

**MEMORANDUM**

**TO:** Lisa A. Standley, Ph. D., Chief Environmental Scientist – VHB, Inc.

**FROM:** Craig Seymour and David Versel

**DATE:** November 29, 2007

**SUBJECT:** Presque Isle Bypass Economic Impact Study

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This technical memorandum presents the results of RKG Associates' research and analysis activities for Task 29.3.1, Economic Impact Study, in support of VHB's work on the Presque Isle Bypass component of the Aroostook County Transportation Study. The central goal of this memorandum is to offer our informed opinion regarding the potential economic impacts on businesses located in the downtown Presque Isle area, should the Bypass be constructed.

RKG's analyses are based on the assumption that the proposed Presque Isle Bypass would follow Alignment Option 2X, 4B or 6, the three alternatives recommended for Phase II Avoidance Analysis in VHB's June 2007 report. All three of these alignments would be located east of downtown Presque Isle and would have similar impacts on traffic through the downtown core. According to VHB's projections, each of these alternatives would remove an average of 4,250-4,390 vehicles (including 530-550 trucks) per day from the downtown area. If these projections hold true, the net result would be about a 25 percent reduction in vehicular traffic along Main Street through downtown Presque Isle.

Additionally, each of these alternatives would provide the same two points of access to downtown along their routes: an at-grade intersection at Conant Road and a grade-separated interchange at Route 163/167. The bypass may also impact land uses around those intersections.

Our analysis of the expected impacts of building one of the eastern bypass routes includes three elements: a review of socioeconomic conditions, an analysis of zoning in both the downtown area and in the vicinity of the bypass, and a presentation of findings from our survey of downtown businesses. Our findings and conclusions incorporate understandings of all three of these elements.



Top-level findings from each of the three research elements are presented first, followed by our conclusions regarding impacts on local business activity. Full findings from the three research elements are then presented.

## **I. FINDINGS AND CONCLUSIONS**

This first section of the memorandum presents the key findings from the three following sections and then provides conclusions regarding the potential impacts of the proposed Presque Isle Bypass on business activity in the area.

### **A. Findings of the Study**

#### **1. Socioeconomic Conditions**

Though Aroostook County continues to experience population declines, the rate of decline is slowing, and the number of households is relatively stable, as household sizes are shrinking. Presque Isle remains the commercial hub of the region and there have been some recent signs of investment in retail and office properties in the area. Another positive indicator is that downtown revitalization efforts are beginning to bear fruit, as several new, locally-owned businesses have opened in the downtown area in the past few years.

#### **2. Zoning Analysis**

Current downtown zoning does not reinforce the historic character of the downtown area, as some use, dimensional, parking, and traffic standards are not consistent with the needs of a redeveloping downtown. There is ample land that is zoned and available for commercial development along Route 163/167 in the vicinity of the proposed bypass interchange. The potential intersection of the bypass and Conant Road is in an agricultural zone where most types of commercial development are not permitted.

#### **3. Business Survey**

The business survey results paint a picture of a diverse and steadily improving business climate in Presque Isle. Local businesses reflect the regional draw of Presque Isle, as nearly half of business activity in the area comes from outside the city. Most outside demand comes from residents of Aroostook County, but many specialty retailers and restaurants also rely on activity from seasonal residents and tourists. The seasonal fluctuation of business activity depends greatly on the type of business in question.

Businesses located in the downtown core of Presque Isle are not very concerned with having a high volume of traffic, as they do not typically rely on drive-by business. Downtown businesses would like to see truck traffic re-routed, better parking, and a more attractive pedestrian environment. Conversely, many businesses located outside of downtown along the Main Street corridor are more dependent on drive-by



business. These fringe-area businesses are not as concerned with reducing truck traffic on Main Street; instead they are more concerned with ensuring that the high volume of traffic in the corridor moves safely.

## **B. Expected Impacts of the Bypass on Business Activity**

Based on the above findings, RKG Associates makes two key conclusions regarding the effects of the proposed Presque Isle Bypass on business activity:

1. Impacts would only be felt by certain types of businesses, and many businesses would not be affected at all; and
2. Some businesses would be positively affected by the bypass, while others would be negatively impacted.

Specific assessments of the impacts on different types of businesses are presented below.

### **1. Impacts on Small Retailers**

Small retailers in Presque Isle would be affected in different ways depending on their location and their function:

- Specialty retailers located in the downtown core would likely see a positive impact from the bypass, as they are not dependent on high traffic volumes and they stand to benefit from the improved pedestrian environment that would result from the rerouting of heavy trucks around downtown.
- Specialty retailers located outside of the downtown core are, for the most part, also destinations, and do not depend on drive-by traffic. They are, however, sensitive to visibility as they can become “out of sight, out of mind.” There would likely be a small negative impact on specialty retailers that are located outside of downtown.
- Existing convenience retailers would experience losses in business if the bypass is built, particularly those located along Main Street outside of downtown. Such retailers in the downtown area are more dependent on local residents and employees, but those on the fringes are very heavily influenced by drive-by business. A 25% reduction in vehicle volume would negatively impact such businesses, especially if similar convenience retail businesses are added at the termini of the bypass corridor or at the Route 163/167 interchange, both of which are possible given existing zoning.

For businesses that may lose sales due to the bypass, activity is not likely to drop by more than 10%. This conclusion can be drawn from the two facts that local retailers draw, on average, about 25% of their business activity from drive-by traffic, and traffic is projected to decrease by 25%. The net result of a 25% traffic loss on a business that draws 25% of its business from drive-by traffic is a business loss of 6.25%. Even a business that draws 50% of its business from drive-by traffic would only lose 12.5% of its activity.

## **2. Impacts on Large Retailers**

Large retailers such as supermarkets, department stores, discount stores, and home improvement businesses are typically anchor tenants that draw large numbers of shoppers to their storefronts from a broad area. While these businesses do rely on high traffic volumes to succeed, they would remain as business attractors even if traffic volume is reduced. Also, Presque Isle's economy is stagnant, so it is not likely that new big box development would be induced along the new bypass.

For all of these reasons, no measurable impact would be expected from the bypass on large retailers. Since many of Presque Isle's larger retailers are anchors that help surrounding smaller retailers draw customers, this finding reinforces the above finding that smaller retailers would not be likely to experience substantial negative impacts from the bypass.

## **3. Impacts on Restaurants**

Many restaurants in Presque Isle rely on drive-by traffic as a major generator of business. While some higher-end, ethnic, or specialty restaurants can be classified as destinations, most sit-down restaurants and fast-food establishments chose their locations with traffic volume as a prime consideration.

With this in mind, it is clear that the development of the bypass would cause reductions in business activity for some existing restaurants in Presque Isle. Losses would not be expected to be too severe, though, as traffic volumes would still remain strong along Main Street and no restaurant in the survey sample currently draws more than 10% of its business activity from truckers. Business losses would likely be more substantial if new fast food and/or sit down establishments were built at the terminus of the bypass road or at the Route 163/167 interchange.

As with small retailers the net loss in business for those restaurants that do experience negative impacts would likely be less than 10%. Even though many restaurants do depend on drive-by traffic, most meal purchases are made by people who are out looking for a place to eat, and not by pass-through travelers.

## **4. Impacts on Office Businesses**

Office businesses represent a significant share of the business base in Presque Isle, especially in the downtown core. While many professional office businesses do have customers visiting on a daily basis, customers are far less sensitive to convenience when choosing lawyers or accountants than they would be in making retail purchases. Also office businesses typically have longer leases on their spaces than do retail businesses, making them less able to move in response to a short-term trend.

For these reasons, office businesses would likely not be measurably impacted by the bypass.

## 5. Impacts on Other Businesses

The points below briefly assess the potential impacts of the bypass on other types of businesses in Presque Isle:

- **Hotels** – Hotels and motels in busy tourist destinations are very much dependent on visibility and traffic, as they draw a lot of impulse business. However, Presque Isle’s lodging market is mostly driven by pre-planned activities, such as business trips and family visits, so little business is generated at local hotels by drive-by customers. Unless new hotels are built at the bypass intersections (which is possible given current zoning at the Route 163/167 interchange) the impact on existing hotels will not be substantial. It should also be noted that all existing hotels in Presque Isle are located within the area that would be bypassed, so appropriate signage would need to be built to direct travelers to these properties.
- **Service businesses** – There are many service businesses located in and around downtown Presque Isle, such as hair salons and repair shops. The degree to which traffic volume affects these businesses varies but, for the most part, the number of such businesses depends more on the population base of the region than on traffic volume. These businesses would therefore not be measurably affected by the bypass. Service businesses in the downtown core could actually be positively impacted since the removal of trucks would probably contribute to the addition of more residents, employees and visitors to Main Street.
- **Medical practices** – While medical practices are high-volume businesses, patients very rarely choose a practice based on the actual street location, especially in a community that has a relatively small base of medical practices. This is especially true of medical specialists. The impact on medical practices would therefore be negligible.
- **Automotive/Equipment Dealers** – Auto dealers, snowmobile shops, and equipment dealers are destination businesses. Their products represent major purchases and are almost never dependent on impulse shoppers. They would therefore not be substantially affected by the bypass.

## 6. Conclusions

Overall, the Presque Isle Bypass would only have modest impacts on business activity in and around the city’s downtown. Most of the effects should be felt by a few types of businesses, particularly small retailers and restaurants.

Specialty retailers, particularly those in the downtown core, stand to benefit the most from the bypass, as the downtown environment would be much less negatively impacted by large trucks. Convenience retailers and small restaurants located outside the downtown core would be most negatively affected by the bypass, as these businesses are more dependent on high traffic volumes than are other types of businesses. Businesses that are negatively affected by the bypass should not lose more than 10% of their existing business activity.



Other types of businesses may feel some negative impacts from the bypass, but the magnitude of these impacts would largely depend on how much new development would occur around the Route 163/167 bypass interchange. If new development near this interchange is limited, fewer existing businesses would be directly affected by the presence of the bypass.

## II. SOCIOECONOMIC CONDITIONS

This section presents an overview and analysis of demographic and economic trends and forecasts for the City of Presque Isle and Aroostook County. The purpose of this analysis is to provide a socioeconomic context in which to analyze the potential economic impacts of the proposed Presque Isle bypass on downtown area businesses.

Demographic characteristics examined include overall changes in population, households, and income levels. Employment trends were examined with regard to changes in labor force and unemployment levels along with an assessment of employment change by major industry sectors. Data are presented and compared for the City of Presque Isle and Aroostook County. The information presented here is drawn from a combination of public and private sources, including the U.S. Bureau of the Census, the Maine Department of Labor, Aroostook Partnerships for Progress, DemographicsNow, and RKG's own primary research.

### A. Demographic Overview

#### 1. Population

The population of Presque Isle and Aroostook County has been in a long and sustained decline, as Table 1 shows. From 1990 to 2000, the city lost 9.8% of its population and the county's population declined by 15%. Recent estimates suggest that the population decline has continued, but has slowed down. Future forecasts predict continued population losses for both the city and county.

