

Comprehensive Economic Development Strategy Northern Maine – Five-Year Update

Summary

Northern Maine Development Commission is pleased to present the 2002 Comprehensive Economic Development Strategy Update for the Northern Maine Economic Development District. This year's document provides a comprehensive analysis of the regional planning process required every five years to coincide with available Census information. The update describes Northern Maine's process of planning and implementing comprehensive programs to create jobs and promote a stronger and more diverse regional economy. It also enables the reader to look back at the previous five years, examine today's trends, and look ahead five or more years.

Coordinating the CEDS and the Aroostook County Empowerment Zone Strategic Plan

This update is particularly timely since a portion of the Northern Maine Economic Development District was designated an Empowerment Zone (see map following Table of Contents in Volume I) in January of 2002. The Empowerment Zone program, which is guided by USDA-Rural Development, requires a strategic plan for the designated zone based on 1990 US Census data. The CEDS, guided by the Economic Development Administration, also requires a strategic plan, but for the entire Northern Maine region. The two documents are specific, yet serve essentially the same geographic areas. Their overlapping boundaries, goals, and strategies demonstrate the complimentary relationship that both serve in guiding progress in the region, both as an Empowerment Zone and as an Economic Development District.

The EZ Strategic Plan does not include all of the Northern Maine Economic Development District because of the need to meet USDA regulations. It does, however, include the primary service areas and is distributed geographically to have the broadest possible impact on the region. Like the CEDS, the EZ Strategic Plan may be altered only through grassroots approval. The primary difference between the two plans is that the CEDS focuses on job retention and creation per EDA requirements. While the EZ Strategic Plan includes job retention and creation, it is more comprehensive in that it examines social services, natural resources, and education as well. In addition, the EZ Strategic Plan is based solely on 1990 data and the CEDS examines data from 1995 forward. This, however, is an example of the complimentary relationship between the two documents since each works to complete the picture of economic development in the region. With this in mind, it has been determined that duplicate information updated in the CEDS will replace outdated EZ data at the Annual Review of the Strategic Plan.

In the following narrative the unified plan is referred to as the Strategic Plan and includes EZ sections and CEDS sections. It is important to combine the documents to have a better understanding of the big picture for Northern Maine, including data analysis, diverse and complimentary funding sources, etc. At the same time, it is necessary to be able to separate the documents to meet the needs of their different stakeholders.

To help the reader through the EDA guidelines and USDA-Rural Development guidelines, the different sections of the plan are identified. Each section contains detailed highlights of the current and past five years, evaluation of the program experience pertaining to that section, and an expanded explanation of the planning process, including how the partners involved participated. The sections are as follows.

- 1) **Northern Maine Empowerment Council**: The first section of the update describes the organization and management of the Northern Maine Empowerment Council (formerly the Northern Maine Economic Development Council), which guides the formation and implementation of the region's economic development program (CEDS) and the Aroostook County Empowerment Zone. The now 17-member council is being expanded to 20 members to increase its diversity. Council members represent a variety of sector interests, geographic areas, and local citizenry, making the program reflective of the many issues that relate to economic development in Northern Maine. This section provides a membership chart, council minutes for the past year, and the planning process of members' and communities' direct participation. Although the Council is in many sections of the Strategic Plan, this section provides more detail, including a number of changes that have taken place after the EZ designation and overall management of the CEDS portion of the Strategic Plan.
- 2) **The Area and Its Economy**: In this section, the major economic changes and issues during the past five years are recorded: major business start-ups and expansions, natural resources issues, employment and unemployment trends, and other important information. This section also defers to specific sections in the Strategic Plan. An evaluation of the region's assets and liabilities and a five-year forecast for these also is included.
- 3) **Goals, Strategies, Benchmarks and Tasks**: This past year, the Northern Maine Empowerment Council (NMEC) revised the goals and strategies for the Strategic Plan into an effective and efficient format. The NMEC decided that resources should be focused on four major goals that hold the greatest potential for economic and community development in Northern Maine. The strategies under each of these goals provide guidelines to meet the objectives. Community development is part of this since upgraded neighborhoods, new and improved housing, social services, and education complete the holistic picture necessary to acquire and sustain economic development. The four goals and the detailed strategies for each are listed in Part I, Sections 3 and 4 of the Strategic Plan. The four goals follow.

Goal I Support business success by creating an environment that supports the success of existing businesses as well as new businesses.

- Goal II Develop a well-educated and well-trained work force through educational and training opportunities.

- Goal III Improve health and social services by providing comprehensive programs for the enrichment of all residents.

- Goal IV Steward Aroostook’s natural resources and way of life by balancing development with the need to protect valuable natural resources and the rural character of its communities.

To monitor progress on the goals and strategies, benchmarks have been established in an electronic monitoring system. This enables the tracking of the tasks listed under each benchmark. Benchmarks and tasks must address a goal(s) of the Strategic Plan and an accompanying strategy.

The goals and strategies guide the direction NMDC will take during the next five to 10 years to build on the region’s assets and to continue to build a more diversified economy. This section also details the work of the four departments of NMDC (Economic and Community Development, Planning and GIS, Business Finance, and the Small Business Development Center), and cites trends from the last five years, current trends, and future projections. In many instances, the four NMDC departments are responsible for developing, implementing, and/or coordinating the projects and programs that fulfill the goals of the Strategic Plan, and for building capacity in communities to chart their own futures. Much of Northern Maine’s potential for growth and sustainability lie in its natural resource industries, telecommunications, tourism, services, and precision metals manufacturing. NMDC continues to market the region to attract these industries while also providing programs that support the success of existing businesses.

- 4) **Implementation Plan:** This section provides an inventory of EDA projects, including those that are top priority, planned throughout the region by various entities. The NMEC has selected 10 projects for the next five to 10 years that are considered top priority, as well as identified as most feasible and ready. They are arranged in the same Work Plan format as the first two years of the EZ Strategic Plan. Several EDA projects are identified as already included in the first two years of the EZ Strategic Plan. The necessity to create a separate list of EDA projects is to identify those eligible for EDA funding that have a major emphasis on job creation and retention. Other projects are listed and may be EDA fundable, but not integrated because they do not meet NMEC approval criteria such as project readiness, partnerships, and matching funding. These projects will be integrated as appropriate. The criteria are discussed in detail later in this document. The Strategic Plan is a fluid document created to provide the necessary flexibility to meet the changing needs of the region. EDA will be updated on changes as necessary.

- 5) **Program Evaluation:** The evaluation process follows the current Strategic Plan process and Continuous Quality Improvement Plan with a few minor changes that were made following Empowerment Zone designation. In addition, some qualitative and

quantitative measurements are being implemented to compliment this process and to accurately measure the success of EDA specific projects. This section looks at the evaluation process over the last five years and what will be implemented to assure accurate program assessment in the next five to 10 years.

1) Northern Maine Empowerment Council

The Economic Development District Council was established by NMDC in 1992 to increase local involvement in forming and implementing the CEDS, formerly the OEDP. The CEDS and OEDP have been central documents for the Northern Maine Economic Development District since 1969. There were 25 members on the EDDC from throughout the region representing business, industry, agriculture, utilities, education and training, health agencies, and other interests. The Council provided regular input into the implementation of the Marketing Communications Program that was funded by EDA in 1995. It also guided the Marketing Partnership Program in 1997 and “Eye on Aroostook,” a local television show on economic and business development. In May 1997, the Northern Maine Development Commission received a summary rating of “Outstanding plus” from an EDA performance review of the organization conducted the previous fall.

Aroostook County submitted an application to the USDA-Rural Development Empowerment Zone program in 1998. With the assistance of the EDDC, Aroostook County developed a Strategic Plan and was designated a Rural Champion Community in 1999, and then an Empowerment Zone in 2002. These progressive designations and learning experiences led the Economic Development District Council to be reorganized and renamed. First it was changed to the Northern Maine Economic Development Council to make the group more diverse. Then, following Empowerment Zone designation, it was modified again to reflect the additional needs of the Empowerment Zone, becoming the Northern Maine Empowerment Council (NMEC). The NMEC is the central organizing force that ensures a cohesive and comprehensive plan for the region both through the CEDS and the EZ Strategic Plan.

1998 – 2002 Highlights

The activities, processes, and changes of the NMEC from 1998 to 2001, are explained in detail in the Strategic Plan in Volume I, pages 6, 7, 17, and 18.

In 2002, the NMEC was informed by USDA-Rural Development that it must become even more representational of the grassroots process that led to the development of the EZ Strategic Plan. Membership was extended in 2002 to ensure the inclusion of at least three members who are low income, minority, elderly, disabled, and/or youth residents. On April 10, 2002, the NMEC voted to approve the additional membership and a name change to officially become the Northern Maine Empowerment Council. New by-laws were presented and a few minor changes were recommended. The by-laws were approved and recommended to the Executive Board for approval. This name change and additional membership was approved by the Executive Board of Directors on April 11, 2002. The by-laws are included at the end of this section.

The NMEC also approved a Rural Economic Area Partnership (REAP) proposal to enable the portions of Aroostook County outside the Empowerment Zone to benefit from various USDA programs by becoming a REAP zone. In addition, the NMEC approved the formation of a committee to review and rank projects for the CEDS section of the Strategic Plan and to establish a process for gathering additional project information, and present recommendations to the NMEC for approval.

Program Experience

Since 1995, there has been a growing awareness of strategic planning, its values and accuracy in predicting economic and community development. Even more important has been the awareness to implement processes that draw the group that conducts the planning closer together and produces documents that act as tool kits for communities instead of wish lists. In 1998, when the NMEC worked with the designation of Aroostook County as a Champion Community, members stated that they wanted an even more participatory process with the planning aspects of the program. The proposed combining on the CEDS and the then Champion Community Strategic Plan caused many questions to be raised in creating a process where projects would be equitably assessed and placed in a realistic order for completion. With the Empowerment Zone designation in 2002, the NMEC downsized to 17 members. From observation and comments from members, the smaller council has proved to be more workable and focused on the planning itself, rather than on a list of projects. The experience continues to be positive with a 90% attendance rate as opposed to a 50% attendance rate prior to 2001.

Planning Process

During the past five years, the planning process for the CEDS has changed dramatically. In the years from 1995 to 1998 the planning process focused primarily on economic development and business attraction. Since 1998, the focus has been on a holistic approach to the area's economic and community development issues. The three major issues of outmigration, an increasing elderly population, and the need for quality jobs has kept the NMEC approaching the CEDS and the EZ Strategic Plan in a holistic manner. This means not just a focus on job creation and retention, but on all issues influencing economic growth, such as social services, healthcare, education, natural resources, Native Americans, and youth services. As part of this focus, the NMEC voted unanimously to streamline the eight original goals into four and to also streamline the strategies to a more realistic number. In 2002, approximately 135 projects were reviewed and scored in the various sectors and discussed by the NMEC. Of these projects, those earmarked for EDA funding were pulled and listed separately. In May of 2002, a subcommittee of the NMEC prioritized the projects by degree of community participation, partnerships, feasibility, environmental compatibility, amount of match, and regional impact. The NMEC targeted 10 projects as top priority for EDA funding; however, all projects submitted for inclusion in the Strategic Plan are listed. NMDC staff will work with the project contact to detail a work plans. The top priority projects are benchmarked.

The next five years will be one of orderly, yet flexible planning that allows projects to move up on the list as they become ready for implementation and acquire matching funding. The benchmarking system also allows for project progress and funding to be tracked.

The chart on the next page depicts the current membership of the Northern Maine Empowerment Council, their community of residence and the sector they represent. Two seats recently became vacant and are currently being filled. In addition, three seats are being added at the October 2002 meeting. Following the membership chart are the Council's bylaws and then meeting minutes since the approval of last year's CEDS.

SECTOR	NAME/ADDRESS
Forestry	Don Tardie Fraser Paper 266 Masardis Road Ashland, ME 04732 Phone: 728-3321
Agriculture	Don Flannery Maine Potato Board 744 Main Street Presque Isle, ME 04769 Phone: 769-5061
Public Leadership	Marc Michaud House of Representatives 31 Pearl Street Fort Kent, ME 04743 Phone: 834-5411 Danny Martin County Administrator 144 Sweden Street, Suite 1 Caribou, ME 04736 Phone: 493-3318
Economic & Business Development	Jerry Waldo Maine Department of Transportation P.O. Box 1178 Presque Isle, ME 04769 Phone: 764-2060 Walt Elish Maine Public Service Company P.O. Box 1209 Presque Isle, ME 04769 Phone: 768-5811 Brian Hamel Loring Development Authority 154 Development Drive, Suite F Limestone, ME 04750 Phone: 328-7005
SECTOR	NAME/ADDRESS
Economic & Business Development	Barry McCrum Time Warner P.O. Box 12349 Presque Isle, ME 04769 Phone: 764-1340 Athill Hebert People's Heritage Bank P.O. Box 1269 Presque Isle, ME 04769 Phone: 764-3791

Employment & Training	<p>Patricia Sutherland Northern Maine Technical College 33 Edgemont Drive Presque Isle, ME 04769 Phone: 768-2808</p> <p>Dave King Aroostook County Action Program P.O. Box 1116 Presque Isle, ME 04769 Phone: 760-6335</p>
Social Services and Community Development Organizations	<p>Connie Sandstrom Aroostook County Action Program P.O. Box 1116 Presque Isle, ME 04769 Phone: 764-3721</p> <p>Mary Walton Caribou Community Development 25 High Street Caribou, ME 04736 Phone: 493-3324</p> <p>David Ricker Caribou Housing Authority 25 High Street Caribou, ME 04736 Phone: 493-4234</p>

SECTOR	NAME/ADDRESS
Minorities, Aged & Disabled	<p>Steve Farnham Aroostook Area Agency on Aging 33 Davis Street Presque Isle, ME 04769 Phone: 764-3396</p> <p>Linda McGee Houlton Band of Maliseet Indians P.O. Box 382 Sherman Mills, ME 04776 Phone: 532-4273</p>
Healthcare	Seat vacant
Education	Seat vacant

NORTHERN MAINE EMPOWERMENT COUNCIL

Bylaws

PURPOSE

(Revision 04.12.02)

The Council will provide oversight and direction for developing the Comprehensive Economic Development Strategy and the Empowerment Zone Strategic Plan. Recognizing that the Northern Maine Economic Development District (NMEDD) encompasses all of Aroostook County and parts of Penobscot, Piscataquis, and Washington Counties in the State of Maine and also consists of three (3) non-contiguous parcels and three (3) developable sites comprising the Aroostook County Empowerment Zone (ACEZone), it is imperative that a comprehensive, cohesive strategic plan that will promote revitalization be developed and implemented. This plan will coordinate economic, human services, health, transportation, education, community, and physical development plans, as well as other plans and related activities at the local level. The Council will facilitate local partnerships fully involving affected communities and their residents, as well as local institutions and organizations in developing and implementing a comprehensive multi-sectoral strategic plan for the NMEDD and the ACEZone simultaneously. The Council will represent diverse interests to ensure that viewpoints of all components of the region's economy are considered including those of youth, minorities, elderly, disabled, and low income.

ARTICLE ONE OFFICES

The principal office of the Northern Maine Empowerment Council (Council) shall be located at Northern Maine Development Commission, Inc. (NMDC), City of Caribou, County of Aroostook, State of Maine. The Council may have such other offices, either within or without the County of Aroostook, as the Council and NMDC may determine from time to time.

ARTICLE TWO MEMBERS

Section 1. *Members.* The members of the Council shall consist of a total of no less than fifteen (15) nor more than twenty-one (21) members. At least three (3) of the members shall be low income, minority, elderly, disabled and/or youth residents of the Empowerment Zone. The membership of the Council shall be representative of the entire socio-economic spectrum of the NMEDD region including the designated Aroostook County Empowerment Zone. Membership representation shall include, but not be limited to, business, social service agencies, health and education entities, low income, minority, elderly, disabled, and youth residents, employment and training, community and economic development organizations, and public leadership. At least fifty-five percent (55%) of the Council membership shall reside in the ACEZone, work in the ACEZone, or provide services to organizations, residents, and/or businesses located in the ACEZone.

Section 2. *Election of Members.* The NMDC Board of Directors will advertise publicly that elections to the Council will be taking place at the annual meeting of the NMDC General Assembly in June of each year. Any person interested in becoming a member of the Council

shall submit a written and signed application, on a form approved by the NMDC Board of Directors, to the Secretary/Clerk of NMDC. The NMDC Board of Directors will conduct an election by written ballot, from the applications received, an appropriate number of members to fill any and/or all vacancies on the Council. The initial election of members will elect one-third (1/3) of the members to serve a one (1) year term, one-third (1/3) of the members to serve a two (2) year term, and one-third (1/3) of the members to serve a three (3) year term. In succeeding elections, the members will be elected for a three (3) year term or as appropriate to maintain the balance of staggered terms.

Section 3. *Voting Rights.* Each member in good standing shall be entitled to one vote on each matter submitted to a vote of the members.

Section 4. *Termination of Membership.* The NMDC Board of Directors, by majority vote of the board, may suspend or expel a member for cause or who becomes ineligible to serve on the Council. Cause may include but not be limited to conviction, by a court of competent jurisdiction, of a crime adversely reflecting the person's honesty, trustworthiness, or fitness to carry out the responsibilities of their position, or a breach of fiduciary responsibilities. Ineligibility may include, but not be limited to, a member no longer being a resident of the ACEZone.

Section 5. *Resignation.* Any member may resign by filing a written resignation with the NMDC Secretary/Clerk.

Section 6. *Vacancies.* Any vacancy occurring on the Council between annual elections and any vacancies to be filled by reason of an increase in the number of members shall be filled temporarily by the NMDC Board of Directors. A member appointed to fill a vacancy shall serve only for the balance of the current year or until their successors are elected and installed.

ARTICLE THREE MEETINGS OF THE COUNCIL

Section 1. *Annual Meeting.* An annual meeting of the Council shall be held at a place, time, and date as determined by the Council, and/or the NMDC Board of Directors, and publicly noticed. If the election of members is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the NMDC Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as is convenient.

Section 2. *Regular Meetings.* Regular meetings of the Council shall be held at least bi-monthly. The Council may provide, by resolution, the time and place for holding regular meetings and for public notice requirements for such meetings.. Additional regular meetings shall be held at places, dates, and times as determined by the Council.

Section 3. *Special Meetings.* Special meetings of the Council may be called by the Chair of the Council, the NMDC Board of Directors, or not less than twenty-five percent (25%) of the members having voting rights. If no designation is made, the place of meeting shall be the principal office of the Council, but if all of the members shall meet at any time and place, and

consent to the holding of a meeting, such meeting shall be valid without call or notice and at such meeting any Council action may be taken.

Section 4. *Notice of Meetings.* Written or printed notice stating the place, day, and hour of any meeting of members shall be delivered either personally or by mail, to each member entitled to vote at such meeting, not less than two (2) days nor more than seven (7) days before the date of such meeting, by or at the direction of the Chair, or the NMDC Executive Director or the officers of the Council or persons calling the meeting. In case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid.

