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BARTRAM & COCHRAN Real Estate & Economic Development Consultants

**Libby Hill Business Park Phase II (LBHP II)
Marketing Plan**

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Libby Hill Business Park Phase II (LBHP II) Marketing Plan

Background

Situated in an ideal location at the intersection of I-95, I-295 and Route 201, Libby Hill Business Park (Phase I) has been in operation since the late 1990's with build-out starting in 2000. Phase I consists of 140 acres with 16 lots, of which only four are currently available. Given its outstanding location within the State of Maine as a central point from which to access key areas north to Bangor (and beyond) and south to Greater Portland, the time is right to begin the Phase II expansion.

Because of its TIF zone location and Pine Tree Zone designation, Libby Hill has been and will continue to be a desirable location for business. Not only is the park aesthetically attractive with its natural setting and well designed buildings but it has the necessary infrastructure for today's businesses (water, sewer, electric and telecommunications). With Federal and State regulatory pre-permitting, construction time is expedited for interested businesses—a key factor in their location and site decision-making.

Current business tenants include E. J. Prescott, Pine State Trading, Scientific Games, On Target, and the Veterans Administration. Dennison Lubricants recently acquired two lots and will be constructing a building on their site.

Approach

To develop the Marketing Plan for Libby Hill Business Park (Phase II), Bartram & Cochran:

- ◆ Toured the Business Park to get a first-hand feel for the location, the site, the topography, the adjacency to major highways and local routes, the existing buildings that are currently located there and the future expansion opportunities
- ◆ Met with Jason Simcock, Director of Planning & Development, City of Gardiner to get both a quantitative and qualitative feel for the background on the Libby Hill Business Park. Mr. Simcock has provided extensive background material on Phase I on land sales, property taxes, TIFs and other related matters. Phase II information, where available, was also provided.
- ◆ Conducted Information Interviews with a wide range of contacts to get diverse and broad perspectives on Phase I as well as a sense of the direction for Phase II, including:

Ken Young, Executive Director, KVCOG
Brian Hodges, Business Development Specialist, Maine DECD
Connie Greenleaf, Gardiner Board of Trade
Dave Bragg, Milone & MacBroom--Ph. II site plan, infrastructure, costs/timing
Dave Cichowski, Code Enforcement Officer—zoning, land use, lot coverage

Businesses at LHBP

These information interviews addressed the following points:

- ◆ The nature of their business
- ◆ Where they were previously located
- ◆ How the LHBP location and infrastructure support their business requirements
- ◆ What cost and expense factors went into their decision
- ◆ Other locations they had considered
- ◆ Is there anything the LHBP could do to improve its competitive posture
- ◆ What specific types of businesses would be attracted to the LHBP

The following businesses were contacted:

Dennison Lubricants-Tim Dennison (owner)—just acquired lots
E.J. Prescott-Peter Prescott (owner), Dave Gardiner (SVP)
Pine State Trading-Nick Alberding (owner)
Harper's Development – Bill Dowling (tenant oversight)
Tenants at Harper's Development Building
Scientific Games – Darrell Frecker, General Manager
On Target – John Fallona, President
Veterans Administration – Keith Waye, Contracting Officer

- ◆ Reviewed background materials including City Valuation and Tax Records, 2006 TIF worksheet, Phase I expense, additional TIF and other information and related Phase II Projections
- ◆ Reviewed Sales to Date information on LHBP Phase I to get a better sense of the demand and absorption to date to utilize in establishing Phase II projections
- ◆ Conducted a preliminary evaluation of competitive sites
- ◆ Evaluated financial, locational, demographic and other market data to establish the context for the Marketing Plan
- ◆ Reviewed a draft marketing plan with the Libby Hill Business Park Steering Committee for their feedback

Marketing Plan Assumptions

It is assumed that TIF and Pine Tree Zone incentives will continue to be available in Libby Hill Business Park Phase II as they were in Phase I. These are both very important tools to have for attracting business to the park.

Pricing is currently at \$.75/SF or \$32,670 per developable acre in Phase I. For comparison, FirstPark is priced at \$40,000 per developable acre. Based on the scarcity of available business park land, in and nearby the Gardiner area, and for the uses typical at Libby Hill Business Park, it would appear that a range of \$40,000 to \$50,000 (per developable acre) would be very realistic. This translates to \$.918 to \$1.148/SF. For marketing purposes, using a mid-range, round number of \$1.00/SF would translate to \$43,560 per developable acre.

