

Topsham Development, Inc.
100 Main Street
Topsham, ME 04086

**RE: Supplemental Memorandum
Market Analysis of Topsham's Commercial Corridors
Camoine Associates, June 2022**

To whom it may concern:

Topsham Development, Inc. (TDI) is pleased to introduce this market analysis report. Over the last decade, there have been many discussions among Town staff, TDI Inc., the Comprehensive Plan committee, and the Comprehensive Plan Implementation Committee, about the development of Topsham's commercial corridors, the remaining areas in the Topsham Fair Mall, the land on the west side of I-295, and the land occupied by Crooker Construction. There have also been forums that solicited input from our residents about the type of development they would like to see. What these discussions have lacked, however, is good data about the demand and viability of the types of businesses that planners and residents think would be a good fit for Topsham. TDI engaged Camoine Associates in the summer of 2022 to complete a Market Analysis of Topsham's Commercial Corridors (Market Analysis). Their report has been completed and is hereby presented to the Select Board, Town Staff, and residents of Topsham.

This memorandum is a supplement to the Market Analysis to provide observations by TDI and local business leaders. The Market Analysis was sponsored by TDI to provide an assessment and snapshot of the demand for retail, commercial, office, hospitality, mixed-use development, and industrial businesses in Topsham's commerce centers.

The timing of the obtaining the Market Analysis was intentional as Camoine Associates had also been engaged by the Town of Brunswick to complete a similar study for the Cooks Corner area, and the economies of Topsham and Brunswick are intertwined. To keep Topsham's leadership informed and our business areas competitive and complementary with our neighbors, it was determined that this analysis would not only be beneficial – it could be essential to sustaining Topsham's place in the region.

TDI has forwarded the report to, and discussed its conclusions and recommendations with, town staff, local developers, and real estate businesses. The feedback received included questions about the conservative nature of the projections and assumptions/data sources used in feasibility analysis. In particular, the housing demand in the Town of Topsham and the Town of Brunswick indicates that the housing market is more robust than suggested in the report. When these observations were shared with the authors of the report, they noted that Topsham does seem to be at an 'inflection point' for housing, meaning that current trends are steeper than recent history suggests. They noted that the report does not, because it cannot, consider things like growth of business at Brunswick Landing, changing ordinances in Portland, work-from-home trends, and changes due to COVID-19. While these are very real influences, there is not enough information to determine if they are temporary or sustaining impacts on the markets.

Camoine Associates utilizes established and respected sources of data, such as RS Means, Costar, and ESRI, to generate statistics that form the basis of the analysis, conclusions, and recommendations,

presented in the report. Since the sources used collect their data over several years to identify trends by region, the data is necessarily limited to the past. Nonetheless, some of the conclusions and values presented in the report caused members of the TDI board to ask some questions.

Similarly, the construction costs used in the analysis are lower than pricing of materials and labor that have been included in quotes from contractors and subcontractors for the last 18-months to two years. The construction industry has been significantly impacted by supply chain and labor impacts from the COVID-19 pandemic. The short- and long-term impacts cannot be forecast with absolute certainty and the data from the established sources remains the best available.

Therefore, TDI recommends those using the Market Analysis recognize that the report may seem conservative in its projections and even dated with regard to some of the data used in the analysis. Those most familiar with Topsham may think the forecasted growth potential in a particular area will exceed that reported in the report. Rather than judge the value of specific findings in the report, TDI recommends Town Staff, local landowners and developers use the recommendations as a basis and tool to improve future planning.

The sector that generated the most feedback was housing. The report concludes the local Topsham market could absorb 295 owner occupied homes and 86 rental units. TDI, with input from stakeholders in the area, proposes that rental (multi-family) housing is in greater demand than reported due to the low availability of multi-family and that there is a pent-up demand created by so few permits being issued in the last ten (10) years. The interchange at I-295 and Route 196 provide a highly desirable location for people to live and will keep demand strong.

While the projection in the Market Analysis seemed low to local leaders, the larger question is how well prepared is Topsham for this number of dwelling units? Do the Town's ordinances support, or limit, the opportunities for new housing? Ultimately, the future developer of parcels in Topsham will determine their own costs estimates for potential projects and act accordingly. The town's ordinances and zoning districts should not be the limiting factor.

This same reasoning applies to the other types of development identified and reported in the analysis. The demand for a distribution center, medical office space, and mixed-use developments, as reported in the Market Analysis will also be determined by factors that are too dynamic to forecast with precision.

Notwithstanding the observations made, TDI has full confidence in the work of Camoine Associates and the methods and conclusions in the Market Analysis. Camoine Associates has been generous with their time to respond to the observations and questions shared with them, and their responses have assured their report is based on the best data and methods available.

How to use this Market Analysis.

- The report can best be used, as noted in the executive summary, to support and inform the work of the Comprehensive Plan Implementation Committee and the current review and revisions to the Town's Zoning Ordinance. Another way the data can be used is considering the impact on the town's resources such as water and sewer, the school system, and traffic if the number of new housing and businesses projected are realized.

- The Market Analysis has provided projections of primary uses based on sound methodology, which could be exceeded if the stakeholders are correct. The Market Analysis provides information about how Topsham relates to the Brunswick Labor Area and the Portland Combined Statistical Area (CSA), which has not been readily available in the recent past. This perspective should be considered when looking at the types of businesses that would consider locating in Topsham. TDI recommends consideration be given to marketing Topsham in the Portland CSA for businesses Topsham wants to capture a greater share of.
- Review the Zoning Ordinance to ensure that the Town of Topsham can identify locations where the types and numbers of the housing, office/medical offices, distribution center, and hospitality facilities could be built. Also, review the ordinances to ensure they allow for them.
- Consider scenarios for rezoning/zoning revisions to ensure the types and numbers of business identified in the Market Analysis have areas in town to locate and that the development occurs in a way the residents support.
- Consider impacts of new houses and multi-family units on schools.
- Evaluate Topsham's role in its Regional Trade Area, Brunswick's Regional Trade Area, and the Portland CSA. What changes could impact Topsham and what, if any, changes should be pursued to strengthen our market position? For example, increase marketing in the Portland market.
- Consider if the Town of Topsham should invest in planning, permitting, and infrastructure to make some "shovel ready" sites. The availability of sites that can be developed in a timely manner could make the difference in securing desirable businesses that would be looking in multiple towns.
- Topsham's Staff should review the current Tax Increment Finance (TIF) districts and assess if they should be replaced as their terms end with new TIF districts, which would support the implementation of some recommendations in the Market Analysis.

TDI is pleased that this Market Analysis of Topsham's Commercial Corridors is complete and available for those looking for better insight into the opportunities for new projects in our community. By referring to and incorporating the information and recommendations, this report can be a useful tool for years to come.

Respectfully submitted,



Curtis Y. Neufeld, Chair
Topsham Development, Inc.