Section 5. *Informal Action by Members.* Any action required by law to be taken at a meeting of the Council, or any action that may be taken at a meeting of the Council, may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members entitled to vote with respect to the subject matter thereof.

Section 6. *Telephonic Participation in Meetings.* Council Members, or members of any committee, may participate in a meeting by means of conference telephone, or similar communications equipment by means of which all persons participating in the meeting can hear one another and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.

Section 7. *Quorum.* A majority of the Council members shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 8. *Proxies.* At any meeting of the Council, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney in fact. No proxy shall be valid after two (2) months from the date of its execution, unless otherwise provided in the proxy.

Section 9. *Compensation.* Members as such shall not receive any stated salaries for their services, but by resolution of the NMDC Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at any regular or special meeting of the Council.

ARTICLE FOUR OFFICERS

Section 1. *Officers.* The officers of the Council shall be a Chairperson, a Vice-Chairperson, a Secretary, and such other officers as may be elected in accordance with the provisions of this article. The Council may elect or appoint such other officers, including one or more assistant secretaries, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the NMDC Board of Directors.

Section 2. *Election and Term of Office.* The officers of the Council shall be elected annually by the Council at the regular annual meeting of the Council. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the NMDC Board of Directors. Each officer shall hold office until his/her successor has been duly elected and qualifies.

Section 3. *Removal.* The NMDC Board of Directors, by affirmative vote of all of the members of the NMDC Board, may suspend or expel an Officer for cause after an appropriate hearing, whenever in its judgement the best interests of the Council would be served thereby. Cause may include, but not be limited to, breach of the duties of the respective office and/or breach of fiduciary duties.

Section 4. *Vacancies.* A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, occurring between annual elections may be temporarily filled by the Council. Officers so elected shall serve only for the balance of the current year or until their successors are elected and installed.

Section 5. *Powers and Duties.* The several officers shall have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the NMDC Board of Directors.

ARTICLE FIVE COMMITTEES

Section 1. *Committees.* The Council, by resolution adopted by a majority of the members in office, may designate one or more committees, each of which shall consist of two or more members, which committees, to the extent provided in such resolution, shall have and exercise the authority of the Council in the management of the Council; but the designation of such committees and the delegation thereto of authority shall not operate to relieve the Council, or any individual member, of any responsibility imposed on it or him/her by law.

ARTICLE SIX CONTRACTS, CHECKS, DEPOSITS AND GIFTS

Section 1. *Contracts.* The NMDC Board of Directors may authorize any officer or officers or agent or agents of the Council, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the NMDC Corporation, and such authority may be general or may be confined to specific instances.

Section 2. *Checks, Drafts, or Orders.* All checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Council, shall be signed by such officer or officers or agent or agents of the Council, and in such manner as shall from time to time be determined by resolution of the NMDC Board of Directors. In the absence of such determination by the NMDC Board of Directors, such instruments shall be signed by the NMDC Treasurer or an Assistant Treasurer and countersigned by the Chairperson or Executive Director of the NMDC Corporation.

Section 3. *Deposits.* All funds of the Council shall be deposited from time to time to the credit of the NMDC Corporation in such banks, trust companies, or other depositories as the NMDC Board of Directors may select as a result of periodic banking services solicited from qualified financial institutions.

Section 4. *Gifts.* The NMDC Board of Directors may accept on behalf of the Council any contribution, gift, bequest, or devise for the purpose of furthering the Council's mission only.

ARTICLE SEVEN BOOKS AND RECORDS

The Council shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, and committees having and exercising any of the authority of the Council, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Council may be inspected by any member, or his/her agent or attorney, for any proper purpose at any reasonable time.

ARTICLE EIGHT FISCAL YEAR

The fiscal year of the Council shall begin on the first day of July in each year and end at midnight on the thirtieth day of June of the following year.

ARTICLE NINE WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of these bylaws of the Council, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE TEN AMENDMENT OF BYLAWS

These bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the NMDC General Assembly if at least fourteen (14) days' written notice is given of intention to alter, amend, or repeal or to adopt new bylaws at such meeting or vote of the General Assembly at any regular or special meeting.

Certificate of Original Bylaws

The foregoing bylaws, comprising five (5) pages, were adopted as the bylaws of the Northern Maine Empowerment Council on June 13, 2002.

Northern Maine Economic Development Council
**Meeting Minutes of
June 15, 2001**

PLACE: **Caribou Inn and Convention Centre**

DATE: June 15, 2001 – 10:30 a.m.

Attendance: Athil Hebert, Marcus Barresi, Donald Flannery, Linda McGee, Barry McCrum, Donna Sturzl, Connie Sandstrom, Representative Marc Michaud and Patricia Sutherland.

NMDC Staff Present: JoAnn Hollis, Alain Ouellette, Robert Clark and Judy Dinsmore.

1.) Introduction to the Comprehensive Economic Development Strategy (CEDS) Process:

Ms. Sutherland welcomed everyone in attendance and asked that everyone introduce themselves and what sector they represent.

At this time, Ms. Hollis gave a discussion on the history of the Overall Economic Development Program (OEDP) and it's transition as the Comprehensive Economic Development Strategy (CEDS). She stated that the EDA funding for this program is approved for the next 5-10 years.

Ms. Hollis presented the Committee with a PowerPoint presentation which was developed by EDA discussing what the CEDS is and what it is comprised of. She stated that in order to receive EDA funding, we must have a CEDS in place.

Mr. Ouellette stated that we will be submitting the next application for the Empowerment Zone in October. Most of what will be in the CEDS will be in the Empowerment Zone. We are in hopes to meld the two documents together in order not duplicate our efforts. If we get the Empowerment Zone designation we are looking at funding in excess of \$23,000,000.

Ms. Hollis passed out the Resolution that was adopted by the General Assembly on June 14, 2001. She stated that adoption of this resolution will move the group into the next phase of election of officers.

2.) Election of Officers:

Ms. Hollis explained that several of the EDDC committee members met over the course of 5-6 months to go through the guidelines that EDA provided and to talk about the direction to take and how to make this board work following the guidelines.

She stated that in the Resolution, a chair and a vice-chair need to be elected.

MOTION:

Motion made by Ms. Sandstrom, seconded by Mr. Hebert to nominate Patricia Sutherland as Chairperson.

VOTE:

Motion voted on and passed.

MOTION:

Motion made by Mr. Barresi, seconded by Mr. Flannery to nominate Danny Martin as Vice-Chair.

VOTE:

Motion voted on and passed.

3.) Membership Recommendation:

Ms. Hollis stated that there was still a vacancy in the Forestry area as Bob Vigue was unable to fill that position.

Ms. Sutherland stated that the following names have been recommended: Don Tardy of Fraser Paper, Ervin Tower a registered Forester from Patten, Dan Levesque of J. Paul Levesque and Sons, Dick Arnold of Fraser, Greg Cyr of Maine Woods Company and John Martin of Rock Lumber.

Mr. Ouellette stated that Roy Bernard Chief Forester for Irving in Fort Kent would be another person to consider for this position.

Ms. Sutherland stated that when the sub-committee was putting together this committee, they tried to put together folks that not only was knowledgeable in the sector, but also had as broad a perspective as possible.

It was suggested that Don Tardy and Greg Cyr be approached to see if they would like to serve on this committee, then a recommendation from NMEDC would be presented to the Executive Board for their approval at the July 19, 2001 Board meeting.

4.) 2001 CEDS Annual Report:

Ms. Hollis explained that this was just a very rough draft, but wanted the committee to have to start reviewing it. There are not many changes since the last one that was approved in November. She asked that the committee take a look at this one over the next week or so and return any changes or comments to NMDC by June 25 so it can be mailed to EDA by the deadline of June 30. It will be mailed under the auspices that the document is pending the approval of the council and the NMDC Executive Board of Directors. She stated that in mid July this committee will meet again for final approval and recommended to the NMDC Executive

Board for approval. She stated that at July's meeting she hopes to be able to provide a presentation on the Empowerment Zone and its status to this committee.

5.) Fall Economic Development Conference:

Ms. Hollis stated that one thing that was discussed previously was to hold an Economic Development conference in the Fall of 2001. During the discussions, a couple of directions were considered. One was to have a big economic development conference. But after looking at the time frame, it was thought that it would be a better idea to a smaller event to kickoff the Empowerment Zone efforts. She stated what was decided is a series of workshops in August where we would bring together community and sector leaders to the table to talk about the Empowerment Zone. She explained that it would consist of a breakfast and a presentation. Everyone would be sent home with information on how the Empowerment Zone impacts them and what information was requested from them. They would complete their "homework" and bring it back to the next breakfast session. She stated that depending on the number of participants, the sessions may have to be broken down into different focus groups (i.e. education, social services, etc.), then bring everyone back for a final breakfast session to discuss what the results were and what would be incorporated into the Empowerment Zone.

Mr. Ouellette stated that the alternative would be either to have these two or three, 2-hour workshops or to have one, all day session where everyone would be separated into breakout groups.

Ms. McGee asked where these sessions would be located. Ms. Hollis stated that the sessions would be centrally located with the furthest being an hour to travel.

Ms. Sutherland stated it was her opinion that July and August were bad months due to vacations and kids being out of school. She also stated that if an exciting keynote speaker was invited, then a one day event would work because the speaker would catch everyone's attention and there would be a lot of attention focused on the event therefore the breakout sessions and wrap up would be more successful.

There was also some discussion as to maybe the participants couldn't make all three of the sessions, therefore their feedback might not get to us in time or at all.

It was decided to have a one-day conference around August 28 or 29.

6.) Meeting Schedule for Upcoming Year:

Ms. Sutherland stated that it has been discussed to have an economic development tour of Aroostook County for NMEDC so that we are all aware of the needs and accomplishments around the County. The time frame for this event would be Fall of 2001. She stated that all of the economic development groups would be asked to help host this event.

Ms. Hollis stated that it was discussed on having at least four NMEDC meetings a year, one being in July to approve the annual update as well as get more acclimated with the

Empowerment Zone for the fall conference. We would also like to talk about ways in which we can get all the Economic Development organizations involved in the process. She stated that Bob Clark mentioned to set it up as a policy in order to get this type of information from these groups. She stated that she would attempt to have a draft of this policy for the July meeting.

Ms. Hollis stated that at the same time, we would like to start a list of what organizations are having meetings so we can attempt to attend those meetings, make a presentation and gather information. She asked the committee to go back and think about what organizations in their area that would be good for us to go and reach out to with our presentation.

At this time Mr. Clark joined the meeting.

Ms. Hollis stated that a meeting schedule needs to be set. She also stated that these meetings would be located in northern, central and southern Aroostook. It was decided that Friday, July 13, at 11:00 a.m. would be the next meeting date and time. Location will be decided upon at a later date. She asked for suggestions for fall, winter and spring meeting months. It was decided on November, February and May for the other three meeting months. There was some discussion as to whether or not four meetings a year would be enough. It was decided that there would be a minimum of four meetings scheduled, but in the event it was felt that extra meetings be necessary, then the committee would meet.

Mr. Clark added that the whole intent in this was to broaden the sectors on the council by industry sector rather than geography. He stated that it's time to move forward as one voice and work together by developing different programs in the area.

7.) Adjournment:

Meeting adjourned at 12:10 p.m.

Respectfully submitted,

JoAnn Hollis
Marketing and Development Coordinator

jh/jd

Northern Maine Economic Development Council
Meeting Minutes
July 13, 2001

PLACE: **Caribou Inn and Convention Center**

DATE: July 13, 2001 – 10:00 a.m.

Attendance: Don Flannery, Danny Martin, Brian Hamel, Donna Struzl, Athil Hebert, Patricia Sutherland, Connie Sandstrom, Dave Ricker, Linda McGee and Ed Nickerson-Ex-Officio.

NMDC Staff Present: JoAnn Hollis, Linda Berube, Robert Clark and Judy Dinsmore.

Ms. Sutherland brought the meeting to order at 11:00 a.m. and asked those who wished to be reimbursed for mileage to pass their travel vouchers in.

1.) Approval of Minutes Dated June 15, 2001:

Minutes were voted on and passed unanimously.

2.) Approval of 2001 CEDS Annual Report:

Ms. Berube explained that the format for the CEDS is a very old one and this year will be the last year it will be used. She stated that the CEDS will now become part of the Empowerment Zone plan. She briefly reviewed the contents and changes in the document and the process in which the information is obtained.

Mr. Clark stated that this year is the final year for an update. The new five-year program will take place next year.

MOTION:

Motion made by Mr. Ricker, seconded by Mr. Hamel to approve the 2001 CEDS Annual Report as presented.

VOTE:

Motion voted on and passed.

Membership Recommendation Update:

Ms. Hollis stated that at the last meeting the need to fill the forestry sector vacancy was discussed. She explained that the two people recommended were Don Tardie, of Fraser Paper, and Greg Cyr, of North Maine Woods. She stated that Mr. Tardie is considering the vacancy, but has requested to receive materials on the Committee before making a decision. She is forwarding those materials.

3.) Empowerment Zone Presentation:

Ms. Berube stated that she just returned from Harrisburg, Penn., where she attended a training conference for Round III of the Empowerment Zone. She explained that the rules are the same, meaning that the zone must include no more than 30,000 people within 1,000 sq. miles and three non-continuous parcels. A strategic plan must be submitted as well. She also stated the citizen participation is very important to the success of this plan. She stated that she will be conducting community forums as well working with RSVP to obtain this input.

Ms. Berube reviewed the plan process and structure with the Committee.

Mr. Ricker asked if the community capacity that Ms. Berube spoke about was all the towns in the Empowerment Zone or the towns within the Northern Maine Economic Development Council organization. Ms. Berube stated it was everyone collectively as a group. Mr. Clark asked how many were at the Harrisburg conference. Ms. Berube stated that there were 20. She explained that there are six more national conferences. She stated that there are an estimated 60 Empowerment Zone applications nationwide, which is down from last time, this includes rural and urban.

Mr. Hamel asked why there was a reduction in interest in this round. Mr. Clark stated that many people put forth a great deal of effort and have lost the drive. He also stated that many who received Champion Community status have not followed through with their "homework." He pointed out that their chance of success would be limited because others have followed through with the program's requirements.

4.) Fall Economic Development Conference:

Ms. Hollis stated that the Fall Economic Development Conference the NMEDC had discussed would be the kick off for the Empowerment Zone application, which is due October 1, 2001. She explained that it would be a one-day conference. Discussion took place on changing the date from late August to the week after Labor Day. September 6 was chosen as the date for the conference. Ms. Hollis agreed to prepare a press release announcing the event.

It was agreed that current Empowerment Zone awardees should be invited to speak. Mr. Clark stated that Charlie Colgan, who is involved with Workforce Analysis, also should be one of the speakers. Ms. Hollis named five candidates for speakers that are current empowerment zones: the Kentucky Highlands, Rio Grande Valley, Southwest Georgia, North Dakota, and Southern

Illinois Development. Council members agreed that North Dakota, who was designated for out-migration, would be approached first because of similarities to our region.

Mr. Martin asked what category the competition from Pennsylvania fell under. Ms. Berube stated that it is out-migration and that they are a Champion Community. Ms. Berube explained that Pennsylvania and Aroostook currently are the only two in the category of out-migration, but said that we won't know for certain until all the letters of intent are submitted.

Mr. Clark explained that he felt the conference should not be called Economic Development Conference because the downfall of the previous application was lack of social and human services in the application. He explained that it has to be broad-based and include housing, social services, and economic development.

Mr. Clark stated that this round there only two rural zones will be designated – one out-migration and one poverty – the rest will be urban designated under poverty and out-migration.

Ms. Sutherland suggested that we start the conference out with a positive focus. It was discussed that a well-known, national figure should be the keynote speaker to boost attendance.

Ms. Hollis stated that she worked with Bob Metcalfe, who invented the Ethernet and founded 3Comm, and said she would be happy to contact him if the committee thought he would be a good candidate for the keynote speaker.

Mr. Clark stated that he was business focused, but could have him talk about bigger community issues.

Ms. Sutherland asked that any ideas for the keynote be addressed to Bob, Linda, or JoAnn.

Ms. Hollis discussed the breakout sessions stating that there would be a leader/facilitator for each breakout to help keep the groups focused. Potential breakout sectors were discussed it was agreed to keep the groups diverse. Social services, education and workforce development, health care/home care, housing, and tribal development will be considered as topics for the sessions.

Ms. Hollis stated that a tentative list and agenda will be created and be mailed out for review and feedback. It was agreed that if major issues arise, an additional meeting will be held prior to the September 6 event, if not then any information can be returned by mail, email, or phone.

At this time the Council discussed other organizations in which a representative of NMEDC meet with to receive input for the new CEDS. The list that was created is as follows.

Aroostook Superintendents	LDA (meeting on September 12)
Maine Potato Board (meeting in November)	Tribal Groups
FAME (meeting week of July 16-20)	Central Aroostook Housing with ACAP
Emergency Medical Services (Reg. 5 Council)	Northern Maine Health Coalition
Higher Education (Presidents)	Maine Community Found. (9/13/01 at Loring)
Soil & Water (Tim Hobbs)	Maine Farm Bureau
Finance Group/Maine Potato Board (LEAD)	Aroostook Area Agency on Aging
Regional Transportation Advisory Comm	Aroostook County Tourism (ACT)
Aroostook Area Chamber Executives (AACE)	Workforce Investment Act (WIA)
St. John Aroostook RC&D	Aroostook Municipal Association
Youth Services (Connie Sandstrom)	Aroostook Bar Association (Carl Flora-LDA)
Maine Snowmobile Association	UVEC, SADC, SJVG, CABAMP

Ms. Sutherland stated that we should ask the Community Developers from the old EDDC committee as well as OneAroostook to get together with this group to discuss the Empowerment Zone/CEDS a couple times a year.

Ms. Hollis pointed out that if we want other groups to attend NMEDC meetings, we need to organize which groups and when.

It was suggested that meetings be held at different locations (i.e., Tech Center, NMTC, etc.).

There being no more business to discuss, Chair declared meeting adjourned at 1:00 p.m.

NEXT MEETINGS: August, 2001 (if necessary)
 September, 2001, Conference for Empowerment Zone

/jd

Northern Maine Economic Development Council
Meeting Minutes
November 28, 2001

PLACE: **Caribou Inn and Convention Center**

DATE: November 28, 2001 at 11:00 a.m.

Attendance: Patricia Sutherland, Don Flannery, Connie Sandstrom, Donna Struzl, Walt Elish, Mary Walton, David Ricker, Jerry Waldo, Athill Hebert, Marc Michaud and Steve Farnham.

Others Present: Robert Clark, Alain Ouellette, JoAnn Hollis, Linda Berube and Emmanuelle Bocqueho (NMDC Intern).

