<sup>5</sup> This is the number of filled positions or employees and doesn't count open positions and job advertisements.

<sup>6</sup> Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset, <https://www.maine.gov/labor/cwri/qcew1.html>

<sup>7</sup> Based on data from the Quarterly Census of Employment and Wages, York's employment base in the health care and social assistance sector declined from a peak of 1,526 in 2011 to 1,351 in 2019. The expansion of York Hospital's Kittery facility may be a factor in this decline due to the relocation of some jobs from York to Kittery.



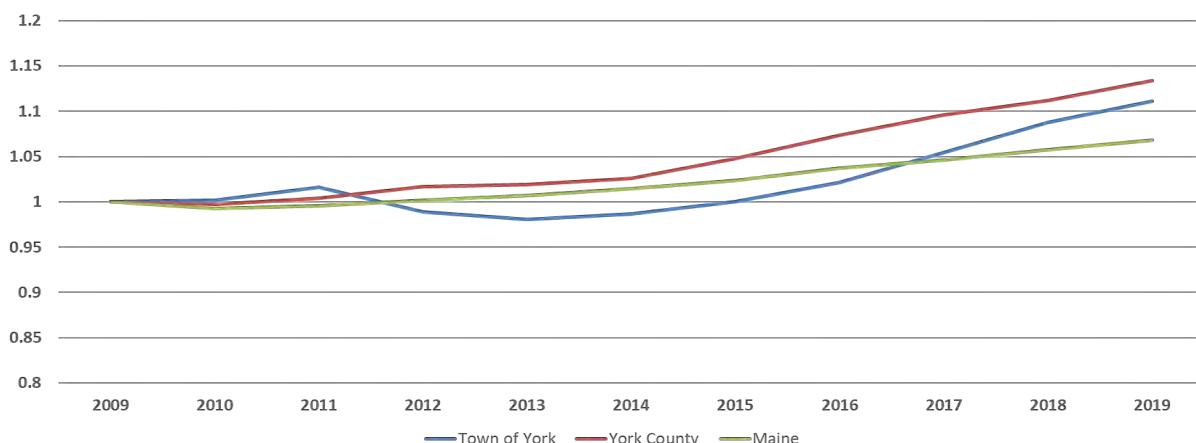
**Table 1. York Employment Growth by Sector, 2009 to 2019**

Sector	Absolute Change, 2014-2019	Percent Change 2009-2019
Total Private and Government	603	11.1%
Total, Private All Industries	583	12.1%
Construction	48	27.7%
<b>Manufacturing</b>	<b>121</b>	<b>39.4%</b>
Wholesale Trade	32	23.4%
Retail Trade	63	9.9%
Finance and Insurance	-4	-3.0%
Real Estate and Rental and Leasing	-8	-10.7%
<b>Professional and Technical Services</b>	<b>91</b>	<b>74.0%</b>
<b>Administrative and Waste Services</b>	<b>141</b>	<b>97.9%</b>
Educational Services	-1	-3.2%
<b>Health Care and Social Assistance</b>	<b>-101</b>	<b>-7.0%</b>
Arts, Entertainment, and Recreation	-16	-7.3%
<b>Accommodation and Food Services</b>	<b>204</b>	<b>17.9%</b>
Other Services, Except Public Administration	-65	-28.0%
Government, All Sectors	20	3.4%

Source: Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset,  
<https://www.maine.gov/labor/cwri/qcew1.html>

Overall, the steady moderate growth in employment is a positive trend for York, adding to its tax base and economic activity without generating major infrastructure needs. The “Index of Total Employment” (Fig. 1) shows the change in employment relative to the base year (2009) growth, e.g., an index value of 1.10 indicates a 10% increase over employment in 2009. Using the index is a way to graphically show growth trends among three geographies with very different absolute employment amounts.

**Figure 1. Index of Total Employment, York, York County, and Maine, 2009 to 2019**



Source: Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset,  
<https://www.maine.gov/labor/cwri/qcew1.html>



## Major Employers in York

Major employers in York report that their workforce comes from a range of communities in Southern Maine, including York, Wells, Sandford, and Berwick, with some also coming from New Hampshire. Almost half (44.8%) of all jobs in York in 2019 were in Health Care and Social Assistance, as well as Accommodations and Food Services—each sector employing close to 1,350 workers. Retail Trade and Government were the next two largest sectors, providing 699 and 621 jobs, respectively. These four sectors represent two thirds of the town's employment and almost two thirds of its annual wage earnings, with Health Care and Social Assistance alone counting for nearly 30% of total wages (Table 2 and Fig. 2).

The vast majority of employees in Health Care and Social Assistance work for York Hospital, by far the largest employer in the town (Table 3). From this industry's peak in 2011, declines in employment in Health Care and Social Assistance that continued through the COVID-19 pandemic are noteworthy, and as a large and non-seasonal part of the local economy it is important to understand these trends and how the Town can support stabilization and potential growth. Since York Hospital has opened satellite sites in the nearby communities of Kittery, South Berwick, and Wells, the decline in York's employment may reflect a shift of some staff and services from the main campus in York to these other locations. Given that the health system dominates the industry by far in York, it is critical for the Town to understand their plans and be supportive of their efforts to improve and expand their services, and remain a strong and competitive healthcare anchor.



