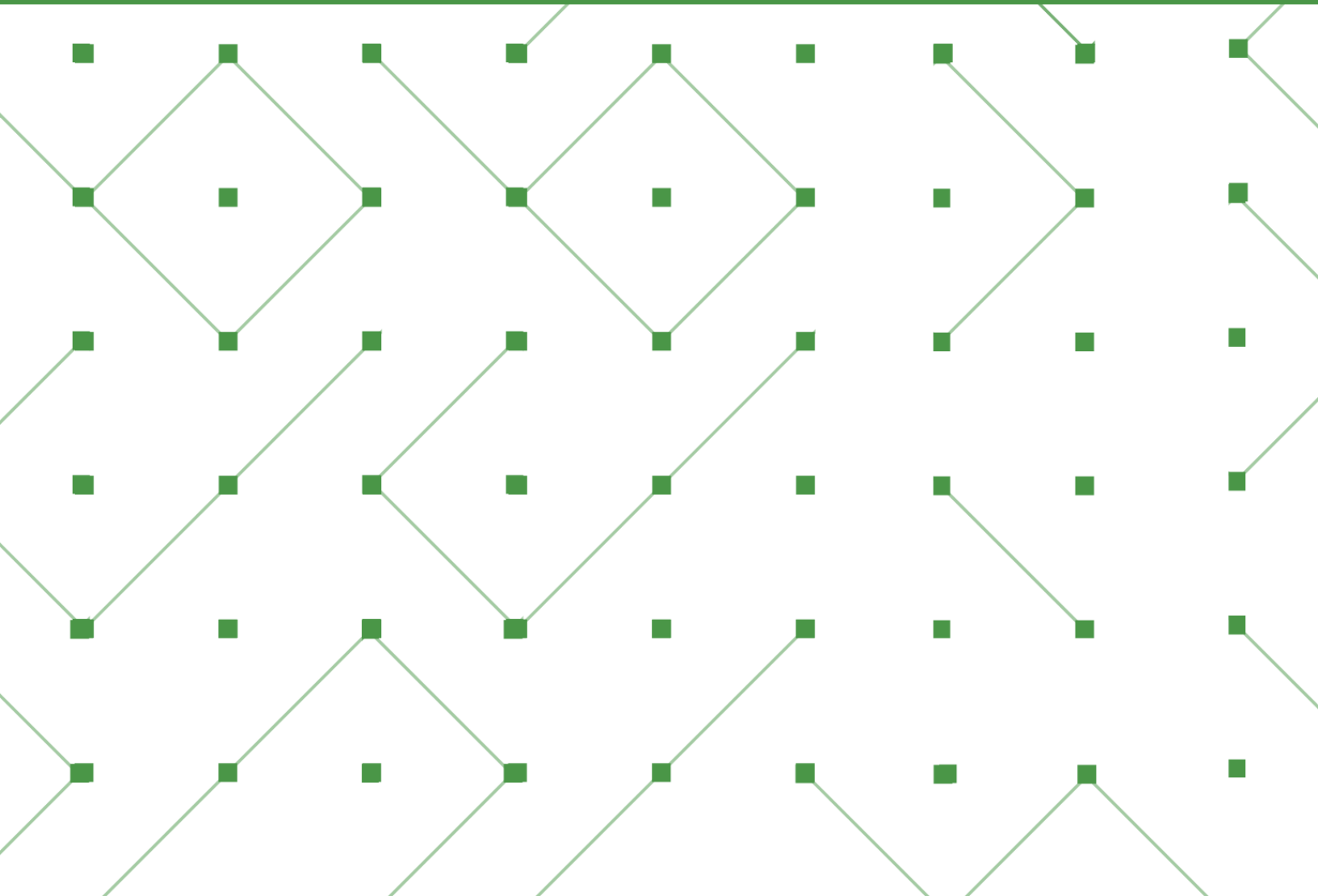


Economic Impact Study of Outdoor Recreation Initiatives in Skowhegan, Maine

Prepared for Main Street Skowhegan by Fourth Economy
Consulting

2025





Report by Fourth Economy

We believe in building strong communities, impactful organizations, and thriving economies by forging relationships with our clients and the communities they serve. Our flexible, people-centered approach combines research, analytics, strategic planning, and community engagement to provide the insights and tools needed to build solutions that make a measurable impact for our clients, the communities we work in, and the world we share. engage@fourtheconomy.com

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Executive Summary

The future Skowhegan River Park, consisting of a whitewater park, riverfront boardwalk, trails, and outdoor programming and major festivals, will contribute significantly to the regional economy. To align with the Maine Office of Tourism designation of the Kennebec Valley region, the following economic impact is considered from the two-county regional perspective, including Somerset County and Kennebec County. Economic impact for Skowhegan River Park includes tourism related **spending impacts, operation impacts, and construction impacts.**

Total Economic Impact

- Skowhegan River Park is projected to generate **\$16.6 million** in local annual impact, **supporting 137 permanent local jobs** from visitor spending and park operations. These projected annual impacts include:
 - ◆ \$10 million in tourism spending at businesses within the region
 - ◆ \$6 million in wages at local businesses and for Main Street Skowhegan operations
 - ◆ \$625,000 in local tax revenue
- Construction for Skowhegan River Park will generate an additional \$12 million in earnings and support nearly 200 jobs during construction.

Spending Impacts

Tourism's Role in the Regional Economy

- **Overall tourism supports more than 1 in 4 jobs in Skowhegan** across tourism dependent industries including Arts, Entertainment, and Recreation, Accommodation and Food Services, and Retail Trade.¹
- Tourism supported industries have been key to Skowhegan's economy. **In the past decade even as Skowhegan lost jobs in manufacturing and other industries, the tourism industry bolstered the local economy, adding nearly 300 jobs.**²
- **37.9 million Americans participate in paddlesports.**³
- In 2024, the Kennebec Valley region attracted 813,700 visitors, supporting 6,200 jobs and generating \$270 million in tourism spending throughout the region.⁴
- For **one in five overnight visitors, water-related activities are the most important reason for visiting the area.**⁵

¹ Fourth Economy Analysis of U.S. Census Bureau LEHD Origin-Destination Employment Statistics

² Fourth Economy Analysis of U.S. Census Bureau LEHD Origin-Destination Employment Statistics

³ [Paddling Magazine](#) via Outdoor Foundation. 2022.

⁴ Maine Office of Tourism, Kennebec Valley 2024 Economic Impact & Visitor Tracking Report

⁵ Economic Impact of the Proposed Run of River Whitewater Park in Skowhegan, Maine, 2016.

Regional Visitors and Tourism Spending

- Fourth Economy estimates **every \$1 million in spending by visitors supports 12 local jobs, generates \$460,000 in wages, and adds \$130,000 in tax revenue.**⁶
- Maine Office of Tourism estimates that about **10 percent of visitors to the Kennebec Valley region have an interest in canoeing or kayaking.**⁷
- If 10 percent of Kennebec Valley visitors (representing around 80,000 visitors) spend at \$125 for their visit, **visitors could spend a total of \$10 million annually.**⁸
- \$10 million in spending would represent capturing 3.7% of the \$270 million of tourism spending in the region.⁹
- \$10 million in spending would support 120 jobs, generate \$4.6 million in wages, and add \$1.3 million in local, state, and federal tax revenue.

