



CELEBRATING
55 YEARS

nerej

Lewiston-Auburn continues to be one of Maine's major economic engines

January 31, 2008 - Northern New England

Despite a sluggish U.S. economy, Lewiston-Auburn (L-A) continues to experience considerable development activity as one of Maine's major economic engines. The state's second largest population center and a service center community for towns and cities in Androscoggin County, L-A has been in the midst of a cultural and economic renaissance over the past five years.

The forecast continues to look promising, particularly regarding industrial activity. At the recent Maine Real Estate and Development Association Forecasting Conference, a report by Ram Harnden noted that "Lewiston-Auburn's industrial market dramatically out-performed other sectors" in 2007 at 7.3 million s/f and a net absorption of 178,000 s/f mostly with new construction.

As one Portland-based broker with NAI /The Dunham Group wrote in a fall 2007 report in "Northeast Real Estate Business, "The majority of the new industrial development is taking place in the Lewiston-Auburn area or in the southern part of the state...with plenty of developable land and the existence of intermodal facilities, the region will be a huge draw for industrial developers and tenants."

Over the past 30 years, L-A has steadily created a diversified economy, transitioning from textile and traditional manufacturing to robust sectors such as health care, high-precision manufacturing, distribution/logistics, financial services, retail, and business services. The area's health care industry is among the largest in the state, as more people are employed in a health care-related field in L-A than in any other. Many large and successful manufacturers operate in the Twin Cities, including Tambrands (a Procter and Gamble company), GE, Elmet Technologies, Panolam, Formed Fiber Technologies, Geiger, Wal*Mart Distribution Center #7014, and LePage Bakeries.

From 2001 to 2005, Gross Domestic Product in the L-A MSA grew by 10.7%, according to the U.S. Bureau of Economic Analysis. The growth can largely be attributed to the area's diversified economy.

The area has attracted numerous distribution and logistics companies that have taken advantage of local transportation and trade amenities. Among some of the more recent projects is the 900,000 s/f Wal Mart Distribution Center, the largest development project in the area's recent history and the largest distribution center in Maine. Last year, the Auburn Industrial Park saw its first project with developer Gendron & Gendron, which built a 100,000 s/f distribution center for Bisson Transportation.

Other distribution and warehousing projects include Estes Express, a national trucking and moving company, which opened a 15,000 s/f trucking terminal in Lewiston last summer, and Safe Handling's Port of Auburn transportation facility. That facility is a 65,000-square-foot warehouse on a 150-acre parcel, which - like the Bisson project - has rail siding connecting directly to the Saint Lawrence & Atlantic Railroad.

Furthermore, Fed-Ex broke ground on an 80,000 s/f, \$5.9 million express mail distribution center on River Rd. by developer Gendron & Gendron. At year-end, it was also announced that Bangor-based logistics company Lynch Logistics is opening a facility on Hotel Road at the former Saxonville Lumber property. According to the Sun Journal, a company spokesman said Lynch would benefit from the site's 850-foot rail spur that ties into the St. Lawrence and Atlantic and Canadian National rail lines.

Both cities continue to place much of their focus on their downtowns. In Lewiston, the Bates Mill Complex continues to be an important job and investment generator, with recent new additions such as Androscoggin Bank; AAA; Bates Mill Dermatology; and restaurants Fishbones (an upscale seafood eatery) and Davinci's, an Italian restaurant that relocated from one end of the complex to larger and more accessible space. Museum L-A now hosts regular exhibits in expanded space at the mill.

Lewiston officials began its downtown redevelopment in earnest a few years ago by focusing on the Southern Gateway. The Southern Gateway is an area along Lisbon St. that now boasts millions of dollars in investment and new buildings, including the headquarters of cable and high-speed Internet service provider Oxford Networks; Andover College; a flagship VIP store; as well as the newly refurbished Business Service Center at Key Bank Plaza, home to the Androscoggin Chamber of Commerce, the Lewiston-Auburn Economic Growth Council, and other organizations.

The next target for Lewiston is an area referred to as the Western Gateway, flanked by Main, Canal, Lincoln, and Chestnut Sts. The proposed Island Point project (the site of the former Libby and Cowen mills) overlooks the Androscoggin Falls and may house a future hotel and upscale condos. The city will also build a new park where Child's Linen once sat, and will ready the former R.I. Mitchell site for private development.