*York Hospital is the largest employer in York.*



**Table 2 . Town of York Establishments, Employment and Payroll by Sector, 2019 Annual Average**

Industry Sector	No. of Firms	Average Employment	Average Weekly Wage	Total Wages
Total Private and Government	693	6,016	\$896	\$280,406,693
Total, Private All Industries	677	5,402	\$875	\$245,905,948
Construction	61	221	\$1,014	\$11,623,292
Manufacturing	24	428	\$746	\$16,597,906
Wholesale Trade	66	169	\$1,881	\$16,526,949
Retail Trade	69	699	\$624	\$22,697,104
Transportation and Warehousing	8	37	\$734	\$1,402,734
Information	13	29	\$1,177	\$1,764,704
Finance and Insurance	29	128	\$1,184	\$7,862,051
Real Estate and Rental and Leasing	31	67	\$1,252	\$4,330,101
Professional and Technical Services	108	214	\$1,516	\$16,847,776
Management of Companies and Enterprises	27	22	\$2,557	\$2,859,042
Administrative and Waste Services	47	285	\$741	\$10,985,300
Educational Services	6	30	\$434	\$684,054
Health Care and Social Assistance	53	1,351	\$1,145	\$80,418,683
Arts, Entertainment, and Recreation	16	204	\$542	\$5,737,473
Accommodation and Food Services	71	1,343	\$580	\$40,470,742
Other Services, Except Public Administration	44	167	\$534	\$4,642,623
Government, All Sectors	16	614	\$1,081	\$34,500,745

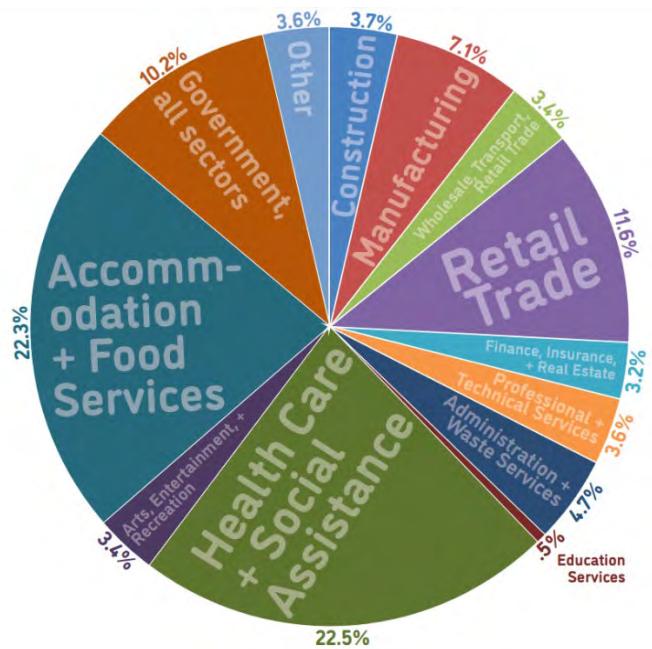
*Source: Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset, <https://www.maine.gov/labor/cwri/qcew1.html> Note: There is no way to determine the specific firms included in this dataset. It should be noted that Town schools are not counted in the Educational Services category but would be in the Government, All Sectors category which includes local, state, and federal employers.*



*York's tourism economy supported close to 1350 workers in Accommodations and Food Service in 2019. Left Photo: York Beach. Right Photo: The Union Bluff Hotel.*



Figure 2. York Employment Base by Sector, 2019 Annual Average



Source: *Quarterly Census of Employment and Wages* data series download from <https://www.mainegov/labor/cwri/qcew1.html>

Table 3. Largest Private Employers in York, 2020

Name	# of Employees 2020	Notes
York Hospital	1200	
Cliff House	246	450 in 2019, 246 in 2020 with 98 FTEs, 34 international, 114 seasonal
Stonewall Kitchen	283	
Hannaford Brothers	285	on 8/1/2020
York's Wild Kingdom	44	Usually 160 – 190
Anchorage Motor Inn	100	
Goldenrod	139	7/27 - 8/2
Union Bluff	66	Usually, peak summer 110
Sentry Hill	114	
Eldredge Lumber	120	
Stage Neck Inn	100	Usually, 115

Source: Town of York



## York Village

York Village is the traditional downtown of York and the area includes the Town's government offices, York Hospital, York Public Library, and a number of retail and services businesses. The Village is doing well, and York is undertaking a revitalization project, which is guided by the *2015 York Village Master Plan*,<sup>8</sup> to improve its amenities, access, and infrastructure. Potential opportunities for new investment and businesses exist as York Hospital has divested of some properties and a vacant bank is undergoing renovation.

## Tourism

Tourism is an important part of York's local economy, reflected in the 40% employment spike in summer over winter. The town's beaches, historic village centers, and other recreation facilities are major assets for attracting visitors and supporting its tourism industry.

The Town of York is supportive of tourism and has worked to address key infrastructure and transportation issues, including a new connector road (Short Sands Road) between Ridge Road and U.S. Route 1 to reduce congestion in the Short Sands Beach area. York has made significant investments in expanding its tourist attractions and recreational assets, including a project that is currently underway to add restroom facilities at the base of Mount Agamenticus and a recently constructed bath house at Short Sands Beach. More information is in Appendix A7: Recreation Current Conditions.

The Town has also been active in regulating development to preserve York's historic character. The Town established an Historic District to preserve York Village's historic character and the Village's Master Plan seeks to preserve the architectural and historic character, improve the pedestrian environment, better manage traffic, and support on-going business vitality. A major reconstruction of the Village's main intersection, included in the Master Plan, is underway.

Historically, the peak in summer employment and tourism has induced a large seasonal population influx with an associated impact on town infrastructure and services. Seasonal demand for accommodations for both workers and visitors is an ongoing challenge for the tourism industry and impacts York's housing market.