Operation Impacts

Impacts from Recreation Assets (Whitewater Park, Riverfront Boardwalk, Trail Enhancement & Expansion, Skowhegan Outdoors Program)

- Operations of assets that include the Whitewater Park, Riverfront Boardwalk, Trail Enhancement & Expansion, and the Skowhegan Outdoors Program provide **annual earnings of almost \$1 million and support 10 jobs.**

Impacts from Main Street Operations (Main Street Skowhegan Operations)

- Operations of Main Street Skowhegan provide an **annual earnings of nearly \$550,000 in and support 7 jobs.**

Construction Impacts

Phase 1 construction expenses of \$23.3 million across Whitewater Park, Riverfront Boardwalk, and Trail Enhancement & Expansion will support earnings of over \$12 million, 200 jobs over the construction period and add \$784,000 in tax revenue.

⁶ Fourth Economy Analysis.

⁷ Economic Impact of the Proposed Run of River Whitewater Park in Skowhegan, Maine, 2016.

⁸ Fourth Economy Analysis.

⁹ Fourth Economy Analysis of Maine Office of Tourism, Kennebec Valley 2024 Economic Impact & Visitor Tracking Report

Overview of Assets

This study estimates the economic impact of all Skowhegan River Park assets, including a whitewater park, riverfront boardwalk, trail enhancement and expansion, and the Skowhegan Outdoors Program. The following section defines these assets and their future visions.

Whitewater Park



Source: McLaughlin Whitewater Design Group | River Run Park near Denver, CO

Whitewater parks are engineered waterways built by modifying existing natural rivers or streams. Enhancing a river's natural flow provides challenging and fun conditions for kayaking, paddleboarding, and river surfing. As of 2021, there were at least 70 whitewater parks across the United States, with another ten in progress.

Paddle sports are increasingly contributing to Maine's outdoor recreation economy. Canoeing/kayaking's contributions to Maine's economy increased by 25% between 2022 and 2023, according to the Bureau of Economic Analysis Outdoor Recreation Satellite Account.

In Skowhegan, Phase 1 of the whitewater park will consist of enhancing whitewater that is currently present in the gorge by constructing the Northeast's first adjustable wave for river surfing, kayaking, bodyboarding, and paddleboarding, adaptable to river flow conditions for year-round recreation. With an average river flow of 4,000 to 6,000 cubic feet per second, the whitewater park is expected to operate year-round—with most recreational use from May to October. Consistent and significant water flow in all seasons will distinguish this whitewater park from others nationally.



Skowhegan's whitewater park will be situated downtown, with connections to the main street, riverfront boardwalk, and trail systems. Future construction phases of the whitewater park are anticipated, including ADA access and a second wave feature in downtown.

Riverfront Boardwalk



The Skowhegan River Park project includes construction of a riverfront promenade that will connect Skowhegan's commercial district to the Kennebec via a boardwalk, creating a lively waterfront corridor that fosters community gatherings, attracts visitors, supports local businesses, and strengthens the region's outdoor recreation identity.

Trail Enhancement & Expansion



In the previous economic impact study completed in 2016, it was determined that approximately 25% of whitewater park visitors will get into the river. Therefore, these visitors will need things to do. In addition to supporting business development that will provide more shopping and dining opportunities, Main Street Skowhegan is leading trail enhancement and expansion efforts. The Skowhegan Trail Master Plan, commissioned by Main Street Skowhegan in collaboration with partners like the Outdoor Sport Institute, is guiding efforts to increase the total trail mileage in Skowhegan to more than 50 miles, positioning the region as a destination for accessible walking, biking, cross-country skiing, and other human-powered recreation.

Skowhegan Outdoors Program

Launched in 2019, the Skowhegan Outdoors Program connects residents to the outdoors through year-round activities, skill-building opportunities, and free equipment access. AmeriCorps members lead guided programs ranging from yoga, hikes, trail runs, and community paddle sessions to specialized **whitewater kayak clinics** that prepare residents for the future Skowhegan River Park.

In 2024, the program delivered **229 free outdoor programs**, engaging **2,139 participants** and providing more than **1,100 youth experiences**. A highlight of the season was the **Youth Summer Learning Series**, which offered hands-on instruction in **whitewater kayaking, mountain biking, and hiking**—empowering young people with new skills, confidence, and a lifelong connection to the outdoors.

At the heart of the initiative is the **Basecamp Community Gear Lending Library**, which provides Somerset County residents free access to bikes, kayaks, canoes, stand-up paddleboards, camping gear, and winter sports equipment. By lowering barriers to participation, Skowhegan Outdoors is not only fostering healthier lifestyles and stronger community connections today—it is also **building the skills and confidence local residents need to fully embrace the whitewater park, trail network, and other new assets coming to the Skowhegan River Park**.

Exploring Trends in Whitewater Park Tourism

National Trends

As trails and outdoor recreation destinations often serve as network goods that connect assets and main streets. This updated economic impact analysis of the Skowhegan River Park considers a wider series of inputs, beyond just the whitewater wave, including the riverfront boardwalk, trails, and outdoor programming and major festivals. However, it is informed by previous economic impact studies and regional studies that consider singular assets, as well as the economic impact estimate of other whitewater parks.

Whitewater parks are growing economic drivers nationally. According to the Outdoor Foundation, a record 37.9 million Americans participated in paddlesports in 2020.¹⁰ A pandemic-driven surge brought an estimated 2.5 million new paddlers to the nation's waterways.

¹¹ In 2019, S2O Design and Engineering, a Whitewater Park Developer, estimated that “Smaller whitewater parks are shown to generate incremental spending in the \$500,00 to \$750,000 range per year, while larger parks are contributing as much as \$19 million to local economies.”¹² The economic impacts of whitewater parks in Grand Rapids, Stoughton, Wisconsin, Kearney, and Clear Creek provided benchmarks for the Skowhegan analysis.

¹⁰ [Paddling Magazine](#) via Outdoor Foundation. 2022.

¹¹ [Paddling Magazine](#) via Outdoor Foundation. 2022.

¹² The Economic Impact Study: Quantifying Whitewater Park Development. 2019. S2O Design and Engineering.