**Table 1  
 Population Trends and Projections**

	Presque Isle	Aroostook County
1990	10,550	86,936
2000	9,511	73,938
2006	9,222	73,003
2011	9,008	72,258
<b># Change</b>		
1990-2000	-1,039	-12,998
2000-2006	-289	-935
2006-2011	-214	-745
<b>% Change</b>		
1990-2000	-9.8%	-15.0%
2000-2006	-3.0%	-1.3%
2006-2011	-2.3%	-1.0%

Source: DemographicsNow

As the population bases of Presque Isle and Aroostook County have declined, the median age has increased significantly (see Table 2). Presque Isle's median age increased from 32.4 in 1990 to 37.4 in 2000 and is projected to reach 39.5 by 2011. Aroostook County's median age has increased even more, rising from 33.2 in 1990 to 40.7 in 2000. The county's median age is projected to reach 44.9 by 2011. It is evident from these figures that the area is struggling to retain and attract young people and families with children.

**Table 2**  
**Median Age Trends and Projections**

	Presque Isle	Aroostook County
1990	32.4	33.2
2000	37.4	40.7
2006	39.0	43.4
2011	39.5	44.9
<b># Change</b>		
1990-2000	5.0	7.5
2000-2006	1.6	2.7
2006-2011	0.5	1.5

Source: DemographicsNow

## 2. Households

As illustrated in Table 3 the household bases in both Presque Isle and Aroostook County have declined since 1990, though at a much more modest rate than their populations. Presque Isle's household base dropped by 3.9 percent and the county's by 3.2 percent from 1990 to 2000. These slower rates of decline can likely be attributed to falling household sizes. The region's rising median age tracks with this trend as well; fewer children equal both smaller households and an older population.

**Table 3**  
**Household Trends and Projections**

	Presque Isle	Aroostook County
1990	4,124	31,366
2000	3,963	30,356
2006	3,867	30,146
2011	3,789	29,910
<b># Change</b>		
1990-2000	-161	-1,010
2000-2006	-96	-210
2006-2011	-78	-236
<b>% Change</b>		
1990-2000	-3.9%	-3.2%
2000-2006	-2.4%	-0.7%
2006-2011	-2.0%	-0.8%

Source: DemographicsNow

## 3. Income

The household income levels of Presque Isle and Aroostook County are very low relative to the State of Maine and have not grown as much as has the state (see Table 4). As of 2006, the city and county both had median household incomes of around \$32,000, while the state's was nearly \$42,000. The state's income level increased by 35 percent from 1990 to

**Table 4**  
**Median Household Income Trends and Projections**

	Presque Isle	Aroostook County	Maine
1990	\$23,001	\$22,207	\$27,892
2000	\$29,194	\$28,863	\$37,638
2006	\$32,883	\$32,327	\$41,899
2011	\$34,400	\$33,801	\$45,855
<b>\$ Change</b>			
1990-2000	\$6,193	\$6,656	\$9,746
2000-2006	\$3,689	\$3,464	\$4,261
2006-2011	\$1,517	\$1,474	\$3,956
<b>% Change</b>			
1990-2000	26.9%	30.0%	34.9%
2000-2006	12.6%	12.0%	11.3%
2006-2011	4.6%	4.6%	9.4%

Source: DemographicsNow



2000; during this period the city's increased by 27 percent and the county's by 30 percent.

## B. Employment Conditions

### 1. Major Employers

Outside of Aroostook County's four hospitals (Aroostook Medical Center, Cary Medical Center, Houlton Regional Hospital, and Northern Maine General) large employers in the county mostly fall into one of three categories: forest products, potato processing, and back-office support. The only employer in the region with more than 1,000 workers is Aroostook Medical Center, which is located on Academy Street, about one mile east of Main Street.

Besides the medical center six other entities employ more than 100 people in Presque Isle: Burrelle's Information Services (which has multiple locations in Presque Isle), Wal-Mart, Columbia Forest Products, Connect North America (formerly MBNA), Maine Mutual Group, and Maine Public Service. Most of the other large employers in Aroostook County are located in proximity to Presque Isle, particularly in Easton and at the Loring Commerce Center in Limestone.

Table 5 profiles major employers in Aroostook County. Employers highlighted in the table are those located in Presque Isle.

**Table 5**  
**Major Employers in Aroostook County**

Employer Name	Industry	Location	Employees
The Aroostook Medical Center	Health Care	Presque Isle	1,000-1,500
Fraser Papers	Paper Manufacturing	Madawaska	500-1,000
Burrelle's Information Services	Information	Presque Isle, Houlton	500-1,000
McCain's Foods	Food Processing	Easton	500-1,000
Cary Medical Center	Health Care	Caribou	500-1,000
Houlton Regional Hospital	Health Care	Houlton	500-1,000
WalMart Associates	Retail Sales	Presque Isle, Houlton	500-1,000
Sitel Corp.	Call Center	Limestone	250-500
Maine Military Authority	Vehicle Refurbishment	Limestone	250-500
Department of Defense	Accounting Services	Limestone	250-500
Northern Maine General	Health Care	Eagle Lake	250-500
ATX II	Software Development	Caribou	100-250
Columbia Forest Products	Plywood Veneer	Presque Isle	100-250
Connect North America	Call Center	Presque Isle	100-250
Irving Forest Products	Dimensional Lumber	Ashland	100-250
Louisiana-Pacific	Oriented Strand Board	Houlton	100-250
Maine Mutual Group	Insurance Services	Presque Isle	100-250
Maine Public Service	Energy	Presque Isle	100-250
Naturally Potatoes	Food Processing	Mars Hill	100-250
Huber Engineered Woods LLC	Oriented Strand Board	Easton	100-250
Synergy	Call Center	Fort Kent	100-250

Source: Aroostook Partnership for Progress; RKG Associates, Inc.



## **2. Labor Force and Unemployment**

Table 6 profiles labor force and employment trends for Presque Isle and Aroostook County from 1996 through 2006.





**Table 6**  
**Labor Force and Employment Change, 1996-2006**

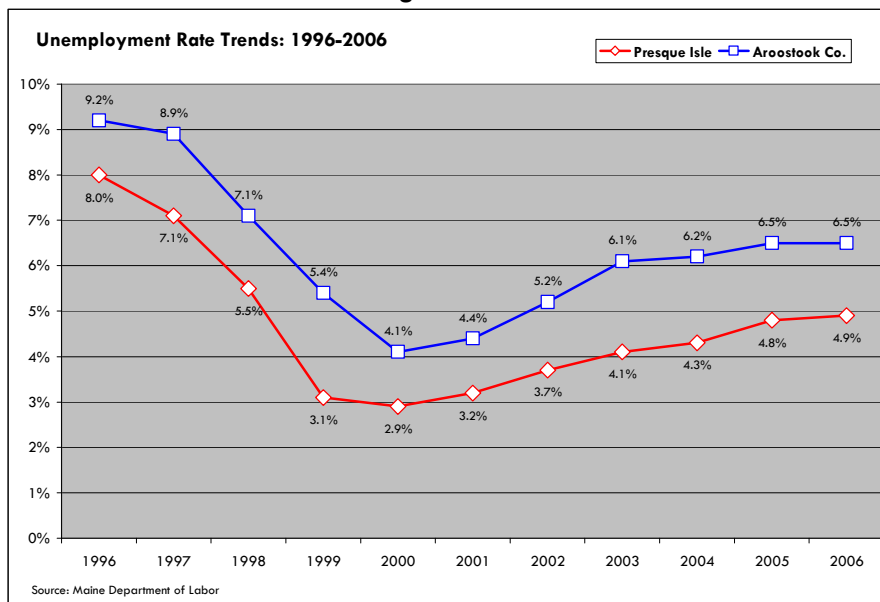
Year	Labor Force		Employment	
	Presque Isle	Aroostook Co	Presque Isle	Aroostook Co
1996	4,910	38,066	4,518	34,546
1997	4,953	38,396	4,603	34,981
1998	4,867	37,457	4,601	34,788
1999	4,975	37,513	4,821	35,470
2000	4,894	34,627	4,753	33,201
2001	4,808	34,122	4,653	32,608
2002	4,799	34,289	4,621	32,515
2003	4,881	34,748	4,679	32,621
2004	4,883	34,684	4,674	32,545
2005	5,009	35,530	4,767	33,207
2006	5,120	36,069	4,867	33,730
Num Change	210	(1,997)	349	(816)
% Change	4.3%	-5.2%	7.7%	-2.4%

Source: Maine Department of Labor

The local labor force in Presque Isle increased by 4.3% from 1996 to 2006, counter to the city's ongoing population losses. Though Aroostook County's labor force declined by 5.2%, this is a much slower rate of decline than the county's population loss. This trend is likely explained by a rising labor force participation rate, which is common in an area with slow income growth, as the number of workers per household tends to rise.

Employment among residents of the city and county performed better than did labor force growth, which is indicative of lower unemployment rates. As Figure 1 depicts, both the city and county saw their unemployment rates drop sharply from 1996 through 2000, and climb steadily since then. Presque Isle's unemployment rate has consistently remained about 1-2 percentage points below the county's rate.

**Figure 1**





### 3. Industrial Employment Trends

Table 7 profiles employment change by industry from 2001 to 2006 for Presque Isle and Aroostook County.

**Table 7**  
**Employment Trends: 2001-2006**

	2001	2006	# Change	% Change
<b>Presque Isle</b>				
Nat. Resouces/Mining	41	143	102	248.8%
Construction	260	257	(3)	-1.2%
Manufacturing	456	465	9	2.0%
Trade/Transport/Utilities	1,942	2,039	97	5.0%
Information	935	690	(245)	-26.2%
Financial	550	472	(78)	-14.2%
Prof./Business Service	662	528	(134)	-20.2%
Education/Health Service	2,133	2,761	628	29.4%
Leisure/Hospitality	677	746	69	10.2%
Other Service	143	150	7	4.9%
Government	219	216	(3)	-1.4%
<b>Total</b>	<b>8,016</b>	<b>8,467</b>	<b>451</b>	<b>5.6%</b>
<b>Aroostook County</b>				
Nat. Resouces/Mining	1,342	1,393	51	3.8%
Construction	1,056	1,005	(51)	-4.8%
Manufacturing	4,101	3,542	(559)	-13.6%
Trade/Transport/Utilities	6,382	6,473	91	1.4%
Information	1,210	1,145	(65)	-5.4%
Financial	1,299	1,130	(169)	-13.0%
Prof./Business Service	1,559	1,346	(213)	-13.7%
Education/Health Service	8,779	9,444	665	7.6%
Leisure/Hospitality	2,075	2,251	176	8.5%
Other Service	707	927	220	31.1%
Government	1,387	1,619	232	16.7%
<b>Total</b>	<b>29,896</b>	<b>30,276</b>	<b>380</b>	<b>1.3%</b>

Source: Maine Department of Labor

Since 2001, the employment bases of both Presque Isle and Aroostook County have shown slight increases, with Presque Isle adding 451 jobs (5.6 percent increase) and Aroostook County gaining 380 jobs (1.3 percent increase). In both areas there have been substantial shifts in industry types, with the Education and Health Services, Leisure and Hospitality, Trade, Transportation and Utilities (which includes Retail Trade), and Natural Resources/Mining sectors gaining jobs and the Professional and Business Services, Information, Manufacturing, Construction, and Financial sectors losing jobs.