Accommodations and Food Services accounted for 22.3% of York's 2019 job base and Arts, Entertainment, and Recreation accounted for another 3.4%. Tourism-related businesses were heavily impacted by COVID-19 and as lodging, restaurants, and other businesses have

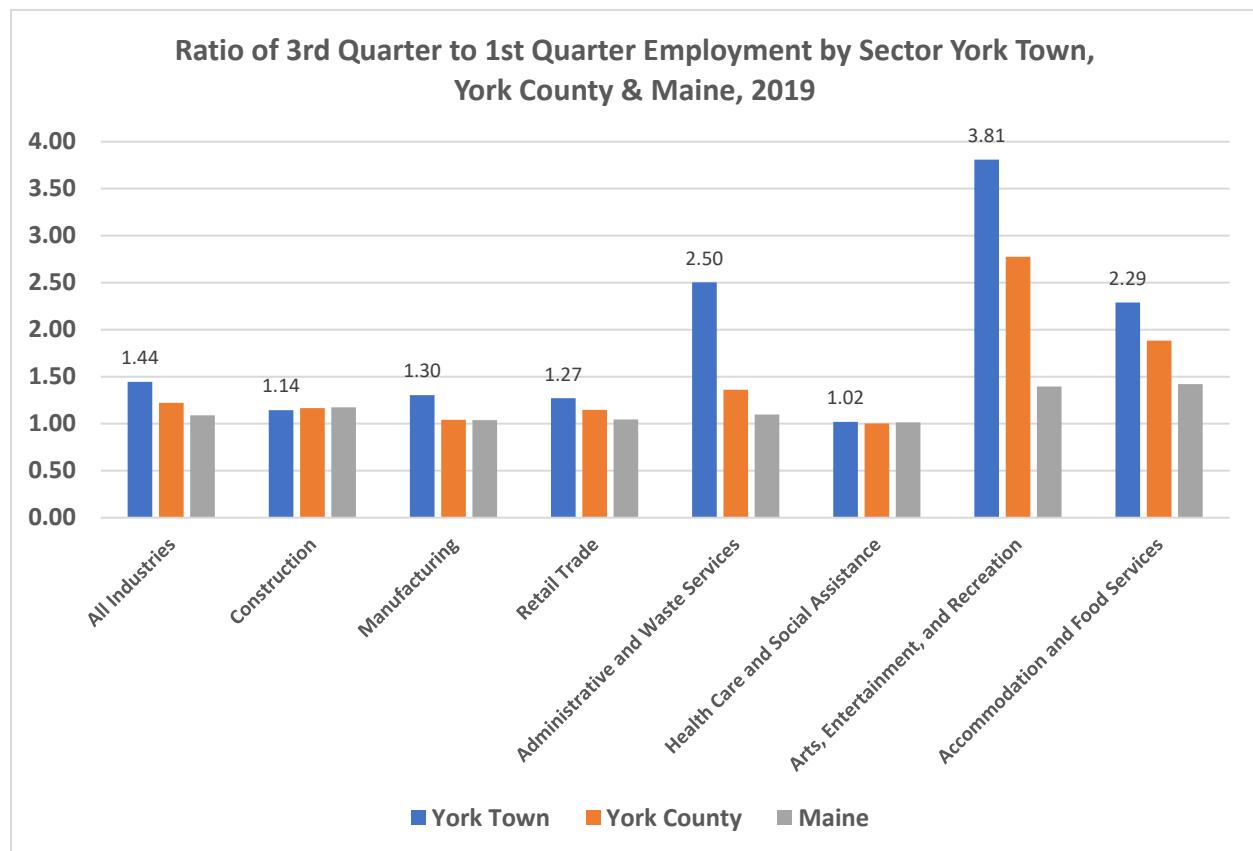
---

<sup>8</sup> Town of York, "York Village Revitalization Project," <http://www.yorkvillage.org/overview.html>. Accessed July 30, 2021.

rebounded, a current challenge is attracting new employees to, and former employees back to, jobs that were temporarily lost during the pandemic.

Several tourism businesses are working to become more year-round destinations, hoping to attract business meetings and new types of travelers. There is informal cooperation and information sharing among these tourism businesses to discuss emerging trends and needs but no formal structure. Regional tourism promotion is done by York Chamber of Commerce. Fig. 3 below shows which industries have the largest difference in summer (Q3) and winter (Q1) employment, compared to the county and the state, indicating those businesses that are seasonal in nature.

**Figure 3. Ratio of 3rd Quarter to 1st Quarter Employment by Sector York Town, York County & Maine, 2019**



Source: Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset, <https://www.maine.gov/labor/cwri/qcew1.html>



## Home Occupations/Self Employment

There was a modest level of home occupations in York, as indicated by the estimated 6.3% of York's workers who were self-employed<sup>9</sup> according to the 2019 Five-Year American Community Survey. This share may increase due to changes in employment behaviors and increased home-based work in response to the COVID-19 pandemic. York has a highly educated labor force with almost half of workers concentrated in management, business, science, and arts occupations, suggesting a strong potential for entrepreneurship and home-based businesses.

## Impacts of the COVID-19 Pandemic

York's employment base/economy<sup>10</sup> was severely impacted by the COVID-19 pandemic due to its large summer tourism industry. Employment in the town varies seasonally with peak summer employment typically more than 40% higher than winter. York's employment declined by 1,055 jobs, or -16.5%, from 3rd Quarter 2019 to 3rd Quarter 2020 (Table 4). Not surprisingly, job losses in the Accommodation and Food Services sector were the highest at 605, or -31.5%. Health Care and Social Assistance and Arts, Entertainment, and Recreation were the next hardest hit sectors, losing 120 (-8.9%) and 94 (-27.7%) jobs, respectively.<sup>11</sup> Given that tourism and health care are its two biggest industries, the percent decline in employment for York from the pandemic exceeded that of York County and Maine through summer 2020.