Local Trends

In 2024, the Kennebec Valley region attracted 813,700 visitors in 2024. Visitor spending generated \$779,513,800 in economic impact, a 5.7% decrease from 2023. Direct expenditures were \$528,249,100, down 4.6%. Overall, **visitors to the Kennebec Valley supported 6,200 jobs and \$270,405,900 throughout the region.** At the regional level, **every 131 visitors generate a new job** for the Kennebec Valley. Visitorship and tourism to the Kennebec Valley **saved resident households \$1,012** in state and local taxes in 2024.¹³

Tourism is a core component of Skowhegan's economy, with tourism dependent jobs making up a growing share of overall employment. Tourism dependent jobs include those in Retail Trade, Arts, Entertainment, and Recreation; and Accommodation and Food Services industries. In 2002, 20% of total jobs were tourism dependent in Skowhegan; that share had **grown to 27%** by 2022.¹⁴

A 2016 economic impact analysis of just the Whitewater Park estimated that it would generate almost \$6 million in revenue in its first year, and up to \$19 million in its 10th year. It would create about 43 jobs in Skowhegan (and 54 in Maine as a whole) in the inaugural year and up to 136 jobs by year 10 (171 statewide).¹⁵

The study also included a survey of potential users that would inform the future use of the park. Of the 200 Maine paddlers surveyed, "two out of three said that they would use Run of River at least monthly, two-thirds might enter competitive events at the new facility, and about a third would volunteer to help make the event a success. One in six paddlers would stay in Skowhegan area lodging, and 70 percent would patronize an outdoor recreation store if there were one in town."¹⁶

In addition to spending impact, the Whitewater Park will likely impact properties and housing demand. Additionally, Skowhegan's Housing Needs Assessment found a need for additional housing development in the downtown area due to the coming Whitewater Park and low existing vacancy rates. The plan suggests housing can be developed both through new infill development as well as on the upper floors of existing commercial buildings. However, there is a need to ensure new development does not induce displacement by preserving affordable housing and building with expiring uses.¹⁷

¹³ Maine Office of Tourism, Kennebec Valley 2024 Economic Impact & Visitor Tracking Report.

¹⁴ Fourth Economy Analysis of U.S. Census Bureau LEHD Origin-Destination Employment Statistics

¹⁵ Economic Impact of the Proposed Run of River Whitewater Park in Skowhegan, Maine. 2016. Hollowell.

¹⁶ Economic Impact of the Proposed Run of River Whitewater Park in Skowhegan, Maine. 2016. Hollowell.

¹⁷ Skowhegan Housing Needs Assessment and Strategy Whitewater Park Case Study. 2021. Levine Planning Strategies.

Comparative Benchmarking

Comparative benchmarks for whitewater parks were included to document and understand visitorship and impact trends from whitewater park construction in similar communities throughout the U.S.

Benchmark Visitors

Asset	Community	Population Size	Annual Visitors	Visitors/Population	Year Established
Scout Wave	Salida, CO	5,786	20,000	3.46	2010
Mill City Park	Franklin, NH	8,757	162,000	18.50	2022
Buena Vista Whitewater Park	Buena Vista	2,966	5,000	1.69	2000
Wausau Whitewater Park	Wausau, Wisconsin	39,893	5,000	0.13	1974
Vail Whitewater Park	Vail, CO	4,729	86,000	18.19	2001
Bend Whitewater Park	Bend, OR	101,472	250,000	2.46	2015
Kelly's Whitewater Park	Cascade, ID	978	50,000	51.12	2010
RushSouth Whitewater Park	Columbus, Georgia	2,966	50,000	16.86	1978
Gunnison Whitewater Park	Gunnison, CO	17,158	300,000	17.48	2002
Clear Creek Whitewater Park	Golden, CO	20,467	305,149	14.91	1998

Note: The visitor numbers are self-reported and not independently verified.

Whitewater parks are located in communities with populations ranging from just under a thousand (Kelly's Whitewater Park) to over a hundred thousand (Bend Whitewater Park). The average population size is approximately 19,437. The number of visitors varies widely, with an average of about 123,315 visitors per year. On average, the number of visitors is about 14.5 times the local population. This highlights the significant role these parks play as tourist destinations.

Across the benchmark communities, the average total economic impact is approximately \$10.6 million with an impact of \$102 per visitor. The parks have an average establishment year of 2001, indicating that many of these facilities are relatively new.

Benchmark Spending

Asset	Community	Operator	Presence of Main Street	Designated Main Street	Total Economic Impact (\$M)	Impact per Visitor
Scout Wave	Salida, CO	City of Salida	Yes	No	\$2.0	\$100
Mill City Park	Franklin, NH	Mill City Park at Franklin Falls, 501(c)3 non-profit organization	Yes	No	\$6.8	\$37
Buena Vista Whitewater Park	Buena Vista	Parks Department of the Town of Buena Vista, Colorado	Yes	No	\$60.7	\$12,147
Wausau Whitewater Park	Wausau, Wisconsin	Wausau Kayak & Canoe Corporation (WKCC)	Yes	Yes	\$11.0	\$2,200
Vail Whitewater Park	Vail, CO	Town of Vail, Vail Recreation District	Yes	No	\$4.0	\$47
Bend Whitewater Park	Bend, OR	Bend Park & Recreation District (BPRD)	Yes	No	\$4.8	\$19
Kelly's Whitewater Park	Cascade, ID	501(c)3 non-profit organization (funded by private citizens)	Yes	No	\$0.6	\$12
RushSouth Whitewater Park	Columbus, Georgia	Uptown Whitewater Management, LLC (UWM)	Yes	Yes*	\$3.3	\$66
Gunnison Whitewater Park	Gunnison, CO	Gunnison County, Upper Gunnison River Water Conservancy District (UGRWCD), Western Colorado University (formerly Western State Colorado University), City of Gunnison	Yes	No	N/A	N/A
Clear Creek Whitewater Park	Golden, CO	City of Golden	Yes	No	\$2.0	\$7

Economic Impact

Economic impact analysis estimates the value of sales, jobs, and tax implications as generated by industries and community assets. Then, direct, indirect, or induced costs are aggregated to understand the reverberating influence of earnings. Together, these outputs quantify the economic contributions of Skowhegan River Park.

Input-Output

Using an input, such as investments/sales, earnings, or jobs, an input-output model estimates the interactions between industries and households in an economy. Outputs identify the relationships between the input and earnings, jobs, and taxes. Multipliers generated by an input-output analysis also speak to the economic influence of the particular investment. In the case of Main Street Skowhegan, the overall operation and each asset are aligned with an industry code in order to generate impact estimates and multipliers.

Inputs for construction cost and staffing were provided by Main Street Skowhegan based on engineers estimates of costs. Assets included in this total include the whitewater park, riverfront boardwalk, trail enhancements/expansion, Skowhegan Outdoors Program, and Main Street Skowhegan operations.

Overall Impact

Impacts are estimates across earnings, jobs, and taxes on production and imports. For earnings and jobs, multipliers are also provided, which capture the amplification of this impact.

Lightcast, an economic impact analysis software, [defines multipliers](#) as “a way of measuring how important one industry is to other industries in the region. So if an industry has a multiplier of 2.5, for every positive or negative change on that industry, the total effect on the regional economy will be 2.5 times the original change.” The larger the multiplier, the more pronounced the impact.

Direct impacts capture project and program investment, whereas indirect impacts take account of all inputs required to produce a product or service along the supply chain. Induced impacts refer to expenditures on goods and services made possible by the earnings of workers in the industries involved in direct and indirect expenditures.