Generally speaking, the sectors that have lost jobs tend to pay better wages than do the sectors that have grown. This reinforces the earlier notion that many households need more workers to sustain themselves.

### 4. Real Estate Market Data

To support our analysis of the area's economy, RKG also conducted a brief review of the local real estate market in Presque Isle. The findings of this review are useful to help understand the dynamics of office and retail business decisions in the area.



From the 1970s through 2000 the combination of a stagnant economy, a weak Canadian dollar, low rents, and an abundance of vacant commercial space, severely limited the construction of new office and retail buildings in Presque Isle. The tide has begun to turn in the past five years, however. A new, 10,000 square foot retail center was recently added behind Tang's Courtyard on North Main Street, Slopes Restaurant was opened on Maysville Road and a new, 180,000 square foot Lowe's home improvement store opened earlier this year.

These developments have occurred as long-vacant retail space has been occupied by office users, particularly medical offices. These operations have found that leasing space in vacant retail centers is more economical than building new facilities. As a result, most of the long-underused North Street Plaza is now occupied, though the closure of the IGA store has left one larger vacancy. However, there are few existing buildings left to accommodate new and expanding office users so additional office development will likely be needed in the future.

There has also been a recent effort to advance downtown revitalization in Presque Isle. Several specialty shops have opened in recent years, a new restaurant is about to open on Main Street, and the historic Braden Theater on Main Street is under redevelopment.

The implication of these changes in Presque Isle is that additional commercial development may again be viable in the future. Another trend supporting Presque Isle's potential growth is the surging Canadian dollar and its impact on Canadians shopping in nearby U.S. locations. A parking lot survey at the Aroostook Centre Mall shows that the number of vehicles counted at the mall with Canadian license plates nearly doubled between 2004 and 2006. Since then the Canadian dollar has reached par value with the U.S. dollar, potentially making Presque Isle even more attractive to Canadian customers.

### **C. Summary of Findings and Conclusions**

- Aroostook County has suffered substantial population losses in the past few decades. Though the decline is expected to continue, it is expected to be at a less severe rate.
- The area is showing several signs of struggling to attract and retain young workers and families, including a rapidly aging population, falling household sizes, more workers per household, and low income levels
- Large employers in Aroostook County are mostly concentrated in four sectors: health care, forest products, potato processing, and back-office support. A large share of the region's major employers is located in or near Presque Isle.
- Labor force participation and employment are both up in the area, and unemployment rates are down; these trends show some strength in the job base. However, household income and wages are weaker.
- New commercial development has been occurring in Presque Isle and, given the area's stabilizing economy and a strong Canadian dollar, conditions appear to be favorable for additional development.



### **III. ZONING ANALYSIS**

This section profiles current zoning and other land use regulations both in downtown Presque Isle and in the area surrounding the proposed interchange with Route 163/167, which is largely zoned for retail/business use. The potential intersection of the bypass with Conant Road would be located in the Agricultural/Farming Zone, so impacts on surrounding land uses would be minimal under current zoning.

#### **A. Downtown Zoning**

The core of downtown Presque Isle is located in the Retail Business Zone (RBZ). This zone stretches along the entire length of Main Street between the UMPI campus and the Aroostook River. The RBZ expands to reach from Second Street to the Presque Isle Stream in the core of downtown, south of the Montreal, Maine & Atlantic rail crossing.

##### **1. Purpose**

The RBZ's purpose states that the zone is for "local sales, services and business space...to serve the daily needs of residents and workers within the immediate area." This is very much out of line with a downtown of a service center community that houses many significant professional employers, restaurants, destination retail shops and a full-service hotel.

The existing purpose is more appropriate for a small commercial district in a residential area. The definition for the city's Business Zone (BZ) seems more appropriate for a downtown area: it is designed to "conveniently serving community-wide and/or regional trade areas."

##### **2. Permitted Uses and Special Exceptions**

The current lists of permitted uses and special exceptions contain several items that may be at odds with efforts to revitalize Presque Isle's downtown area:

- Current use standards permit one and two family dwellings by right in the RBZ but require a special exception for apartment buildings. This seems counterintuitive for a densely-built downtown area where multi-unit housing is more appropriate.
- New and used car lots are permitted with special exceptions, as are gasoline service stations. Since such uses are both allowable in several other zones and usually incompatible with a pedestrian-oriented downtown, these uses are not ideal for the RBZ.
- The RBZ permits "business and professional offices" by right. It is not clear if this definition encompasses medical offices; the Professional Medical Zone (PMZ) specifically permits "doctors, dentists and similar professional offices." Medical offices are an attractive use in a downtown area, as they draw in patients from a broad area, though this type of use can be parking-intensive.



### **3. Standards**

Though many provisions of the development standards in the RBZ do encourage downtown-scale development (no minimum lot size, no street frontage requirement, generous maximum building height), they do contain a few provisions that make downtown redevelopment more difficult:

- The minimum front yard setback of 30 feet is excessive for a downtown area. While the provision allowing for a reduction in the front setback when adjacent to buildings that are closer to the street is helpful, the normal standard is not appropriate to a downtown area.
- The side setback of 10 feet may not be practical for many sites in the RBZ, especially in the core area of downtown. Many parcels are quite narrow and many existing buildings are already built right up to property lines and/or share party walls.
- There are no provisions in the RBZ for minimum building height or stories; this allows for the construction of one-story buildings, which is out of step with much of the existing development in the core of Main Street. The city may want to consider requiring new buildings to be at least two stories and/or to have a minimum height of 25 feet.

### **4. Parking Standards (Section II)**

There are no adjustments made to off-street parking standards for development in the RBZ. Many communities use either reduce parking requirements in downtown areas, mandate shared parking (where possible) or give discretion to the Planning Board in determining an appropriate amount of parking based on available public on and off-street parking in the surrounding area. Since parking requirements for downtown are the same as any other location in the city, many of the standards are excessive:

- The parking ordinance requires two spaces per dwelling unit, which may be excessive in a downtown area where many dwellings are small and there is public parking available.
- Retail stores require 4.25 spaces per 1,000 square feet of space. This ratio is typical of a suburban location where walking is not a possibility. Many patrons work or live within walking distance and where many patrons park once to make use of multiple stores. In addition, downtown is accessible via bicycle and snowmobile trails, potentially reducing parking needs even more.
- Requiring what amounts to one parking space for every 100 square feet of restaurant space is particularly excessive in a downtown area. Restaurants in downtown locations typically generate a lot of business from nearby residents and workers and seat turnover is very high.

In light of the city's parking standards for the RBZ, a more flexible system for off-street parking would be very effective.



## **5. Traffic Enforcement (Chapter 5)**

Article 5, Section 9 limits the parking of trucks 6,000 pounds or greater to two hours in most of the RBZ during the business week. Should the bypass be constructed the city may want to consider prohibiting through travel on Main Street by trucks of 6,000 pounds or more during the business week.

## **B. Zoning in the Route 163/167 Proposed Interchange Area**

The construction of the Presque Isle bypass would include a highway interchange on Route 163/167 between the Maysville/Fort Road and State Street intersections. Depending on the chosen alternative, this interchange would be located about 1.5 to 2.5 miles from the downtown core of Presque Isle. Under current zoning, a 1,000-foot wide corridor on the south side of Route 163/167 is designated as being in the Business Zone (BZ). This designation stretches several miles eastward from the Maysville/Fort Road intersection, including the area around the proposed interchange.

The Business Zone, as referenced above, is designed to accommodate community and regional-oriented business activity; it allows either by right or by special exception most types of retail, office, commercial and light industrial uses. Development in this zone can be very intensive; there is no minimum lot size requirement for business uses and street frontage (75 feet) and setback (30 feet on all sides) requirements are minimal for a suburban area.

Most of the land located in the Business Zone along Route 163/167 is presently undeveloped or contains low-impact residential or industrial uses. Introducing a bypass interchange at this location would immediately expose this road segment to a substantial volume of traffic. Given the ample land available in this area and the minimal regulation of land uses, and would make it an attractive location for large-scale retail, office and commercial activities that cannot be accommodated in more built-up areas in the existing Route 1 corridor.



## **IV. BUSINESS SURVEY**

Working in cooperation with the City of Presque Isle, the Presque Isle Area Chamber of Commerce, and the Presque Isle Downtown Revitalization Committee, RKG Associates conducted a survey of existing businesses located in and near Presque Isle's downtown area. The survey was designed with the purpose of gauging what the potential impacts would be on current business activity in Presque Isle should the Bypass be constructed.

This section summarizes the methodology, results, findings, and implications of the business survey.

### **A. Survey Methodology**

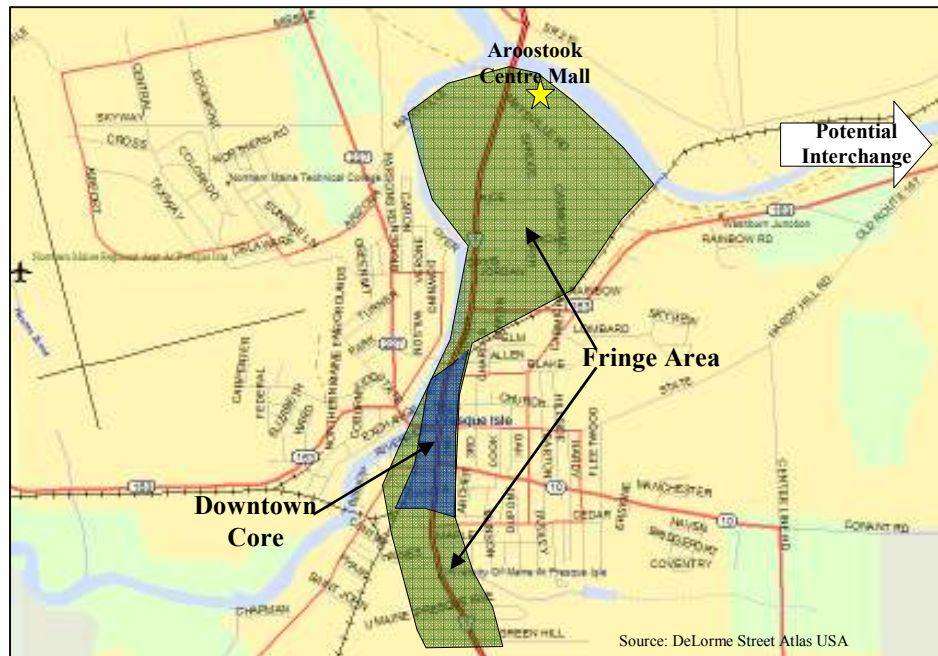
#### **1. Overview**

The business survey began with the design of a survey form. The survey developed by RKG in cooperation with the local partners mentioned above, contains 15 questions aimed at understanding current business operations, sales trends, customer base, seasonal variations in business volume, business location factors, level of satisfaction with the current situation, and parking needs.

