

Executive Summary – 2007

Business Attraction/Marketing - The Aroostook Partnership for Progress (APP) is a public-private partnership that was formed as a result of the initial Empowerment Zone regional meeting held shortly after designation in 2002. APP is dedicated to aggressive and effective results-oriented economic development actions that leverage the financial commitments and talents of the private sector in close partnership with the public sector. Dedicated staff is provided through the Northern Maine Development Commission (NMDC) which ensures close coordination between APP economic activities and resources from other NMDC divisions. Significant energy was spent in obtaining replacement jobs for the MBNA sites in Presque Isle and Fort Kent which resulted in ConnectNorthAmerica coming into the Presque Isle location and Synergy Solutions in Fort Kent. The impact of the APP/NMDC activities resulted in 664 jobs created, 150 jobs retained with over \$18M in private investment and \$4M in public investment.

Tourism – Aroostook County Tourism (ACT) is a standing subcommittee of the Northern Maine Development Commission's Executive Board with staffing and administration provided by NMDC. In addition to presence at trade shows (especially snowmobiling shows) to promote the recreational opportunities in the region, NMDC staff helped the CanAm Sled Dog Race committee obtain a grant from the Maine Office of Tourism to promote their yearly event. We successfully completed a task that has been on our "to do" list for several years which was to GPS all of the snowmobile trails in our region. NMDC staff are now working on creating a presence on Google Earth for this information; allowing prospective riders to download or print maps of just the areas that are of interest to them.

Labor Force Assessment – The County of Aroostook, with funding from USDA Rural Development's Rural Business Opportunity Grant program, completed a report on the regional labor force and business needs. NMDC provided grant administration for this study that analyzed the capability of the workers in the region, as well as the skill set needs of companies. Special attention was paid to the issue of large numbers of the work force approaching retirement age in the next five years; their attitudes toward retirement and area company's initiatives in retaining these workers.

Handicapped Accessibility Program – Thanks to a grant from USDA Rural Development and matching funds from partnering organizations ALPHA One, Aroostook County Action Program, and the Aroostook Area Agency on Aging, NMDC will be making home modifications to 15 homes which will allow disabled individuals to remain in their houses. This funding is targeted to low-income, very low-income elderly/disabled households in the Aroostook County Empowerment Zone (ACEZ) with the goal of reducing the waiting list for those needing this help and creating a collaboration that will be successfully able to compete for similar funding in the future.

Emergency Public Awareness Campaign – Partnering with the Aroostook County Emergency Management Agency, NMDC successfully competed for EMS grant funds that would undertake a public awareness campaign for residents of the region. The project will provide information on building a disaster supply kit, how to communicate with family members during an emergency, how to stay informed in an emergency, a complete listing of emergency numbers for shelters and contact persons and a listing of all emergency service resources.

Scenic Byway Designations – Two successful National Scenic Byway designations were awarded in the region, the Million Dollar View Scenic Byway and the Grindstone Scenic Byway, thanks to efforts of NMDC staff. Designations require significant time and coordination on the part of neighboring communities along the byway and long-term commitment to strategic planning and implementation. NMDC provides the “glue” that helps these towns plan and execute improvements along these strategic travel corridors.

Empowerment Zone Set-aside Grants – NMDC successfully competed for funding from two set-aside grants sources. A Rural Business Enterprise Grant was awarded that will put in place a small manufacturers training/marketing grant program; as well as initiating a regional customer service program; while a Rural Business Opportunity Grant will target creative economy businesses with assistance for business planning, marketing and accessing financial resources.

Most Significant Accomplishments – 2007

Job Creation/Retention: 664 jobs created, 150 jobs retained

Regional Business Investment: \$18M in private investment and \$4M in public investment.

Louisiana-Pacific Corporation's expansion into a new product line at a total cost of \$104M was facilitated by NMDC staff obtaining a \$1.1M grant from EDA to upgrade a critical electrical substation at the municipally owned electric utility.

Completion of the Labor Force Assessment Report which will guide workforce training activities for the next several years. The Report will also help area businesses adapt their workplace environment to retain more of the large numbers of older workers who will be reaching retirement age in the next five years.

Completion of GPS data collection on all of the snowmobile trails in the region which will ultimately result in a more satisfying experience for snowmobile tourism. It will also have impacts on emergency response to accidents on the trails.