Spending Impact

Visitors spend on restaurants, retail, and accommodations. Fourth Economy estimates every \$1 million in spending by visitors supports 12 jobs, generates \$460,000 in wages, and adds \$130,000 in tax revenue.¹⁸ Across the benchmark communities, the average total economic impact is approximately \$10.6 million with an impact of \$102 per visitor. The breakdown of specific industries included in the spending analysis include Limited-Service Restaurants; Clothing and Clothing Accessories Retailers; Hotels (except Casino Hotels) and Motels; Scenic and Sightseeing Transportation, Land; Convenience Retailers; and All Other Miscellaneous Store Retailers. The breakdown of spending for every \$1 million is based on Arts & Economic Prosperity, Americans for the Arts, 2023, as follows:¹⁹

NAICS	Description	Amount	Percent
722513	Limited-Service Restaurants	\$385,075	39%
458110	Clothing and Clothing Accessories Retailers	\$245,710	25%
721110	Hotels (except Casino Hotels) and Motels	\$130,525	13%
487110	Scenic and Sightseeing Transportation, Land	\$106,344	11%
445131	Convenience Retailers	\$77,743	8%
459999	All Other Miscellaneous Store Retailers	\$54,602	5%
Grand Total		\$1,000,000	100%

Spending can fluctuate based on whether visitors are daytime visitors or overnight visitors that require lodging. Several sources have estimated spending for visitors, including Maine Office of Tourism, Americans for the Arts, and previous economic impact studies. Each of these estimates is tagged either as a *single-day outing* in the case of the University of Wisconsin study which included an analysis of spending at 10 whitewater parks across the U.S. OR for the *duration of a trip* with estimates from the Maine Office of Tourism and Run of River economic impact study:

- ➔ High: \$649.19 *per trip* - Maine Office of Tourism.²⁰
- ➔ Middle of the road: \$125 *per trip* - Run of River.²¹
- ➔ Low: \$68 *per day* - University of Wisconsin²²

In 2024, the Kennebec Valley region attracted 813,700 visitors.²³ The Maine Office of Tourism estimates that about 10 percent of visitors to the Kennebec Valley region have an interest in canoeing or kayaking.²⁴ If 10 percent of Kennebec Valley visitors (representing around 80,000

¹⁸ Fourth Economy Analysis.

¹⁹ Arts & Economic Prosperity, Americans for the Arts, 2023

²⁰ Maine Office of Tourism, Kennebec Valley 2024 Economic Impact & Visitor Tracking Report

²¹ Economic Impact of the Proposed Run of River Whitewater Park in Skowhegan, Maine, 2016.

²² Potential Economic Impacts of a Proposed Whitewater Park - University of Wisconsin, 2018

²³ Maine Office of Tourism, Kennebec Valley 2024 Economic Impact & Visitor Tracking Report

²⁴ Economic Impact of the Proposed Run of River Whitewater Park in Skowhegan, Maine, 2016.

visitors) spend at the middle of the road level of \$125 for their visit, visitors are projected spend a total of \$10 million annually, which would support 120 jobs, generate \$4.6 million in wages, and add \$1.3 million in tax revenue.²⁵

Overall	Impact	Multiplier
Earnings	\$4,602,381	1.65
Jobs	120	1.34

Tax Analysis

As a nonprofit, Main Street Skowhegan is not subject to all taxes, but its activities do generate tax revenue from suppliers and related economic activities. Measuring the share of downstream jobs relative to direct jobs can estimate the taxes yielded from programs and assets. Skowhegan does not collect local income taxes, so local taxes related to wages from park operations are omitted from this analysis.

Tourism spending as well as indirect and induced effects from the whitewater park investment produces more than \$1.4 million in taxes annually. Of those taxes, \$625,000 are local, \$641,000 state, and almost \$200,000 federal. Construction expenses would also contribute another \$780,000 in taxes.

The local tax benefit across the Somerset County and Kennebec County region is estimated at \$625,000. The bulk of local revenue is from the tourism spending and wages that add value to businesses and related properties. Property taxes of \$617,000 account for the bulk of the local revenue, and would go primarily to Skowhegan, the school district and Somerset County. The total includes a nominal amount (~\$8,000) from revenue sharing based on the 2026 revenue sharing formula. This formula varies each year based on changes in the local and statewide tax bases.

	Local	State	Federal	Total
Spending	\$625,982	\$516,634	\$166,243	\$1,308,859
Assets	\$0	\$105,787	\$26,851	\$132,638
Operations	\$0	\$18,610	\$5,704	\$24,314
Total	\$625,982	\$641,031	\$198,798	\$1,465,811

Source: Fourth Economy Analysis using Lightcast™ 2025

²⁵ Fourth Economy Analysis.

Property Value Analysis

Census Block Groups proximate to the Skowhegan River Park have higher median home values than those lacking connectivity. This has not always been true - particularly as census tract composition changes over time - but is notable in recent years. Since 2019, the value of homes in the riverfront census tracts have increased by 60%, compared to 34% for all of Skowhegan.

	Skowhegan	Census Tract with Riverfront Park	Riverfront Bonus
2000	\$68,000	\$73,000	\$5,000
2009-2013	\$112,700	\$123,900	\$11,200
2014-2018	\$116,800	\$116,200	-\$600
2019-2023	\$157,100	\$185,500	\$28,400

Source: American Community Survey, PolicyMap

*Note: Census Tract adjustments meant a larger non-riverfront portion was included in the 2010 redraw. This has since been readjusted.