It is uncertain what the long-term impacts will be from the COVID-19 pandemic; tourism businesses reported a large surge in business for summer 2021, indicating that the sector is recovering. Additionally, job declines in all industries did not coincide with business closings. Despite losing by far the greatest number of jobs, the number of Accommodation and Food Services establishments in York actually increased by one, suggesting that job numbers could recover when customers return and establishments are able to re-hire. The number of total establishments in York increased by three from Q3 2019 to Q3 2020, including eight new establishments in Management of Companies and Enterprises and five new establishments in Construction (Table 4). A decline in establishments did occur in six sectors, with the largest drop for Administrative and Waste Services (-seven) and Health Care and Social Assistance (-five). There is also uncertainty about the future evolution and impact of the COVID-19 virus and how this will affect the economy.

---

<sup>9</sup> Self-employed workers work for themselves. Remote workers are those working at home or in another location, away from their employer's offices or site.

<sup>10</sup> Economy refers to the York job or employment base, not the Town's tax base.

<sup>11</sup> Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset, <https://www.maine.gov/labor/cwri/qcew1.html>



**Table 4. York Employment Change, 3rd Quarter 2019 to 3rd Quarter 2020**

Sector	Town of York, Absolute Change	Town of York, % Change	Change in Number of Establishments
Total, All Industries	-1,055	-16.5%	3
Construction	13	5.6%	5
Manufacturing	-5	-1.0%	1
Wholesale Trade	-14	-8.2%	-3
Retail Trade	-54	-6.9%	-2
Transportation and Warehousing	-8	-26.7%	0
Information	7	26.9%	2
Finance and Insurance	-16	-13.0%	-4
Real Estate and Rental and Leasing	-30	-35.3%	3
Professional and Technical Services	-8	-3.8%	-1
Management of Companies and Enterprises	10	58.8%	8
Administrative and Waste Services	-67	-18.0%	-7
Health Care and Social Assistance	-120	-8.9%	-5
Arts, Entertainment, and Recreation	-94	-27.7%	2
Accommodation and Food Services	-602	-31.5%	1
Other Services, Except Public Administration	-65	-34.4%	1

Source: Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset, <https://www.maine.gov/labor/cwri/qcew1.html>

## At-Home/Remote Work

Another trend has been the growth in at-home or remote work. At-home workers work remotely for a company outside of York. If this growth trend becomes more permanent, it is unclear how this may influence desired relocation to York, an attractive residential and recreational location, by workers previously based out of Boston, New York, and other regions. More is discussed on this topic in Appendix A6: Housing Current Conditions.

## Climate Change

York faces a moderate impact on businesses and a large risk to tax base from sea level rise, according to a December 2020 study<sup>12</sup> commissioned by the Southern Maine Planning and Development Commission (SMPDC). Based on a geospatial analysis, the report identified 21 businesses with 188 employees within a 3.9-foot sea level rise inundation zone and 30 businesses with 259 jobs within a 6.1-foot sea level rise zone (Table 5). Additionally, the report estimates over \$100 million in possible impacted property value at 1.6 feet of sea level rise, which goes up to more than \$550 million at 6.1 feet. Estimated property tax losses under these scenarios are more than \$1 million at 1.6 feet and nearly \$6 million at 6.1 feet, which represent approximately 5% and 26%, respectively, of York's 2020 expenditures.<sup>13</sup> While not as substantial as potential property tax losses, York is also estimated to potentially lose

<sup>12</sup>R Bouvier Consulting, *Economic Analysis of Sea Level Rise: Kennebunk, Wells and York*, December 17, 2020.

<sup>13</sup> Additional analysis of land impacted by sea level rise and storm surge was conducted as part of the Town of York's climate planning initiative of 2021-22.



approximately \$150,000 and \$240,000 in other tax revenue with 3.9 and 6.1 feet of sea level rise, respectively (Table 6).

**Table 5. Projected Business and Employment Impacts of Sea Level Rise (SLR)**

SLR (ft)	Businesses Impacted (2019)	Jobs Impacted (2019)	% of Total Jobs Impacted (2019)
3.9	21	188	2.3%
6.1	30	259	3.2%

*Source: Adapted from R Bouvier Consulting, Economic Analysis of Sea Level Rise: Kennebunk, Wells and York, December 17, 2020*

**Table 6. Projected Property Value and Tax Losses from Sea Level Rise (SLR)**

SLR (ft)	Estimated Lost Property Value <sup>14</sup>	Estimated Lost Property Tax	Property Tax Loss as % of Town Expenditure
1.6	\$101,867,774	\$1,067,574	4.77%
3.9	\$357,583,872	\$3,747,478	16.74%
6.1	\$554,852,922	\$5,814,858	25.97%

*Source: Adapted from R Bouvier Consulting, Economic Analysis of Sea Level Rise: Kennebunk, Wells and York, December 17, 2020.*

## Employment Trends for York's Labor Force

### York's Labor Force

Approximately 37% of York's employed labor force (York residents 16 or older who are working at a job in any location) work in York, another 23% work in other parts of York County, and over one-third (about 37%) work outside of Maine.<sup>15</sup> According to the most recent data from the Maine Department of Labor, York's average labor force during 2020 was 7,200, of which 6,862 were employed and 338 were unemployed for a 4.7% unemployment rate. The 2019 estimated total labor force<sup>16</sup> was smaller (6,971) but had a lower unemployment rate (2.5%), and the increase in unemployment in 2020 is likely pandemic related. Among York's employed residents, based on the 2019 American Community Survey, 49.4% were employed in Management, Business, Science and Arts occupations, compared to 38% for York County and Maine (Fig. 4).