Continuing consolidation of ACEZ strategic resources. The Northern Maine Development Commission now provides staff for Aroostook County Tourism, Aroostook Partnership for Progress, Leaders Encouraging Aroostook Development, Manufacturer's Extension Partnership, Small Business Administration, Regional Planning (Transportation and Municipal), Solid Waste and Recycling and Business Finance.

Community Participation – 2007

Community participation and the level of support for Aroostook County Empowerment Zone (ACEZ) activities remains very strong, but has changed over the years. The Empowerment Council has over twenty members from a broad cross-section of the region and they continue to meet monthly, with a primary focus of expanding their information about changing sectors in the region. In addition to the ACEZ Empowerment Council meetings, NMDC staff has been instrumental in partnering with regional business groups and the colleges and universities to bring relevant information to the business community.

A Labor Force study and report were completed over the summer by staff at the Center for Business and Economic Research at the University of Southern Maine. This work was possible because of a RBOG grant that was awarded the previous year to the County of Aroostook with NMDC as the grant administrator/coordinator. Dr. Charles Colgan, a respected economic expert in the state, gave a presentation of the findings at the University of Maine at Presque Isle, with video links to two other locations in the region. This report provided valuable information on the attitudes and expectations of older workers vis-à-vis anticipated retirement.

In September, a meeting was held to discuss the proposed sale of Verizon's telephony business to Fairpoint Communications – a change that would have significant impact on our region. At that same meeting, we brought in an acknowledged expert in the wood waste to energy field to talk about the current state of the technology and the areas that we should be tracking for future projects.

A Community Foods project was applied for by a consortium of low-income advocates, spearheaded by NMDC staff. The project would have analyzed commodity food storage and distribution to the food pantries in the region and made recommendations for needed changes. Funding was not awarded, but the group will be putting in another Letter of Intent in 2008.

Information distribution is primarily accomplished by press releases and special interest spots on local television and radio.

Partnerships and Alliances – 2007

There is continued expansion of the contacts and partnerships that form as a result of the area's designation as an Empowerment Zone.

The relationship between the Maine Winter Sports Center (MWSC), a non-profit organization whose goal is to bring skiing activities back to Northern Maine, and the Northern Maine Development Commission (NMDC) and Aroostook County Tourism (ACT) continues to expand. The MWSC has developed two world-class cross country ski venues over the past seven years; one in the northern part of the region and one in the central. The 10th Mountain Lodge (north) and the Nordic Heritage Sports Center (Central) have attracted national and international biathlon events in the past three years and ACT will be working with the volunteer coordinators to put on the 2009 Biathlon World Cup to be held at the 10th Mountain Lodge.

The Aroostook Partnership for Progress (APP) is a grassroots, public-private partnership dedicated to aggressive and effective results-oriented actions that leverage the financial commitments and talents of the private sector in partnership with the public sector. The President of APP is housed at NMDC and his primary work is to solicit new businesses to the region, acting as the primary economic development outreach to targeted companies that would have an interest in expanding or relocating to Aroostook.

Leaders Encouraging Aroostook Development (LEAD), which was formed several years ago to promote regional business development has revisited its mission and will now be taking a more active role in spearheading legislative and congressional initiatives that will support EZ Strategic Plan objectives. NMDC will be providing staff for these activities.

Partners with the Northern Maine Empowerment Council in planning and implementing the regional strategic planning will include:

Northern Maine Development Commission

Aroostook Partnership for Progress

Aroostook County Action Program

Aroostook County Tourism

Rural Planning Organization (formerly the Regional Transportation Advisory Committee)

Local Workforce Investment Board

Loring Development Authority

University of Maine System and Aroostook County Campuses

Northern Maine Community College

Husson College

MicMac and Maliseet Native American communities

Area chambers of commerce and development corporations

Municipalities

Non-profit social, education and health organizations

At the state level, the partners will include:

Maine Department of Economic and Community Development

Maine Department of Transportation

Maine State Planning Office

Maine State Housing Authority

Finance Authority of Maine

Maine Economic Development District Association

University of Southern Maine – Center for Economic and Business Research

FAME

Maine Technology Institute

Maine Small Business Development Centers

Maine Manufacturing Extension Partnership

Maine International Trade Center

Finally, federal investment partners will also be included in the planning and implementation process. These federal partners include:

Rural Development /USDA

Economic Development Administration (EDA)

Small Business Administration (SBA)

Problems/Obstacles:

Problem – lack of adequate, consistent funding to accomplish ACEZ strategic plan goals. Round III funding has been at \$500,000 in FFY 2006 and 2007, with potential reduction in 2008. This represents one quarter of the funding (or less) than the Round I and II designees; with the same expectation of program performance.