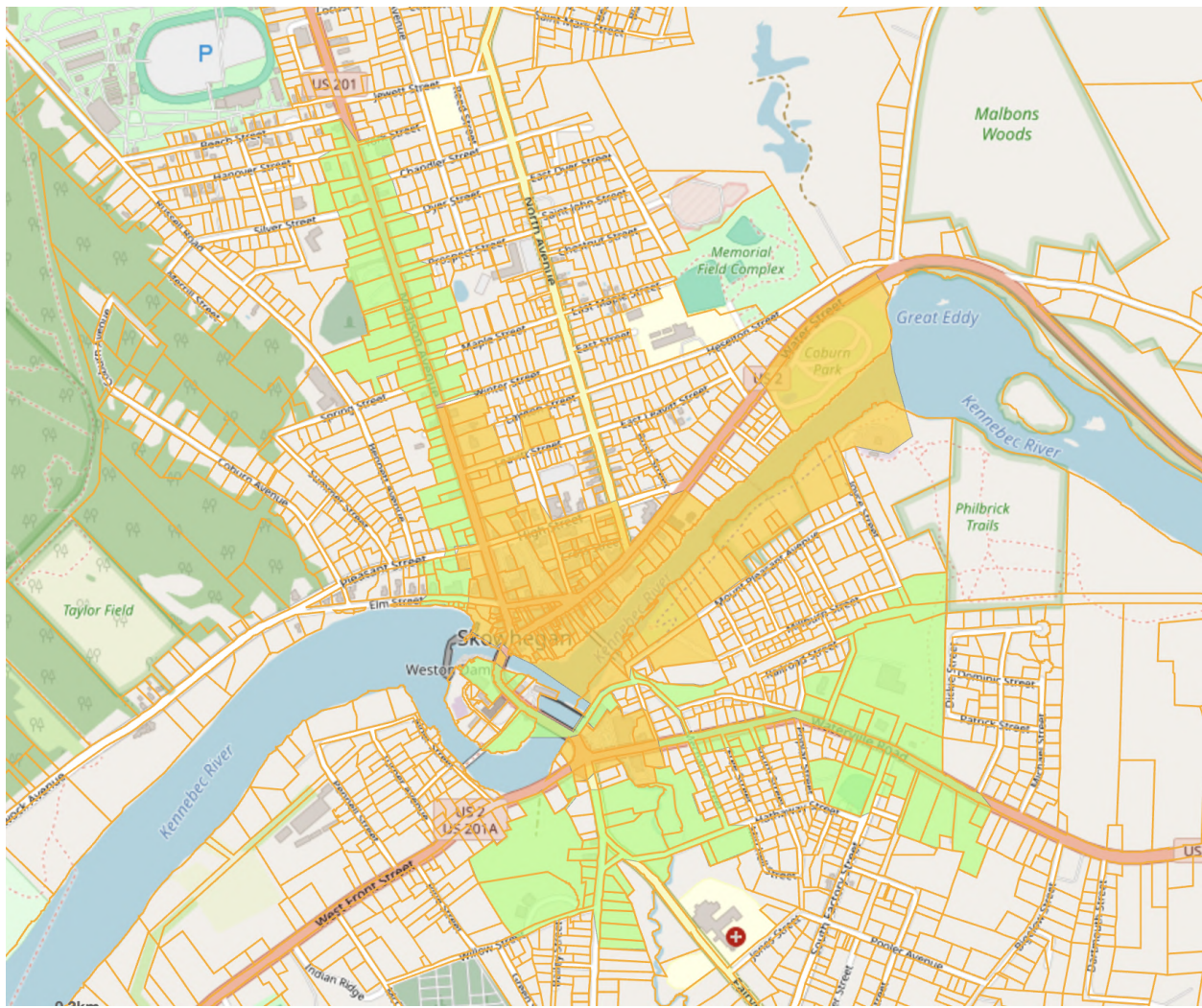
Economic Transformation Underway

Private and public investment is transforming downtown Skowhegan, strengthening the local economy and creating new opportunities for residents, visitors, and entrepreneurs. Recent and planned projects highlight the scale of revitalization and the confidence investors have in the community's future:

- **7 Island Avenue** – \$24 million project with a restaurant, hotel rooms, and three floors of housing
- **151 Water Street** – Renovated retail space and wine bar, with future AirBnB units planned
- **48 Water Street** – Commercial and residential redevelopment underway
- **24 Court Street** – Mixed-use development adjacent to Maine Grains, expanding Skowhegan's growing food hub
- **31 Court Street** – Recently renovated AirBnB units
- **44 Joyce Street** – Property purchased to provide short-term riverside accommodations for visitors
- **65 Water Street** – New coffee shop and community gear library

"In addition to investing ~\$24,000,000 in the Spinning Mill project, we expect to add 50+ construction jobs and 20+ long-term jobs; all based in large part on the ongoing success of the Skowhegan River Park. The momentum in Skowhegan has continued to grow. We are proud to be one of several major projects that is currently underway in this historic mill town that's reinventing itself around its river and outdoor recreation."

-Max Patinkin, High Tide Capital



- Expansion Tif District
- Original Tif District
- Proposed Housing Tif District

Source: [Skowhegan Parcel Viewer](#)

Additionally, an existing TIF district aligns with Riverfront Park development. Skowhegan's current TIF, established in 2006 and renewed in 2017, expires in 2036. To date, property values in the TIF district have increased by a total of \$6,071,175, increasing tax dollar capture by \$1,109,252. There is already a relationship between TIF funds and the River Park, as funds have contributed to conducting the Skowhegan River Park environmental study, making physical improvements to the riverfront walking trails, renovating retail and manufacturing spaces for small businesses, and more.

Appendix

Impact by Asset Type

Main Street Operations (Main Street Skowhegan Operations)

The following estimates aggregate the impacts of nonasset assigned earnings. Operations include administration, marketing, and programming outside of the outdoor recreation assets, such as the Center for Entrepreneurship.

Main Street Skowhegan operations provide an annual economic impact of **nearly \$550,000** in Skowhegan.

Overall	Impact	Multiplier
Earnings	\$547,322	1.3
Jobs	7	1.47

Source: Fourth Economy Analysis using Lightcast™ 2025

Together, Main Street Skowhegan operations contribute over \$420,000 in direct investment into the regional economy. Main Street Skowhegan operations produce more than \$56,000 in indirect and approximately \$70,000 in induced impacts.

Aggregated Effect on Earnings

Overall	Effect on Earnings	Multiplier
Direct	\$420,360	1
Indirect	\$56,769	0.13
Induced	\$70,193	0.17
Total	\$547,322	1.30

Source: Fourth Economy Analysis using Lightcast™ 2025

Operation of Recreation Assets (Whitewater Park, Riverfront Boardwalk, Trail Enhancement & Expansion, Skowhegan Outdoors Program)

The next estimate considers the impact of the overall Whitewater Park (including the wave, boardwalk, and trail enhancements) and the Skowhegan Outdoors Program.

Main Street Skowhegan assets provide an annual economic impact of **almost \$1M in earnings and ten jobs** in Skowhegan.

Overall	Impact	Multiplier
Earnings	\$994,642	1.48
Jobs	10	1.24

Source: Fourth Economy Analysis using Lightcast™ 2025

Together, the Whitewater Park and Skowhegan Outdoor Program contributes \$670,000 in direct investment into the local economy, \$167,000 in indirect impacts, and \$157,000 in induced impacts.

Overall	Effect on Earnings	Multiplier
Direct	\$670,200	1
Indirect	\$167,369	0.25
Induced	\$157,073	0.23
Total	\$994,642	1.48

Source: Fourth Economy Analysis using Lightcast™ 2025

Whitewater Park

Earnings related to the Whitewater Park are projected to provide an economic impact of **\$98,000 in earnings and two jobs** in Skowhegan.

Overall	Impact	Multiplier
Earnings	\$97,728	1.48
Jobs	2	1.24

Source: Fourth Economy Analysis using Lightcast™ 2025

Overall, the Whitewater Park will provide \$66,000 in direct investment into the local economy, \$146,500 in indirect impacts, and \$15,000 in induced impacts.

Overall	Effect on Earnings	Multiplier
Direct	\$65,850	1
Indirect	\$16,445	0.25
Induced	\$15,433	0.23
Total	\$97,728	1.48

Source: Fourth Economy Analysis using Lightcast™ 2025

Riverfront Boardwalk

Earnings related to the Riverfront Boardwalk are projected to provide an economic impact of **\$7,000 in earnings annually**, largely based on maintenance.

Overall	Impact	Multiplier
Earnings	\$7,420	1.48
Jobs	0	1.24

Source: Fourth Economy Analysis using Lightcast™ 2025

The Riverfront Boardwalk will provide \$5,000 in direct investment into the local economy, \$1,200 in indirect impacts, and almost \$1,000 in induced impacts through maintenance related wages.

Overall	Effect on Earnings	Multiplier
Direct	\$5,000	1
Indirect	\$1,249	0.25
Induced	\$1,172	0.23
Total	\$7,420	1.48

Source: Fourth Economy Analysis using Lightcast™ 2025

Trail Enhancement & Expansion

Earnings related to Trail Enhancement and Expansion are projected to provide an economic impact of more than **\$80,000 in earnings and one job**.