The survey was designed to be completed only by businesses located along the Main Street corridor in the vicinity of downtown Presque Isle. Since businesses in different sections of the downtown area are likely to be affected differently by the bypass, surveys were distributed and analyzed in two sub-groups: 1) businesses located in the downtown core (more or less equivalent to the section of the Retail Business Zone located south of the MMA railroad corridor); and 2) businesses located on the "fringe" of downtown. The wording of the survey questions was essentially identical for both groups, but the forms were labeled differently to keep them separate. Results were later produced for both sub-groups, as well as for all respondents.

The extent of the downtown core and fringe areas is shown in Figure 2 below.

Figure 2



This geography excludes all businesses located west of Presque Isle Stream, including the concentration of industrial businesses in and around Skyway Industrial Park, and commercial businesses along Route 163 towards Mapleton. The survey also excludes businesses that are located in the Aroostook Centre Mall, as the mall is itself a regional attraction; it is assumed that all businesses at the mall would be located there regardless of other factors.

Blank versions of both survey forms are included as appendices to this memorandum.

## 2. Distribution and Collection

The business survey was distributed by mail, using a database of businesses developed by the Chamber of Commerce and RKG Associates. Recipients were asked to either mail or fax their forms back to RKG Associates. Additionally, an RKG employee traveled to Presque Isle during the survey period to remind businesses of the survey and to distribute surveys to businesses that were missed in the production of the mailing list.

A total of 176 surveys was distributed, 85 in the downtown core area, and 91 in the fringe area. Of these, 48 surveys were returned, representing a response rate of 27.3%. In RKG's experience, this represents a very strong response rate for a mail survey; a typical response rate is 15-20%. Participation was stronger from downtown core businesses: 28 of 85 responded, representing a 32.9% return rate. Fringe businesses had a lower response rate of 22.0% (20 of 91 returned), but this was still a better than average rate.



**B. Results of the Business Survey**

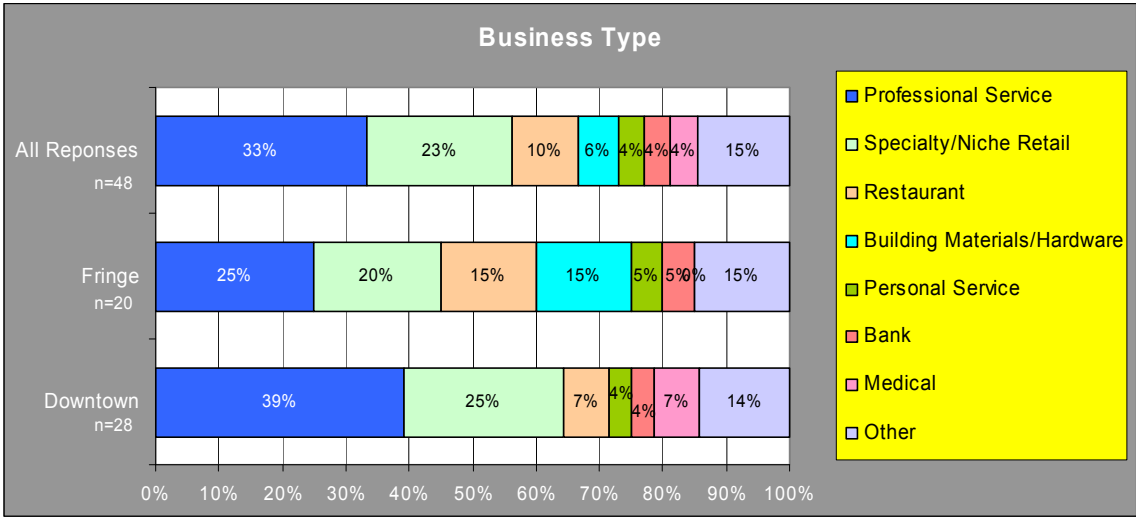
This section summarizes the results of the business survey, with separate discussions included on each set of questions asked. Results are compared and contrasted for downtown core versus “fringe” businesses. Some more specific cross-tabulations are included at the end of this section as a means of understanding how survey results differ for different types of businesses.

**1. Business Demographics**

Respondents were asked to provide basic information about their businesses, though not their business names or exact street addresses. The points below summarize demographic information about responding businesses:

- Nearly all downtown core businesses (89%) are located directly on Main Street. Conversely, only 50% of fringe businesses are located on Main Street, with the rest located on cross streets north of the MMR railroad corridor, including North, Davis, Rice, and Spruce Streets.
- Responding businesses have been in the present locations for an average of 15.4 years. Fringe businesses (16.8 years) have slightly longer tenures on average than do core businesses (14.4 years).
- Fringe businesses tend to be larger than downtown core businesses and have more full-time employees. The average fringe business has 11.5 employees, 7.5 full-time and 4.0 part-time. The average downtown business has 7.9 employees of which 4.0 are full-time and 3.9 are part-time. The overall average business size is 9.4 employees: 5.4 full-time and 4.0 part-time.
- Core businesses are less likely to have multiple locations, as just 37% have other locations, compared with 45% of fringe businesses.

**2. Business Types**





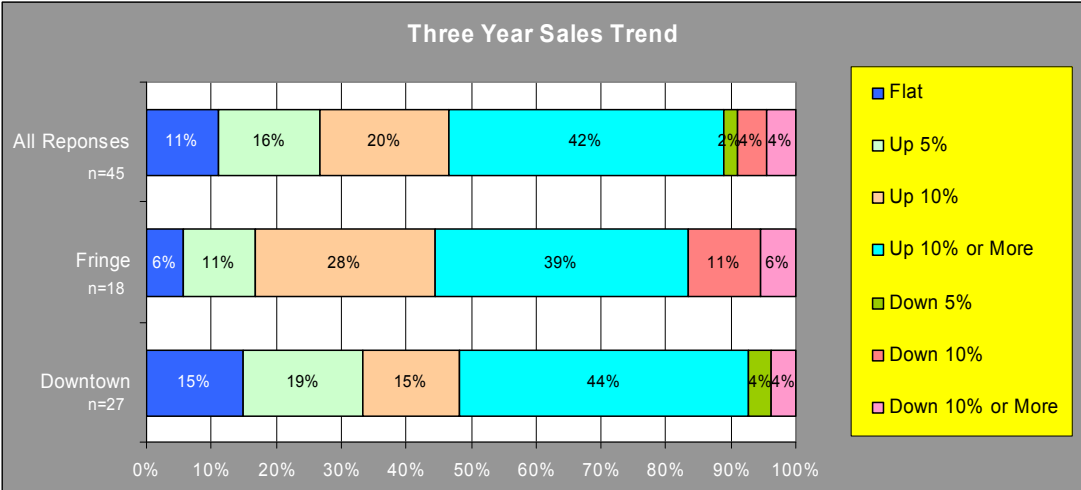
Responses to the survey from the downtown core were dominated by two types of businesses, as professional services and specialty/niche retail accounted for 64% of all responses. These two sectors were the two largest in the fringe area as well, but only accounted for 45% of responses. The fringe area had strong concentrations of restaurants and building materials/hardware businesses as well, with each representing 15% of the total. Overall, 33% of responses were from professional services businesses, 23% were from specialty/niche retailers, and 10% were from restaurants.

Despite Maine Department of Labor data showing that just 12% of all business establishments in the City of Presque Isle are in the Professional Services sector, 39% of downtown core responses came from such businesses. This result is typical of a downtown area, particularly one with a district courthouse, as law and accounting firms are naturally drawn to such locations.

**3. Performance and Area Trends**

Responses to two questions concerning the business climate in Presque Isle were quite positive. The first was, “Over the past three years, how has your business changed in terms of sales?” The second was, “Over the past five years, how has the business environment in Presque Isle changed?” Results for both are shown on the following pages.

**a) Three-Year Sales Trends**



Businesses responding to the survey reported very good growth over the past three years, with 78% experiencing an increase in business volume, and 42% seeing increases of greater than 10%. Just 10% of businesses reported losing business in the past three years, and 11% reported flat sales.

Downtown core businesses were more likely to have seen large gains in business activity, as 44% reported growth or more than 10% percent, compared with 39%



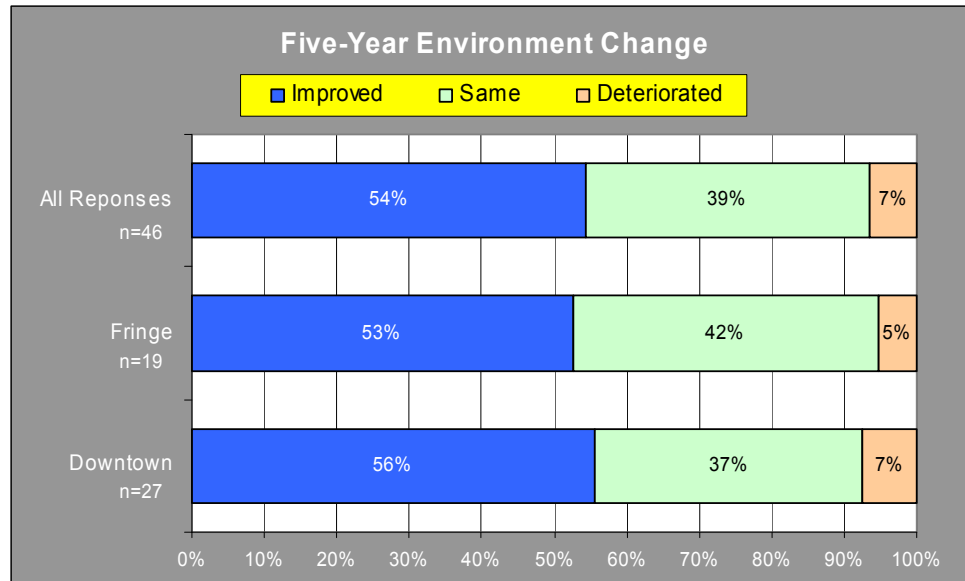
of fringe businesses. Though 23% apiece of core and fringe businesses reported either flat or declining sales, the downtown core appears to be holding the line better than the fringe area. This is evident from the fact that 15% of downtown businesses saw flat sales and 8% declined, while just 6% of fringe businesses held flat and 17% lost business.

Respondents were asked to offer comments on the performance of their businesses to clarify why they have grown or declined. While not scientific, these comments do shed light on economic trends in the area.