1.) Introductory Remarks:

Ms. Sutherland asked everyone in attendance to introduce themselves.

2.) Approval of Meeting Minutes of July 13, 2001 and September 14, 2001:

MOTION:

Motion voted on.

VOTE:

Motion voted on and passed unanimously.

3.) Acceptance of Seat on the Forestry Sector:

Ms. Sutherland stated that Mr. Don Tardie was unable to attend the meeting today, but that he had accepted the seat on the Council representing the forestry sector.

She also informed the group that Mr. George Ezzy, who served as Executive Director of the Workforce Investment Board, has resigned his position from that organization as well as the NMEDC, leaving a vacancy in the employment and training sector. Ms. Sutherland asked for suggestions for a representative to fill Mr. Ezzy's vacancy on the NMEDC. Mr. David King, ACAP, and Al Menard, Adult Education Director for Caribou were suggested to fill the vacancy.

4.) Empowerment Zone Update:

Ms. Hollis stated that the Empowerment Zone application was submitted on time and that as far as they knew, the process was still on track with a decision to be made by the end of December.

Mr. Clark gave an update on the EZ process. He explained that Rural Development received 60 applications. Out of the 60, four did not meet the criteria. Out of the remaining 56 applications, there were 12 that had a component of out migration to qualify either under poverty or out migration. Approximately 12 finalists were selected from the 56, and indications were that we were included in that group. This group will be narrowed down further and then will be taken to the Secretary of the USDA, who will make the final decision. Mr. Clark pointed out that the Secretary has the option to award both the designations under poverty or one under poverty and one under out migration. He also stated that if we are not designated as an Empowerment Zone that there are several million dollars earmarked for regional development organizations that have a strategic plan in place, so we could receive some funding under the new farm bill.

5.) Presentation and Approval of Addendum of the 2001 CEDS Report:

Ms. Berube stated that EDA asked that NMDC address three items in the 2001 CEDS Annual Report. The first was to name a representative for the forestry sector. This was fulfilled by Mr. Tardie's acceptance to serve on the Council. She explained that they asked that the vision statement be revised. This too was completed during the process of completing the Empowerment Zone application. The final request by the EDA was to create an evaluation of the action strategies and a detailed evaluation process. Ms. Berube explained the process that was outlined in the packets Council members had received. The process will include public forums where individuals and organizations and offer ideas and feedback.

MOTION:

Motion made by Mr. Flannery, seconded by Mr. Michaud to accept the 2001 CEDS Addendum as presented.

VOTE:

Motion voted on and passed unanimously.

6.) Approval of a Five-Year Update Timeline:

Ms. Sutherland stated that there were several items on the timeline that NMDC staff will be working on. There are also several items that the Council members will address.

NMDC staff will work to develop a scoring system to rank projects submitted for inclusion in the CEDS. Staff also will work to prioritize projects based on this system. Both of which will be reviewed by the NMEDC at the January meeting. Ms. Sutherland explained that the Council will review drafts of the CEDS in April and May, via mail, so that final approval for presentation to the NMDC Executive Board can be completed in June.

MOTION:

Motion made by Mr. Ricker, seconded by Mr. Hebert to accept the CEDS time line as presented.

VOTE:

Motion voted on and passed unanimously.

7.) Information Gathering, Review, and Update:

Ms. Hollis stated that at the last meeting of NMEDC, a list was developed of organizations that the Council felt were important to meet with regarding the strategic plan. Input was gathered from many of those groups while preparing the Empowerment Zone application, but because of time issues, some had not yet been contacted. She asked the Council members to review the list and to prioritize them as to those that should be contacted soon and others that could be added. She reminded the group of the four goals of the strategic plan: economic development, social services, education and workforce training, and natural resources.

Mr. Ouellette pointed out that not only does this process help the process of educating organizations on the CEDS process, but it also educates the Council as to who the leaders are in these organizations so in that in the future we have a point of contact for this and other projects.

8.) Next Meeting Date:

The next meeting date was scheduled for January 23, 2002 at the Caribou Inn and Convention Center.

Note: This has been moved to Northern Maine Technical College.

Northern Maine Economic Development Council
Meeting Minutes
January 23, 2002

PLACE: Northern Maine Technical College
DATE: January 23, 2002 – 10:00 a.m.

Attendance: Jerry Waldo, Donna Sturzl, David Ricker, Barry McCrum, Athill Hebert, Walt Elish, David King, Connie Sandstrom, Danny Martin, Don Tardie, Mary Walton and Patricia Sutherland.

Others Present: Steven Buck-Caribou City Manager, JoAnn Hollis, Linda Berube, Alain Ouellette, Robert Clark and Judy Dinsmore.

1.) Introductory Remarks:

Ms. Sutherland opened the meeting at 10:00 a.m. and welcomed everyone in attendance. She welcomed Mr. Don Tardie who represents the forestry sector on the council and Mr. David King who is filling the vacancy left by Mr. George Ezzy representing the employment and training sector.

2.) Presentation on Wireless Communications:

Ms. Sutherland introduced Chris Anderson from F.A. Peabody Company who gave a presentation on wireless communications in the County.

Mr. Anderson gave his presentation on the “digital divide” which refers to the gap between those who lack technology tools, services and training from those who possess it. He stated that northern Maine (and rural America) suffers from the digital divide in terms of universal access to broadband technology. He explained that broadband uses consist of high-speed web browsing and downloading, high quality multimedia streaming, remote learning tools, video conferencing, Virtual Private Network (VPN) and Voice Over Internet Protocol (VOIP), and that it enables SOHO users to telecommute to the corporate network at near network speeds. He also explained the impact that the digital divide has on the community. He stated that it reduces competition, creates an economic development barrier, increases in the cost of living and reduces education opportunities, and that it affects the quality of life issue and affects us culturally.

Mr. Anderson discussed with the Council the cost of doing business without access to broadband usage. He also explained the important features of broadband and the pitfalls we face without it. He discussed the local market access stating that most areas have local 56k-modem connection and most major centers have access up to T-1 capacity and can access satellite technology. Few communities have affordable access to T-3 or ATM, have DSL or Coaxial connections or limited microwave connections.

Mr. Anderson explained that northern Maine's current reliable technology exists to fix the program, however each has pitfalls. He stated that universal access to broadband service has not been achieved, that the large service providers will not deploy common urban "last mile" technology choices and that wireless technology is the best current alternative for rural America and northern Maine.

At this time Mr. Anderson explained fixed broadband wireless to the Council. He stated that fixed broadband implies that the user has the ability for multiple technology services such as voice, video and data to coincide on the same connection. He discussed the vision and mission statements of Pioneer Wireless Network, as well as the backbone of the service provider. He stated that there would be connections from Houlton with spur to Smyrna, Island Falls and Sherman and all the way up to Madawaska (in March, 2002). Mr. Anderson discussed the benefits of Pioneer Wireless Network stating that it was dependable, secure, fast, affordable and locally owned.

In closing Mr. Anderson stated that a wireless network supporting businesses and individuals is the most cost-effective means of solving "last mile" bandwidth access.

Mr. Clark asked how many towers Pioneer Wireless has up at this time. Mr. Anderson responded by stating that all are up and running except for Van Buren and Madawaska, which will be operational by February 1, 2002. He also stated that everything was live from Loring south.

Ms. Walton asked how weather affects the system. Mr. Anderson stated that amazingly, weather does not affect the transmission at all. He stated that weather like the ice storm of 1998 would cause problems with the transmission because of the thickness of the ice on the transmitters.

Mr. Ricker pointed out that some people find the towers offensive and some communities are looking at developing ordinances for the location of tower structures. Mr. Anderson said that they are aware that this is becoming an issue and that if communities want this type of service, something will have to be worked out.

MOTION:

Motion made by Mr. Ricker, seconded by Mr. Martin to look at funding sources to review universal access to the broadband issue.

VOTE:

Motion voted on and passed unanimously.

3.) Approval of Minutes Dated November 28, 2001:

MOTION:

Motion made by Mr. Ricker, seconded by Mr. Waldo to accept the November 28, 2001 NMEDC meeting minutes as presented.

VOTE:

Motion voted on and passed unanimously.

4.) Status of Homelessness in Aroostook County:

Mr. Ricker presented information on the status of homelessness in Aroostook County after the question had arisen at the November NMEDC meeting. He explained that each community was approached to gather information, and reported that at the time the numbers were gathered the total number of homeless for December 2001 without duplication was 106 households. This includes the following breakdowns.

There were 75 on the waiting list for homes in **Caribou**. Out of that 75, 12% on the list were classified as homeless. He stated that Caribou's General Assistance has 163 cases which estimates 25% were homeless or approximately 40 people.

Fort Fairfield Housing Authority reported 15 homeless, 12 on Section 8 waiting list and six on public housing waiting list. Fort Fairfield's General Assistance estimates assisting six to eight with rent in 2001 and one with no housing.

Presque Isle Housing Authority reported 171 on Public Housing waiting list, 351 on Section 8 waiting list and 22 who applied as homeless shelter persons. Presque Isle General Assistance estimates they assisted 52 households with rent and no homeless.

Van Buren Housing Authority reported three currently on waiting list from Presque Isle Homeless Shelter, eight currently on Public Housing waiting list and 35 on Section 8 waiting list. Van Buren reported that they rarely have any homeless on their waiting lists. Van Buren General Assistance reported they assisted two with rent, which both were homeless.

ACAP Housing Services reported for the most part they were able to issue vouchers to verified homeless applicants almost immediately, stating that applicants don't stay on the waiting list for long. They have 188 on the waiting list, 104 southern Aroostook and 84 northern Aroostook.

Sister Mary O'Donnell Homeless Shelter stated they have 30 beds, which are currently full. None of the people currently listed as homeless on the Housing Authorities' waiting lists are currently housed in the Homeless Shelter.

This is the only homeless shelter in Aroostook County. There are, however, three battered women's project shelters. Recent figures state that there are 14 men, nine women and six children at the shelters. Until recently, homeless youth have been sent to shelters out of the area. The goal of the shelter is to place the youth before they have to stay a night in the shelter either by reuniting with the family or with foster care.

Battered Women's Project reported 55 sheltered from Caribou, 49 from Houlton and 13 from the St. John Valley, for a total of 123 sheltered of which 59 were women and 64 were children.

Mars Hill General Assistance reported assisting two with housing and both were homeless.

Houlton General Assistance estimates assisting eight per month with rental assistance, and none were homeless.

Total number of homeless for December 2001 without duplication was 106 households.

Mr. Ricker stated that the definition of homelessness used by Maine State Housing Authority is:

1. An individual who lacks a fixed, regular or adequate nighttime residence; and
2. An individual who has a primary nighttime residence that is:
 - a. a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing for the mentally ill);
 - b. an institution that provides a temporary residence for individuals intended to be institutionalized; or
 - c. a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings.

Mr. Ricker stated that he would report back to NMEDC in a month or two with more information on homelessness in the County as he receives it.

5.) Empowerment Zone Update:

Mr. Clark informed the group that USDA Rural Development was only going to designate two zones and that both could be under poverty or out migration. He explained that in November they narrowed the pool of 65 applications down to 12 and that in December it was narrowed to approximately 5 applications, with Aroostook County still in the running. By law, the zones had to be designated by January 1, 2002, which was done, even though we were not notified for several days. He explained that we are one of 10 rural empowerment zones in the nation, and that there also is an Enterprise Community in Lewiston, Maine.

Mr. Clark discussed the USDA New Release with the Council members, stating that Texas, who was the other zone designated (under poverty), four out of five counties are among the 20 poorest counties in the U.S. Portions suffer from a 20% unemployment rate along with a 46.5 % poverty rate.

Mr. Clark explained that NMDC staff members will participate in a training session on February 5-6 in which Rural Development representatives will explain more about the process.

He explained that the zone lasts 10 calendar years following the designation date. The funding should be between \$2 million and \$4 million per year. At this time funding has not been determined.

Mr. Clark stated that communities applying for Empowerment Zone designation must meet strict eligibility and selection criteria. These include high rates of poverty, severe economic distress, high unemployment, or economic distress caused by out-migration. Aroostook County qualifies for the program under out-migration with a population decrease of 15 percent from 86,936 in 1990 to 73,938 in 2000.

Rural zones are comprised of census tracts, singly or in groups and may not exceed 1,000 square miles in size, or 30,000 in population with the Zone not exceeding three noncontiguous parcels. The Aroostook County Zone includes three areas in northern, central and southern Aroostook, as well as three industrial sites (Loring Commerce Centre, the Van Buren Industrial park and the Skyway Industrial Park in Presque Isle).

Mr. Clark explained that they anticipate that the Executive Board of Northern Maine Development Commission will serve as the Empowerment Zone Board and that the Northern Maine Economic Development Council will serve as the Empowerment Zone Advisory Council, dependent upon final instructions from Rural Development. These groups will manage Empowerment Zone activities in Aroostook County. Potential projects will be ranked using a point system that awards points in areas such as relevance to strategic plan goals, matching funds secured, and audience served.

Mr. Clark explained some of the benefits of the designation. He stated that Round III rural zones can each issue up to \$60,000,000 in “new tax exempt bonds” to finance zone facilities, a 20 percent tax credit for the first \$15,000 in wages paid to a qualified employee (for a tax credit of up to \$3,000 per employee), Brownfields Deductible Expense and qualified Zone Academy Bonds.

Mr. Clark explained that the mission of the EZ program is embodied in four key principles, which are Economic Opportunity, Sustainable Community Development, Community-Based Partnerships and Strategic Vision for Change.

6.) Presentation and Approval of the Project Point System:

Ms. Berube explained that the scoring system was created to help prioritize projects. The system examines issues such as projects’ relevance to the goals of the strategic plan, audience served, partnerships, etc., in order to begin the process of prioritize projects for the CEDS and the EZ. Projects can be awarded a maximum of 10 points per evaluation statement for a maximum score of 80 points total. These projects would then be presented to the NMEDC for final determination of priority.

Ms. Walton stated that she felt number 8 “Regional Significance and/or Service Center Designation” really contained two different items. It was decided to separate the two and make Service Center Designation number 9 on the Scoring Criteria list. This would now make the maximum score available 90 points.

MOTION:

Motion made by Mr. Martin, seconded by Ms. Sandstrom to approve the project point system as amended.

VOTE:

Motion voted on and passed unanimously.

7.) Discussion and Approval of Project Prioritization:

Ms. Berube discussed the projects that were benchmarked and asked that the Council members provide her with any additional benchmarks that should be included no later than January 31.

8.) Next Meeting:

Ms. Sutherland announced that the next meeting will be Wednesday, March 20, 2002 and will be held at the Loring Applied Technology Center.

9.) Adjournment:

Ms. Sutherland discussed the activities and number of students enrolled at NMTC the past semester and stated that she was very glad the numbers were up. She also announced that a new campus president should be on staff by April of 2002.

There being no other business to conduct, Ms. Sutherland declared the meeting adjourned at 1:00 p.m.

Northern Maine Economic Development Council
Meeting Minutes
April 10, 2002

PLACE: Loring Applied Technology Centre
DATE: April 10, 2002

Attendance: Don Flannery, Danny Martin, Jerry Waldo, Walt Elish, Donna Sturzl, Barry McCrum, Athill Hebert, Patricia Sutherland, Don Tardie, Mary Walton, Dave Ricker, Steve Farnham, Linda McGee, Marcus Barresi, Dave King and Ed Nickerson.

Others Present: JoAnn Hollis, Alain Ouellette, Bob Clark and Judy Dinsmore.

1.) Call to Order and Introductory Remarks:

Ms. Sutherland opened the meeting at 11:00 a.m. and welcomed everyone in attendance. She reminded those who would like travel reimbursement to pass their vouchers in to Ms. Dinsmore. Mr. Nickerson was detained at another meeting, so the host site presentation was moved down on the agenda.

2.) Healthcare Status Presentation:

Marcus Barresi and Nathan Berry of Barresi Financial, Inc. gave a presentation on the status of healthcare in Maine. Mr. Barresi stated that his presentation was designed to make the Council members more aware of the critical issues facing health insurance in northern Maine. He explained that he hoped that this overview would encourage employers like those in attendance take a more proactive stance.

Mr. Berry gave a PowerPoint presentation regarding the state of the employer-sponsored health insurance market, the techniques employers are taking to combat rising costs, the role of Maine Healthcare Purchasing Collaborative, and the future state of group health insurance in Maine. He explained that insurance premiums continue to increase 30 to 50% for groups of all sizes in Maine over the last 3-5 years. There is limited competition, with only three carriers remaining. He also explained that one out of every seven dollars spent in Maine is related to health care. Health care spending in Maine is about \$3,732 per person, while US health care spending is about \$3,798. Medicare and Medicaid are responsible for more than one half of all health care bills in Maine. Prescription Costs make up 20 to 25% of health care costs. Prescription inflation is gauged by most carriers to be 30% per year.

He stated that some of the problems contributing to the crisis are:

- Duplication of services/high cost & low utilization of those services
- Unnecessary competition between facilities
- Prescription inflation outpacing medical
- Aging and unhealthy population
- Increased use in diagnostic tests

- Excessive advertising
- Administrative costs
- Non-participating physicians in rural areas
- Bad debt/uninsured

Mr. Berry explained some of the things employers in Maine are doing.

- Increased cost shifting to employees and their dependents
- Lowering benefit strength/increasing deductible
- Cancel benefits and give employees funds to buy insurance on their own
- Most, if not all companies have changed carriers at least once in the last 3 to 4 years

He then explained some of the things employers should be doing.

- Look at ways to manage claims and health of their employees
- Keep employees informed of the problems surrounding the health care system
- Evaluate situation and contact legislators, either on their own or through an association/collaboration

Mr. Berry explained the Maine Healthcare Purchasing Collaborative (MeHPC), which is committed to a restructuring of the healthcare delivery system in Maine by empowering employers, providers, health plans and consumers to implement the principles of value based purchasing. He also pointed out that the Legislature is not aware of the problems the employers are facing in this area because they receive much of their information from Consumers for Affordable Health.

3.) Host Site Presentation:

Mr. Nickerson stated that many of the Council members had visited the incubator facility previously. He asked those who would like to tour the facility to see him after the meeting.

4.) Review and Approval of Minutes of January 23, 2002:

MOTION:

Motion made by Mr. Hebert, seconded by Mr. Martin to accept the NMEDC meeting minutes of January 23, 2002 as presented.

VOTE:

Motion voted on and passed unanimously.

5.) Loring Commerce Centre CEDS Priority Project:

Mr. Clark presented this to the Board stating that Brian Hamel of LDA had contacted him regarding a private sector company who wanted to locate a project and investment at Loring, creating 100 to 150 jobs. In order for LDA to entice the company to come to Loring, they had to

agree to provide a building. The building under consideration did not meet the definition of turn-key and was in need of the following upgrades.