Overall	Impact	Multiplier
Earnings	\$82,887	1.48
Jobs	1	1.24

Source: Fourth Economy Analysis using Lightcast™ 2025

Trail Enhancement and Expansion will provide \$56,000 in direct investment into the local economy, \$14,000 in indirect impacts, and \$13,000 in induced impacts through maintenance related wages.

Overall	Effect on Earnings	Multiplier
Direct	\$55,850	1
Indirect	\$13,947	0.25
Induced	\$13,089	0.23
Total	\$82,887	1.48

Source: Fourth Economy Analysis using Lightcast™ 2025

Skowhegan Outdoors Program

When breaking down the overall economic impact into specific assets, the Skowhegan Outdoors Program is responsible for the majority of the impact on earnings, jobs, and taxes on production and imports. This modeling does not take into account the cost savings benefits received by participants from free access to equipment and lessons.

The Skowhegan Outdoors Programming provides **more than \$800,000 in earnings and seven jobs** to Skowhegan. In this context, jobs include workers directly employed by Main Street Skowhegan, guides and technicians involved with programs, and employees of nearby restaurants and shops.

Overall	Impact	Multiplier
Earnings	\$806,607	1.48
Jobs	7	1.24

Source: Fourth Economy Analysis using Lightcast™ 2025

The Skowhegan Outdoors Program contributes \$543,500 in direct investment into the local economy, \$122,500 in indirect impacts, and \$105,000 in induced impacts.

Overall	Effect on Earnings	Multiplier
Direct	\$543,500	1
Indirect	\$135,728	0.25
Induced	\$127,379	0.23
Total	\$806,607	1.48

Source: Fourth Economy Analysis using Lightcast™ 2025

Construction (Phase 1)

While operation and asset impacts are annual, the following analysis of construction impact is limited to a singular time. The following analysis models the impact of the first phase of construction investments given its known status at the time of reporting.

Phase one of construction is projected to provide an economic impact of almost **\$12,000,000 in sales (including wages and material costs) and nearly two hundred jobs.**

Overall	Impact	Multiplier
Earnings	\$12,273,411	1.29
Jobs	198	1.31

Source: Fourth Economy Analysis using Lightcast™ 2025

Phase one of construction will contribute \$9.5M in direct investment into the local economy, \$946,000 in indirect impacts, and almost \$1.4M in induced impacts.

Overall	Effect on Earnings	Multiplier
Direct	\$9,508,177	1
Indirect	\$1,012,438	0.11
Induced	\$1,752,797	0.18
Total	\$12,273,411	1.29

Source: Fourth Economy Analysis using Lightcast™ 2025

In terms of jobs in Phase 1 of construction, 151 of the 198 total jobs will be directly involved in the installation, transportation, and production of materials. 15 indirect jobs and 31 induced jobs will also accompany this investment.

Overall	Effect on Earnings	Multiplier
Direct	151	1
Indirect	15	0.1
Induced	31	0.21
Total	198	1.31

Source: Fourth Economy Analysis using Lightcast™ 2025

Methodology

Input-Output Modeling

An input-output model estimates the interactions between industries and households in an economy to identify how transactions impact the production and consumption of goods and services in an economy.

Input/Output Overview

Direct Impacts

The direct impacts are the initial economic intervention, project or program investment, or an economic stimulus or shock.



Analysis of Downstream Expenditure Impacts

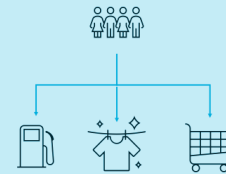
Indirect Impacts

Indirect impacts are all the goods and services that are required to produce the direct impact.



Induced Impacts

All the spending by households from the wages earned by workers in the direct and indirect impacts generate the induced impacts.



Total Impacts = Direct + Indirect + Induced Impacts. As the initial direct change impacts the economy, each transaction triggers multiple other transactions that flow through the entire economy.

An economy is a system of transactions and interactions, so an input-output model tracks the flow of some **direct impact** (any economic intervention, project or program investment, or economic stimulus or shock) through an economy.

Indirect impacts take account of everything that an industry needs to produce a unit of commodity. For example, the production of \$100 worth of paper will require inputs from a variety of supplier industries, such as chemicals, toolmakers, trucking companies, and more. Furthermore, that \$100 worth of paper may then be used as inputs for other goods and services in schools, hospitals, architects, manufacturing plants, and so on.

Induced impacts result from household expenditures for goods as services from the earnings of workers in the industries that receive the direct and indirect expenditures.

Caution is required in interpreting the estimates of input-output models. These models estimate the resources required to produce given quantities of different kinds of output. In other words, what amount of concrete and other supplies does it take to produce \$1 million worth of new roads? For these new roads to have a net impact on the economy, we have to assume that the businesses providing those goods and services are at capacity and cannot produce them without additional workers and resources. If there is slack capacity, then the \$1 million helps to retain existing jobs. The input-output model is therefore more like an accounting tool that describes the

allocation of resource requirements, but it cannot tell us precisely the level of new resources versus substitutions.

The input-output model is built from a matrix, the social accounting matrix (SAM), of all the industry-to-industry transactions in an economy and represents flows of all economic transactions that take place within an economy (regional or national). It is at the core a matrix representation of the national accounts for a given economy. SAMs are square (having the same number of columns as rows) because all institutional agents (Firms, Households, Government, and “Rest of Economy” sector) are both buyers and sellers.

Matrix of Industry by Industry Transactions

		Buying Industries					
		Agriculture	Mining	Food	...	Households	Total
Selling Industries	Agriculture	\$	\$	\$	\$	\$	\$\$
	Mining	\$	\$	\$	\$	\$	\$\$
	Food	\$	\$	\$	\$	\$	\$\$
	...	\$	\$	\$	\$	\$	\$\$
	Households	\$	\$	\$	\$	\$	\$\$
	Total	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$\$

This matrix identifies all the transactions between industries - the amount that each industry buys and sells to other industries. This provides the basis for the IO multipliers.

Gross Regional Project

Gross Regional Product (GRP) is a counterpart to the national Gross Domestic Product (GDP). GRP measures the final market value of all goods and services produced in the region of study. GRP is the sum of total industry earnings, taxes on production & imports, and profits, less subsidies ($GRP = \text{earnings} + \text{TPI} + \text{profits} - \text{subsidies}$). GRP is used as the measure of total impact in a region. The GRP metric may be larger than the initial change due to the multiplier effect, or it may be smaller than the initial change due to purchases or supplies that come from outside the target region (leakage).

Tax Estimates

This section outlines the methodology used to derive the tax estimates for the Economic Impact Study of Outdoor Recreation Initiatives in Skowhegan Maine. The analysis is separated into two primary components: Property Tax Estimation and Revenue Sharing Estimation.

The local tax benefit across the Somerset County and Kennebec County region is estimated at **\$625,000**. We developed a range of estimates that we verified with various methods explained in this document. The final estimate is rounded to avoid any sense of false precision. The total includes a nominal amount (~\$8,000) from revenue sharing based on the 2026 revenue sharing formula. This formula varies each year based on changes in the **local** and **statewide** tax bases.