Growing businesses cited a general uptick in business activity in Presque Isle driven by three factors: 1) the coordinated efforts of the Downtown Revitalization Committee; 2) more traffic in and out of Presque Isle due to the recent addition of the Lowe's home improvement superstore; and 3) the closing of competing businesses.

Comments made by declining businesses were less consistent. Explanations included a limited labor force, health insurance costs, competition for internet sales, a declining customer base, and cheaper products offered by national chains.

**b) Five-Year Business Environment Change**



This question produced very positive results, as 54% of respondents felt that the business environment had improved in the past five years and just 7% felt that it had declined. Results were slightly more positive among downtown core businesses, of which 56% saw improvement in the environment, compared with 53% of fringe businesses.



#### 4. Customer Base

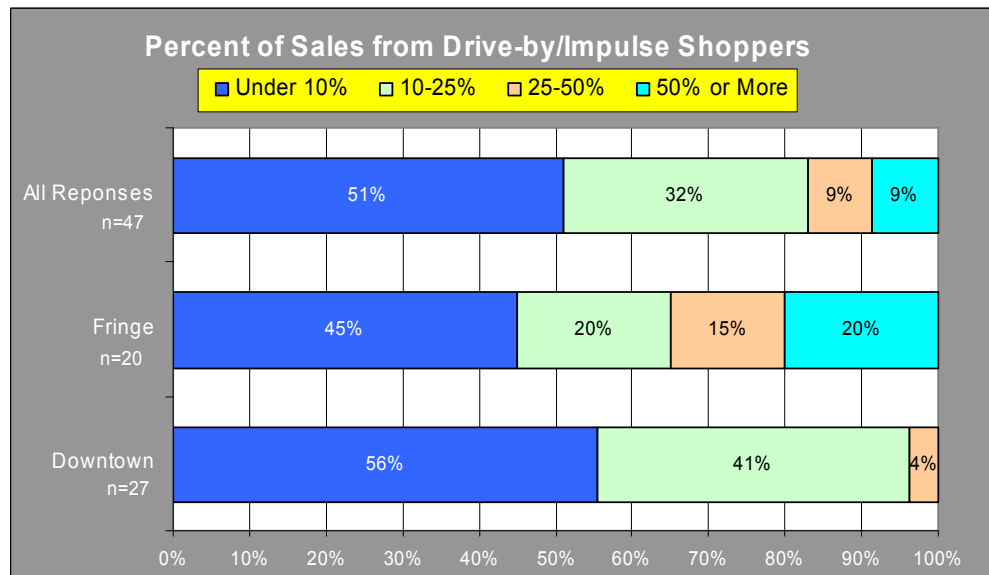
The business survey contained four separate questions aimed at understanding the customer base for businesses in Presque Isle. Though different types of businesses obviously draw different clienteles, these questions are very useful at understanding travel patterns in and out of the downtown area. Variations among customer bases for different business types are examined in the cross-tabulations under Heading #8 below.

##### a) Are You a Unique Destination?

The first question asked respondents if they thought their businesses were “unique destinations” that would draw customers equally well at any location. Responses to this question were markedly different for core and fringe businesses: 78% of downtown core businesses felt that they were unique destinations, compared with 50% of fringe businesses. Overall, 66% of businesses made this claim.

##### b) How Much Business from Drive-By/Impulse Customers?

The second question asked businesses to estimate how much of their activity came from drive-by or impulse customers. The following chart displays these results.

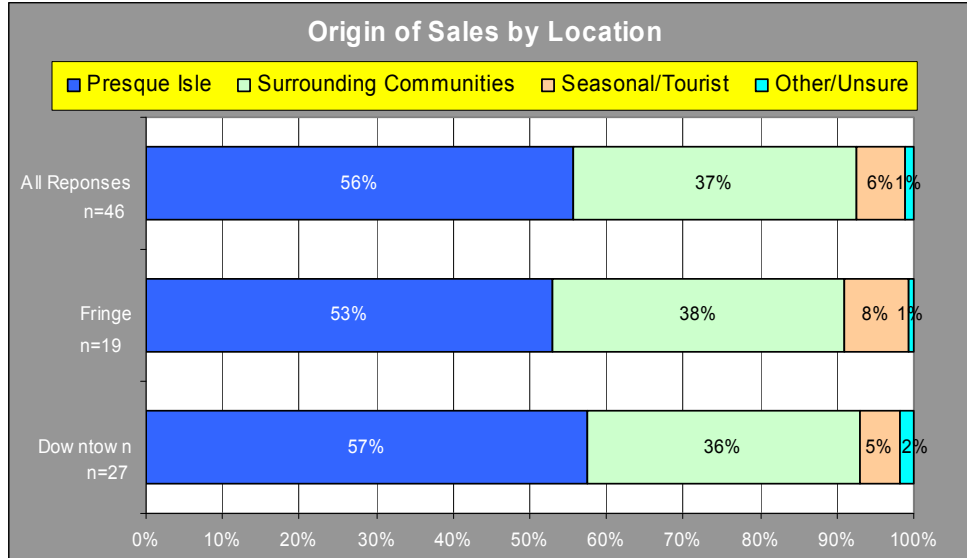


Again, the customer characteristics of core and fringe customers are very different. While 35% of fringe businesses draw at least a quarter of their business from drive-by customers, just 4% of downtown businesses do so, and not a single downtown business draws more than half of its activity from such customers. Overall, 51% of businesses in the survey sample draw less than one-tenth of their sales from drive-by/impulse purchases, and just 18% attract more than a quarter of business activity in this manner.



**c) Where do Your Customers Come From?**

This question asked businesses to estimate the place of origin of its customers based on five categories: Presque Isle, Surrounding Communities, Seasonal Residents/Tourists, Online/Mail Order Purchases, and Truckers. Results follow.



Despite large variations in core versus fringe businesses’ self-perceptions regarding their status as “unique destinations” and their levels of reliance on impulse customers, their geographic draws are remarkably similar. Both the core and fringe attract between 53-57% of customers from within Presque Isle, 36-38% from the surrounding region, and 5-8% from seasonal residents and tourists.

Downtown core businesses were far more likely to draw sales from on-line/mail order sources (1.6%) than were fringe businesses (0.1%), but this still represents a tiny share of total sales. Business from truckers contributed little to overall sales; just 0.3% of total sales came from this source.

**d) Where do Regional Customers Originate?**

Businesses were asked to estimate how much business from outside of Presque Isle came from the north (Caribou and the St. John Valley), south (Mars Hill, Bridgewater, etc.), east (Easton, Limestone, Ft. Fairfield), and west (Ashland, Masardis). Both core and fringe businesses produced similar results: 30% from the north, 30% from the south, 20% from the east, 20% from the west. Overall, 60% of non-local business comes via Route 1 from the north or south.

**5. Variations in Business Activity**

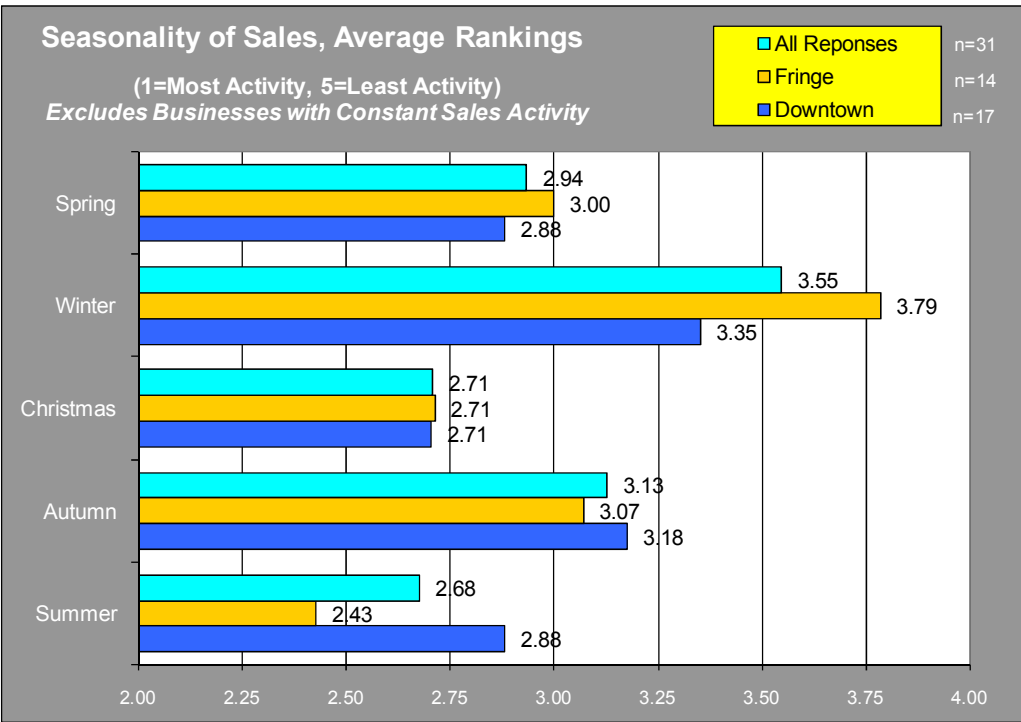
Businesses were asked to assess two different measures of variation in their business activity: seasonality and weekday/weekend variation during their busiest season.



**a) Seasonality of Sales**

About two-thirds of businesses surveyed (66%) stated that they experience seasonal fluctuations in their business activity. Downtown businesses (70%) are more likely to experience seasonal variations than are fringe businesses (63%). Businesses that do experience variations were asked to rank five times of the year (Spring, Summer, Autumn, Christmas, Winter) in order of how much business they do during each period, with “1” being most active and “5” being least active.

The chart below compares average rankings for each season for core, fringe, and all businesses.



There is a clear disparity in seasonality between downtown core and fringe businesses. Business activity in the downtown core area shows much less seasonal variation than does the fringe area. Average scores for all five seasons in the downtown area are between 2.71 and 3.35. Conversely, average scores for the fringe area stretch from 2.43 (Summer) to 3.79 (Winter).

Looking more closely at the variation, seasonality depends in large part on the unique characteristics of individual businesses; this is particularly true for the winter months. Among core businesses, 35% cited the Christmas season as their busiest, but 36% rated Christmas either “4” or “5.” Interestingly 24% of core businesses reported Winter as their busiest season, but 41% said Winter was their slowest season.

For the fringe area the warmer months are very clearly the dominant time of the year. 50% of fringe businesses said that Summer was their busiest time of the year, and 43% said that Spring was their second busiest season, though not a single one said the Spring was their busiest.

The issue of seasonal variations in reference to business types will be examined further in the cross-tabulations under Heading #8 below.

**b) Weekday/Weekend Variations in Peak Season**

The majority of businesses surveyed (52%) report that they experience a similar pattern of weekly business activity throughout the year. Downtown core businesses (58%) are more likely to have an even level of activity than are fringe businesses (45%).