- Installation of a new 600 volt/1,800 amp electrical service
- Replacement of the lighting system
- Installation of two loading docks
- Installation of a compressed air system for machinery and equipment
- Installation of heating control systems
- Installation of an overhead crane system
- Construction of office space, conference room, work stations and a cafeteria

The cost estimate for the upgrades was \$1,000,000. LDA was requesting that the EDA fund \$200,000 of the project. Mr. Clark explained that the remainder of the funding would be supplied by the Company (\$200,000), LDA (\$200,000) and Maine's Department of Economic and Community Development through a Community Development Block Grant (\$400,000).

Mr. Clark stated that Mr. Hamel put a proposal together for the Company and that there was very little time to respond. He explained that when a subsequent request such occurs, it would be mailed out to the Council members for their recommendation and then taken before the NMDC Executive Board for their approval, but because of the timing of this request, it was necessary it go to the Executive Board on March 14, 2002.

Mr. Clark stated that this request would need a vote to be ratified as a priority project. Mr. Clark requested that it be designated as such under two criteria; 1) that it will not displace any other project that was currently in the pipeline and 2) that the project has to meet one of the primary goals in the Strategic Plan. He also stated that a discussion should take place to determine how to handle subsequent requests such as this one.

MOTION 1:

Motion made by Mr. Martin, seconded by Mr. King to recognize this as a top priority project.

VOTE:

Motion voted on and passed unanimously.

MOTION 2:

Motion made by Mr. Ricker, seconded by Mr. Elish to bring emergency needs to the attention of the NMEDC through e-mail correspondence with a given deadline.

VOTE:

Motion voted on and passed unanimously.

6.) Empowerment Zone Update:

Mr. Clark discussed the Northern Maine Empowerment Council Bylaws with the Council. He explained that several discussions have taken place with Rural Development since being designated. Those discussions centered on the benchmarks, governance and operational issues to insure that community members have sufficient input.

Mr. Clark stated that he recommended to Rural Development that a new corporation not be created, but instead to allow the Northern Maine Empowerment Council to be the EZ Council, with the understanding that the Council will oversee the strategic plan both inside and outside the EZ, in addition to the CEDS. He explained that the EZ and CEDS documents are being merged.

Mr. Clark reviewed the draft bylaws, stating that three new members must be added representing areas such as low income, minority, youth, aged, and/or disabled. These should not be people who work for organizations in these sectors, but people from those categories. At least 55% of the council membership shall reside in the zone.

He explained that the terms were staggered, and that one third of the membership would be elected each year. Mr. Clark also explained that annual meetings would be held in addition to, regular and any necessary special meetings. He added that in the past the media had not been invited to meetings because of the Council's advisory capacity, but that this would change once the new bylaws were in place.

Mr. Clark stated that the Council, by resolution adopted by a majority of the members in office, may designate one or more committees, and suggested that the OneAroostook Marketing Group, currently under the auspices of the NMDC Executive Board, may be designated as a committee, along with a project prioritization committee that would be created.

Mr. Martin stated that telephonic meetings should be included in the by-laws under Section 5. Mr. Clark stated he would look into the request.

MOTION:

Motion made by Mr. Martin, seconded by Mr. McCrum to approve the Northern Maine Empowerment Council Bylaws as amended to include telephonic meetings and to recommend them to the Northern Maine Development Commission Executive Board for approval.

VOTE:

Motion voted on and passed unanimously.

7.) Rural Economic Area Partnership Proposal:

Mr. Clark stated that NMDC staff has been meeting with various groups in Aroostook County to discuss the Empowerment Zone program as part of the education program.

Mr. Clark explained NMDC had submitted a proposal to the Congressional Delegation for a Rural Economic Area Partnership (REAP) zone. He pointed out that the request was to have all areas of northern Maine (the NMDC service area) outside the EZ designated as a REAP zone under this Rural Development pilot program. There currently are only five REAP zones in the nation and the Secretary of Agriculture has the sole authority to designate them at this time. A REAP zone would provide access to some EZ funding through Rural Development, as well as additional points and priority listing and other funding sources. The NMDC Executive Board will be asked to ratify the proposal at tomorrow's meeting.

MOTION:

Motion made by Ms. Walton, seconded by Mr. McCrum to ratify the Rural Economic Area Partnership proposal as presented.

VOTE:

Motion voted on and passed unanimously.

8.) Benchmark Approval:

Ms. Hollis explained that the benchmark system is the Internet-based system the government uses to monitor progress on our strategic plan. When northern Maine's benchmarks were established in 1998, they were appropriate, but with the EZ designation, they are too project specific. The new benchmarks presented to the Council are more generic and were developed with the assistance of Rural Development. They will be added to the existing list.

MOTION:

Motion made by Mr. Tardy, seconded by Mr. Ricker to approve the benchmarks as presented.

VOTE:

Motion voted on and passed.

9.) Priority Needs:

Ms. Sutherland asked for authority to create a committee to review and prioritize projects for this year's CEDS.

MOTION:

Motion made by Mr. Tardy, seconded by Mr. Ricker to authorize the NMEDC chair to form a committee to review and rank projects for the CEDS, to establish a process for gathering additional project information, and to present these recommendations to the NMEDC for approval.

VOTE:

Motion voted on and passed unanimously.

Ms. Sutherland invited the Board members who would be interested in serving on this committee to contact her or Ms. Hollis.

10.) Attendance:

Ms. Sutherland reminded members that it is critical to have a high percentage of attendance by members, especially with the evolving duties of the Council. She stated that the intent is for the existing members of the Council to remain as it evolves into the NMEC because of the sectors that are represented. She asked that if attendance was an issue, to let her or Ms. Hollis know.

11.) Other Business:

Mr. Clark informed the group that per the last NMEDC meeting, NMDC had completed research regarding funding opportunities related to the wireless communication presentation. He stated that no funding was found, but that a report entitled "Federal Retrenchment on the Digital Divide: Potential national Impact" was found and copied for the group. He explained that the document basically states that the gap is growing.

12.) Next Meeting:

The next meeting will be May 15, 2002 at the Career Center in Presque Isle, hosted by Dave King.

12.) Adjournment:

MOTION:

Motion made by Ms. Walton, seconded by Mr. Ricker to adjourn the meeting.

VOTE:

Motion voted on and passed unanimously.

Chair declared meeting adjourned at 12:20 p.m.

Northern Maine Economic Development Council
Meeting Minutes
May 15, 2002

PLACE: **Career Center, Presque Isle**

DATE: May 15, 2002 – 11:00-1:00 p.m.

Attendance: Don Flannery, Jerry Waldo, Walt Elish, Brian Hamel, Barry McCrum, Athill Hebert, Patricia Sutherland, Don Tardie, Connie Sandstrom, Mary Walton, Dave Ricker, Linda McGee, and Dave King.

Others Present: Jeff Heron-Career Center, JoAnn Hollis, Linda Berube, Alain Ouellette, Bob Clark, and Judy Dinsmore.

1.) Host Presentation – David King:

Mr. King explained that there are 23 Career Centers in the state of Maine and three in Aroostook County (Houlton, Madawaska, and Presque Isle), which offer detailed job listings from all over Maine in a wide range of fields. Job listings are made accessible in a variety of ways: on paper, online, and on up-to-the-minute “job menu boards.” Career Centers offer access to a valuable computerized database of jobs around the country at no cost. For the employers, the Career Centers are a place to get the word out about job opportunities in a quick manner. It is a great resource for providing quality candidates in a short amount of time.

The Career Centers offer an information center, which combine the elements of a library, computer center, office, and video center. It is open to all at no cost. Career Centers offer access to telephone, fax, and copier for duplicating and sending resumes, calling about job openings, and other employment related purposes. Job seekers have access to computers and software to prepare resumes, search the internet, or check online job databases. Career Centers offer a library with magazines, books, videotapes, and CD-ROMs that cover topics such as career planning, the labor market, job hunting, starting a business, and more. Government publications on labor laws and regulations, social programs, etc. are also available.

Mr. King explained that Career Centers also offer the Employer Assistance Program. This is an integrated system providing a one-stop resource to serve the business community. The Employer Assistance Program will meet with the employer to broadly identify the needs as an employer and the businessperson.

2.) Status of Transportation Issues in Aroostook:

Mr. Waldo reviewed MDOT’s Resource Allocation Policy with the Council. He explained the policy as follows.

1. Meet system preservation needs first.
2. Invest in system improvement needs for all modes second.
3. Continue to invest in transportation system management and travel demand management alternatives.
4. Continue investment in all modes of transportation.
5. Target limited resources for new capacity to the highest priorities.

He explained that the committee has put together a Regional Advisory Report (RAR). These RARs include an analysis of trends and prioritized policy recommendations. MDOT utilizes these recommendations as it develops the Twenty-Year Plan and the Six-Year Plan. RARs are developed through the Regional Transportation Advisory Councils (RTAC) and include a public participation strategy developed in coordination with each RTAC that is discussed in each report.

The Twenty-Year plan articulates MDOT's mission, goals, policies, and actions that guide MDOT in the allocation of resources. MDOT bases its decisions for the Twenty-Year Plan on information obtained from the public, municipal officials, the RTAC's RPC's, and the Legislature.

MDOT's Six-Year Plan links the Twenty-Year Plan to the department's project-based Biennial Transportation Improvement Program (BTIP). Unlike the Twenty-Year Plan, the Six-Year Plan includes specific projects. Projects and initiatives included in the Six-Year Plan reflect a snapshot of the state's most pressing needs which the department hopes to include within the three BTIP's. Municipalities; Maine Indian Nations; and County Commissioners, for unorganized territories, are solicited for specific projects for inclusion in the Six-Year Plan.

BTIPs address capital improvement needs associated with all modes of transportation and advance federal and state goals and policies of the Twenty-Year Plan and Six-Year Plan. BTIPs provide details of specific projects based on needs established in the Six-Year Plan and anticipated funding levels in the next two years.

Mr. Waldo explained that the RTAC was formed to represent all modes of transportation. The Committee members were selected to get input of everyone's needs. He brought the Council's attention to the list of RTAC members.

Ms. McGee asked if the Council represented the whole County as there was no representation south of Mars Hill. Mr. Waldo stated that it has been a difficult to get someone from Southern Aroostook to participate on the RTAC Committee, but that the Committee is interested in having someone from that area participate.

3.) Approval of Minutes Dated April 10, 2002:

MOTION:

Motion made by Mr. Flannery, seconded by Mr. McCrum to accept the April 10, 2002, NMEDC meeting minutes as presented.

VOTE:

Motion voted on and passed unanimously.

At this time, Ms. Sutherland announced to the Council that Linda Berube, NMDC's Research & Development Coordinator will be leaving the Commission and the area. She and her family will be moving to Old Orchard Beach after June 14th. Ms. Sutherland stated that Ms. Berube has done an incredible amount of work on the CEDS, Empowerment Zone, Champion Community Award, and the Margaret Chase Smith Quality Award. The Council wished Ms. Berube and her family well.

4.) Procedure for Setting and Amending Priorities:

Ms. Sutherland suggested that EDA be inserted in the title "Procedure for Setting and Amending *EDA* Priorities" as well as the following:

Priority Setting:

The NMEDC Chair will appoint a committee of approximately five members to meet as needed to review and prioritize *EDA* projects and to make recommendations to the Council.

Priority Amendments:

If and when emergencies arise where an *EDA* project needs to be added and/or moved on the priority list, the following procedure will be put into action.

When an EDA project needs to be moved or added on the priority list, staff will work with the Chair of the NMEDC and poll all of the members of the Council in regard to the proposed action, whether it may be by telephone, e-mail or in writing. Everyone on the Council will be polled and a vote will be taken from the polling process. Any action taken by a majority of the Council will be deemed the action of the Council, unless someone expresses an objection to informal action being taken in this manner. If this is the case then a special meeting will be called.

MOTION:

Motion made by Mr. Hamel, seconded by Mr. Flannery to approve the Procedure for Setting and Amending EDA Priorities as presented.

VOTE:

Motion voted on and passed unanimously.

5.) CEDS Priority Project List:

Ms. Sutherland stated that the Subcommittee consisted of: Jerry Waldo, Don Tardy, Barry McCrum, Mary Walton, Danny Martin, and herself.

She explained that there are two categories of projects that are identified as priority projects for EDA. The first is Public Works & Economic Adjustment (these can be separated if necessary) and the second is Technical Assistance Program (feasibility studies). She discussed the projects under both categories with the Council.

She explained that in some instances, other projects were scored at the top of the list, but for various reasons were not ready to be put forth as priority projects at this time (i.e., matching funding was not in place).

Ms. Hollis added that another item the subcommittee had to take into consideration when looking at the projects is that under this administration, job creation and retention is critical to the success of the application. If job creation and retention is not tied into a project, it will not receive funding.

MOTION:

Motion made by Mr. Ricker, seconded by Mr. King to accept the CEDS Priority Project List as presented.

VOTE:

Motion voted on and passed unanimously.

6.) CEDS Status Update:

Ms. Hollis reported that the staff is making progress on the CEDS document and is trying to meld it with the Empowerment Zone Strategic Plan. She stated that a draft should be completed by early to mid June and that the draft will be distributed to the Council for review and comment. A meeting is anticipated for July to approve the final document. This will put it slightly behind the due date, but will work out well in conjunction to the General Assembly meeting and will still be acceptable to EDA.

7.) Empowerment Zone Update:

Mr. Clark updated the Council stating that the Empowerment Zone Bylaws will be adopted in June at the NMDC General Assembly meeting. Thereafter, the name of this council will be the Northern Maine Empowerment Council and its duties will encompass the Aroostook County Empowerment Zone activities as well as the CEDS.

Mr. Clark discussed the REAP Zone proposal. He stated that if we are successful in receiving REAP Zone designation, it will be easier to obtain federal funds to benefit all of northern Maine because of the relationship between the EZ and the REAP Zones.

The REAP Zone proposal was submitted to the Congressional Delegation. They in turn have sent the proposal to USDA Secretary Anne Veneman along with letters of support asking that she designate all parts of northern Maine that are not within the Empowerment Zone as a REAP Zone. A response is expected in the next month or two.

Mr. Clark informed the group that the EZ signing ceremony was postponed from May 20, 2002, to a later date because of scheduling conflicts for the Congressional Delegation and Secretary Veneman. He explained that the ceremony will now coincide with the Potato Blossom Festival in July when the Congressional Delegation will be in the area.

Mr. Clark stated that staff members have met with Internal Revenue Service regarding the tax credits that are available to businesses in the Zone. A seminar for tax accountants, attorneys, and tax preparers will be held in the fall to discuss the incentives. The hope is that accountants will then reach out to small business throughout the County to teach them how they can access the tax credits.

Mr. Clark continued stating that staff also has met with superintendents. There is a program in the EZ entitled Qualified Zone Academy Bonds (QZAB). School systems make capital improvements at 0 percent interest through this program. He explained that it was suggested that we work with the state Department of Education when they issue bonds to include the QZAB as part of that effort, therefore bonding \$25 million instead of \$20 million, \$5 million being interest free.

USDA – Rural Development is holding training for Empowerment Zones, Enterprise Communities, and REAP Zones June 10-14 in Orlando. Patricia Sutherland, Ed Nickerson, JoAnn Hollis, Alain Ouellette, and he will be attending gain a better understanding of the program.

Mr. Clark also explained that the Kentucky Highlands have done well with their EZ designation and that we hope to visit them to learn some of their “best practices.”

8.) Other Business:

Ms. Sutherland informed the Council that Marcus Barresi had resigned from the Council because his work schedule was preventing him from attending meetings.

Ms. Sutherland stated that Mr. Barresi represented the healthcare industry, leaving a vacancy in that sector.

MOTION:

Motion made by Ms. McGee, seconded by Mr. Ricker to accept Marcus Barresi’s resignation from the Council with regret.

VOTE:

Motion voted on and passed unanimously.

The following individuals were recommended to fill the seat.

Brent Churchill – Fraser Paper

Reynold Raymond – Northern Maine General Hospital, Eagle Lake

Norm Ouellette – Fort Kent

Nate Berry – Barresi Financial

It was recommended that Ms. Sutherland contact those individuals to see if they are interested in filling the vacancy and to report back to the Council with a recommendation.

MOTION:

Motion made by Mr. Waldo, seconded by Ms. Walton to authorize Ms. Sutherland to approach the above named individuals to find out if they are interested in filling the vacancy and report back to the Council with her recommendation. The recommendation would then be taken to the Executive Board of Directors at the July Board meeting for final approval.

VOTE:

Motion voted on and passed unanimously.

9.) Next Meeting:

Next meeting will be on July 10, 2002. Location to be determined.

10.) Adjournment:

MOTION:

Motion made by Mr. McCrum, seconded by Mr. Elish to adjourn the meeting.

VOTE:

Motion voted on and passed unanimously.

Meeting adjourned at 12:17 p.m.

/jd

2) The Area and Its Economy

1998 – 2002 Highlights

- Empowerment Zone Designation
- Continued Redevelopment of the Loring Commerce Centre
- Completion of the North/South Highway Study
- Tourism Development

The EZ Strategic Plan submitted to USDA-Rural Development was submitted in October of 2001 when many statistics for the year 2000 were not available. However, the statistical information contained in Volume I, Section 4 of the plan does contain some more recent data. This section provides additional background information for the 2002 CEDS Update, which is comprised of the following section. This section is used in conjunction with Volume II, Part I, Section 2 of the EZ Strategic Plan that comprises the Community Assessment for Aroostook County.

Significant Factors In the Region's Current Economy

Loring Commerce Centre

When Loring Air Force Base was closed on September 30, 1994, many thought that Aroostook County's economy would never recover from this devastating blow. With the loss of 1,100 civilian personnel, 4,500 military personnel and the thousands of dependents that resided at Loring, it was hard to imagine what the future might bring. Despite this major setback and the impending skyrocketing of the unemployment rate to as high as 15%, the people of Aroostook County refused to have a defeatist attitude. They were determined to work together to ensure that the Loring Commerce Centre would be the site of vibrant and successful economic activity.

In June 1994 the Loring Development Authority of Maine (LDA) was created and tasked with development and job creation on Loring, partnerships were formed at the federal, state and local levels and reuse and marketing plans were implemented. In 1995 the Department of Defense opened the *Defense Finance and Accounting Service* Center on Loring and became the first large employer on site. The *Sitel Corporation* of Omaha, Nebraska was the first large commercial business to locate on Loring. The company opened a call center in 1997 and has employed as many as 350 people. Also in 1997, the *Maine Army National Guard* opened a military vehicle refurbishment center and has expanded from six employees in 63,000 square feet of space to about 200 in 379,000 square feet of facility space, with a projected employment level of 400 within the next eighteen months.

Today, Loring is home to 19 organizations that collectively occupy over 1.6 million square feet of facility space and that currently employ approximately 1,000 employees in the aviation, manufacturing, agriculture, education, health care, commercial, financial and service sectors. This extensive level of incremental job creation at the Loring Commerce Centre, combined with the increasing economic activity in our surrounding communities, has helped to bolster the

regional economy. The LDA continues to move forward, marketing Loring and negotiating with a number of private sector prospects that would create hundreds of industrial and manufacturing jobs.

