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Monthly Economic: Southern District, August 2008

Maine Department of Labor

Maine Center for Workforce Research and Information

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Monthly Report for Southern District

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National/State News

The not-seasonally-adjusted Maine unemployment rate for June was 5.0 percent, down from 5.2 percent for May and up from 4.5 percent for June 2007. The unadjusted national rate was 5.7 percent for June, up from 5.2 percent for May and 4.7 percent for June 2007. Not-seasonally-adjusted June unemployment rates for Maine counties ranged from 3.9 percent for Cumberland County to 8.1 percent for Piscataquis and Washington counties. Not-seasonally-adjusted nonfarm wage and salary jobs in Maine rose by 11,800 between May and June as the busy summer season approached. The largest gains were recorded by leisure and hospitality services, retail trade, construction, and professional and business services. Partially offsetting these gains, state government education and private educational services jobs fell as nonprofessional staff and work study students left post-secondary institutions at the ends of the school year.

The preliminary seasonally-adjusted June unemployment rate for Maine was 5.3 percent, down from 5.4 percent for May. The national unemployment rate for June was 5.5 percent.

Summary for Southern District*

June unemployment rates were down in four of the six Southern District areas. The June/May local area unemployment rates are: Conway, NH-ME 3.9% and 4.1%; Portland-South Portland-Biddeford MSA 4.0% and 3.9%; Portsmouth-Kittery, NH-ME 3.5% and 3.7%; Rochester-Dover, NH-ME 4.0% and 4.2%; Sanford LMA 6.4% and 6.4%; York LMA 3.5% and 3.8%.

Over the year unemployment rates were up in all six labor market areas in the Southern District.

Conway, NH-ME LMA

Area Definition

The Conway, NH-ME LMA is comprised of Brownfield, Denmark, Fryeburg, Lovell, Stow, and Sweden (All in Oxford County, Maine).

CIVILIAN LABOR FORCE TRENDS

From May to June, the local unemployment rate fell two-tenths of a percentage point from 4.1 percent to 3.9 percent. Resident employment rose by 310 while the number of residents unemployed increased by only 10. The civilian labor force increased by the same 310 figure found in the employment numbers. These factors, combined with the insignificant rise in unemployment, accounted for the lower unemployment rate.

Over the year, resident employment varied by only 10 less workers at 3,870. From June 2007, the number of unemployed increased by 30 from 130 to 160 this year.

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Conway, NH-ME LMA  
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The unemployment rate rose by six-tenths of a percentage point to 3.9 percent. The resident civilian labor force remained firm at 4,020, an increase of 10 from this time last year.

Twenty percent of all separations were from manufacturing, 15 percent each from arts and entertainment and other services. The remaining separations reflected five percent or less for each industry sector. Thirty-seven percent of insured claimants were female. Seventy percent of all insured unemployed were their family’s primary wage earners, 26 percent were secondary wage earners, and four percent lived alone. Eighty-five percent reported their layoffs as temporary. Fifty-two percent completed high school while 19 percent reported some post-secondary education. None of the claimants were veterans.

The jobless rate for the Portland-South Portland-Biddeford MSA increased slightly from 3.9 percent in May to 4.0 percent in June. Resident employment grew by 4,200 from 196,900 to 201,100. Unemployment grew marginally over the month increasing by 200 from 8,100 to 8,300. The civilian labor force gained 4,500 workers.

Over the year unemployment was up by 1,000 from June 2007, resident employment rose by only 200, and was reflected in the five-tenths of a percentage point climb in the area unemployment rate from 3.5 percent last year to this year’s 4.0. The civilian labor force gained 1,200 during this period.
Nonfarm Employment
(jobs physically in the area)

Nonfarm jobs increased by 3,900, from 196,100 in May to 200,000 jobs in June. Leisure and hospitality continued to demonstrate seasonally significant numbers and, as expected, an increase of 2,800 new jobs. Trade and transportation grew by 700, professional and business services by 600, and construction jobs increased by 300. Financial activities grew by 200. Manufacturing, federal government, and local government each added 100 jobs. On the negative side, state government lost 800 jobs while education and health services and information declined by 100 jobs each.