Among core businesses reporting weekly variations during their peak seasons, similar shares are likely to see more business from Monday-Thursday (45%) and from Friday-Sunday (55%). Conversely, fringe businesses are far more likely to do better from Friday-Sunday (64%) than Monday-Thursday (36%).

As with seasonal variations, day-to-day variations are also influenced by business type, so this issue will be explored further in the cross-tabulations.

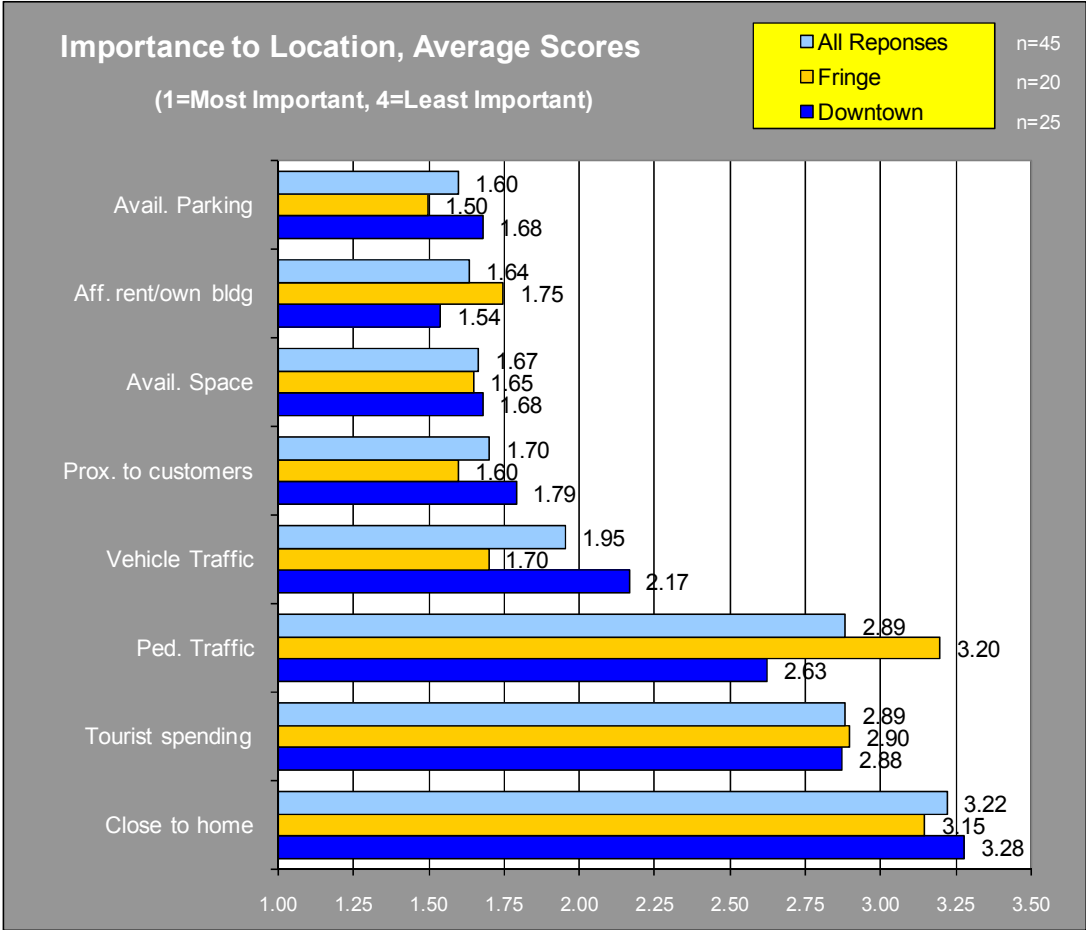
**6. Locational Considerations**

This question asked businesses to rate eight locational factors on a scale of 1-4 (1 being most important, 4 being least important); in terms of how important each factor was in choosing their business' location. The factors rated were:

- Pedestrian Traffic
- Availability of Space
- Motor Vehicle Traffic
- Close to Home
- Availability of Parking
- Affordable Rent/Own the Building
- Close Proximity to Customers
- Capture Tourist Spending

The chart below displays the results.



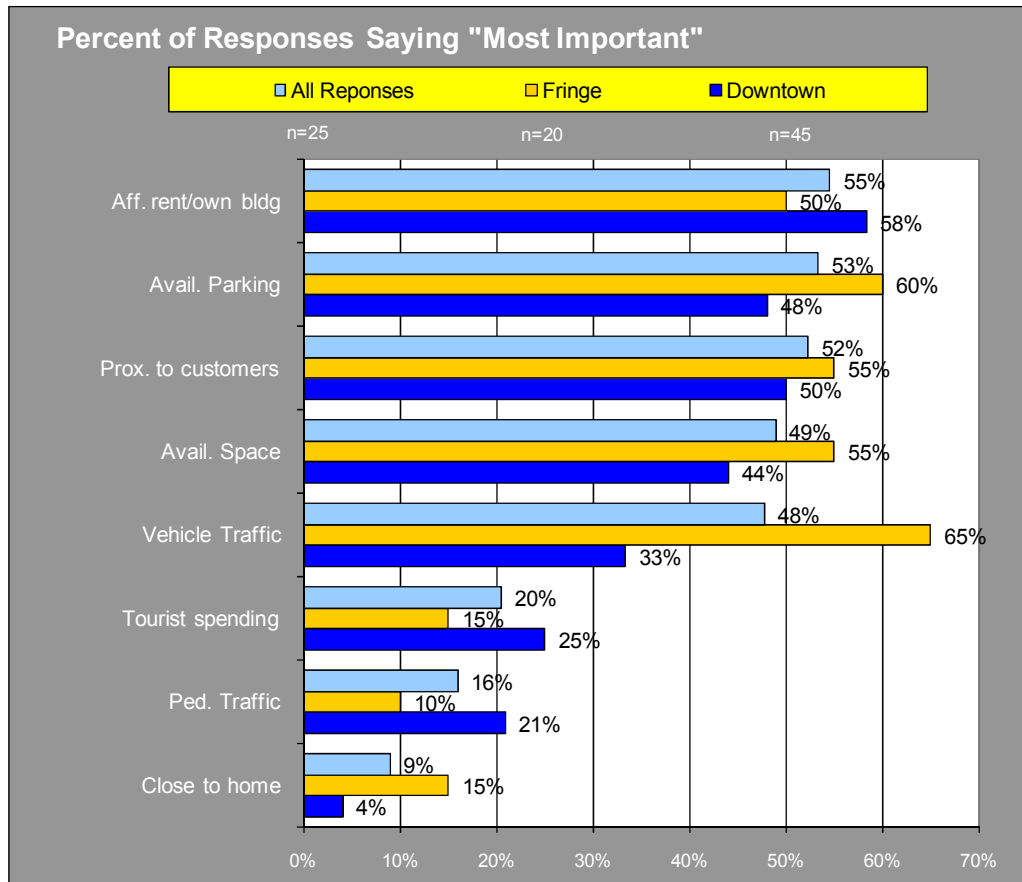


Overall, businesses in the survey sample were most attentive to four factors in choosing their locations: the availability of parking, affordable rent/owning the building, the availability of space, and proximity to customers. Each of these factors registered average scores of 1.80 or less for both core and fringe businesses.

Fringe businesses found a fifth factor, vehicle traffic, to be a primary consideration as well, rating this factor at 1.70. Downtown core businesses found vehicle traffic to be less important, scoring it at 2.17. While pedestrian traffic was not a top consideration for either group, downtown core businesses found it to be far more of a concern than did fringe businesses. Core businesses gave pedestrian traffic an average rating of 2.63, while fringe businesses rated it as their least important factor, at 3.20.

Businesses did not generally find the need to capture tourist spending as a motivating factor (average score of 2.89), nor did they find it important for their businesses to be located close to home (average score of 3.22).

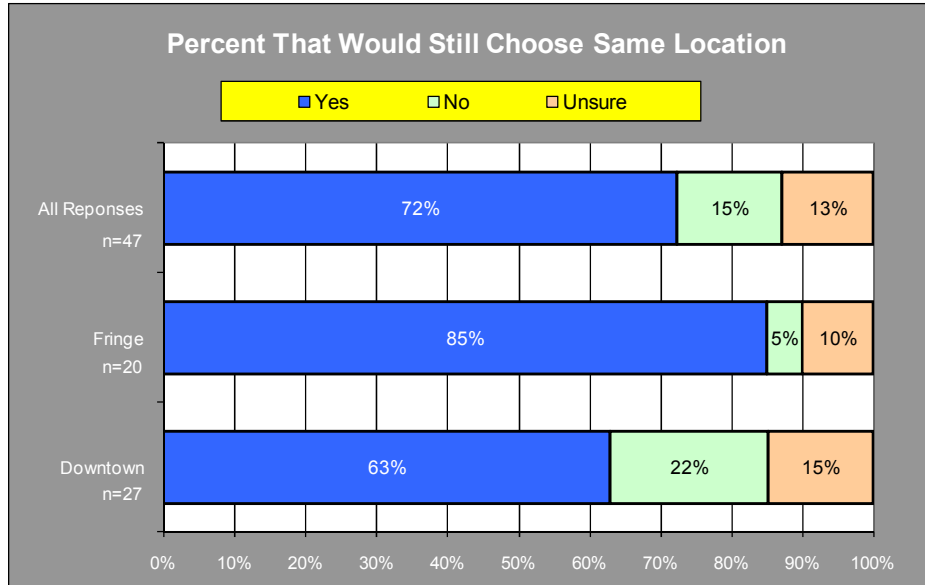
The following chart displays results of this question in an alternate way: it displays the shares of the core, fringe, and overall samples that rated each factor as “most important.”



A few facts jump out from displaying the results in this manner:

- The importance of vehicle traffic to fringe businesses is very much emphasized by the fact that more fringe businesses rated this factor as “most important” (65%) than any other single factor.
- Vehicular traffic is not nearly as crucial to downtown core businesses. Just 33% of downtown businesses rated vehicle traffic as “most important,” while 21% gave this rating to pedestrian traffic.
- Certain downtown businesses depend on purchases by tourists, as is evidenced by the fact that 25% rated capturing tourist spending as “most important.”
- The availability of space was top concern of 55% of fringe businesses, but only 44% of downtown core businesses. This finding reinforces the notion discussed earlier that the available supply of larger commercial spaces in Presque Isle is diminishing, as fringe businesses tend to be larger than core businesses.

In addition to being asked to rate locational factors, businesses were also asked if they would still choose their existing locations if they were to move today. Results are shown below.