Some of the current projects include renovation of the 146,000 square foot arch hangar in support of expanding aviation activities; demolition of excess and substandard structures, clearing space for proposed new construction; opening of a function hall and fine dining restaurant; the development and marketing of a new line of health food by a startup venture in the Loring Applied Technology Center (LATC), a business incubator; and marketing the LATC services. The LDA also projects the creation of hundreds of new jobs with the proposed expansion of a custom sign manufacturing operation; expansion in the aviation industry; large-scale value-added wood manufacturing; and value-added agricultural manufacturing; and development a business park and other development efforts.

Business Development Projects at Loring

Maine National Guard Vehicle Refurbishment Center: The Center began operations in September 1997. The center currently occupies 400,000 square feet and employs approximately 200 people. An employment level of 400 is targeted within the next eighteen months. The center quickly earned a reputation as a leader in excellence that consistently delivers its products at an affordable price and ahead of schedule. The refurbishment center performs various types of work on military wheeled vehicles, including five-ton trucks and High Mobility Multipurpose Wheeled Vehicles (HMMWV), and D-7 Dozers. In addition, LEAN Manufacturing conducted an efficiency study to enhance production at the center.

Sitel Corp. of Omaha, Nebraska: Sitel announced in 1997 that it was locating a facility at the Loring Commerce Centre. Since the opening, Sitel has had as many as 350 employees and company officials couldn't be more pleased with the local workforce, which boast the lowest turnover rate in Sitel's insurance network and is highly ranked in productivity. Start-up of the operation commenced in May 1998 and has grown steadily since that date.

The Telford Group: Telford, an aviation service company, in partnership with Volvo Aero Services opened an aircraft maintenance and disassembly operation on Loring this year and anticipates the commencement of additional operations in the areas of parts storage and distribution, hydraulics refurbishment and a jet engine test facility. Reuse of Loring's expansive airport complex is a major milestone in developing Loring to its greatest capacity.

Irving Forest Products: Irving Forest Products announced its intention to construct a state-of-the-art wood processing facility to be located at the Loring Commerce Centre. Irving's option to purchase approximately 400 acres of property at Loring expires in September 2002. Currently permits and other processes including approval by the Town of Limestone for Tax Increment Financing are being secured. NMDC was instrumental in the preparation of all the tax increment financing procedures enabling the project to proceed.

Lamb-Weston, Inc.: Lamb-Weston remains interested in constructing a \$80 million french-fry processing plant at the Loring Commerce Centre. Company representatives anticipate being in a position to make a decision on the expansion within the next two years.

Pioneer Wireless Network: The company has created a wireless internet service network that spans Aroostook County from Houlton to Madawaska. The company leases space on one of Loring's facilities where it placed antennae needed to complete the network.

Limestone Country Club and Townhouses: Loring's Country Club, now privately owned, operates a nine-hole golf course and is open in the winter months for snowmobiling and cross-country skiing. In connection with the four-season operation, the proprietors of the Country Club also own and lease residential units on Loring for long and short-term use by Aroostook County residents, visitors and tourists.

Loring Applied Technology Center (LATC): LATC is one of seven business incubators in the State of Maine's Applied Technology Development Center System. A grand opening for the LATC in August 2001 hosted Maine Governor, Angus King, and over three hundred people from around the state. The incubator can support up to seven entrepreneurs and is currently assisting one tenant, "Sleek Physique Foods", developer of a line of healthy, appetizing foods. The Loring Development Authority (LDA), in partnership with the Town of Limestone secured a \$400,000 grant from the Department of Economic and Community Development (DECD) to renovate the former 42,000 square foot base exchange as the location of the new incubator facility. The State of Maine also appropriated \$600,000 for the project.

Hydroblend, Inc.: Hydroblend of Nampa, Idaho occupied a 40,888 square foot former warehouse building at the Loring Commerce Centre. Hydroblend is a privately owned company which formulates and blends a variety of dry batter products in the food industry and also offers a line of dry mix products for resale.

On June 9, 1999, Hydroblend, Inc. of Idaho announced at a LDA Board meeting that it was their intention to expand its food processing related business at Loring. Hydroblend, Inc. will employ 30 people at full production.

Maine Winter Sports Center (MWSC): MWSC has constructed world-class Nordic Skiing and Biathlon venues in Fort Kent and in Presque Isle and Fort Fairfield. The MWSC also constructed Nordic Skiing trails in local communities throughout Aroostook County next to many K-12 educational institutions. Additionally, the MWSC purchased Big Rock alpine located in Mars Hill and operates Quogy Jo Ski Center in Presque Isle.

S & G Growers purchased the assets of Speedling, Inc.: This company of Sun City, Florida, continues the development of strawberry and broccoli seedling transplant production, based upon their successful operation at Loring. The company once again grew over 600,000 transplants this past summer, which were ultimately shipped to Florida.

Limestone Country Club and Townhouses: Loring's Country Club is now privately owned and operates a nine-hole golf course and is open in the winter months for snowmobiling and cross-country skiing. In connection with the four-season operation, the proprietors of the Country Club also own and lease residential units on Loring for long and short-term use by Aroostook County residents, visitors and tourists.

In addition, Loring has more than 19 tenants that include Loring Job Corps, DFAS, MacDonald Enterprises, U.S. Fish & Wildlife Refuge, Loring Health Center, Aroostook Emergency Management Agency, Impac Auto, Inc., and a variety of amenity based businesses employing in total more than 1,000 people.

Significant Factors In the Region's Future Economy

The effects of the base closure continue to impact the regional economy. Part of the reason for the continuing impact was the several difficult years in the potato industry preceding the closure, the continual outmigration, and the effects of Canadian trade policies and exchange rates. These factors combined to contribute to a 15% decline in population from 1990 to 2000 in Aroostook County. In 1990, the population was 86,936, to 73,938 in 2000. Since the base closure accounts for a large percentage of this decline it should be noted that the basis for the remaining outmigration is the drop in population in the 18 to 24 age group. This age group tends to outmigrate for better job opportunities elsewhere.

The substantial outmigration and related factors have caused Aroostook County to grapple with three major issues affecting economic development: 1) an increasing elderly population, 2) outmigration of the younger population, and 3) the need for quality jobs.

Aroostook County has determined five significant factors impacting the future economy and the approaches that might best address them. The first is technology. Aroostook County would be best served by developing a wireless regionwide technology system including GIS that would speed business access and communications. There is currently a movement underway to address this issue. Second is the need for a seamless transportation system for economic and tourism development. The construction of the North/South Highway and the potential economic development it would bring would be invaluable. Transportation also includes the enhancement of the Presque Isle Regional Airport. The future of Aroostook County must include stable and enhanced business access to air services. Another factor that will be will be the growing emphasis in the processing market in the agricultural industry and a changing emphasis to value added woods products. Lastly, the fastest growing sector of tourism will play a significant part in the future economy of the region.

Description of Area in Terms of Land Use

Aroostook County is Maine's largest county with a land area of 6,672 square miles. It is the largest county east of the Mississippi, larger than the states of Connecticut and Rhode Island combined. Located at the northeastern corner of the State, Aroostook County borders the Canadian Provinces of Quebec and New Brunswick, and is bordered by four Maine counties on its other side. By road, it is 155 miles from the northern to southern tip of what is referred to as "The County". More than 88% of the area consists of heavily wooded land that supports wood, paper, and lumber industries. Rich farmland is the source of 90% of Maine's potato crop and supplies other agricultural products, which together contribute significantly to the agricultural economy of the state. The vast natural resource base and strong agrarian heritage have fostered an economy based upon the region's natural resources. The 1990 census population of

Aroostook County’s 71 municipalities and 127 unorganized townships is 86,936, with the largest population center of Presque Isle comprised of approximately 10,000 people.

Description of Natural Resources

Manufacturing and Forestry

The Northern Maine forest products industry is divided into three major sectors. The largest is “dimension lumber” used for framing with approximately 1.25 million board feet per year. The second largest market is the “housing component” lumber market. The last is the Northern White Cedar market, which is a growing wood sector. This market, which has been around for approximately 100 years, has seen dramatic growth over the last 10 years. Northern White Cedar is native only to the northern part of the State of Maine. This unique wood and market niche makes it extremely important to ardently plan for future growth. In addition, smaller mills must seek business and management assistance in order to provide product and avoid mismanagement.

The data reported here are taken from the 1996 to 2000 editions of the Maine employment Statistical Handbook published by the Maine Department of Labor. Data include all “covered employers” subject to the Maine Employment Security Law based on quarterly tax filings required under that law. These data do not include Federal government employees, self-employed individuals (sole proprietorships), unpaid family members, railroad workers, and certain farm and domestic workers. According to the Maine Department of Labor, covered employers account for more than 97% of the total nonfarm wage and salary employment in Maine and all of the goods producing industries in the industrial sectors. While it is likely that a small percentage of sole proprietors and unpaid family members benefit from employment and earnings generated in the wood products industry, this number is assumed to be relatively small and not likely to bias the reported data.

Table III.B. shows the number of Maine woods products companies operating during the five-year period between 1996 and 2000. It also shows the relative importance of these numbers as a percentage of all manufacturing firms and as a percentage of firms from all business sectors in Maine.

	1996	1997	1998	1999	2000
Number of Lumber and Wood Products Manufacturers	811	850	854	881	912
Percentage of All Manufacturers	33.39	33.15%	33.05%	33.06%	34.14%
Percentage of All Employers	2.18%	2.16%	2.17%	2.17%	2.21%

In 1996 the Department of Labor reported 811 total employers in the wood products sector (SIC Codes 24 and 25). The number of wood products companies has grown 12.45% over the last five years from 811 in 1996 to the 2000 level of 912. Growth in the number of companies in this sector was relatively constant at about 3.16% to four 4.8% a year, except for the years 1997 to

1998 when the number of manufacturers increased by only four or .47 percent. The 2000 number represents 34.14 percent of total manufacturers, and 2.21% percent of all employers.

The number of companies producing wood products, percentage of all manufacturers, and percentage of all employers has shown growth over the last five years. This is a different picture than in the five years prior to 1996 when wood products manufacturers declined slightly.

	1996	1997	1998	1999	2000
Number of Person Employed by Lumber and Wood Products Manufacturers*	11,210	11,715	11,825	12,438	12,730
Percentage of All Manufacturers	12.38%	13.54%	13.56%	14.47%	14.85%
Percentage of All Employers	2.68%	2.73%	2.67%	2.72%	2.69%

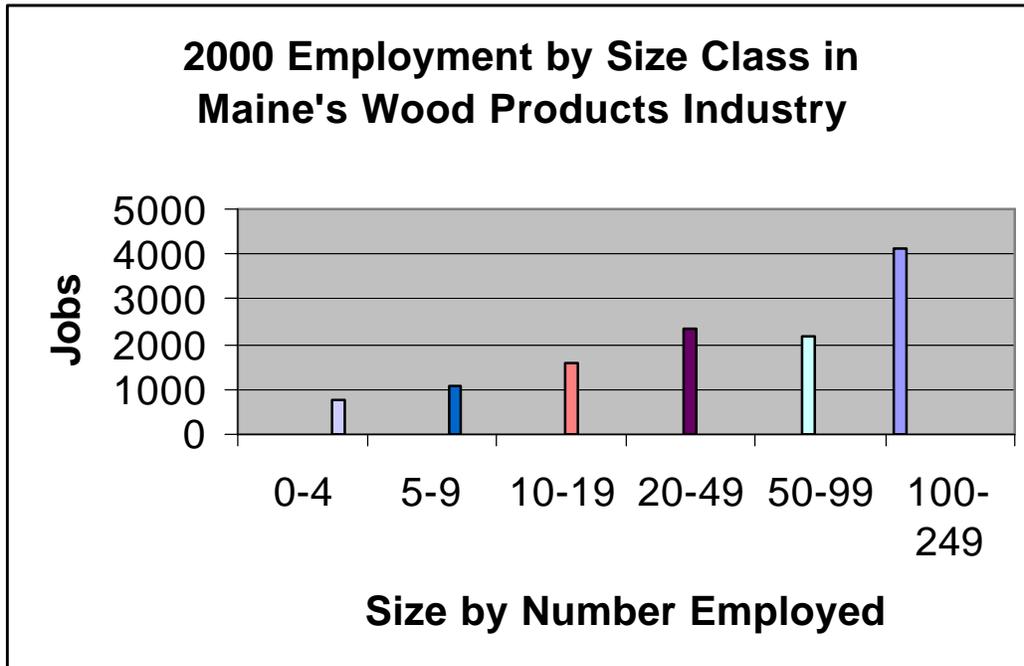
* In 1996 the number of employees for companies having more than 250 was not available.

Table III.C. shows the number of people employed by the wood products sector during the five-year period between 1996 and 2000. It also shows the relative importance of these numbers as a percentage of all manufacturing employees and as a percentage of all covered employees in Maine. In 2000 the Department of Labor reported 12,730 total employees working in the wood products sector (SIC Codes 24 and 25). This number represents 14.85% of total persons employed by manufacturers in Maine, and 2.69% of covered employment for all Maine employers. During the five –year period from 1996 to 2000, the number of employees has steadily increased from 11,210 in 1996 to 12,730 in 2000. The contribution to overall employment by the wood products sector has increased relative to manufacturers as whole.

Comparison of Contribution to Employment by Size Class within the Industry

Wood products companies in northern Maine vary greatly in size when compared on the basis on the number of employees per company. As reported over the last five years, the number of companies within a given size class is inversely proportional to the number of employees per company. In other words, the number of companies declines as the number of employees per company increases. Of the 912 companies reporting in 2000, 54.71 percent employed four people or less and 72.80 percent employed 9 people or less. Companies with over 100 employees accounted for less than 3.17 percent of the total. This trend holds true for the prior five years as well. The next five years are predicted to continue in this trend.

Graph III.D compares total jobs by size class in 2000.



If we define companies with less than 50 employees as small and companies with 50 or more employees as large, the 2000 data allows us to say that the employment in the industry is nearly equally divided among small and large companies; however, the per-company contribution to employment by the large companies is very important. While this group comprises only 6.68 percent of wood products companies in Maine it accounts for nearly one-half of the jobs in this sector. Relatively speaking the loss of a single large company will greatly impact overall job count in the industry.

Much of the region's raw forest materials are exported to Canada, because of the close proximity of Canadian value-added manufacturing and traditional business associations that have existed for more than 100 years. Canadian companies are also purchasing large tracts for forestlands. If these forest products were processed in Aroostook, the forest industry would become a stronger component of the economy. Also, politically, statewide forest referendums have created a tremendous uncertainty within the forest industry. This affects capital investment in all areas. Also, many from outside the area want to set aside vast forest acreage for recreation.

The advent of mechanized wood harvest operations and the construction of thousands of miles of roads, coinciding with increased public demand for recreational use, changed the whole "quality" of the back woods experience in more recent times. These land-use changes are overseen by Maine's Land Use Regulation Commission (LURC) which administers a complex set of regulations and permits for most land-use changes or construction activity in the unorganized region. The Maine Forest Service administers the Maine Forest Practices Act which guides all forest harvest operations.

Agriculture and the Maine Potato Industry

The Maine potato industry has faced ambitious changes and daunting challenges in its long history. In Maine and throughout North America, the year 2000/2001 has seen a severe over supply in the marketplace and some of the worst prices in history. While the majority of Maine's production is directed to the processing industry, this over supply continues to affect the industry in Maine.

Still, our Maine growers persevere as they have for nearly 250 years. There is no question that the Maine industry has potential for growth, and that growth will likely be in the value-added sector of the industry. Growth will come from the future demand of McCain Foods, Inc., other



processors currently utilizing Maine potatoes and those that have expressed interest in Maine for expansions. Therefore, the industry continues to move steadily towards the processing sector. Some 67% of all potatoes harvested move on to have value added to them in some way. Maine potatoes continue to be an integral part of potato chips, french fries, and dozens of new and innovative products.

Maine continues to provide the best seed in North America, with our grower's commitment to quality leading the way. Potatoes needed to meet the demands of the growing processing sector will likely come from Maine seed, thus ensuring stability in the seed sector. As they have for years, potato farmers throughout the Eastern United States know that when they plant a Certified Maine seed, they are planting the best seed in North America. Maine will highlight the success of its seed industry as it hosts the National Potato Council's 2002 Seed Seminar in Portland, Maine.

The fresh market for Maine potatoes continues to be one that is very competitive. Maine tablestock growers need to continue to explore new ways in which to be competitive other than price. Growers in Maine need to look at ways to increase value to their product by doing things that their competitors do not. They need to get more involved in the marketing of their crop, knowing what the market demands and what changes are taking place within the market so they are able to react and change with them. We cannot continue to market fresh potatoes as a commodity, we must develop niche markets and increase the value to the consumer.

The Maine potato industry has undergone many changes in the past twenty years, and all indications are for more changes to come. The Maine Potato Board (MPB) has worked to ensure

that the industry is prepared to face these changes across all sectors. The Maine Potato Board has worked with industry groups to focus on the issues of acreage and production, storage, research, and rotation. The key is to remain proactive, rather than reactive, on major issues facing the industry, and continue to put the industry in a position of growth.

In 2001, Maine’s growers planted 61,000 acres of potatoes, harvesting 61,000 acres. This is down 4.7% or 3,000 acres from the 2000 acreage of 64,000. This decrease is mainly in tablestock acreage with a small decrease in seed production. Although the number of acres planted from 1994 to 2001 has decreased by 21.7% and the number of acres harvested has decreased 18.6%, yields have increased by 16.3%. This has helped total production to remain fairly steady with only a 2.9% decrease. The decrease is mainly in tablestock acreage with a small decrease in seed production. While processing acreage in Maine is estimated to increase, it will not make up the loss in tablestock and seed.

Acreage and Yields, 1994-2000

	Acres		CWT	
	Acres Planted	Acres Harvested	Yield / Acre	Production (000)
1994	78,000	75,000	245	18,375
1995	78,000	78,000	220	17,160
1996	78,000	77,000	275	21,175
1997	72,000	72,000	265	19,080
1998	65,500	64,500	280	18,060
1999	65,000	62,500	285	17,813
2000	65,000	65,000	285	18,525
2001	61,000	61,000	285	17,385
Average	70,188	69,250	267	18,371

Source: USDA/NASS/MPB

Total Retail Value

By the time Maine’s 2001 potatoes worked their way through the marketing system, their value was increased to \$651,608,000.

- French fries bring in the highest total retail value of \$335,000,000. The retail price averaged \$1.00/lb. for over 3.35 million pounds of finished product.
- The potato chip market brings in the second highest retail value at over \$156,578,000. The retail price was \$3.16/lb. for nearly 49.5 million pounds of finished product.
- The tablestock market had a retail value of nearly \$143,146,000. The retail price was \$0.38/lb. for nearly 377 million pounds of finished product.