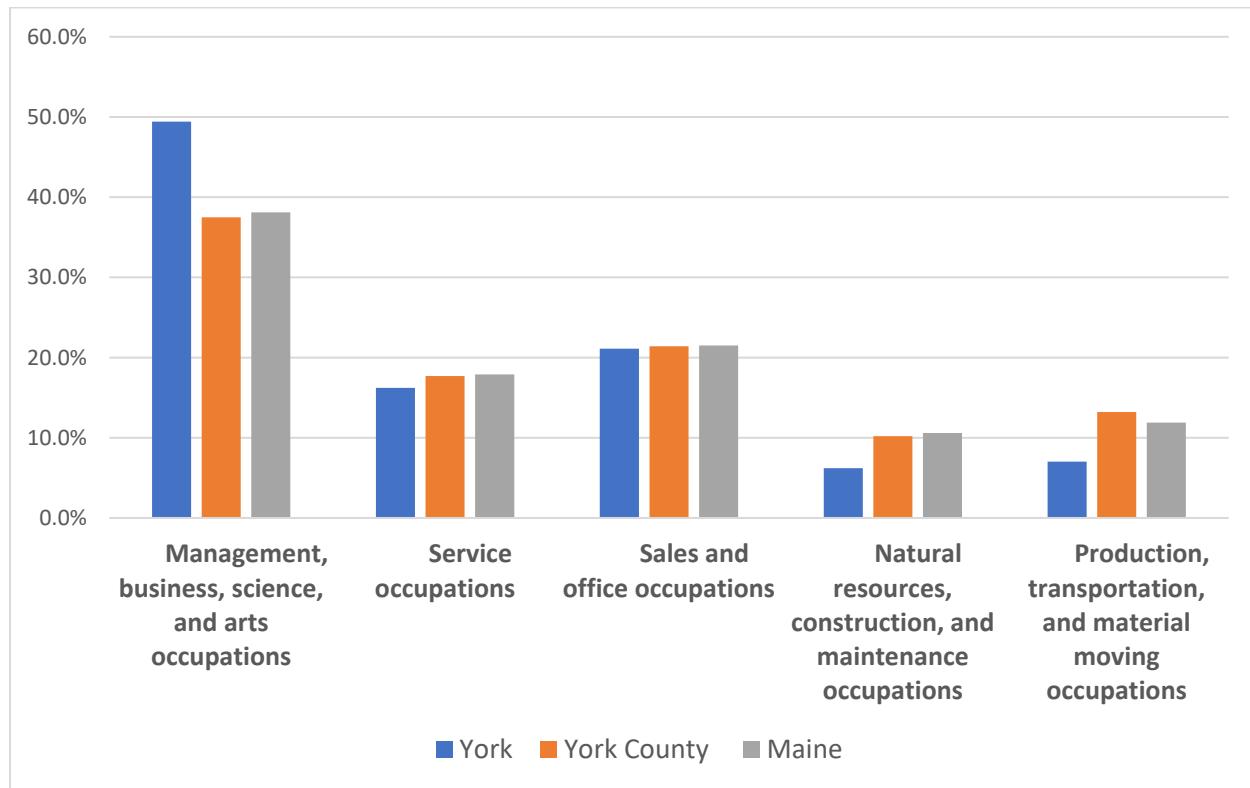
<sup>14</sup> Impacted property values retrieved from GEI Analysis, 2020.

<sup>15</sup> 2019 Five-Year American Community Survey U.S. Census Bureau.

<sup>16</sup> Labor force refers to York residents 16 years and older who work anywhere (in the town, state, or outside the state). This is different than the earlier numbers for jobs in York which indicates the number of jobs in the town at locally-based employers.



Figure 4. Employed Workers by Occupation Category, York, York County, and Maine, 2019



Source: 2019 Five-Year American Community Survey, U.S. Census

## Economic Development

In addition to the Town's support of tourism infrastructure such as the Short Sands bathhouse and the Mt. Agamenticus restroom facilities, as well as protection for the historic character of York Village, there are other opportunities for economic development.

### Possible Commercial Focus Areas

While York's existing business centers are largely developed, there are four areas that may be appropriate for additional business development (Fig. 5):

1. **Short Sands Road:** The Town-owned site on Short Sands Road was originally acquired to house a new police station. The site is well-served by infrastructure and the area is well-travelled and near the York Beach/Short Sands Beach tourist destination. It may be suitable for mixed-use development to help address the town's housing need while also accommodating retail, restaurant, service, and lodging uses. Any new development would need to be sensitive to impacts on the adjacent residential neighborhood and wetlands areas. See "What the Community Said" later in this section for community feedback on future development of this site.