The bulk of local revenue is from the tourism spending and wages that add value to businesses and related properties. Property taxes of **\$617,000** account for the bulk of the local revenue, and would go primarily to Skowhegan, the school district and Somerset County. Property values will increase because the new construction will bring more money into the area through tourism. The \$10 million in tourist spending at local businesses like hotels, restaurants, and shops will boost sales and economic activity. This, along with better infrastructure and park improvements, will bring more activity to existing businesses, lead to the development of new businesses, and gradually raise property values over several years until full operations are stabilized.

Table 1: Overview of Tax Estimates

	Revenue Sharing				Property Taxes (\$10M Operation, \$23 M Construction)			
	Direct Taxes	Indirect Taxes	Induced Taxes	Subtotal Revenue Share Taxes	Tourism & Operations	Construction Improvements	Subtotal Property Tax	Total Revenue Share and Property Taxes
Skowhegan (1)	\$300	\$100	\$0	\$400	\$158,000	\$8,000	\$166,000	\$166,400
MSAD #54	0	0	0	0	\$341,000	\$16,000	\$357,000	\$357,000
Somerset (2)	\$1,600	\$300	\$200	\$2,100	\$90,000	\$4,000	\$94,000	\$96,100
Kennebec (3)	\$4,700	\$800	\$700	\$6,200	\$0	\$0	\$0	\$6,200
Subtotal Somerset & Kennebec	\$6,300	\$1,100	\$900	\$8,300	\$589,000	\$28,000	\$617,000	\$625,300

Note: Final numbers are rounded for readability.

1. Property Tax Estimation

The property tax estimation is based on an income approach to valuation, a standard methodology for assessing income-generating properties. The value of commercial real estate is usually determined using one or more of three standard valuation techniques. One approach is the use of comparable properties, which in this case is not advisable due to the uniqueness of the development. A second approach is the cost approach, which is based on the development budget, adjusted for design, construction, functional utility, grade of materials and depreciation. This approach is not a good fit for this development because we don't know what the final costs may be and construction costs are escalating due to factors that don't reflect increased value. Our recommended third approach is the **income approach** which is often used with properties that generate annual income, in this case tourism spending.

- **Net Operating Income (NOI) Approach:**

- The property value from operations in the park, related amenities and tourism spending was determined using the Net Operating Income (NOI) approach. This method calculates the value of an income-producing property based on the income it generates.
- The formula is: **Property Value = Net Operating Income / Capitalization Rate**
- Inputs:
 - **Gross Income from Operations:** Assumed to be \$10,000,000 from Tourism Spending.
 - **Operating Expenses:** We examined a range of operating expense ratios based on industry averages for amusement and recreation businesses (typically ranging from 60% to 80%). This results in the estimate of Net Operating Income of **\$2M to \$4M**.
 - **Capitalization (Cap) Rate:** An 8.8% cap rate was used, as reported in the [Boulos Company's 2025 Maine Market Outlook](#).
 - The resulting value from the NOI approach ranged from **\$22.7M to \$45.5M**.

- **Infrastructure Improvements:**

- The construction investment of \$23M will also add to surrounding property values through infrastructure and park improvements.
- We estimated a 9% increase in the initial property value. This percentage is at the low range of reported increases. We conducted a [literature review](#) of the impact of parks and open spaces on property values, which indicates that such improvements can increase property values by 8% to 20%.

- **Tax Calculation:**

- The total estimated Assessed Value (AV) of the property was multiplied by Skowhegan's 2026 mill rate of **0.0144** to arrive at the total property tax. See [Assessors Office | Skowhegan, ME - Official Website](#)

- The portion of the property tax that would directly benefit the Town of Skowhegan (26.8%) is from the breakdown of taxes reported by the [Assessors Office | Skowhegan, ME - Official Website](#).

Table 2: Projected Property Taxes - Stabilized Operations

	Low	Projected	High
Gross Income from Tourism	\$10,000,000	\$10,000,000	\$10,000,000
Expenses	80%	64%	60%
Net Operating Income	\$2,000,000	\$3,600,000	\$4,000,000
Cap Rate	8.80%	8.80%	8.80%
Estimated NOI Property Value	\$22,727,273	\$40,909,091	\$45,454,545
Infrastructure	\$23,250,000	\$23,250,000	\$23,250,000
Value add	8%	9%	16%
Estimated Infrastructure Value Increase	\$1,860,000	\$1,976,250	\$3,720,000
Total Stabilized Property Value	\$24,587,273	\$42,885,341	\$49,174,545
Tax Millage Rate		0.0144	
Estimate Property Tax	\$354,057	\$617,549	\$708,113

Comparing Property Tax Projections

In order to validate the reasonableness of our projections, we compared our estimates to those on page 43 of the 2016 report, [Economic Impact of the Proposed Run of River Whitewater Park in Skowhegan, Maine](#). That study estimated that by year 10, property tax revenues could increase by a range of \$270,000 to \$480,000. In the decade since the release of the 2016 study, property valuation across Skowhegan has increased by \$483 million, from \$1.04 billion in 2016 to \$1.53 billion in 2025, a 50% increase. The 2016 study estimated \$5.9M in annual spending compared to the current estimate of \$10M. Scaling the 2016 estimates based on the higher spending amount, results in annual property taxes that range from \$459K to \$827K, with an average of nearly \$616K, compared to our estimate of \$617K. This estimate does not include development already in the pipeline, such as 7 Island Avenue, which is projected to be a \$24 million project with a restaurant, hotel rooms, and three floors of housing.

Table 3: Comparison of Property Tax Projections

	2025 Estimate (\$10M Spending)
Property Taxes - Projected	\$617,549
Property Taxes - Low	\$354,057
Property Taxes - High	\$708,113

2. Revenue Sharing Estimation

The revenue sharing estimation is more complex due to the intricacies of Maine's revenue sharing formula. A direct calculation would require population and assessment data from every jurisdiction in the state.

About Maine's Revenue Sharing

Source of Funds: 5.0% of the State Government's monthly sales, corporate and personal income tax revenues are set aside to fund the **municipal revenue sharing pool**. See more at [Calculate Revenue Sharing | Office of the Maine State Treasurer](#).

Three statistics for each municipality are needed to calculate the distribution percentage:

- State Valuation (provided by the State Tax Assessor);
- Tax Assessment (provided by the Property Tax Division of Maine Revenue Services) and
- Estimated or Actual Population (provided by the DHHS Office of Vital Records).

Then the revenue is distributed via two formulas:

Revenue Sharing I

- **Timing and Calculation:** Municipal Revenue Sharing is distributed by the 20th of each month to each municipality* based on the Revenue Sharing I (REV-I) formula, (see 30-A M.R.S.A. s. 5681).
- The **REV-I calculations** work as follows:
 - $(\text{population} \times \text{assessment}) / \text{state valuation} = \text{computed number}$
 - $\text{computed number} / \text{sum of all computed numbers} = \text{proportional share of REV-I distributions}$
- **REV-II Distributions:** In fiscal year 2016, 2017, 2018, 2019, approximately 20% of funds are set aside in the Local Government Fund and a lump sum distribution of \$4 million at the end of each year. Distributions are to be made by the 20th of each month to each municipality under the REV-II formula.
- The **REV-II calculation** works as follows:
 - $\text{assessment} / \text{state valuation} = \text{mil. Rate}$
 - $(\text{mil. rate} - 0.0113) \times \text{population} = \text{computed number}$
 - $\text{computed number} / \text{sum of all computed numbers} = \text{proportional share of REV-II distributions}$

Due to the challenges of recreating this formula for every municipality, we used an economic impact model, Lightcast, and verified the estimates with revenue sharing based on the revenue sharing formula for 2026 from the Maine State Economist's Office.