- The seed market, with a total retail value of over \$16,884,000, received \$0.12/lb. for over 140 million pounds of finished product.

2001 Crop Estimates

	CWT	Recovery	Lbs.Fin.	Retail	Retail
	Shipped	Rate	Product	Price	Value
				\$/lb.	\$
Fresh	3,767	100%	376,700	0.38	\$143,146
Seed	1,407	100%	140,700	0.12	\$16,884
French Fry	6,700	50%	335,000	1.00	\$335,000
Chipping	1,982	25%	49,550	3.16	\$156,578
Totals	13,856		901,950		\$651,608

Sources: Agricultural Statistics Board, NASS/USDA, National Potato Council, and Maine Potato Board.

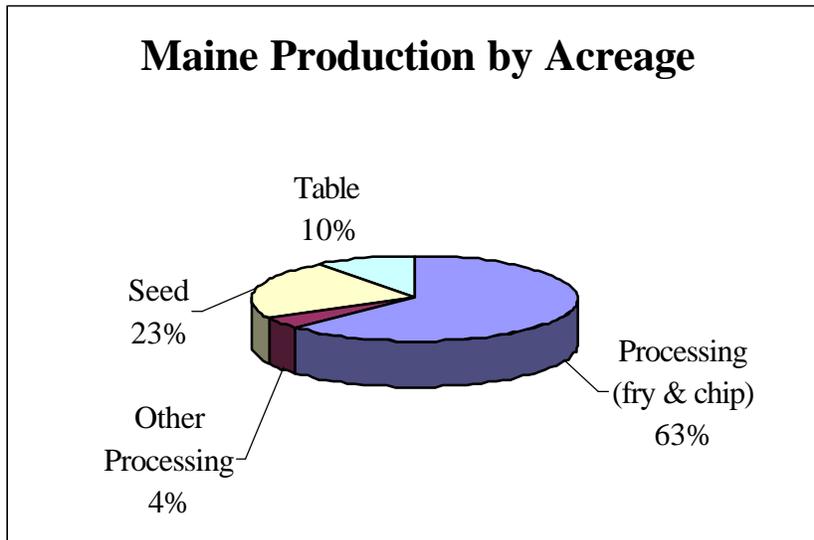
Economic Benefit of Maine's Agricultural/Potato Industry

The USDA Economic Research Service is currently, in 2002, conducting a survey and census collection of agricultural statistics. The data that follows has been updated from the USDA Economic Research Service center as much as is available at the present time. Data will be available in 2003 for the year 2001. The survey and census is conducted by USDA every five years.

- The net value added to the national economy from Maine's agricultural sector was nearly \$200 million in 1996 (USDA Economic Research Service).
- In Maine in 1997 there were 22,009 workers on 7,000 farms, generating a total payroll of \$64 million. In 2000, there were 6,800 farms (1997 Census of Agriculture).
- In 1997, 1,646 people were employed in frozen fruit and vegetable processing, generating gross wages of \$31 million in Maine. Overall, food processing provided 6,478 jobs and over \$149 million in wages (Census of Maine Manufactures, 1997, MDOL).
- There were 425 potato farms in Maine in 2000, down from 480 potato farms in 1997. In 1997, Maine harvested 62,000 acres of potatoes and in 2000 harvested 61,000 acres of cropland. (1997 Census of Agriculture).
- Potatoes are the number one agricultural commodity in Maine, with sales nearly \$109.6 million, or 25% of the state's total agricultural receipts (2000 Estimate, Census of Agriculture). Sales are up from the 1997 figure of nearly 105 million.

Utilization by Acreage in 2001

In 2001 67% or 40,870 acres of potatoes were used for processing. This was the largest utilization by acreage. The second largest use by acreage in 2001 was seed with 23% and 14,030 acres. The third largest use by acreage was tablestock with 10% and 6,100 acres. The total utilization was 61,000 acres.



Although tablestock growers outnumber processing growers by 22%, there is 43% or 28,239 more acres harvested for processing than tablestock. Maine, as in other potato producing states, has experienced grower attrition; production shifts and changes in consumer buying patterns. Maine farmers have responded to these trends by planting potato varieties that meet consumer demands.

Three of Maine's top five varieties are used primarily in processing for food service, industrial, institutional, and selected retail markets. The Russet Burbank and Shepody are made into french fries, and other fresh-cut and frozen meals. Specialized varieties are grown mainly for the fresh market.

	Growers		Acres Harvested	
	Number	Percent	Number	Percent
Tablestock	170	40%	10,111	16%
Processing	139	32%	38,350	59%
Seed	88	20%	16,539	25%
Unknown	36	8%		
Total	433			

Source: MPB/ABC

Maine growers shipped 3,766,755 hundredweight (cwt.) of tablestock potatoes from October to May 200-2001 which was down 1% from last year during the same months. Over half the 4,347 loads of tablestock leaving the state were shipped to Massachusetts, New York and Pennsylvania.

Broccoli

While Aroostook County is well-known for potatoes, it is home to a variety of other crops as well. In an attempt to diversify crops, some growers have turned to cold crops and other vegetables. One of the biggest of these is broccoli. Maine is now the third largest broccoli producing state in the nation. However, growth in northern Maine's broccoli industry will depend on several factors. High unemployment rates in the past caused unemployed workers to seek employment in farming. Presently, with low unemployment rates, potato and broccoli farms are both experiencing a shortage of workers. The farm community uses migrant workers, although highly efficient, require housing and other services. Another factor affecting the broccoli industry is the labor intensive needs this crop requires in growing and harvesting.

In 1997, Aroostook County had approximately 5,000 acres of commercial broccoli, with the bulk of the harvest season between the months of July and November. In 2001, acreage was over 5,000. However, one of the two producers is tentative in his plans to produce broccoli in 2002. This would reduce the acreage dramatically to 2,500 plus acres. The Maine Department of Agriculture reported that in 1990 Maine produced \$6.7 million worth of broccoli. This figure, although not exactly known, was far exceeded in 2002.

Aroostook County Employment and Unemployment

Unemployment rates have fallen steadily from 1997 to 2001, from 9.5 percent in 1997 to 4.4 percent in 2001. The number of employed dropped slightly by 370 from 1996 to 1997, but then increased by 614 in 1998. Employment then increased in 1999 and 2000. In 2001, it decreased by 2.9 percent.

Annual Average Labor Force Estimates

Year	Labor Force	Employment	Unemployment	Unemp. Rate
1997	37,610	34,020	3,590	9.5
1998	37,284	34,634	2,650	7.6
1999	37,990	35,850	2,140	5.6
2000	38,410	36,730	1,680	4.4
2001	37,310	35,650	1,660	4.4

Source: Maine Dept. of Labor, Civilian Labor Force Estimates

The region has made significant strides in lowering the unemployment rate since the closure of Loring Air Force Base in 1994. Following the closure, the annual unemployment rate was 12.3 percent with 4,690 unemployed. The unemployment rate has decreased 7.9 % and the numbers of employed has increased by 2,260. It should be noted, however, that from 2000 to 2001 the

labor force decreased by 1,100 and employment decreased by 1,080. This is most likely due to an increasing elderly population, need for more quality jobs, and outmigration. These are the issues the Strategic Plan seeks to address. The following chart presents average weekly wages by industry for 1990 and 2000. Mining is the only industry that has decreased in average weekly wages since 1990, with average weekly wage decreasing by 1.89 % by 2000. Manufacturing had the greatest increase with a 22.82 % increase from 1990 to 2000.

Average Weekly Wages by Industry

The average weekly wages by industry increased in all industries except mining between 1990 and 2000. The highest weekly wage for 2000 was in the manufacturing sector with \$503.16, followed by state government with \$485.44 and wholesale trade with \$451.95. All weekly wages for both 1990 and 2000 still fall below State of Maine averages. Between 1990 and 2000 the greatest increase in weekly wages was in manufacturing with a 22.82 percent increase, followed by the service sector with a 13.95 percent increase, and wholesale trade with a 13.93 percent increase. The State of Maine average weekly wages have jumped dramatically for the most part between 1990 and 2000, with the greatest increase in finance, insurance, and real estate. The need for more quality jobs and better wages in Aroostook County may be one of the keys to retaining population and raising these wage figures.

Average Weekly Wages by Industry 1990 to 2000

Industry	1990		2000		Percent Change	
	Aroostook	Maine	Aroostook	Maine	Aroostook	Maine
Agriculture, Forestry & Fishing	\$ 255.88	\$284.46	\$ 272.23	\$412.00	6.39	30.96
Mining	\$ 378.99	\$487.91	\$ 371.81	\$586.00	-1.89	16.74
Construction	\$ 328.03	\$439.38	\$ 371.81		13.35	
Manufacturing	\$ 409.63	\$477.67	\$ 503.10	\$665.00	22.82	28.17
Transportation & Public Utilities	\$ 385.67	\$487.78	\$ 439.14	\$620.00	13.86	21.33
Wholesale Trade	\$ 396.70	\$494.87	\$ 451.95	\$667.00	13.93	25.81
Retail Trade	\$ 199.27	\$227.19	\$ 216.00	\$310.00	8.40	26.71
Finance, Insurance & Real Estate	\$ 330.52	\$483.18	\$ 393.41	\$755.00	19.03	36.00
Services	\$ 280.23	\$354.28	\$ 319.33	\$479.00	13.95	26.04
State Government	\$ 449.53	\$454.61	\$ 485.44	\$588.00	7.99	22.69
Local Government	\$ 368.69	\$370.40	\$ 406.80	\$475.00	10.34	22.02
Total	\$ 343.92	\$414.70	\$ 384.63	\$510.00	11.84	18.69

Source: Employment and Earnings Statistical Handbook, Maine Dept. of Labor

NOTE: Mining & Construction were combined for 2000

Median Income

Aroostook County's median family, median household, and per capita income increased from 1990 to 2000. However, the State of Maine's figures for the same time period increased more than Aroostook County's. The smallest increase for Aroostook County was for median household income with a 29.7 percent increase. The greatest increase was in per capita income with a 43.9 percent increase between 1990 and 2000. While per capita income in 2000 was

\$15,033 in 2000 for Aroostook County, it was \$19,533 for the state and \$21,690 for the United States. This again points to the need for better quality jobs and the need for higher wages.

Median & Per Capita Income 1990 to 2000

	Median Family	Median Household	Per Capita
Aroostook			
1990	26,353	22,230	10,449
2000	36,044	28,837	15,033
% Change	36.8	29.7	43.9
Maine			
1990	32,421	27,854	12,957
2000	45,179	37,240	19,533
% Change	39.4	33.7	50.8
United States			
1990	35,225	30,056	14,420
2000	49,600	41,433	21,690
% Change	40.8	37.9	50.4

Source: U.S. Census Bureau, Census 2000

Affordability of Home Ownership

The median value of a home in Aroostook County rose 31.1 percent between 1990 and 2000. This increase was higher than the comparative areas of Bangor, Lewiston, Portland, York County, and the State of Maine. Median household incomes also increased greater in the comparative areas, except for Bangor with 20.5 percent. Aroostook County's median household income increased by 29.7 percent between 1990 and 2000; however, the median household income of \$28,837 in 2000 in Aroostook County was less than the other comparative areas except for Bangor with \$29,740.

Affordability of Home Ownership

	Median Household Income			Median Value, Owner Occupied Housing Units		
	1990	2000	%	1990	2000	%
Aroostook County	22,230	28,837	29.7	45,900	60,200	31.1
Bangor	24,674	29,740	20.5	76,800	87,300	13.7
Lewiston	24,051	35,244	46.5	87,200	89,500	2.6
Portland	26,576	35,650	34.1	112,200	121,200	8
York County	32,432	43,630	34.5	115,200	122,600	6.4
Maine	27,854	37,240	33.7	87,400	98,700	12.9

Source: U.S. Census Bureau, Census 2000

Discussions of Issues and Constraints on Economic Development Resulting from Environmental Problems

One of the most important purposes of Northern Maine Development Commission continues to be as stated in its charter, “to prepare a coordinated plan for the development of Northern Maine, taking into account present and future needs, with a view toward encouraging the most appropriate use of the land, such as for industry, commerce, education, housing, forestry, and agriculture...” NMDC, through all phases of development projects, will assure the following.

1. All major construction projects undertaken in the Northern Maine Economic Development District will be reviewed and cleared by the
 - a. Department of Environmental Protection for environmental impact, and the
 - b. Maine Department of Inland Fisheries and Wildlife for presence of federally threatened and endangered species in the project area.
2. Industry is developed on suitable soils, in areas are compatible with such development.
3. Local and state water, air, and land pollution standards that are met through the
 - a. provisions of necessary and adequate municipal and industrial sewage and solid waste facilities,
 - b. provision of improved water facilities and systems, and
 - c. assistance to communities in developing growth management plans and zoning and land use ordinances,
4. Development of the District’s forest, agricultural, and mineral resources is done with respect for the environment.

Pertinent project information is sent to the following offices for their review: U.S. Fish and Wildlife Service, Maine Department of Environmental Protection, Maine Historic Preservation Commission, Maine State Planning Office, U.S. Army Corps of Engineers, and the Environmental Protection Agency. Northern Maine Development Commission along with local Community Development Professionals, work very closely with these agencies to ensure sound environmental assessment of all hazardous waste sites that are located in Aroostook County.

Remediation Plans: Loring Commerce Centre

DEP continues to work with EPA, the Air Force (through the Air Force Base Closure Agency), the Loring Development Authority, and local representatives through the *Restoration Advisory Board*.

Records of Decision were signed for Operable Unit 3 (fifteen sites, ranging in size from one to fifteen acres), Operable Unit 4 (groundwater influenced by landfills), and Operable Unit 9 (various industrial facilities). Before DEP concurred with these decisions, it made sure that state standards, guidelines and policies were being met. Problems with free product recovery system at the Fire Training Area were resolved by discharging treated water to a nearby ditch. DEP established the treatment requirements for discharge to surface water. Corrective action for petroleum contamination continued in the form of bioventing and bioslurping systems at several areas on base including the 150-acre Nose Dock area, Auto Hobby Shop, and Fuel Tank Farm. Investigation of petroleum contaminated soils near Underground and Above Ground storage tanks and pipelines was completed in support of a corrective action plan implemented in 1997.

Removal actions, including excavation of contaminated soil, cleaning of floors and drain lines, and disposal of hazardous wastes, were conducted by the Air Force with DEP approval and oversight at the Support Services Area, Nose Dock Area, Solvent Storage Building and Entomology Shop. Landfill Caps were installed at Landfills 1 (five acres) and 2 (fifteen acres) in accordance with DEP's solid and hazardous waste management rules. Landfill 2 wastes include some hazardous substances. DEP technical staff, engineers, and project management staff inspected the landfills during the closure process.

DEP provided input on environmental information in support of short-term leases of various facilities. Private parties leased the Malabeam Lake recreational area, Day Care Center, Laundry, Civil Engineering Shops, Nose Dock 44, and Presque Isle Housing. DEP provided environmental input for property transfer of the Caribou Family Housing. The major objective of this effort is to stimulate economic development and the encouragement of redevelopment at the former Loring Air Force Base. The U.S. Air Force will continue its program for the monitoring of ground water. The following is a listing of hazardous waste sites located at the Loring Commerce Centre.

OU	SITE NAME	I	FS/ECA	PP/CAP	ROD	D	C	CLOSEOUT
1	Low Level Radioactive Waste Sites	X	X	X	X	X	X	X
2	Landfill #2	X	X	X	X	X	X	O
2	Landfill #3	X	X	X	X	X	X	O
3	9000 Debris Area	X	X	X	X	X	X	X
3	Chapman Pit Debris Area	X	X	X	X	NA	NA	X
3	Contract Storage Shed (Bldg 7321)	X	X	X	X	X	X	X
3	Demineralization Plant	X	X	X	X	NA	X	X
3	DRMO (Salvage) Yard	X	X	X	X	X	X	X
3	Dumpster Cleaning Site (Bldg 7841)	X	X	X	X	NA	NA	X
3	EOD Area - Cylinders	X	X	X	X	NA	NA	X
3	EOD Range	X	NA	X	X	NA	NA	X
3	F-106 Crash Site	X	X	X	X	X	X	X
3	Golf Course Maintenance Shed	X	X	X	X	NA	X	X
3	KC-135 Crash Site	X	X	X	X	NA	NA	X
3	Ohio Road Debris Area	X	X	X	X	X	X	X
3	Oklahoma Road Debris Piles	X	X	X	X	X	X	X
3	Old PX Gas Station	X	X	X	X	X	X	X
3	Prime BEEF Debris Area	X	X	X	X	NA	NA	X
3	Small Arms/Grenade Range	X	NA	X	X	NA	NA	X
3	Solvent/Paint Dock Area	X	X	X	X	X	X	X
4	Landfills Area Groundwater	X	X	X	X	X	NA	O
5	BX Service Station	X	X	X	X	X	X	O
5	Former Jet Engine Test Cell (old)	X	X	X	X	X	X	O
5	Nose Dock Area	X	X	X	X	X	X	O
5	Support Services Area	X	X	X	X	X	X	O
6	East Gate Waste Storage Tanks	X	X	X	X	X	X	X
6	Fuel Drop Site North 1	X	X	X	X	NA	NA	X
6	Fuel Drop Site North 2	X	X	X	X	NA	NA	X
6	Fuel Drop Site South (Active)	X	X	X	X	NA	NA	X
6	Fuel Drop Site South (former)	X	X	X	X	X	X	X
6	Railroad Maintenance Site	X	X	X	X	X	X	X
7	Quarry	X	X	X	X	X	X	X
8	Fire Training Area	X	X	X	X	X	X	O
8	Underground Transformer Site	X	X	X	X	X	X	O
9	Auto Hobby Shop	X	X	X	X	X	X	O
9	Former Vehicle Motor Pool	X	X	X	X	X	X	X
9	Power Plant Drainage Pipe	X	X	X	X	X	X	X
9	Snow Barn	X	X	X	X	X	X	X
10	Jet Engine Buildup	X	X	X	X	X	X	O
10	Entomology Shop (Bldg 8265)	X	X	X	X	X	X	O
10	Pumphouse #1 (Bldg 8270)	X	X	X	X	X	X	X
10	Pumphouse #2 (Bldg 8210)	X	X	X	X	X	X	X
10	Solvent Storage Building	X	X	X	X	X	X	X
11	Base Laundry	X	X	X	X	X	X	O
11	Coal Storage Area	X	NA	X	X	NA	NA	X
11	Fly Ash Disposal Site	X	NA	X	X	X	X	X
11	Fuels Tank Farm	X	X	X	X	X	X	O
11	Refueling Maintenance Shop Area	X	X	X	X	X	X	O
11	Vehicle Maintenance Building	X	X	X	X	X	X	
12	Basewide Groundwater	X	X	X	X	X	X	O
13	Flight Line Drainage Ditch	X	X	X	X	X	X	O
13	Basewide Surface System	X	X	X	X	X	X	O
2A	Coal Ash Pile	X	X	X	X	X	X	X
2A	Landfill #1	X	X	X	X	X	X	X
7A	Receiver Site	X	NA	X	NA	X	X	O
NA	Bldg 1008 USTs	X	NA	NA	NA	NA	NA	X
NA	Bldg 8719 Ammonia tank	X	NA	NA	NA	NA	NA	X
NA	East Loring Landfill	X	NA	NA	NA	NA	NA	X
NA	Madawaska Dam	X	NA	NA	NA	X	X	X
NA	Obar Road	X	NA	NA	NA	NA	NA	X

NA	UST/AST Sites	X	NA	X	NA	X	X	X
NA	Pipeline	X	NA	X	NA	X	O	

x - completed
o - underway
Na - Not Applicable

OU – Operable Unit
D – Design
C – Cleanup

ROD – Record of Decision
I - Investigation
PP/CAP – Proposed Plan/Corrective Action Plan
FS/EECA – Feasibility Study/Engineering Evaluation/Cost Analysis

Site Chart Glossary

OU – (Operable Unit) Cleanup sites are grouped together in OU’s for ease of Management.