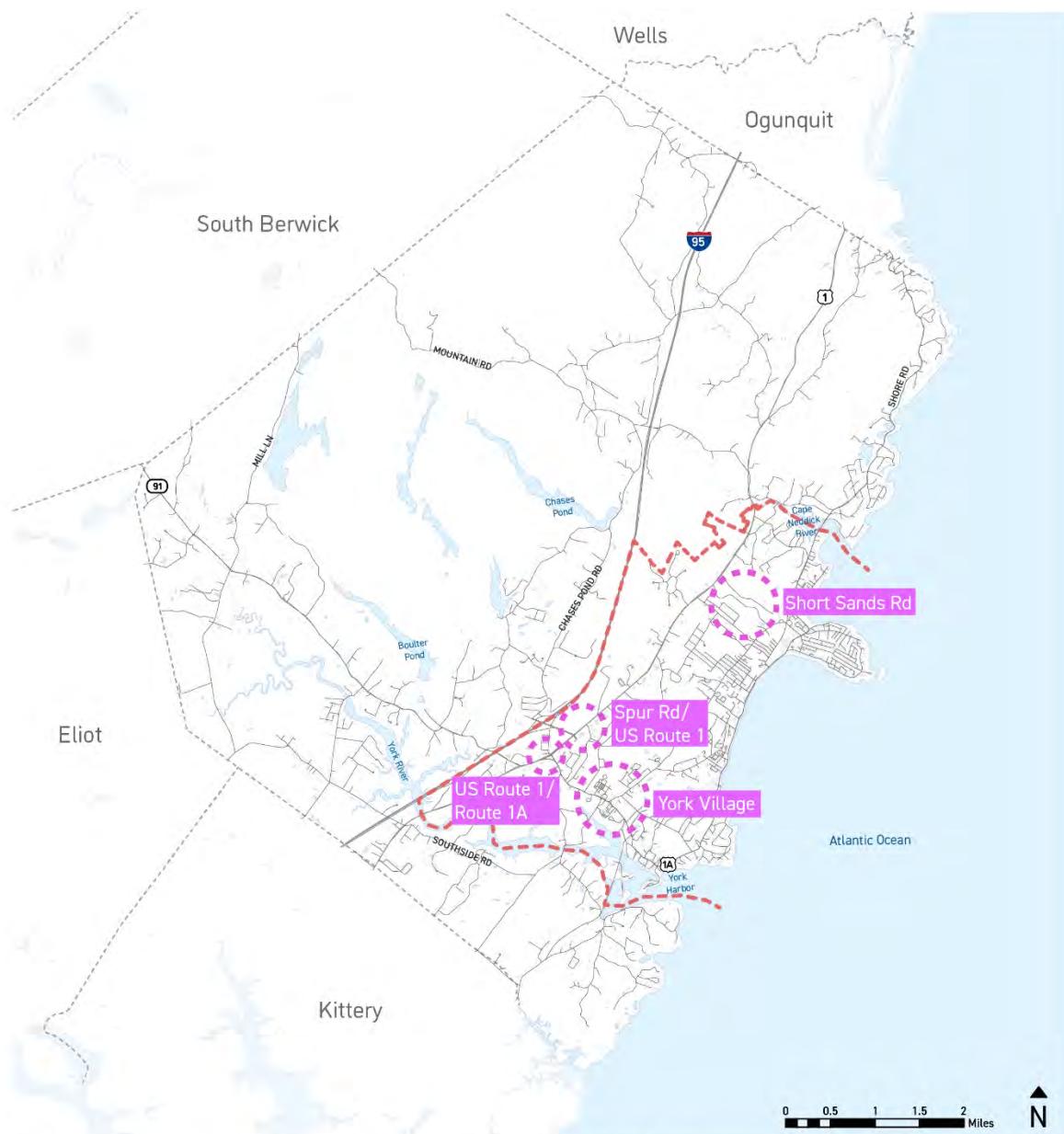
2. **U.S. Route 1 and Route 1A:** Infill development could be possible within the area north and south of the U.S. Route 1 and Route 1A interchange zoned as Route 1-3, which has a concentration of retail and consumer oriented-businesses along with some lodging. This area could be appropriate for a range of uses including office development, retail, restaurants, and lodging.
3. **York Village:** The Village could accommodate new smaller-scale retail, restaurants, services, and arts/entertainment uses through reuse of existing buildings and new development on sites previously owned by York Hospital. Development in York Village would need to reflect the Village's historical character and scale, including complying with existing Historical District design guideline and requirements.
4. **Spur Road and U.S. Route 1A:** While most of the area at the Turnpike Interchange is developed, or is protected from development as conservation land, there is one lot near the Spur Road interchange that is vacant. Due to its proximity to the Maine Turnpike, this is a highly desirable location for a variety of business uses.



Left Photo: York Village. Right Photo: Short Sands Road.



Figure 5. Possible Commercial Focus Areas



Data Sources: 2006 Comprehensive Plan Policy Chapter, 2020 Town of York OpenData, Maine Geobinary, USGS National Hydrography Dataset. Map created by CivicMoxie. The data shown here is for planning purposes only and is not intended for making legal or zoning boundary determinations.

— 2006 Growth Area Boundary

○ Possible Commercial Focus Area



Water and sewer are mostly available in the possible business focus areas shown in Fig. 5, with possibilities for extension of service or service from neighboring water districts (see Future Land Use section). There has been consistent community feedback that broadband access and quality of service, as well as cell service, needs improvement in York. While the major providers claim 100% coverage of the town, quality varies and inconsistent service could be detrimental to economic development efforts depending on business location.

### Commercial Growth Incentives

As part of the amended 1999 Comprehensive Plan, York identified a Growth Area roughly bounded by I-95 to the west, the ocean to the east, and the Cape Neddick and York Rivers to the north and south (this area is illustrated as the 2006 Growth Area in Fig. 5 above). The Future Land Use Plan chapter identifies priority areas to accommodate new commercial and residential growth, and to protect the town and properties from climate change impacts such as sea level rise and storm surge.

York established a 20-year Tax Increment Financing (TIF) district in the commercial and residential areas of York Beach to fund infrastructure improvements related to drainage, flood control, sidewalks, and traffic designs with the first funds allocated in 2009. This area is densely developed, so the TIF district is intended to help improve infrastructure in an existing economic center rather than supporting an area of new growth. The Town has indicated that the TIF has not achieved the intended goals: In “2021 [the] TIF Financing Plan did not generate any income; there was a higher percent increase in building values in the Town as a whole compared to the percent increase in building values in the TIF District.”<sup>17</sup>

#### What is Tax Increment Financing (TIF)?

Tax Increment Financing (TIF) is a flexible finance tool used by municipalities to leverage new property tax revenues generated by a specific project or projects within a defined geographic district. Any portion of the new taxes may be used to finance public or private projects... The projects financed may include anything from upgrading a road to adding a wing to an existing building or more.<sup>18</sup>

York also utilized Community Development Block Grant (CDBG) funds to support the expansion of Stonewall Kitchen’s facilities.

---

<sup>17</sup> 2021 Assessor’s Report to the Board of Selectmen.