Over the year, nonfarm employment increased by 200 jobs from 199.8 thousand in June 2007 to 200.0 thousand in June 2008. Gains were reported in retail trade with 500 new jobs, education and health services with 400, leisure and hospitality and professional and business services with 200 each, and with transportation and warehousing and food and beverages adding 100 each. Much of the job growth was due to store and restaurant openings at Biddeford Crossing, Lowe’s Home Improvement in South Portland, and Cabela’s in Scarborough. Over the year declines were reported durable goods manufacturing, construction, and state government with losses of 400, 300, and 200 jobs respectively. Information, finance and insurance, and other services each lost 100 jobs.

CLOSINGS/ LAYOFFS
(past 12 months)

The Portland Press Herald expects to terminate another 8-to-10 full-time positions. This will be the fourth layoff in the past 12 months. The local and state economies and a decrease in advertising revenue were cited for this latest round of separations. – Mainebiz Daily, 7-21-08.

Columbia Coastal Transport based in Liberty Corner, New Jersey has suspended its biweekly cargo container services with the loss of its largest customer, Red Shield Environmental. If Red Shield is able to resume production after financial reorganization, the transport company will also resume service to Portland. – Mainebiz Daily, 7-17-08.

The Kennebunk, Kennebunkport, and Wells Water District will not sell water to Poland Spring; the motion to sell was indefinitely tabled which allows the issue to be revisited in the future. Concern by locals was cited as the reason for the declination. – Mainebiz daily and other news sources, 7-11-08.

On Sunday, June 22, the T.G.I. Friday’s restaurant at Biddeford Crossing closed. Approximately 45 workers were laid off. This was the second restaurant in the complex to close since March; the other was Chili’s. Furthermore, the closing happened after news that another store, Linens ‘n Things, with circa 20 workers affected, was also closing its doors. – Journal Tribune, 6-25-08.

Iberdrola of Spain is rethinking its $4.6 billion deal to buy Energy East, based in New Gloucester and the parent company of Central Maine Power. Already approved by the necessary state and federal

Sixteen percent of insured claimants were separated from retail trade, followed by manufacturing, construction, and healthcare and social assistance with 14, 12, and 11 percent respectively. Administrative and waste services and accommodation and food services each had eight percent while wholesale trade accounted for seven percent. The remaining industries had five percent-or-less.

Forty-six percent of insured claimants were female. Forty-nine percent of all insured claimants were their family’s principal wage earners, 18 percent were secondary wage earners, and 32 percent lived alone. Forty-seven percent completed high school while 41 percent reported some post-secondary education. Sixty-two percent believed their layoffs were temporary, 25 percent left their jobs voluntarily, and 11 percent considered their layoffs to be permanent. Nine percent were veterans.
Closings  
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regulatory agencies, the deal was expected to be completed by mid-2008. A New York State judge, however, ruled that the deal was not in the best interest of the public. The final decision now rests with the New York Public Service Commission whose staff has also recommended rejection. When a decision would be rendered has not been announced. – Mainebiz Daily, 6-18-08, 3-13-08 and 11-27-07.

KG Partners, an advertising firm in Portland, laid off eight employees due to economic conditions.– Mainebiz daily, 5-22-08.

Sportshoe Center, based in Kennebunk, plans to sell six of its 14 stores, including the Wells and Scarborough stores in Maine. The company recently sold stores in Vermont, New York, and New Hampshire. Further downsizing is expected later this year. – Mainebiz Daily, 5-9-08.

The City of Portland cut 98 positions across all departments, including its entire transportation department, due to budgetary constraints. – Mainebiz, 4-21-08.

The owners of the Maine Mall in South Portland have abandoned their $20 million expansion plans to open a 14-screen theater, restaurants, and a second food court.– Mainebiz Daily, 4-4-08.

The Seattle Times Company, owner of the Blethen Maine Newspapers, has decided to sell its Maine papers, which include the Portland Press Herald, The Maine Sunday Telegram, and the Kennebec Journal. The Portland Press Herald/Maine Sunday Telegram previously eliminated 27 positions and laid off 15 workers. – Mainebiz, 3-24-08, Maine Sunday Telegram, 3-16-08, Mainebiz Daily, 3-19-08.

The University of Southern Maine will borrow $8.2 million and eliminate 90 positions in its efforts to balance its $110 million budget. Layoffs and program reorganizations will be announced in late winter or early spring. The university is considering cutting 26 programs. – Mainebiz, 3-17-08 and 1-14-08.

Citigroup of New York will close its two Portland offices by July 2008, affecting about 260 workers. – Mainebiz, 9-3-07.