I – (Investigation) An on site investigation is completed to determine whether there is a contaminant release or potential release, to determine the type and extent of contamination, and the nature of the associated threats.

FS/EECA – (Feasibility Study or Engineering Evaluation Cost Analysis) These are investigation and analytical studies that gather information necessary to establish criteria for cleaning up the site; identify and screen cleanup alternatives for remedial action; and analyze in detail the technology and costs of the alternatives. Similar to an FS, an EECA is used for sites where it has been determined an early removal action is necessary.

PP/CAP – (Proposed Plan or Corrective Action Plan) A Proposed Plan is a public participation requirement in which the Air Force summarizes the preferred cleanup strategy presented in the detailed analysis of the Remedial Investigation/Feasibility Study Reports. This document is available for public review, and public comments are solicited for all cleanup alternatives considered. A Corrective Action Plan is a similar plan used for sites where fuel is the only contamination. A CAP falls under the jurisdiction of the Maine Department of Environmental Protection.

ROD – (Record of Decision) A public document issued under CERCLA, that explains which cleanup alternative will be used at a site. The record of decision is based on information and technical analysis gathered during the remedial investigation/feasibility study phase.

D – (Design) A design is an engineering phase that follows a decision. Technical drawings, specifications or work plans are developed for the remedial or cleanup action at a site.

C – (Cleanup) Cleanup actions are taken to deal with a release or threatened release of hazardous substances that could affect public health or the environment. The term “cleanup” is used broadly to describe various response or removal actions such as bioventing, excavation and disposal, and landfill capping, etc.

(Closeout) – After cleanup action is complete a document closeout of each site is required. Sites, which have been determined to be “clean”, require no further action.

Remediation Plans: Aroostook County

The list below was updated by DEP in March 2002 and contains entries for 32 uncontrolled hazardous sites. Of these, the Maine Department of Environmental Protection's Uncontrolled Hazardous Substance Program (USP) is actively involved with 13. Of the remaining 22, 10 are designated inactive and 12 are resolved. The column USP Priority describes the interest that the USP has in the site. Active means that the Uncontrolled Hazardous Substance Program has an on-going interest in the site, either further site work is required or tasks (such as cost recovery) must be completed. Inactive means that the USP does not have an interest in the site. There are several reasons a site can be designated inactive: the site has been investigated and no real or potential threat was found, after investigation the site was referred to another program, or remedial activities have been completed. An inactive site may become active if new information comes to light indicating a problem, or if, during a file review a reason is uncovered to require further investigation. Resolved means that the USP has performed a final review of the site's case history and signed off on the site. This is not meant to be confusing, but as an attempt to clarify the site's standing and to provide additional comfort. If a site is inactive, the USP doesn't consider the site a threat, but has not completed a case review. This means that, technically, the USP is not finished with the site. If the site is resolved, USP is finished with it unless new information, indicating a problem, comes to light.

Site investigations are commonly used by DEP to help them recognize if a site is an active or inactive hazardous waste site. Site investigations usually include such things as identification of contaminant source areas, determination of the nature of contamination, description of probable groundwater flow direction, and identification of potential receptors and potential pathways of offsite migration. A remedial investigation identifies and fills data gaps so that specific remedial alternatives can be evaluated. The risk assessment, performed in conjunction with a remedial investigation, is used to determine threats to human health posed by hazardous substances at a site, and can be used to establish clean-up goals. The feasibility study identifies remedial action alternatives, establishes the process for evaluating an acceptable remedial action and ultimately selects the preferred alternative. The following is a list of Uncontrolled sites located within Aroostook County.

State of Maine/Aroostook County Uncontrolled Sites List March 1997

Site	Town	County	Status	UCP Priority
CEVG (RBS) Godling Rd.	Ashland	Aroostook	Fed: FUD; NFA State: NFA-SEBS/FOST Accepted Sept. 99	Resolved
Yerxa Farm Packard Road	Bridgewater	Aroostook	Fed: NFRAP 9/4/86 State: NFA	Resolved
LO-58 NIKE Launch Rt.. 1	Caribou	Aroostook	Fed: FUD; under invest. State: oversight	Active
ARNG Training Site	Caswell	Aroostook	Fed: ARNG; Under Invest. State: Oversight	Resolved 10/98
LO-13 Nike Control	Caswell	Aroostook	Fed: FUD-Under Invest.	Active

Rt. 1A			State: Oversight	
LO-13 Nike Launch	Caswell	Aroostook	Fed: FUD-Under Invest. State: Oversight	Active
Caswell Military Family	Caswell	Aroostook	Fed: NA State: NFA	Resolved 10/98
LO-85 Nike Launch Rt.. 1	Connor	Aroostook	Fed: FUD-Under invest. State: Oversight	Active
Racine Junkyard Site Route 1, Van Buren Road	Connor	Aroostook	Fed: NFRAP 9/26/88 State: NFA	Resolved 12/99
County Forest Products Route 159	Crystal	Aroostook	Fed: NFRAP 3/6/91 State: NFA	Resolved
Vahlsing Warehouse Station Road	Easton	Aroostook	Fed: NA State: Reopen investigation for PCE; install new mon. wells, MW geophysics	Active 6/99
Loring ILS Outer Marker Turner Road	Fort Fairfield	Aroostook	Fed: FUD; NFA State: NA	Resolved 6/99
Charette Farm Charette Hill Road	Fort Kent	Aroostook	Fed: NA State: NFA	Inactive
Old Dump North Perley Brook Road	Fort Kent	Aroostook	Fed: NA State: Closed 1995	Resolved 12/99
Green Street Site Green Street	Houlton	Aroostook	Fed: NFRAP 6/12/96 State: FS/RA needed	Active
John Mooer's Farm County Road	Houlton	Aroostook	Fed: NA State: NFA; >Response	Inactive
L.E. MacNair Building Franklin Street	Houlton	Aroostook	Fed: NFRAP 2/11/94 State: RA complete '96	Resolved 12/99
Mechanic Street Site Mechanic Street	Houlton	Aroostook	Fed: NFRAP 7/3/96 State: NFA	Inactive
United Cleaning Center 34 Bangor Road	Houlton	Aroostook	Fed: NFRAP 9/23/93 State: NFA	Inactive
LO-31 Nike Launch Blake Road	Limestone	Aroostook	Fed: FUD	Inactive 3/98
Loring Air Force Base 42 CSG/CC	Limestone	Aroostook	Fed: NPL 2/21/90 State: Oversight	Active
Henderson's Farm Station Road	Littleton	Aroostook	Fed: NFRAP 2/28/97 State: Complete	Resolved 12/99
Littleton Dump West Ridge Road	Littleton	Aroostook	Fed: NA State: Closed 1995	Resolved 12/99

Steven's Garage Route 1	Littleton	Aroostook	Fed: NFRAP 7/16/96 State: >VRAP; RA complete	Inactive 6/99
Steven's Scrap Yard Route 1 & Shaw Road	Littleton	Aroostook	Fed: CERCLIS State: NFA	Inactive
Louis Cote Landfill (aka Cote Farm) Golf Course Road	Madawaska	Aroostook	Fed: NFRAP 11/10/94 State: RP removal action complete	Active 3/02
Iva Adams Property (McCluskey Road)	Monticello	Aroostook	Fed: NFRAP 2/27/97 State: removal action	Active 12/00
Loring Communications Annex Mousem Road	Perham	Aroostook	Fed: FUD; Under Invest. State: Oversight	Active
Aroostook State Farm Pesticide Pit Site Route 1, (S. Main Street)	Presque Isle	Aroostook	Fed: NFRAP 12/8/93 State: Mon.	Active
Loring Laundry Annex Central Drive	Presque Isle	Aroostook	Fed: FUD; Under Invest. State: Oversight	Active
SNARK Missile Launch Missile Road	Presque Isle	Aroostook	Fed: FUD State:	Resolved 12/99
Moser Farm Off Route 161 (Oulette)	T17Rwels	Aroostook	Fed: NA State: NFA; >Response	Inactive
Van Buren-Madawaska Corp Route 1	Van Buren (Keegan)	Aroostook	Fed: NFRAP 6/24/92 State: RA Complete	Inactive
Pinette's Salvage Yard	Washburn	Aroostook	Fed: NPL 9/8/83 State: Complete	Inactive
Petersons Farm Store Colby Road (Colby)	Woodland	Aroostook	Fed: NFRAP 7/12/93 State: SC Complete, Mon.	Active

Note: This list refers to USP interest only; it is not intended to be inclusive of all state programs. Other programs, such as Solid Waste or RCRA may have an on-going interest in the site.

The sites that are located on the former Loring Air Force Base and throughout Aroostook County are currently in the process of remedial action. Remedial action is classified as source control and management of migration (groundwater control) activities. In several cases the remedial action is complete, except for operation and maintenance or ongoing groundwater monitoring. Many agencies located in Aroostook County, along with DEP, have been working very hard in a combined effort to stimulate economic development and to cleanup potentially hazardous sites.

In January 2002, President Bush signed H.R. 2869, the Small Business Liability Relief and Brownfields Revitalization Act. The legislation, Public Law Number 107-118, promotes brownfields redevelopment by providing financial assistance for assessment and cleanup, reforming Superfund liability and enhancing State response programs.

Discussion of Political Units having Jurisdiction (e.g., Municipal, County, Special District, State, Federal, or Federal Trust Status)

Region 1 encompasses all of Aroostook County; Maine's largest county, the towns of Mount Chase, Patten, and Stacyville and three unorganized townships in Penobscot County; another nineteen unorganized townships in the northern part of Piscataquis County; and the Town of Danforth in Washington County. There are 71 communities in the RTAC region. Ninety-six of Aroostook County's 163 townships are located in unorganized territories, which encompass 60% of the region's total land area.

Discussion of Changes in the Economy During the past 20 years and of the Labor Market

In Volume I, Section 4 of the Strategic Plan the economic and social conditions of Aroostook County from 1960 to 1990 are described and in some cases 1996 or 1997. The following section will allow the reader to take these statistics and compare them to economic activity including the business climate of northern Maine since 1997.

Description of Main Economic Sectors, Analysis of Recent Trends, and Analysis of Region's Economic Ties

Business Climate

The majority of the new business development in the region over the past five years has been for the most part associated with the Loring Commerce Centre. Currently, over 50% of the available building square footage and 50% of the land are presently committed to use at the Loring Commerce Centre. The major business developments that have occurred over the past two years has resulted in a commitment of 1,423, replacing over 100% of civilians that were lost when Loring close in September 1994. The business development at the Loring Commerce Centre combined with the rise in the agricultural processing market helped stimulate other business expansions and developments in the region.

Major Start-ups and Expansions

MBNA America Bank: MBNA announced in the winter of 1999 that it would be building facilities in Presque Isle and Fort Kent, Maine. Both sites were constructed and MBNA is operating at the new sites. MBNA is a consumer credit card company that currently employs 162 people at its Presque Isle site, 121 people in Fort Kent, and hires additional people every two weeks in Fort Kent.

NaturallyPotatoes (Freshway): Opened in fall of 1997, Naturally Potatoes is a \$13 million fresh cut potato-processing plant in the Town of Mars Hill employing approximately 75 people. The plant currently processes fresh, peeled, and packaged potatoes for a growing grocery and institutional market. The goal of this type of processing market is to market 100% of the potatoes delivered to the facility for their highest value.

Maine Woods Company: Maine Woods Company is a \$10 million dollar mill and specialized kiln facility located in Portage, Maine. The company is expected to process over 12 million board feet of hardwood per year. Maine Woods Company created approximately 60 jobs.

Valley Paper Company, LLC: Located in Madawaska, Maine, Valley Paper purchases waste paper from Fraser Paper and other sources, trims it, sorts it, and resells it to companies with specific uses, such as the manufacturing of gift-wrap. A proposed expansion was put on hold. The company currently employs 20 people.

McCain Foods Inc.: Located in Easton, Maine, McCains will improve its Easton facility by adding a \$70 million potato processing plant expansion. The expansion will include a new french-fry production line with the capacity to produce battered french fries, an upgrading of existing lines and the construction of a new wastewater treatment facility. Seventy jobs will be added to the 600 employees already at McCains. The plant currently uses 15,000 to 20,000 acres of potatoes per year. The expansion will increase the need for potatoes to another 12,000 to 15,000 acres.

In addition to these projects, the future Potato Research Storage Facility in Presque Isle demonstrates the foresight of northern Maine industry to construct state-of-the-art facilities to enhance agricultural storage and production. The future Irving Wood Processing Facility, to be located at the Loring Commerce Centre and present Valley Paper Company in Van Buren, demonstrate forward moving technology not only in the area of state-of-the-art facilities in wood processing, but in economics found in the recovery of paper waste. A circular movement in industry is occurring and Aroostook County is building economic footholds at all phases of production. Since a workforce is needed to fill positions in these industries, local universities and colleges are working with industry to provide a trained and skilled workforce. The retainment of the labor force continues to be an issue and one that the educational institution of Northern Maine is addressing.

Other major ongoing expansions and investments in the northern Maine region include the expansion of ATX Forms, a software manufacturer in Caribou with the addition of 60 new jobs. Another is the expansion of Wal-Mart in Presque Isle with the addition of 175 new jobs and K.B.S. Enterprises, Inc. with 16 new jobs.

Lay-Offs and Closures in 1997-2002

Sherman Lumber: The 105-year old lumber and hardwood flooring mill-ceased operations in the spring of 1999. The plant employed over 70 people and plans are still being made to try and get the plant up and running again.

Temporary shut downs have occurred at Smith & Wesson in Houlton, Calley & Currier in Patten, and Freshway in Mars Hill. All of these businesses are considered to be Mature and Dominant Industries and economic fabric for their continued existences is strained.

Ward Cabin Co.: The nation's oldest manufacturer of log homes closed in March 1999. The company has been recently purchased by Northeastern Log Homes and employs 35 workers.

U.S. Flax & Linen of Presque Isle: Closed in 1997, the company was one of the first flax mills in the U.S. in 160 years. They developed textile flax in Aroostook County for four years. The Presque Isle plant laid off 20 people.

Championship Sports Flooring: A manufacturer of portable hardwood floors for sports arenas located at the Loring Commerce Centre closed their doors in August of 1998. A lack of business along with exporting their product to the Canadian and Mexican markets, where the value for the dollar is much lower than the US dollar, were reasons cited for the closure. The company laid off 16 employees.

Gerber Childrenswear: This company, located in Fort Kent, closed in 1997, and 183 jobs were lost. Most of these were replaced since re-opening as Kent, Inc. in April 1997; however, the company is facing new difficulties and may close again in the winter of 2002.

Aroostook County Action Program (ACAP): In 1997, ACAP laid off 85 workers in the second quarter.

Description of Region's Infrastructure

Road and Bridges

There are 1,125 miles of roadway maintained by the Maine Department of Transportation in northern Maine, not including the interstate system. Of that roadway, approximately 35% are 50 or more years old. Since the early 1960's new road construction has been on a steady decline. However, MDOT is presently working on 2 studies that could lead to the construction of new roads in the region, the Easton Access Study and the Aroostook County Transportation Study. The Easton Study is designed to improve access to several large manufacturers in Easton.

Roads are classified into a several different categories including:

Principal Arterial

Principal arterial system consists of a connected network of continuous routes having the following characteristics: 1. Serve corridor movements having trip length and travel density characteristics indicative of substantial statewide or interstate travel. 2. Serve all, or virtually all, urban areas in Maine. 3. Provide an integrated network without stub connections except where unusual geographic or traffic flow conditions dictate otherwise (e.g., international boundary connections and connection to coastal cities).

Minor Arterial

The minor arterial road system should, in conjunction with the principal arterial system, form a rural network having the following characteristics: 1) Link cities and larger towns (and other traffic generators, such as major resort areas, that are capable of attracting travel over similarly long distances) and form an integrated network providing interstate and intercounty service. 2) Be spaced at such intervals, consistent with population density, so that all developed areas of the

State are within a reasonable distance of an arterial highway. 3) Provide (because of the two characteristics defined immediately above) service to corridors with trip lengths and travel density greater than those predominately served by rural collector or local systems. Minor arterials therefore constitute routes whose design should be expected to provide for relatively high overall travel speeds, with minimum interference to through movement.

Collector Road

The collector routes generally serve travel of primarily intracounty rather than statewide importance and constitute those routes on which (regardless of traffic volume) predominant travel distances are shorter than on arterial routes. Consequently, more moderate speeds may be typical, on the average.

Major collector roads generally: 1) provide service to any county seat not on an arterial route, to the larger towns not directly served by the higher systems, and to other traffic generators of equivalent intracounty importance, such as consolidated schools, shipping points, county parks, important mining and agricultural areas, etc.; 2) link these places with nearby larger towns or cities, or with routes of higher classification; and 3) serve the more important intracounty travel corridors.

Minor collector roads generally: 1) spaced at intervals, consistent with population density, to collect traffic from local roads and bring all developed areas within a reasonable distance of a collector road; 2) provide service to the remaining smaller communities; and 3) link the locally important generators with their rural hinterland.

The condition of the existing roadways in northern Maine, and the rest of the state, had deteriorated at an alarming rate in the 1990s. In May 2000, the 119th legislature enacted a law that required MDOT to present annual budgets that will result in the improvements of the rural arterial highway system to modern design standards within 10 years. This represents the most ambitious highway program undertaken by MDOT. According to MDOT, Region 1 has 205 miles of National Highway System/Principal Arterial mileage of which 16.4 miles (8 percent) are considered deficient. In addition, there are 174 miles of minor arterial (18 percent deficient), and 488 miles of major collector (32 percent deficient). MDOT estimated that the cost of removing all of the backlog projects in Region 1 could exceed \$87 million. MDOT defines deficient as needing to bring the condition of the road to modern safety standards and adequate structural capacity.