<sup>18</sup> Description from <https://www.maine.gov/decid/business-development/tax-incentives-credit/municipal-tax-increment-financing>



## Regional Cooperation for Economic Development

Three regional organizations are active in York's economic development:

1. The Southern Maine Planning and Development Commission (SMPDC) formulates and oversees the regional Comprehensive Economic Development Strategy.
2. Southern Maine Finance Authority provides gap financing to economic development projects and businesses in the region.
3. York Region Chamber of Commerce is active in regional tourism promotion efforts and runs the York tourism visitor center.

The *SMPDC Comprehensive Economic Development Strategy* of August 2018 lays out a vision for the region:

1. Market the region as New England's leading place to live, raise a family, work and visit.
2. Strengthen the area's diverse, dynamic and thriving economy.
3. Develop and attract a highly skilled and inventive workforce that embraces cutting edge technologies in the cultivation of traditional industries and manufacturing companies.
4. Recognize the critical significance of quality of life by preserving our historic downtowns, mills and farms, promoting our culture and the arts, and managing our natural resources including our coastline, inland waters, and forests.
5. Provide and emphasize recreational, art, and cultural opportunities. Southern Maine is home to a diverse network of trails which are a substantial resource to the region and its economy.

York has worked closely with the SMPDC to advance economic development projects and respond to businesses interested in locating in York. SMPDC provided a CDBG grant to support Stonewall Kitchen's expansion, explored the potential to accommodate a brewery seeking to locate in York, and recently worked with the Town and York businesses to distribute CARES Act funding.

## Town Support of Economic Development

York does not have any formal Town organization devoted to economic development or dedicated economic development staff. Economic development efforts are handled by the Town Manager and Town Planner.



## What the Community Said

The summary of community feedback below represents the common themes heard during public meetings and events, as well as through other forms of outreach. When information is provided from the Fall 2021 Comprehensive Plan Community Survey<sup>19</sup> results, this is specifically noted with the percentage of respondents who replied in this way.

- The desire for businesses that serve year-round residents is strong; 91.9% of the respondents (960 of 1045) of the Community Survey reported that the kinds of year-round business that they would like to see in York are restaurants, retail stores, and/or other businesses with goods and services for residents. As noted by one respondent, "Encourage good restaurants (healthy food choices) to come and to stay open in the off-season for residents to enjoy when the tourists are gone."
- Other business types that received strong interest from respondents in that same question included:
  - Recreation businesses (81.1%)
  - Health care and related businesses (76%)
  - Contractors and small construction firms (69.8%)
  - Professional services, financial services and/or related businesses (65%)
  - Coworking space (61.9%)
  - Technology companies (56.4%)
  - Light manufacturing, such as food products, consumer products and/or parts suppliers to larger firms (53.1%)
- Survey respondents were clear about what they do not wish to see in York:
  - 88% of respondents do not want "big box" stores
  - 77% do not want formula or chain restaurants
- The high level of support for contractors and small construction firms (69.8%) may be tied to the local labor shortage, with residents sharing anecdotes of the challenges finding businesses to perform routine maintenance and yard care and for home improvements.
- There is interest (53.1%) and support for growth of smaller industries, for example agriculture/aquaculture, food products, tech, and manufacturing. Feedback included a desire to diversify the economy and balance reliance on tourism, as well as a desire to recruit industries that can take advantage of the high education level and professional status of many residents.
- Employers face challenges in attracting workers, which additional affordable and workforce housing could help address.
- There is a desire to attract a younger and more diverse population to sustain the economy and the Town's fiscal well-being.

---

<sup>19</sup> There were 1163 responses to the survey. Not every question had a 100% response rate; the total number of responses for a particular question is noted where applicable.



- Town is supportive of economic development, but needs staffing/committee capacity to focus on this. In addition, the process and technologies for development permitting can be daunting. Large up-front impact fees for water and sewer district can be barrier for new businesses.
- Tensions exist between the goal of preserving the current “town character” and “small town feel” and efforts to increase town diversity and create a more sustainable economic/fiscal future. As one survey respondent said, “I would not want just any commercial development. These must be aesthetically pleasing and well planned out as far as traffic and setbacks and noise regulations are concerned.”

## Key Takeaways

### Town Capacity and Focus

York's ability to grow its economic base and advance economic development goals is limited by the absences of dedicated staff or organization focused on economic development. Some towns have a volunteer-based economic development committee/board to work with staff on economic development priorities. A longer-term option would be to consider adding a staff-person devoted to economic development, perhaps on a part-time basis with other responsibilities, e.g., grant writing/management. Increased capacity will be needed to help the Town be proactive in identifying development potential in designated areas (see Future Land Use Plan), recruiting desired businesses, and connecting entrepreneurs and businesses to state and regional resources. Residents have expressed a strong preference for services, restaurants, and recreation-based businesses; the Town will need the ability to identify opportunities.

### A Balance of Economic Growth and Town Character

It is clear residents wish to balance economic development with their desire to preserve town character. In general, town character seems to describe the historic buildings, smaller-scale development of the villages. Opportunities could focus on smaller, independent business growth in existing spaces and in appropriate infill in the villages, as well as possible adaptive reuse of historic structures. Strengthening York Village as a community-oriented business center would serve resident desire for more local businesses as well as contribute to the health and vibrancy of the historic core of the town.

U.S. Route 1 is a transitional zone from the rural areas of the town to the denser settlement of the coastal villages and neighborhoods. In this area, careful considerations of roadway capacity and infrastructure and the use of form-based zoning that supports development in the spirit of the town's existing fabric could address many of the concerns about inappropriate growth. Identifying and marketing appropriate sites on U.S. Route 1 for larger businesses and those serving customers other than York residents could also help retain the character of York



villages by helping to accommodate this type of business growth outside historic village centers.