Auburn has been fast at work on its downtown as well. Along its busy Court Street corridor, the Hilton Garden Inn Auburn Riverwatch recently completed its renovations just a few short years after opening its doors, adding 30 new "Evolutionary" guest rooms and six two-room suites. The 138-room hotel also offers meeting facilities for up to 300 guests and an excellent restaurant featuring daily specials and regional cuisine. An additional hotel may also be in the city's future near its growing retail area near the Auburn Mall.

Also along Court St., the city continued the next phase of the Riverwalk, extending the existing walking path and investing significantly in additional landscaping. The city also plans to create a new office building on the site of a former gas station and tenement buildings on Court Street. Several recent businesses, including Gritty's Brew Pub, L/A Eyecare, the Midnight Special, and Holly's Own Deli continue to benefit from ample parking from the new Auburn Municipal Garage, connecting the newly refurbished Auburn City Building.

Another exciting development for Auburn's downtown is the collaboration between the Auburn City Council and the arts organizations located in the Great Falls Performing Arts Center. The center, which houses Community Little Theater and Edward Little High School Drama Club, will share the cost of a feasibility study to determine the future of the facility, which needs modernization.

Numerous companies and institutions have expanded or invested in recent months, including all the area's colleges (Bates College, \$60 million; Central Maine Community College, \$4 million; Andover College, \$500,000; and L-A College, \$5 million); new homes for both the Androscoggin Humane Society (\$1.7 million) as well as Tri-County Mental Health (\$1.4 million); and private expansions at RF Technologies, Tambrand's, Thomas Moser Cabinetmakers, and Angostura/World Harbors, to

name a few.

Retail activity has exploded in the Twin Cities, particularly along the Mount Auburn Ave. and Turner St. area of Auburn, where the city has recently invested millions in traffic lights, street improvements, and the area's first rotaries. Among the newest retail attractions in Auburn are Kohl's, Bed, Bath & Beyond, Best Buy, Longhorn Steakhouse, TGI Fridays, and Lowe's.

The Auburn Mall is also in the midst of a radical transformation, having been purchased last year by developer George Schott. Among the new offerings at the mall are Joker's Family Fun & Games, national department store clothiers Steve & Barry, and Super Shoes. Across the river, Wal*Mart had completed its permitting process to build a new Super Center in Lewiston near exit 80 of the Maine Turnpike. That project is expected to trigger a wave of retail activity there, and is expected to attract other national retailers who ride the coat tails of big-box anchors.

Lewiston-Auburn is getting recognition for its dining options. Well over a dozen new restaurants have opened over the past two years, several of them considered fine-dining establishments. The media has particularly taken note of Fuel, a French bistro-style restaurant located on downtown Lisbon Street and operated by Eric and Carrie Agren. The Agrens purchased the Lyceum Hall property, renovated the upstairs as their living space, and converted the first floor to a bar and restaurant. They also donated space next door to L/A Arts for an art gallery, called Gallery 5, featuring local artists. The project has been featured in a number of statewide publications and photo essays.

All the development north of Portland has not gone unnoticed. In fact, as a community, Lewiston-Auburn led the state in economic development expansions and investments in 2006, according to the Maine Department of Economic and Community Development. Lewiston-Auburn finished 2006 with more than \$121 million of activity. It marked the second time in four years that L-A led the state in development activity.

That distinction was sweetened by the honor bestowed upon Lewiston by the National Civic League as a 2007 All America City. The award "recognizes communities whose residents work together to identify and tackle community-wide challenges and achieve measurable, uncommon results." Only 10 cities are selected as All-America Cities each year. (Lewiston was the first Maine city in 40 years to earn the distinction - the last Maine city to earn the award was Auburn in 1967!)

One sign that the area's success was turning heads statewide came in the form of a 21-page special that ran in Portland-based Port City Life, a swank high-gloss lifestyles magazine serving Maine's coastal communities. In an occasional feature entitled "Port of Call," editors produced a spread on some of Lewiston-Auburn's unique assets and sources of pride. Stories focused on a business boom taking place in L-A, the addition of Fuel Restaurant and Gallery 5, and profiles on The Public Theatre, Museum L-A, and The Maple Room, to name a few.

Paul Badeau is the economic development director for the Lewiston-Auburn Economic Growth Council, Lewiston, ME.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540