Competition

In some senses there are no real competitors to Libby Hill Business Park and in other senses every business park in Maine with reasonable access to major highways (I-95 and I-295) could be considered a competitor. However, when examining all the business park locations and when narrowing down those to ones with outstanding access to major highways and located with reasonable proximity to both Southern Maine as well as Northern Maine (defined as the Bangor region and beyond), only Libby Hill Business Park and FirstPark were typically named in the majority of information interviews that took place. Furthermore, while FirstPark began with a high tech orientation, it has, instead, become much more oriented to medical specialty and health services—with a few exceptions. In any event, it still retains an office park orientation and is not in any way focused on the distribution sector. FirstPark is also concentrating its marketing efforts outside of the area in order not to compete with its member municipalities. For all these reasons it is not really a competitor for the types of businesses that have found (and will continue to find) Libby Hill to be the location that best meets their needs for servicing the entire state (whether for product or service distribution).

Marketing Plan

Prospective Tenants

Based on the analysis of current tenants, the location of the site in relation to accessibility to I-95, I-295 and Route 201 and input from a wide variety of sources both at the local and state level, businesses that are most ideally suited to LHBP Phase II would be those businesses with needs for distribution throughout Maine as well as businesses that service clients throughout the state. Ideal targets are those companies that would create a corporate headquarters/distribution facility on the site. Overall, these businesses include:

- ◆ All Distribution companies
- ◆ Manufacturing/Assembly (typically with distribution, although light manufacturing/assembly without a significant distribution component would also be appropriate)
- ◆ Wholesale, Transporting and Warehousing companies
- ◆ Consulting companies
- ◆ Engineering companies
- ◆ Architects
- ◆ Landscape Architects
- ◆ Design Services
- ◆ Surveyors
- ◆ Outdoor Advertising Agencies
- ◆ Computer and Telecommunications Service companies
- ◆ Accounting and Tax firms
- ◆ Bookkeeping and Payroll firms
- ◆ Utility Service (electric, gas, sanitary) companies
- ◆ Mechanical and Plumbing Services
- ◆ Equipment and Machinery Repair
- ◆ Personal Care Services
- ◆ Cleaning Services
- ◆ Moving and Storage companies
- ◆ Commercial Food Service/Catering Providers
- ◆ Commercial Food Processing companies
- ◆ Commercial Bakeries
- ◆ Building Maintenance Services
- ◆ Linen Supply Services
- ◆ Testing Laboratories
- ◆ Dental Laboratories
- ◆ Boat Building companies (given the City's deep water boat launch at the waterfront)

Marketing Plan Implementation

Marketing Collaterals to use in this effort should consist of the existing Gardiner Maine marketing piece which includes a cover and a general insert on Gardiner as well as an insert on Libby Hill Business Park. Additionally, the more recent one page Libby Hill Business Park marketing collateral that shows Phase II information should be included. This latter collateral should, of course, be updated with details on Phase II (such as lot numbers and lot acreages—total and developable) as they are finalized, particularly for pricing. A map showing the location of Libby Hill

Business Park in Maine, with Portland, Gardiner, Augusta and Bangor identified should also be part of the package. This can be a separate one page piece. Additionally, a demographic profile of the Gardiner region (see Attachment 1) and a map showing the commuting profile of workers coming into Gardiner (see Attachment 2) should be included.

A direct mail marketing campaign should be the primary focal point for attracting businesses from the previously identified target sectors. Target sector candidates should be identified from companies already with a presence in Maine. Then, along with the Marketing Collaterals a cover letter addressed to the CEO or president of the company should be included generally describing Libby Hill Business Park Phase II, including:

- ◆ its location and access advantages,
- ◆ its infrastructure to support business,
- ◆ the types of businesses already at Libby Hill,
- ◆ the programs and incentives available and
- ◆ its pre-permitting advantages, as well as
- ◆ the overall quality of life in and around Gardiner.

A follow-up call should be made to each target company about one to two weeks after the cover letter and brochure are sent out to explore their interest, answer any questions and potentially set up a tour of the site. We recommend sending out about 40 letters per month so that follow-up can be reasonably facilitated.

Exposure

In addition to the direct mail and follow-up campaign, it would be advisable to get Libby Hill Business Park Phase II information on a regional data base of commercial real estate listings such as the Maine Commercial Association of Realtors (MCAR) Commercial Real Estate Database accessed at www.mainece.com and/or on a national commercial real estate website such as CoStar. This will provide direct exposure to Maine (as well as other Northern New England) real estate professionals and/or other national brokers that are searching for sites in the area.