Michael Dell, founder of computer maker Dell, has invested in South Portland-based Wright Express. This new purchase of Wright Express stock makes Mr. Dell one of the company’s largest shareholders with investments worth more than $52 million. – Mainebiz daily, 7-8-08.

Nova Scotia’s Economic Development Department has invested $4 million in Bay Ferries Ltd., the company that operates the CAT high-speed ferry service to Portland and Bar Harbor. Because of the high fuel costs, without this financial aid the service would not have continued. – Mainebiz Daily, 7-1-08.

The United States Navy has awarded an addition–to-contract to the General Dynamics Armament and Technical Products, Saco Defense, of $7.8 million to extend production for the M61A2 20mm automatic Gatling Gun system for fighter jets. – Journal Tribune, 5-14-08.

Cabela’s Inc., the anchor tenant of The Gateway at Scarborough complex, opened on May 15th. The 125,000 square foot store employs circa 300 full- and part-time workers. One of 26 stores throughout the country, this is Cabela’s second store in New England; the other is in Connecticut. Other Gateway tenants include the Portland Pie Company, the Kennel Shop, Haven’s Candies, and the Freaky Bean Coffee Shop. Eventually the site will house a 200 room hotel, restaurants, and office space. – Multiple Media Sources, on site visit 5-17-08.

Ricetta’s Pizzeria has opened a new store at the Shops at Long Bank in Kennebunk. Approximately 65 full and part-time positions were generated. – Journal Tribune/York County Weekend, 5-17-08.

Prudential Financial has opened its second office in Portland. Based in Newark, New Jersey, the company has hired circa 40 people to staff its 2 Portland Square facility. The company employs 140 people at its Middle Street office. – Mainebiz Daily, 5-15-08.

Flotation Technologies of Biddeford has received a $5.5 million contract to build a custom designed buoyancy solution for an international energy company; the company was not specified. Flotation Technologies, which was acquired in April by Houston-based Deep Down, Inc., designs and manufactures deepwater buoyancy and polyurethane elastomer systems. – Mainebiz Daily, 5-13-08.

Hydro International, based in Portland, purchased a competitor, Eutek Systems, Inc. of Portland, Oregon. Hydro International makes products that control and treat stormwater, wastewater, and combined sewer overflows. Eutek manufactures equipment that removes fine grit, sugar sands, abrasives, and fixed solids from wastewater streams. – Portland Press Herald, 5-7-08 and Mainebiz Daily, 5-6-08.
Expansions
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The Freaky Bean Coffee Company of Westbrook will open new stores in Scarborough and South Portland, in May. The company has been selected as the official sponsor at the American Pavilion at the Cannes Film Festival–Mainebiz Daily, 5-1-08.

Cordijia, of Delaware, has acquired the Portland technology and consulting business HCI Systems Asset Management LLC. The new company will be called HCI Solutions LLC. The acquisition will enable Cordijia to accelerate its growth into new markets, grow its staff, and continue development of proprietary software. – Mainebiz daily, 4-9-08.

Construction began March 20th on the $45 million Village Center, which will be the permanent home of L.L. Bean’s factory outlet store. Final plans include a 550-space parking garage combined with 118,500 square feet of retail/restaurant space that could include a theater and brew pub. The building will also house Calvin Klein, Izod, Van Heusen, and Geoffrey Beane stores. – Mainebiz Daily, 3-21-08.

General Dynamics will be adding about 31 jobs to its Saco Defense facility after investing $5 million in equipment. The expansion and new hires will be making M2HB machine guns. (Mainebiz, 3-10-08). Previously, the company was awarded a $37 million contract to produce over 3,000 M2 machine guns destined for foreign military sales. – Mainebiz Daily, 12-05-07.

Borealis Breads, with bakeries in Waldoboro and Wells, is opening a bakery and café in Portland this summer. – Portland Press Herald and Mainebiz Daily, 3-11-08.

SymQuest Group, Inc. has acquired UBIQ Imaging Solutions, Inc. of Westbrook and Bangor. SymQuest will retain all 20 present UBIQ employees. – Mainebiz, 2-19-08.

SB Acquisitions LLC purchased Saunders Brothers, Inc. of Westbrook. The new owners are committed to keeping the 120 Saunders’ workers in their present capacities.– Mainebiz Daily, 11-9-07.