Problem – some of our communities are in the ACEZ, while most are not included. The current regulation that constrains the population and geographic footprint of an Empowerment Zone was promulgated to target concentrated pockets of poverty, which tend to occur in more urban settings. Our designation was made on the basis of out-migration, which does not occur in specific census tracts; but rather, in all of our large geographic area. To qualify to apply to the Empowerment Zone program under out-migration, eligible applicants were determined by county (i.e., an entire county must have suffered a 15 percent or greater population loss between 1990 and 2000). Under the out-migration criteria, Aroostook County qualified as a whole to apply, yet only portions could be included because it was guided by geographic constraints created to address poverty issues. Expansion of the zone remains a critical matter that affects the comprehensive improvements such as job creation and retention, education, and social services needed in the entire region.

Problem – EZ program lacks support by USDA Rural Development. There is little ongoing program guidance, no regular meetings between EZ staff and RD staff and no forum to compare notes on program performance.

Problem – designation for ACEZ will be 7 years, rather than the 10 year + designation for Round I and II zones

Problem – lack of additional discretionary set-aside grant funds despite Round I zones still being eligible for funds after their designation lapsed.

Solutions – 2007

The funding issues that have hampered our activities to date could be resolved by multi-year funding with increased flexibility.

Proposed legislation would allow for the expansion of the ACEZ to include all of Aroostook County which would end the fact of some communities (even parts of communities) having tax advantages over others.

USDA Rural Development should sponsor a yearly conference of EZ designees to provide a forum for an exchange of ideas and an opportunity for RD officials to talk directly with EZ staff.

The proposed Northern Borders Regional Development Commission, if passed, would provide an additional, significant funding stream for economic expansion in our region.

Best Practices – 2007

Aroostook Partnership for Progress (APP) - This joint venture was organized as a direct result of the Empowerment Zone Summit; an event that was held shortly after the designation of the Aroostook County Empowerment Zone to inform and energize the region about addressing the EZ Strategic Plan objectives. The Aroostook Partnership for Progress came of age in 2004 and embarked on a program that is having a significant positive impact on Aroostook County. The creation of the Partnership was important in that it changed the course of economic development activities in the region; bringing the private sector more directly into the economic development arena and focusing resources from a number of programs on specific goals and objectives. The Board of Directors of the APP consists of major businesses that have committed significant financial resources to accomplishing the goals and objectives of the Partnership's business plan. More information on the APP mission and accomplishments can be found on their website: www.appme.org.

Opportunities for Collaboration – NMDC actively solicits participation by other organizations in initiatives that will move toward accomplishment of the ACEZ goals and objectives. The presidents of the universities and colleges in the region sit on the APP Board (see above) and staff look to each other as resources for information forums and grant partnering. The Northern Maine Empowerment Council, the entity responsible for guiding EZ activities and regional strategic planning, continues to expand its membership which provides a broader and deeper information base from which to make their strategic decisions.

Plans/Prospects for Future (2008 and beyond)

Several strategies will direct our continuing efforts to reverse outmigration and increase economic activity in our region. The Aroostook County Empowerment Zone strategic plan is still an effective document and will provide a reference point for our initiatives in certain sectors. The Comprehensive Economic Development Strategy (CEDS), which NMDC develops for the EDA, directs activities in the economic development sphere and the goals and objectives in the CEDS are more clearly articulated in the Aroostook Partnership for Progress' strategic plan. Finally, there is a five-year strategic plan for Tourism that was developed in 2005. That plan will guide initiatives for natural resource based tourism development for the next several years. All of these documents can be accessed from our website www.nmdc.org.

As indicated above, the ACEZ strategic plan will continue to be a guiding document even if the designation ends in 2008; however, we will be supporting legislation to renew and extend the designation.