From a media perspective, it is necessary to keep Libby Hill Business Park Phase II in the public eye through the media. Media in this case means newspapers (Kennebec Journal and any appropriate others), local TV stations and the statewide business journal MaineBiz. It is important to maintain a good working relationship with contacts at each of the above media. In terms of publicity, we would recommend updating them in advance of the beginning of infrastructure construction on Phase II about the expectations for new businesses coming into the park and then updating them quarterly about construction progress and new businesses buying lots

and about the plans those businesses have for their buildings (to the extent that information can be made public or perhaps generalized). Oftentimes these publicity announcements can be made in the context of overall economic development progress reports, including the status of downtown revitalization and waterfront efforts, for example.

Website

Our recommendation would be to model the website after the latest one page marketing piece that shows Phase II information on it. Of course, it should be updated with details on Phase II (such as lot numbers and lot acreages—total and developable) as they are finalized. Pricing for Phase I and Phase II should also be included. Additionally a map showing the location of Libby Hill Business Park in Maine, with Portland, Gardiner, Augusta and Bangor should be included. Links such as those on the current website (such as for TIF and Pine Tree Zone information) should continue to be used. We would also recommend having Jason Simcock’s full name and title.

Finally, the website content needs to be modified such that search engines will readily come to it. A Google search on “business parks in Maine” did not pick up Libby Hill Business Park—at least within the first three pages of the search.

Site Amenities

Libby Hill Business Park is both very attractive and well located. However, for a party arriving for the first time, whether to visit an existing tenant or to consider becoming a tenant, it would be very useful to have a large sign just after entering that indicates the names of all the existing businesses in the park with a related site map showing where the businesses are located as well as those lots that are still available. On this one sign, both Phase I and Phase II can be shown and all lots available should be clearly identified as such with a highly visible label. We would also recommend a large sign by the existing roadside Libby Hill Business Park sign announcing “PHASE II COMING SOON” when Phase II construction is started.

Implementation Resource Recommendations

For the implementation phase of the Marketing Plan, it will be necessary to have either someone on staff or an outside consultant, identify the companies to be contacted (within the previously described target marketing sectors), prepare the cover letter, mail the cover letter and marketing collaterals, make the follow-up phone calls and generally shepherd interested parties through to the point of signing a contract to buy one or more lots. Additionally, creating press announcements and interfacing with the media would also be required, as would placing Libby Hill Business Park information on a regional and/or national

commercial real estate database and overseeing changes to marketing collaterals and the website. Finally, it will also be necessary to periodically assess how the approach is working—based on feedback from contacts, leading to possible adjustments or updates to information included (such as in the cover letter) and indicating whether target sectors should be modified.

An outside consultant also offers the advantage of having a third-party professional involved—giving the City of Gardiner an automatic upgrade to its image.

Given the City’s limited marketing budget (of \$20,000 annually) it would seem to make the most sense to utilize an outside consultant (say for \$10-15,000 per year) working closely with City staff to help accomplish the marketing objectives. In this way the limited budget could be used optimally and cover all the areas previously discussed. City staff would still be doing many of the above-mentioned tasks, but working “hand-in-glove” with the consultant. In this way the consultant could also provide the necessary entrée to the area real estate community as well as being the conduit to get Libby Hill onto commercial real estate databases. Interactions by the consultant with the real estate community could allow identification of trends and industry sectors that were on the up-tick (and hence potentially needing more space). Additionally, we would recommend having a meeting once or twice a year with key members of the regional commercial and residential real estate communities to discuss what is happening (and what is expected to be happening in the future) in the region overall—office, industrial and retail markets, as well as housing—and, in this way, sharing information in both directions, which would be of value to both the City and the real estate brokers.

Below is a matrix that describes the inter-related roles that an outside consultant would play, alongside the City, showing functions/tasks, timing and responsibilities/coordination:

Function/Task	Timing	Responsibility/Coordination
Identify Contact Companies within target sectors	On-going	Outside consultant
Create Cover Letter to be used	At outset	Outside consultant
Update Marketing Collaterals	At outset	City with outside consultant
Generate each month’s cover letters to target companies (approximately 40 per month or about 500 per year) and mail out with marketing collaterals	On-going	City

Make follow-up phone calls to targeted recipients	On-going	City
Shepherd interested parties	On-going	City
Create press announcements and interface with the media	On-going	Outside consultant with City
Put Libby Hill info on regional and/or national commercial real estate websites	At outset	Outside Consultant
Assess how process is working and adjust as necessary	Periodically	Outside Consultant with City
Interact/Interface with Real Estate Community	Periodically	Outside Consultant with City
Update/Modify Libby Hill website	At outset	Outside consultant with City and website designer
Update/Modify Signage at Libby Hill Business Park	At outset	Outside consultant with City and sign maker