Planet Dog, based in Portland, moved production of its molded plastics products from the Dominican Republic to Springvale. The company also plans to move its sewn products from China to domestic manufacturers by 2010. The move saved over 20 jobs at G & G Products of Springvale. G & G is presently running two shifts and looking for more workers and production space. – Portland Press Herald, 10-30-07.

Southern Maine Community College of South Portland is planning to locate a campus at the Brunswick Naval Air Station site. It is anticipated that the campus will serve circa 1,500 students by 2014. – Mainebiz Daily, 7-15-08.

North Dam Mill, LLC has received approval for a 23-year, $2.1 million Tax Increment Financing (TIF) arrangement from the Biddeford City Council. The second phase of the mill renovation will include 54 residential units and 54,000 square feet for mixed commercial use. – Journal Tribune, 5-21-08 and Mainebiz Daily, 5-22-08.

Atlantic National Holdings, a subsidiary of Cape Elizabeth-based Atlantic Redevelopment Company, has purchased the Public Market for $1.9 million. Plans for the building were not available. – Mainebiz Daily, 5-19-08.

The Biddeford City Council has approved an amendment to the Alfred-Andrews tax increment financing (TIF) district. The amendment changes the name to the Route 111- Mill Redevelopment TIF which now includes the Biddeford mill district. The council unanimously approved the amendment which will be sent to the Maine Department of Economic and Community Development for final approval. – Biddeford-Saco-OOB Courier, 5-15-08.

The United States Army Joint Munitions and Lethality Cycle Management Command has awarded General Dynamics Armament and Technical Products a $9 million contract to develop a lightweight .50 caliber machine gun. Development will be done at General Dynamics’ Burlington, Vermont technology center and production and fabrication will occur at its Saco plant. – Portland Press Herald, 5-14-08.

FUTURE ECONOMIC DEVELOPMENT PROJECTS

The City of Biddeford has received a $350,000 Municipal Investment Trust Fund grant to help redevelop the Riverdam Mill Project in Biddeford. Spencer Monks Development and its sister company, The Santon Company, intend to invest circa $32 million to convert the mill into commercial space and mixed-income housing. – Mainebiz Daily and Journal Tribune, 7-29-08.

The Portland Waterfront Preservation Coalition is organizing in an attempt to look at ways and means for “appropriate and rational development” of the waterfront. The group’s proposals include maintaining the working waterfront and the upkeep of the piers. – Mainebiz Daily, plus multiple media sources, 7-28-08.
Economic Development
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Dole Enterprises of Saco will build a “green” subdivision, to be called Horton Meadows, located in North Saco near the Dayton line. Only 18 of 68 acres will actually be developed. The $400,000 homes will have solar heated water systems, be made of environmentally conscious materials including biodegradable insulation, and have options for photovoltaic solar panels and radiant floor heating. Windmills are being considered for power to well pumps. An independent water and septic system will be installed because of the development’s distance from Saco’s water and sewer systems. Construction of approximately 31 homes is expected to begin this summer. – Biddeford-Saco-OOB Courier, 3-27-08.

The Olympia Companies, of Portland, were selected in December 2007 to design and build the Maine State Pier Project. The company’s proposal includes a hotel, retail shops, restaurants, a public park, and an office building. Also included is a deep water dock to be built at the end of the Ocean Gateway pier. – Mainebiz Daily, 3-17-08.

Three developers have proposed a joint venture to further expand development in Portland’s Bayside Area. Maine Health/United Way of Greater Portland, The Olympia Companies, and Waterman Housing LLC have proposed two office buildings, a housing complex, and a parking garage with retail space. The group has offered $3.3 million for the 3.3 acre parcel available. – Mainebiz Daily, 3-13-08.

Intermat of Biddeford, has been awarded a $12.2 million contract to research and develop alternative materials for use in submarine-launched ballistic missiles. This will include engineering studies, analysis, fabrication, and testing. The work is will continue to 2013. – Mainebiz Daily, 1/25/08.

The University of New England is considering opening a dental school at its Portland campus. Meanwhile, construction will begin in March 2008 of a new pharmacy school, also at the Portland campus. – Mainebiz daily, 09-13-07, 11-20-07, and Maine Sunday Telegram, 11-18-07.

Wright Express, based in South Portland, and credit card company CITI have entered a partnership that is expected to bring 100 jobs to the area. – Mainebiz Daily, 11-1-07 and Maine Sunday Telegram, 11-4-07.