### The Town's Economy and Local Residents

- Tourism accounts for almost one quarter of York's job base and is quite seasonal. Peak summer employment for all York industries is 40% above the winter low,<sup>20</sup> which affects job quality and impacts on town services. Pursuing diversification into non-tourism sectors would help to reduce these seasonal impacts and also provide more consistent business offerings to year-round residents. Enhancing arts, culture, and entertainment offerings that would attract a year-round audience may be one way to begin extending the tourist-season benefits for resident enjoyment (without the crowds) year-round. Survey respondents also showed an interest in expanding light manufacturing and food production. These types of businesses may be an opportunity for future growth, given recent town and county trends and its priority in the SMPDC regional economic development strategy. Specifically, there may be an opportunity for growth along U.S. Route 1 to complement Stonewall Kitchen with other food destination businesses. Encouraging a business incubator or other multitenant buildings with small flexible spaces can help nurture new food production businesses.

The Town can perhaps work with Coastal Enterprises, Inc. (CEI)<sup>21</sup> and the Southern Maine Finance Agency (SMFA)<sup>22</sup> to identify ways and means to attract, finance and grow more diverse local businesses.

### York's Strengths and Key Characteristics as a Foundation

York enjoys what many communities only dream of: robust historic character and buildings, large areas of forest and trails, rivers for water-based recreation, and the coastal cliffs and beaches that are a signature element of the town. These elements of the town could contribute to a powerful narrative – one of recreation, history, respect for the environment, and even consideration of climate change impacts. A strong narrative, supported and promoted by a Town volunteer economic development committee, the Chamber of Commerce, and natural resource advocates, could help recruit desired businesses and visitors who understand the importance of stewardship of the environment. Zoning and licensing should support this narrative and seek to encourage a range of recreational uses and businesses.

### The Labor Shortage

York businesses are struggling to recruit workers; from restaurant servers to yard workers to hospital lab technicians and beyond, job openings are remaining vacant. Housing is largely unaffordable for many workers in York and adjacent areas, making employee recruitment a major challenge to business health and growth. The result of this challenge is reduced hours

---

<sup>20</sup> Maine Department of Labor Quarterly and Annual Industry Employment and Wages Dataset, <https://www.maine.gov/labor/cwri/qcew1.html>

<sup>21</sup> <https://www.ceimaine.org/>

<sup>22</sup> <https://www.smfamaine.org/>



at some businesses, with restaurants, in particular, reducing operating hours, and home maintenance projects on long wait lists with area contractors. Other businesses simply can't take new customers, as is the case for yard service and home improvement contractors. York should consider all ways it can expand production of workforce/affordable housing, including possible partnerships with larger employers for funding and creation of units. The Town should also explore all possible federal and state funding sources. See Appendix A6: Housing Current Conditions for more information on who fits low-income, moderate-income, and workforce housing criteria in York.

## Impacts of Tourism

Residents have spoken consistently of frustration with traffic congestion and lack of parking during peak tourist season. There are also other concerns such as the lack of availability of restaurant tables, limited trail and river access parking areas, and lack of seasonal worker housing. The Town could undertake a comprehensive transportation/shuttle/parking study to inform future policies (there is more information on this in Appendix A8: Transportation Current Conditions). In addition, the Town could consider establishing a formal tourism committee to bring together tourism industry representatives to work together and communicate with the Town. This committee would help streamline communications and work cooperatively to address challenges, including new ways in which local industry resources can support mutually beneficial solutions.

## Climate Change Risks

Climate adaptation and protecting for future sea level rise is a key issue for York, given the scale of the Town's tax base at risk. Outreach to visitor-economy businesses and lodging establishments along the coast in at-risk areas should be ongoing. A Town-Tourism Industry Group could support collaboration efforts as climate change impacts continue in the coming years.

## COVID-19 Recovery for Businesses

Support for businesses will be important to ongoing recovery from the pandemic. A range of actions and initiatives should be considered including permanent outdoor dining ordinances, clarity around pandemic rules, and support to a year-round economy that may buffer businesses from down-turns during peak seasons. Health care is a core part of the town's economic base that has seen recent employment declines and may face additional risk from the financial impacts of the pandemic. Additional federal and state resources and funding will become available as full implementation of the American Rescue Plan occurs over the next several years. The Town can stay abreast of these resources and work with regional partners to ensure that businesses and non-profit organizations are informed about, and can gain access to, these resources.



## Entrepreneurship

York's working residents<sup>23</sup> are highly skilled, which is an asset and a potential source of entrepreneurship and new enterprises. York's relatively low rate of self-employment<sup>24</sup> also suggests the potential to expand this part of the local economy. There was high interest in co-working space among survey respondents which could reflect a desire for more communal spaces for remote work. There may be an opportunity to think about incubation space, workshop spaces, and other spaces for collaboration that could support entrepreneurs and group work/start-ups. Improved information on how to start a business in York and the available state and regional financing and business development service can also enhance York's "ecosystem" for entrepreneurs.

## Town Economic Development Incentives

The Tax Increment Finance (TIF) district at York Beach has not met expectations. A review of the TIF and evaluation of effectiveness could help the Town understand potential changes and to shape future efforts. The Short Sands Road area may be a good candidate for a TIF district and the Town should consider the longer-term benefits of forgoing tax revenue to encourage economic development and diversification.

Future economic development incentives should be informed by sea level rise projections and risk factors identified by the Town's climate change planning efforts of 2021-22. Strong working relationships with the Southern Maine Finance Authority, Southern Maine Planning and Development Commission and state economic development agencies could also help York and its businesses capitalize on state economic development incentives and a growing array of business financing programs.

---

<sup>23</sup> This is York's labor force...residents 16 years and older that work anywhere (in York, in state, out of state).

<sup>24</sup> Self-employment is different than at-home work/remote work which refers to those living in York and working remotely for another company. Self-employed individuals work for themselves and are not considered remote workers.