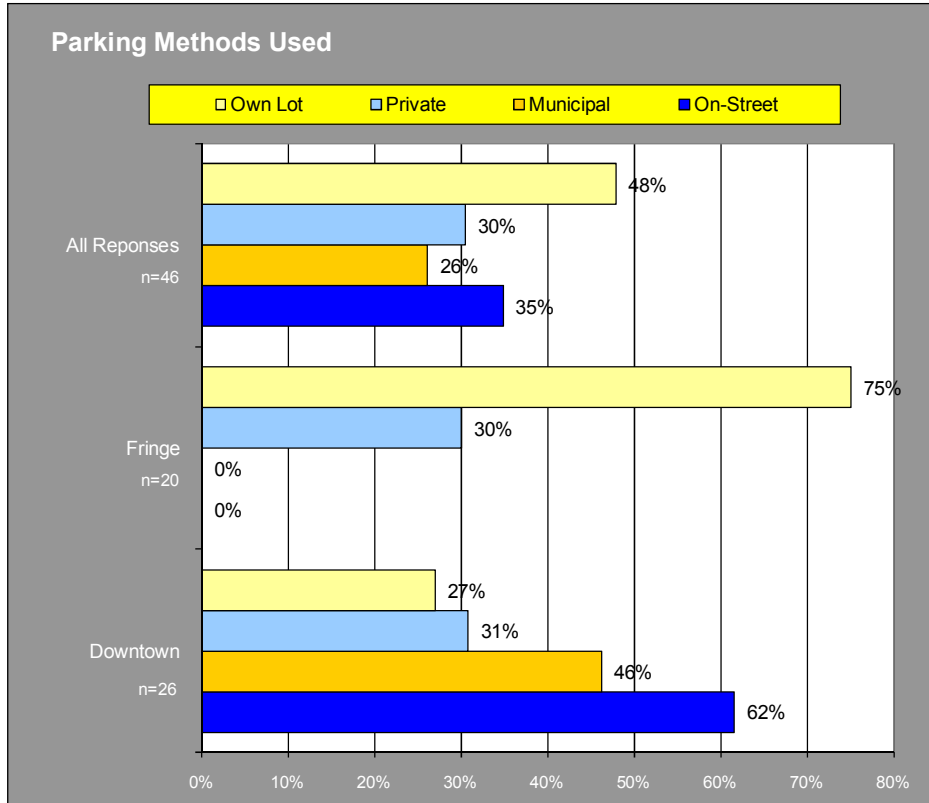


The results of this question were dramatically different for core and fringe businesses. Just 63% of core businesses said that they would choose the same location again, while 85% of fringe businesses said the same. Downtown businesses that were happy with their current locations cited the visibility and centrality. Those that were unhappy with their current locations pointed to old/inadequate spaces, limited parking, and poor snow removal as reasons for wanting to move.

Positive comments from fringe businesses mainly pointed to factors related to the high volume of traffic on Main Street. Businesses referenced Aroostook Centre Mall, Wal-Mart, and Lowe's as generators of traffic to their vicinity, and liked having a visible location along Main Street.

### 7. Parking

Businesses were asked to report what types of parking they used: on-street, municipal lots, private lots, and their own lots. As should be expected, the types of parking facilities used by downtown core businesses are very different from those used by fringe businesses. Results follow.



Downtown core businesses are very heavily dependent on public parking, as 62% make use of on-street parking and 46% rely on municipal parking lots. Just 31% of downtown core businesses use private lots, and only 27% have their own parking lots. Businesses with their own lots usually have small lots; the average size is eight spaces.

Fringe businesses rely entirely on private parking lots, as 75% have their own lots and 30% have access to private lots. Not a single fringe business uses on-street or municipal parking. Among fringe businesses with private lots, the average lot size is 23 spaces.

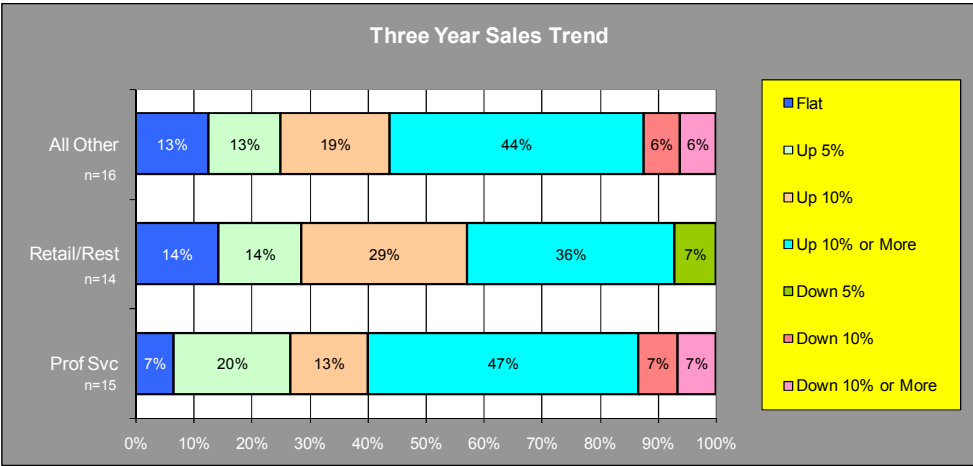
**8. Cross-Tabulations by Business Type**

This section presents a few key cross-tabulations that compare and contrast survey results for the two most common business types (Professional Services and Specialty-Niche Retail/Restaurants) with results for other business types. As it happens, each of the three categories contains exactly 16 businesses, making for even sampling.

Results are presented on a subject-by-subject basis below.

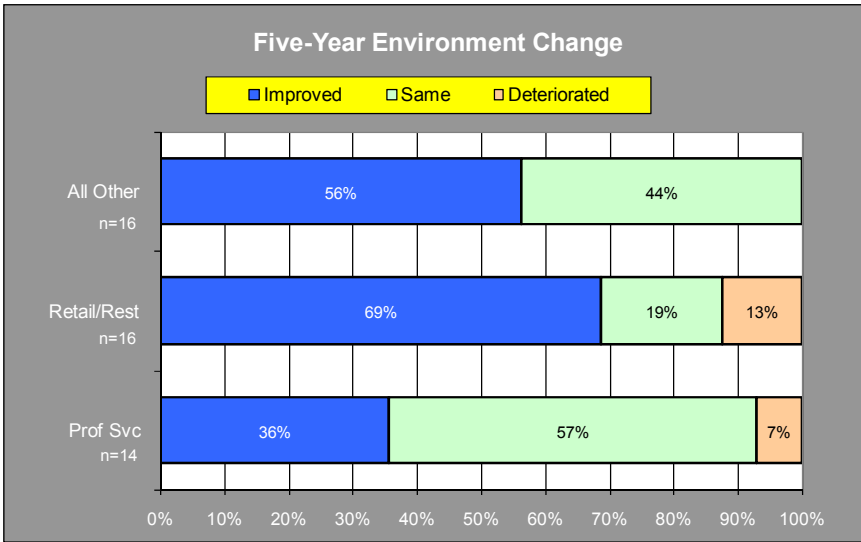


**a) Performance and Area Trends**



Business performance has been similarly strong across the board for all three business type categories. For all three categories, 75% or more of businesses in the survey sample have grown their sales base in the past three years. Specialty retailers and restaurants are less likely than other businesses to have shown rapid growth (more than 10%,) but are far more likely to have shown steady growth (0-10%).

Despite the consistently strong performance, perceptions of the local business environment differ greatly among the three business categories.

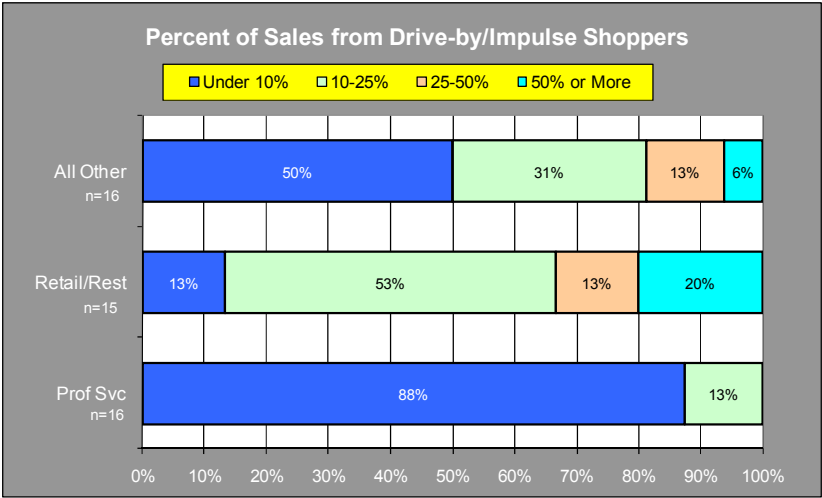


Specialty retailers and restaurant owners are far more positive about the business environment, as 69% believe it has improved in the past five years, compared with just 36% of professional service business owners and 56% of all other business owners.

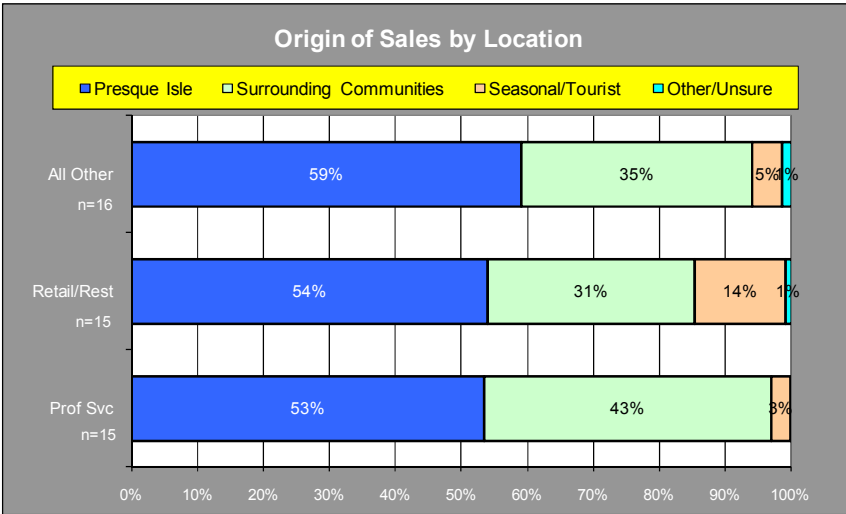


**b) Customer Base**

As expected, there are broad variations in the customer bases among the three business type categories. Professional services (80%) and retail/restaurant (69%) businesses tend to see themselves as unique destinations, while only 50% of all other businesses believe this to be true.