In June, the jobless rate in the Portsmouth-Kittery LMA decreased from 3.7 percent in May to 3.5 percent in June, the lowest in Maine for the fourth consecutive month (the York LMA also had a 3.5 percent rate). Resident employment rose by 210 from 9,220 to 9,430 while unemployment declined by only 10. The civilian labor force grew by 200.

Portsmouth-Kittery, NH-ME LMA
Area Definition

The Portsmouth-Kittery LMA is comprised of Eliot and Kittery.

Over the year resident employment grew by 90, unemployment was up by 20, and the unemployment rate was up two-tenths to 3.5 percent.
The local area characteristics of the insured unemployed in June 2008 showed that 35 percent of approved claimants separated from retail trade. Accommodation and food services had 22 percent of separations while administrative and waste services had 13 percent. Agriculture, construction, and wholesale trade each had 9 percent. Demonstrating a strong educational base, 100 percent reported completion of 12th grade or higher. Sixty-four percent believed their layoffs to be temporary and 20 percent left their jobs voluntarily. Sixty-eight percent of the area’s insured claimants were male.

CenterPoint Teleservices based in Eliot will add 150 jobs by year-end; 50 are expected to be filled in the immediate future. The company is expanding its services and currently employs over 100. – Mainebiz Daily, 3-27-08.

Portsmouth Naval Shipyard in Kittery is being considered for a $21 million earmark to help the yard construct a building to service the Navy’s new Virginia-class submarines. – Mainebiz Daily, 3-27-08. The Navy is also considering renovating the former prison to create office space, laboratories, a hotel, or a conference center. – Mainebiz Daily, 3-17-08.
Twenty percent of insured claimants were from construction with an additional 20 percent from manufacturing. Seventeen percent were from healthcare and social assistance. Agriculture, administrative and waste services, educational services, and accommodation and food services each had 7 percent of separations. The remaining industry sectors had three percent-or-less of insured claimants. Fifty-seven percent of insured claimants were women. Fifty-five percent of approved claimants had finished high school and 38 percent reported some post-secondary education. Sixty-two percent of insured claimants believed their layoffs to be temporary with 10 percent feeling their layoffs were permanent. None of the claimants were veterans.

Prime Tanning Co., Inc. of Berwick merged with Shanghai Richina Leather Co., Ltd. and will become Prime Leather International. Last August, Prime Tanning Co. Inc. and Irving Tanning Co. merged. Irving, which operates a leather-finishing operation in Hartland, has linked with Prime’s tanneries in Berwick and St. Joseph, Mo., to create the largest tanning operation in the country, according to a press release. The two tanneries together employ 565 people, according to the Bangor Daily News. The combined company’s footwear and accessories customers include Coach, Cole Haan and Timberland. –from Mainebiz Daily, 3-31-08 and 8-15-07.
In June, 23 percent of insured claimants separated from manufacturing, 12 percent from construction, 11 percent each from retail trade and other services, seven percent each real estate and from accommodation and food services, and six percent administrative and waste services. The remainder came from other industries.

Characteristics of the insured unemployed indicated that 29 percent of all claimants had received some post secondary education, 68 percent believed their layoffs to be temporary, and only 19 percent left their jobs voluntarily. Eleven percent were veterans and 51 percent of all insured claimants were women.

Over the year resident employment decreased by 50, unemployment grew 80 to 660, and the unemployment rate rose by four-tenths of a percentage point to 3.5 percent.
CHARACTERISTICS OF THE INSURED UNEMPLOYED

Nineteen percent of insured claimants were from accommodation and food services, 13 percent from other services, 11 percent each from construction and retail trade, 10 percent from manufacturing, and 8 percent each from wholesale trade, professional and technical services, and healthcare and social assistance. The remaining industries accounted for five percent-or-less of separations. Fifty-one percent of insured claimants were female. Fifty-eight percent of claimants had some post-secondary education. Forty-two percent were primary wage earners. Ten percent were veterans.

CLOSINGS/LAYOFFS (past 12 months)

The Maine Turnpike Authority expects a 1.7% drop in revenue this year due to the economic slowdown and its affect on tourism. Some MTA upgrading projects are being put on hold, including plans to build a new toll plaza in York. – Mainebiz Daily, 7-23-08.

Sportshoe Center, based in Kennebunk, plans to sell six of its 14 stores, including the Wells and Scarborough stores in Maine. The company had recently sold stores in Vermont, New York, and New Hampshire. Further downsizing is expected for later this year. – Mainebiz Daily, 5-9-08.