- **Lightcast Economic Impact Model:**
 - The analysis utilizes outputs from an economic impact model (e.g., Lightcast) that provides estimates for the project's direct, indirect, and induced economic activity

in terms of jobs, wages, and Gross Regional Product (GRP). The Lightcast model does not apply the state's local revenue-sharing formula, but reflects the broader state and local tax ecosystem (including **property taxes, licensing, and other production-related taxes**) and how increased industry activity translates into additional revenue for local governments, per the BEA and COGS methodology.

- Fourth Economy verified these estimates by independently estimating the property taxes and revenue sharing taxes.
- **Revenue Sharing Pool:**
 - The total amount of economic direct, indirect and induced activity from tourism spending, tourism wages and operation wages (see table below) goes into the state's Revenue Sharing Pool.

Table 4: Sources for the Revenue Sharing Pool

Source	Direct	Indirect	Induced	Total
Tourism Spending	\$10,000,000	\$1,122,449	\$1,122,449	\$12,244,898
Corporate Income	\$1,500,000	\$168,367	\$168,367	\$1,836,735
Tourism Wages	\$2,788,330	\$1,024,480	\$789,570	\$4,602,380
Operations Wages	\$1,090,560	\$224,138	\$227,266	\$1,541,964
Total Value	\$15,378,890	\$2,539,434	\$2,307,652	\$20,225,977

Table 5: State Tax Assumptions

Tax Rates	State Tax Collections	Direct	Indirect	Induced	Total
6%	Tourism Spending	\$600,000	\$67,347	\$67,347	\$734,694
7.93%	Corporate Income	\$118,950	\$13,352	\$13,352	\$145,653
6.75%	Tourism Wages	\$188,212	\$69,152	\$53,296	\$310,661
6.75%	Operations Wages	\$73,613	\$15,129	\$15,340	\$104,083
	Total State Tax Collections	\$980,775	\$164,980	\$149,335	\$1,295,090
5%	Rev Share Pool	\$49,039	\$8,249	\$7,467	\$64,755

- Sales Taxes - we assume a **6%** tax rate due to the mix of spending will be taxed at rates from 5.5% to 10%.
 - General Merchandise: The standard statewide sales tax rate is **5.5%**. This rate also applies to use tax, which is owed when purchasing taxable goods from out-of-state retailers that do not collect Maine sales tax.
 - Meals and Prepared Foods: An **8% sales** tax is applied to meals and prepared foods.

- Lodging: The state lodging tax rate is **9%**. This applies to short-term rentals, including those booked through services like Airbnb.
 - Digital Products: As of January 1, 2026, a **5.5% sales** tax will be extended to digital services such as streaming platforms (like Netflix and Spotify) and other digital media.
 - Alcohol: A **10% sales** tax is charged on liquor and other alcoholic beverages sold in licensed establishments.
- Maine's 2025 corporate tax brackets
 - 3.5% on the first \$350,000 of taxable income.
 - **7.93% on taxable income between \$350,000 and \$1,050,000. We assume most activity falls in this range.**
 - 8.33% on taxable income over \$1,050,000.
- Income Taxes
 - Taxable income up to \$24,450: 5.8%
 - **Taxable income over \$24,450 to \$54,950: 6.75%. We assume most jobs fall in this category.**
 - Taxable income over \$54,950: 7.15%
- **Revenue Pool**
 - According to Maine state law, 5% of the state government's monthly sales, corporate, and personal income tax revenues are set aside to fund the municipal revenue sharing pool.
- **Distribution:**
 - To estimate the portion of the revenue sharing pool that would be distributed to Skowhegan, Somerset County, and Kennebec County, we analyzed historical revenue sharing data from the Maine Office of the Treasurer for 2023 and 2024.
 - From this historical data, we calculated an "Effective Local Share" for each jurisdiction. These percentages represent the average historical share of the total state revenue sharing pool that each jurisdiction has received.
 - These historical percentages were then applied to the newly estimated revenue sharing pool generated by the project to determine the final revenue sharing estimates for each jurisdiction.

2026 Distributions	Revenue Sharing	Direct Taxes	Indirect Taxes	Induced Taxes	Total Taxes
0.63%	Skowhegan (1)	\$311	\$52	\$47	\$410
3.17%	Somerset	\$1,553	\$261	\$237	\$2,051
9.56%	Kennebec	\$4,690	\$789	\$714	\$6,193
	Somerset + Kennebec	\$6,243	\$1,050	\$951	\$8,244

* We assume the Skowhegan amount is part of the total for Somerset. The revenue sharing goes to the municipalities in each county, not to the county government itself.

Data Sources:

- Local Tax Rates: Skowhegan Assessor's Office
- Capitalization Rate: Boulos Company 2025 Maine Market Outlook
- Economic Impact Multipliers: Lightcast economic impact model
- Revenue Sharing Formula: Maine Office of the Treasurer
- Historical Revenue Sharing Data: Maine Office of the Treasurer, Monthly Distributions
- Property Value Impact of Parks: Various academic sources (see "Ref: Lit Review.csv")

Assumptions and Limitations:

- The property tax calculation assumes a stable mill rate and cap rate.
- The revenue sharing estimation is an approximation and does not account for the projected annual changes and updates. These variations are quite small and result in differences of less than \$1,000 per year.
- The economic impact model outputs are themselves estimates and are subject to the assumptions and limitations of the model.

Literature on Parks and Infrastructure Improvements

Crompton, J.L. 2001. *The Impact of Parks on Property Values: A Review of the Empirical Evidence*. Journal of Leisure Research 33, 1:1-31.

- 10% increase in value for house 2 to 3 blocks from a heavily used, active recreation park
- 20% increase home adjacent to or fronting a passive park area

Correll, M.R., J.H. Lillydahl, and L.D. Singell. 1978. *The Effect of Greenbelts on Residential Property Values: Some Findings on the Political Economy of Open Space*. Land Economics 54, 2:207-217.

- 32% increase in residential development adjacent to greenbelts

Crompton, J.L. 2001. *Parks and Economic Development*. PAS Report No. 502. American Planning Association, Chicago, Illinois.

- 8 to 20% increase for homes adjacent to naturalistic parks and open spaces.

Several studies have examined how distance decays that effect: Values show a linear decline with distance from the edge of an open space, with a positive price effect declining to near zero at about 1/2 mile away.

Hammer, T.R., R.E. Coughlin, and E.T. Horn. 1974. *The Effect of a Large Park on Real Estate Value*. Journal of the American Institute of Planners 40:274-277.

Tyrväinen, L., and A. Miettinen. 2000. *Property Prices and Urban Forest Amenities*. Journal of Environmental Economics and Management 39:205-223.

More, T.A., T.H. Stevens, and P.G. Allen. 1988. *Valuation of Urban Parks*. Landscape and Urban Planning 15:139-152.