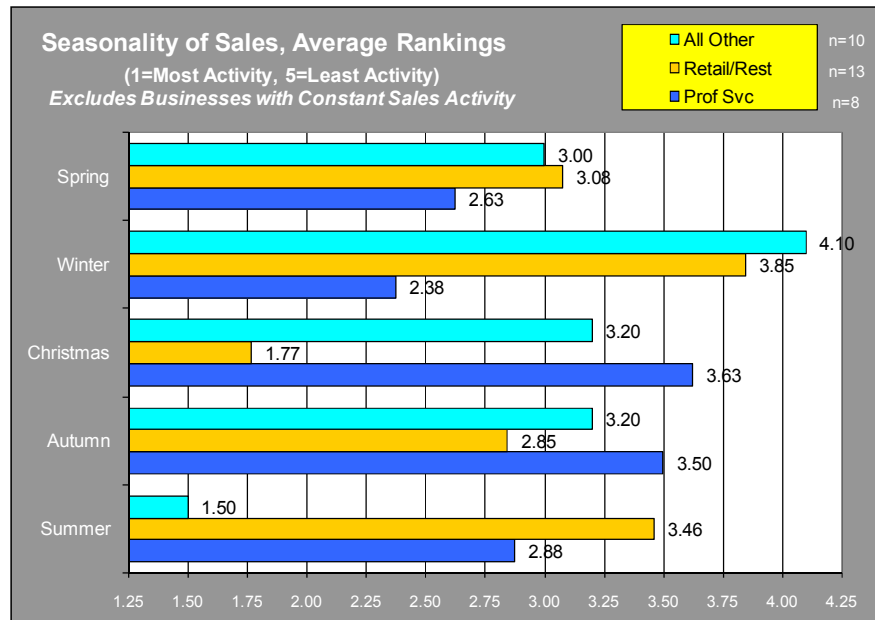
The contribution of drive-by/impulse customers is vastly divergent for the three categories. Among professional service businesses, which tend to occupy office spaces and work via appointments, 88% draw less than one-tenth of their business from drive-by customers. Conversely, 87% of retail/restaurant businesses report that more than 10% of their business comes from impulse buyers, and 33% draw more than a quarter of business activity this way.



Looking at customer origin, all three categories draw comparable shares of their business from the Presque Isle market, but retailers and restaurants are far more likely to attract business from seasonal residents and tourists than are other business types, and less likely to draw business from the surrounding area.



**c) Seasonality of Sales**



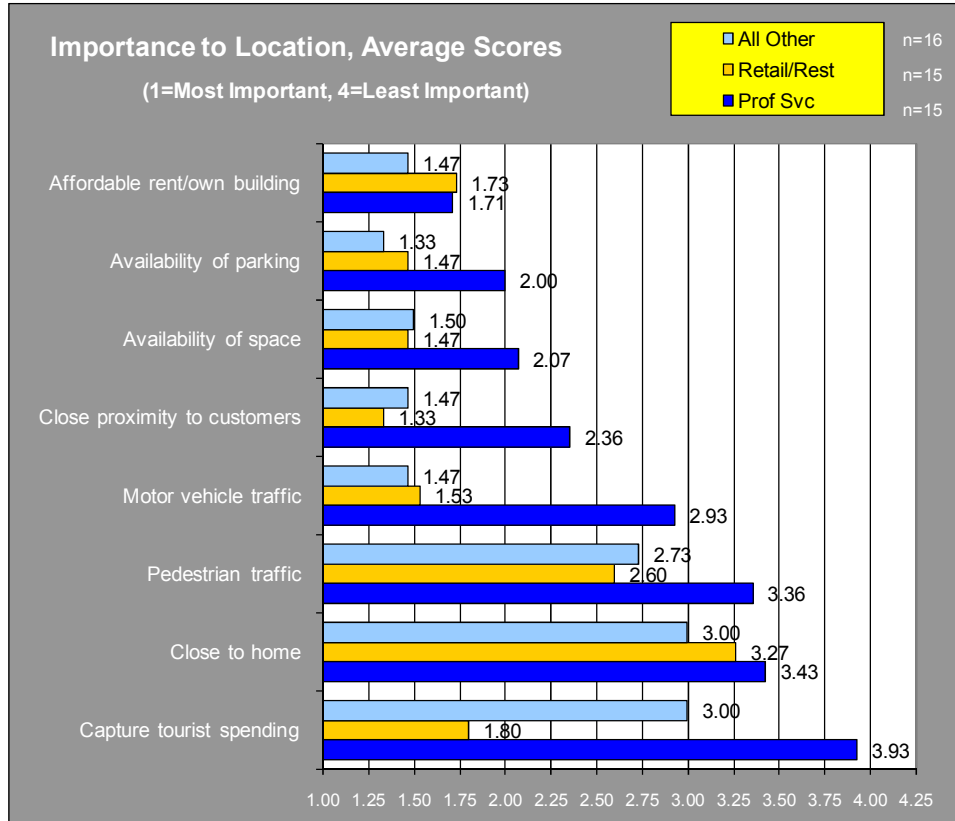
The seasonality of business activity varies heavily by business type. Specialty retail and restaurant businesses experience a very strong fluctuation in business activity: only 13% report constant activity through the year. Their strongest activity levels are around Christmas and in the Autumn months, and business is slowest in the Winter and Summer months.

Conversely, professional service businesses tend to have steady business flow, as 50% report no variations. Among those reporting variations, Winter and Spring are the busiest times. This can be explained by the fact that several of these businesses are accounting firms.

Among the “other” businesses, 63% experience seasonal fluctuations, with Summer being by far the busiest season; 80% of these businesses reported that Summer is their peak time. Winter is, by far, the slowest time of year for these businesses.

**d) Locational Considerations**

The results of the questions regarding reasons for choosing business locations also showed great variation among the three categories.



Professional service businesses are clearly motivated by different factors than are others. Since these businesses are located in offices and draw few customers “off the street,” they are not strongly concerned with factors such as traffic volume or proximity to customers. Instead, their strongest motivating factors are the affordability and availability of space and parking.

Specialty retailers and restaurants are mainly motivated by the same factors as “other” businesses, with one key exception: capturing tourist spending. While no professional service businesses and just 26% of all other businesses listed this as either “very important” or “important” top priority, 73% of retail/restaurant businesses did so. Retail/restaurant businesses are also somewhat more strongly motivated by close proximity to customers than are other businesses.

## **9. Comments Made by Respondents**

Aside from the specific questions detailed above, business owners were also given two opportunities to offer additional comments. The first was: “Please offer three suggestions to make the area more economically viable for your business,” and the second simply left space for additional comments.

These comments were not intended to be scientific, nor were they specifically aimed at gauging public opinion for or against the proposed Presque Isle Bypass. They were simply designed to give business owners a chance to discuss issues that may not have been addressed elsewhere in the survey.

Comments made by downtown core and fringe businesses related to improving Presque Isle’s economic viability were very different.

### **a) Downtown Core Businesses**

Downtown core businesses expressed very strongly that the negative impact of logging and agricultural trucks passing through downtown is great, particularly around the heart of downtown, between State and Academy Streets. The noise, odors and safety issues caused by trucks is seen as an impediment to the continued revitalization of downtown. While acknowledging this issue, many downtown business owners commented that they would like to see small improvements to Main Street, particularly a more efficient route for trucks traveling east-west through the downtown area. Several such business owners worry that that a bypass would hurt their businesses by reducing automobile traffic on Main Street.

Downtown business owners also made many comments related to parking. Several felt that more customer parking is needed, particularly on Main Street. A related issue raised by one business owner is that parking on side streets is currently limited to two hours, thus preventing employees from parking there—this individual advocated for allowing all-day parking in fringe locations. Finally, a few core business owners commented that parallel parking on Main Street is very dangerous, and one suggested converting the on-street spaces to angled spaces.

In addition to traffic and parking issues, downtown business owners also had many comments relating to the appearance, business mix and management of the downtown area:

- Several comments were made advocating for physical improvements to both public spaces and privately owned buildings, including lighting, signage, façade improvements, and plantings.
- A number of respondents complained that a better system for snow removal was needed in the downtown area, as snow banks make it very difficult for pedestrians to get around in winter months.

- Many comments were made regarding the mix of businesses, with several people advocating for attracting more restaurants, specialty shops, and entertainment destinations.
- A handful of people suggested that the City of Presque Isle should offer tax breaks or other financial incentives to local start-up businesses.

#### **b) Fringe Businesses**

Most comments made by businesses located on the northern and southern fringes of downtown Presque Isle had to do with ensuring the continued flow and volume of traffic through the Main Street corridor. Several commenters clearly stated that a bypass road would result in a loss of business activity. Many others pointed to specific “trouble spots” along Main Street where better traffic flow was needed, especially in the vicinity of Rice Street and Wal-Mart.

Comments were also made that traffic moved too fast on Main Street and needed to be slowed down for safety reasons. A few even commented that better sidewalks and crosswalks were needed on North Main Street to improve the pedestrian environment.

Many fringe-area businesses made comments related to the general business climate in Presque Isle, with several advocating for continued business growth to help lower property taxes. A few business owners also commented that business growth was being hampered by the fact that the local labor pool was inadequate to meet growth needs.

### **C. Summary of Findings from the Business Survey**

The business survey generated a very good response rate of 27%, with a very strong return rate of 33% among downtown core businesses. Although this survey is not technically “scientific,” RKG Associates believes that it does present a good representative sample of businesses located in central Presque Isle.

The survey results paint a picture of a diverse and steadily improving business climate in Presque Isle. More importantly, the survey projects optimism about the direction of the overall business environment in the area.

Though the types of customers drawn by local businesses vary greatly depending on the nature of each individual business, what is consistent is that Presque Isle remains a strong draw for many types of economic activity in Aroostook County. Regardless of the type and location of businesses, an average of about 45% of customers originates from outside Presque Isle. Though most non-local customers live within the Aroostook County region, there is some activity from seasonal residents and tourists, particularly for specialty retailers and restaurants. Few businesses depend on truckers as customers, though.



Most retail businesses in central Presque Isle do experience fluctuations in their business activity from season to season, though the peak season varies greatly depending on the type of business. Specialty retailers do their strongest trade in the months leading up to Christmas. On the other hand, convenience retailers and service businesses do much stronger business in the summer months.

The factors considered by Presque Isle businesses when choosing their locations are mostly consistent, with businesses generally motivated by affordable and available space, convenient parking, and proximity to customers. There are some variations based on location and business type, though. Businesses located outside downtown are strongly motivated by vehicular traffic, as are specialty retailers and restaurants. Conversely, neither downtown core nor professional service businesses are particularly motivated by high traffic counts. Another variable factor is capturing tourist spending: specialty retailers and restaurants are very much motivated by this factor, but other types of businesses are not.

Opinions among business owners about what can and should be done to improve the business environment in Presque Isle vary greatly by location. Downtown core businesses are very vocal about mitigating the impacts of heavy truck traffic, but simultaneously worry about the impact of a bypass road on automobile traffic. Downtown business owners are very much dependent on the presence of public parking, especially on-street parking, and would like to see more done to improve the pedestrian environment in the downtown core.

Unlike downtown core businesses, fringe-area businesses are not at all concerned about the volume of traffic on Main Street. Even among those who raised traffic issues, complaints centered on safety concerns at individual intersections or problem spots. All fringe businesses that offered opinions on the bypass felt that it would harm business activity in the Main Street corridor.