Houlton is the northern terminus for the Interstate 95 corridor in the United States, before it connects with the Trans-Canada Highway System (Route 2) in New Brunswick, Canada. Along with the Trans-Canada Highway, all of these routes provide the necessary infrastructure to serve the forest products and agricultural industries, connect population centers, encourage tourism, and provide access to and from Canada. These various highways also provide vital connections to the remainder of Maine, New England, and the Atlantic Provinces of Canada.

US Route 1 serves as a major north-south rural arterial (it is a major collector below Houlton) for northeastern Aroostook County extending from Houlton to Fort Kent, passing through major

urban community centers. Route 1 is generally a two-lane (three lanes at strategic points), undivided highway. Route 1-A, branches from Route 1 at Mars Hill and rejoins Route 1 at Van Buren. Although carrying less traffic, Route 1-A displays the same characteristics as Route 1 and has been identified as a heavy haul truck route. Town officials along Route 1-A have indicated a greater number of trucks using the route than in the past because of the time saved and ease of movement.

High accident rate data for the years 1997 through 1999 reflects the 51 locations in Region 1 that are considered High Crash Locations (HCL) by MDOT. They include locations in Haynesville, Reed Pt. Sherman, Island Falls, Hersey, Dyer Brook, Smyrna, New Limerick, Houlton, Bridgewater, Moro Pt. Portage Lake, Fort Kent, Wallagrass, Frenchville, Madawaska, Connor, Caribou, Presque Isle, T16 R4, and T17 R5.

There are 351 bridges in the northern Maine area. Of the 351 bridges, 74 percent are the responsibility of the state, 15 percent are town, 8 percent are city, and 1 percent are the responsibility of the Maine Forest Service. There are 334 rural bridges and 17 urban bridges. 227 bridges need no improvements at this time, 43 are in need of replacement, 30 need to be widened, and 41 need to be rehabilitated.

Freight Routes

RTAC-1 and MDOT have designated certain routes as heavy haul truck routes. Heavy haul truck routes are a highway network that carries the most significant heavy haul truck traffic in the region. Heavy haul trucks are those with three or more axles. Heavy haul truck routes in Region 1 include: Route 161 (Allagash to Fort Fairfield), Route 11 (Fort Kent to Sherman), Route 1 (Fort Kent to Danforth), Route 1-A (Van Buren to Mars Hill), Route 89 (Caribou to Limestone), Route 163 (Ashland to Easton), Route 2 (Houlton to Molunkus), and Route 2-A (Houlton to Macwahoc).

Bicycle Routes

The Northern Maine Bicycle Coalition developed a Northern Maine Bicycle Plan for RTAC-1. To evaluate corridors fairly, a number of criteria were developed. These include the identification of existing infrastructure, needed links, community connection, usefulness to users, and scenic/tourism potential. The RTAC also examined potential routes, potential barriers for construction, who is being served by the route, other possible routes in the region, and connectivity. Top priority routes in the region include: Route 1, Madawaska, Frenchville, and Fort Kent; Route 162, Frenchville, St. Agatha, T17 R5, and T17 R4; Cleveland Road, Grand Isle Road, St. Agatha, Madawaska, and Grand Isle; Route 161, Fort Kent to Caribou; Route 161, Caribou to Fort Fairfield; Grimes Road, Caribou to Fort Fairfield; Route 10, Presque Isle to Easton; Route 1-A, Van Buren to Mars Hill; Route 163, Easton to Presque Isle; Route 11, Fort Kent to Ashland; Route 1, Van Buren to Caribou; Route 1, Houlton to Danforth; Westfield Rd, Westfield Rt. 1 to the West Ridge Rd.; and Route 2-A, Houlton to Haynesville.

Access Management Issues

Access to property is crucial for development. Communities have historically encouraged construction of transportation facilities because it enabled them to expand their tax base by attracting businesses and therefore to finance community services. Unrestricted access to an arterial or collector roadway ultimately results in traffic congestion and safety problems. As growth does occur, the cumulative effect of numerous driveways on the roadways causes side friction that impedes the flow of through traffic. Good access management can reduce accidents and prolong the useful life of the roadway.

In 2001, Maine's Legislature directed MDOT to draft rules and regulations for the design of driveways and entrances on state and state aid highways. The goals of this legislation are to increase safety, enhance productivity and avoid future construction costs. MDOT is currently concentrating its efforts on retrograde arterials and mobility corridors. Retrograde arterials are those arterials that have a higher than state average number of accidents due to the number of driveways or entrances located along the corridor. Retrograde arterials in region-1 include (either in their entirety or in portions): US Route-1, and state Routes 163, 167, and 89. Mobility corridors are those corridors where MDOT is seeking to maintain posted speed limits along the corridors. The only mobility corridor in the region is US Route 1 from Houlton to Caribou.

Airports

Maine is broken down for aviation planning purposes into 11 regions. Region 11, which covers all of Aroostook County, has four system airports. These airports include: Northern Maine Regional, Houlton International, Northern Aroostook Regional, and Caribou Municipal.

Northern Maine Regional Airport

The Northern Maine Regional Airport (NMRA), located in Presque Isle, is one of only three certificated airports in the State. The airport has two large paved runways measuring 7,440' x 150' and 5,994' x 150'. NMRA has been designated an economic development airport and provides Aroostook County with daily commuter flights as well as scheduled flights operated by a number of overnight freight companies. Principal facilities on the airport include an air terminal building, a general aviation terminal and hangar facility, a crash rescue and maintenance building, and an office and hangar complex. NMRA offers a full line of aviation services including air charter, aircraft maintenance, flight instruction, fuel services, aircraft deicing, and on-call customs and agricultural clearance services. The facility offers a full instrument landing system (ILS) and a variety of additional current technology navigational aids. The airport, although not currently used on a regular basis by larger commercial jet aircraft, has the capacity to handle such craft.

Houlton International Airport

The Houlton International Airport is a general aviation airport located adjacent to the Canadian border and serves the southern Aroostook and Woodstock N.B. areas. The airport has one 5,016' paved runway (5-23), plus a 500' long stopway at the southerly end, and a second 5,000' paved

runway (1-19). A newly constructed complete taxiway system has been built. The Airport has been designated as an "economic development airport" in the State Aviation Systems Plan; included in this plan are recommendations for a 500' runway extension and full precision instrument approach capability. Several navigation aids are available: Very High Frequency Omni Range/Distance Measuring Equipment (VOR/DME), Runway End Identifier Lights (REIL), Visual Approach Slope Indicator (VASI), and Precision Approach Patch Indicator (PAPI). Global Position Satellite (GPS) approach procedures are published. An Automated Surface Observation System (ASOS) has been installed. One hundred (100) octane and jet fuel are available, as are major air frame and power plant repair, and full Fixed Base Operator (FBO) services including on demand charter. Twenty-four hour on-call US customs service is available. Requests to reinstate Canadian Customs pre-clearance service have been initiated.

Northern Aroostook Regional Airport

The Northern Aroostook Regional Airport, located in Frenchville, is an air taxi/charter airport with a 4,600' paved runway with 200' over-runs at each end, serving northern Aroostook County. The airport is open year-round seven days per week. The airport is located on over 100 acres of land, has a 5,525 square foot terminal building and hangar, as well as conventional hanger space, 100 octane low lead fuel, jet fuel, and 15 tie-down spaces. This airport is equipped with several navigation aids (navaids) including REILS, PAPI, ASOS, and NDB. There are plans to install a full precision GPS approach with either ALS or ALSF.

Caribou Municipal Airport

The Caribou Municipal Airport is a general aviation airport with a full service Fixed Base Operation providing airframe and power plant maintenance, flight instruction, air charter, and 100 L.L. aviation fuel sales. It has two paved runways, (1-19) is 4000' X 100' north-south runway and (11-29) is 3400' X 75' east-west runway. Both have pilot controlled runway lighting. There are fifteen (15) outdoor tie-downs and the ability to hangar six (6) aircraft. The airport is a twenty-four (24) point-of-entry for US Customs. The navigational aids available include ASOS, VOR/TAC, GPS approach procedures, and Bangor Approach Control. One run-way (1-19) has been narrowed from 150 feet wide to 100 feet and new lights and a transformer building have been constructed. A new hangar was constructed in 2000.

Radar Facilities

The Federal Aviation Authority (FAA) operates a long-range radar facility (ARSR 4) on the Albair Road in Caribou. The radar has an operational radius of 250 miles and services air traffic from airports located in Presque Isle, Caribou, Houlton, and Frenchville. There are two full-time and one part-time federal employee located at the site overseeing the day to day operations.

Railroads

The Bangor and Aroostook Railroad

The Bangor and Aroostook Railroad Company (BAR) operates 436 miles of Class 2 main and

branch rail lines within Maine. Although once the major mover of freight in Region 1, the BAR now finds itself in financial difficulty and its future is uncertain. The BAR ships french fries from the intermodal facility in Presque Isle. The BAR pruned its trackage and upgraded its Ashland Branch to main line status and has concentrated on becoming a first-class forest products carrier. Its two largest customers, J.D. Irving LTD in Nashville Plantation and Fraser Paper in Madawaska, remain its important base in this industry. Two wafer board mills, Louisiana Pacific in New Limerick and J.M. Huber in Easton, represented additional base. Future plans at Searsport that include the capability of transferring cargo containers from rail to ship. Development in this area could greatly enhance the marketability of northern Maine's products and the need for consistent rail service.

Canadian National Railroad

The Canadian National Railroad (CN) has signed a 99 year lease with the BAR to utilize a portion of its track from Van Buren to Madawaska. CN is now shipping much of Fraser Paper products to regional markets. CN also utilizes an international bridge owned by the B&A in Van Buren to access its mainline in New Brunswick.

Intermodal Facilities

Presque Isle Industrial Council operates an intermodal facility located in the industrial park. The facility enables cargo containers to be transferred to train flatbeds via a piggy packer. Since the economy of northern Maine is based on natural resources, which tend to be high volume and low value, this facility opens new opportunities for economic growth and enhances the ability of northern Maine farmers and manufacturers to ship products throughout the United States. The intermodal facility will allow rail users and freight haulers the opportunity for dedicated train service to southern Maine and other parts of New England. Rail lines will connect with three (3) other proposed intermodal facilities in southern Maine.

Public Transportation

Aroostook Regional Transportation System (ARTS)

The Aroostook Regional Transportation System provides general public transportation throughout Aroostook County. Services are provided from each town in the County at least once a week to the nearest commercial center. Services are available to all members of the general public from the outlying towns to the commercial center and pick-up services are available in-town to the elderly and handicapped only. Fares are charged to members of the general public and half fare is charged to the elderly and handicapped. No fare is charged to Medicaid clients going to Medicaid covered services or to the elderly and handicapped going to a medical appointment. Services are provided to individuals with special needs who attend daily work or rehabilitation programs. These daily runs are also available to the general public, but no deviation from the special runs can take place due to time limitations.

Cyr Bus Lines

Cyr Bus Lines provides daily regional bus service from northern Maine to Bangor and points south with connections to the major national bus lines. The northern most pick-up point for the bus line is in Caribou. Residents in the St. John Valley and other points to the north must arrive in Caribou before 7:00 a.m. Riders who wish to go to Bangor would leave Caribou at 7:00 a.m. and not be able to return to the County until 10:00 p.m. that night.

Taxi Service

There are seven taxi services in Aroostook County. They include Aroostook Cab, Town Cab, and Viking Cab, City Cab in Caribou, Presque Isle Cab in Presque isle, Shiretown and Houlton Cab in Houlton.

Seaports

Seaport access for northern Maine products is generally found through Maine's coastal ports of Searsport and Eastport, or, if desired, through the Canadian ports of Rivière du Loup, Quebec; St. John, New Brunswick; and Halifax, Nova Scotia. Access to the Maine ports is by Interstate 95, US Route 1, or rail service.

Port of Eastport

The Port of Eastport has undergone significant changes that could dramatically affect northern Maine's economy. Currently, the port operates in the middle of downtown Eastport, contains one 420 foot pier, and is designed to handle up to 50,000 tons of cargo per year. In 1996, the port handled over 200,000 tons of cargo, over 4 times its design capacity. A new expansion is under construction less than two miles from the present port at Estes Head. The new facility will include a 634 foot, a two berth pier that can accommodate a 900 foot vessel with a second 550 foot ship on the inside berth. These improvements will allow the port to more efficiently handle cargo from throughout the region.

Searsport

During the past 10 years, Searsport has handled 41 percent of the state's dry cargo and is one of the state's oldest commercial ports. The two commercial operators at Mack Point, the Bangor and Aroostook Railroad and Sprague Energy, handle a wide variety of products including paper, lumber, fuel, salt, coal, and other chemicals.

Trails

Nearly every municipality in Region-1 has access to a year-round multi-use trail system. Bicyclists, pedestrians, All Terrain Vehicles, skiers, snowmobilers, and equestrians utilize the trail system. The region's trail system includes approximately 2,200 miles of ITS snowmobile trail system. MDOT and the Maine Department of Conservation have worked with municipalities and trail user groups to purchase more than 110 miles of abandoned rail line. The

Bangor and Aroostook line from Houlton to Phair Junction is presently leased by MDOC and several groups are working to purchase the system through the Land for Maine's Future program.

Caribou and Presque Isle maintain bicycle and pedestrian trails in their downtown areas. Caribou's Collins Pond project and Presque Isle's downtown trail system were funded partially by MDOT. Presently, the Town of Houlton is constructing a pedestrian and bicycle trail along the Meduxnekeag River. Future plans include connections to the school grounds and park areas.

Identification and Description of Planning and Economic Development Activities of Local, State, Federal, and Private Agencies

Business Attraction and Business Retention

In Spring of 1995, the Northern Maine Development Commission began the planning phase of a regional Marketing Communications Program to retain existing business and attract new investment into the region. The program was funded by the Economic Development Administration with matching funds from the Maine Department of Economic and Community Development and with local dues support from NMDC's member communities.

During the two-year implementation of the program, a number of successful activities and fulfillment materials were produced from the business attraction component. The Internet homepage won "Best of Show," and the business attraction ad campaign won "Best in Class" at the NEDA (Northeastern Economic Developers Association) Literature and Promotion Awards Competition in 1997. With a trade show booth for both tourism promotion and business attraction within wider audiences, NMDC participated in trade shows and conferences in the State of Maine, and in the Canadian Provinces of Quebec and New Brunswick.

In October of 1998, NMDC was awarded \$75,000 from the Maine Department of Economic and Community Development to implement the Northern Maine Business Development and Marketing Partnership Program. The Northern Maine Business Development Marketing Partnership Program was a product of the experience gained from guiding the Marketing Communications Program, and further dovetailed with the initiatives of the State's marketing program as outlined in Maine & Company's strategic plan. Maine Public Service Company (MPS) and LEAD (Leaders Encouraging Aroostook Development) joined in partnership with NMDC, agreeing to combine their financial, staff, and volunteer resources to deliver one, comprehensive business attraction program for the region of Northern Maine. Together, more than \$156,000 from both public and private sources had been committed to the effort.

The 1999/2000 phase of the region's collaborative marketing effort was based upon the experience of "what worked best". Attendance and displays at key trade shows, conferences of national and international prominence, and one-on-one meetings with major company executives in both the US and Canada, formed the framework for the regional marketing and attraction strategy. The NMDC sought to raise the awareness of Northern Maine and the state as whole, as a viable and competitive option for business relocation and expansion. With the financial

assistance provided by DECD for the 1999/2000 Marketing Partnership Program, NMDC continued its successful marketing activities that began in 1995.

The 2000-2001 One Aroostook Marketing Campaign represented a number of successful marketing initiatives similar in scope and purpose as in the past. Unique, however, was the degree of cooperation that had been achieved (and maintained) with the unifying goal of finally representing northern Maine's local and regional marketing objectives. To this date, the OneAroostook Marketing Committee has remained true to the cause and the results are clearly evident. The collective experience and commitment demonstrated under the auspices of the One Aroostook Marketing Committee coupled with the region's demographics and its proximity to Canada and Europe, places northern Maine in an enviable position to continue as a region to attract and grow successful business enterprises.

To complete the 2002-2003 Marketing Program, the Northern Maine partners again collaborated private and public funds and received one of the largest grants in the state. The group is employing three major tactics in implementing the marketing strategy: industry trade shows, corporate visits and prospecting trips. The opportunity for OneAroostook to actively coordinate selected activities will form the foundation for northern Maine's regional link with local marketing campaigns, thus making effective use of financial and staff resources at all levels.

Mature and Dominant Industries Program

This 1999 program was a \$375,000 joint study of the Maine Department of Economic and Community Development (DECD), the Maine Economic Development District Association (MEDDA), and the US Department of Commerce's Economic Development Administration. The study of great importance to northern Maine specifically looked at industries such as shoes, textiles, wood projects, pulp and paper, agriculture, fisheries, and defense dependent businesses. These sectors of Maine's industries have experienced a long period of decline. This is vitally important since local communities need to address the effects of possible closures if they occur. As a result of the process, business in the declining industry sectors continue to have access to resources in order to remain competitive, the capacity to modernize their production technology, the ability to improve marketing practices, export goods, develop new products and build their workforce. This is extremely important in northern Maine where five mature and dominant industries are located affecting communities totaling 6,699 people.

Maine Manufacturing Extension Partnership

The Maine Manufacturing Extension Partnership (MEMEP) works directly with area manufacturers to provide expertise and services tailored to their most critical needs, which range from process improvements and workforce development to business practices and applications to information technology. Solutions are offered through a combination of direct assistance from NMDC/MEP staff and assistance from outside consultants. NMDC/MEMEP plays a pivotal role in helping small firms overcome barriers in locating and obtaining private-sector resources as well as providing access to a wealth of tools, techniques and other resources through over 3,200 public and private affiliations.

One of the most critical needs today is enabling a workforce to achieve new capabilities that satisfy a company's growth strategy. NMDC/MEMEP in collaboration with local, regional and national resources help companies develop their workforce through customized, targeted training programs that align employee skills training with a company's strategic direction. Some of this assistance includes the following programs.

- ISO Training & Certification
- Lean Manufacturing Awareness, Training & Implementation
- Waste Reduction Programs
- Employee Recruitment & Retention

In addition, NMDC/MEP helps provide manufacturing firms with exposure to other manufactures in the area and the opportunity to share resources and information. Regular events, including tours of local manufacturing facilities, breakfast discussions, and demonstrations of the latest industry innovations give company owners and managers the opportunity to see state-of-the-art processes and discuss common issues with their peers.

Highlights from the MEP Program:

Stainless Foodservice Equipment Manufacturing, Inc.: Stainless Foodservice Equipment (SFE) of Caribou, Maine has been in the business of designing, developing, manufacturing, and marketing custom stainless steel supermarket fixtures for more 10 years. The products produced include ergonomic and standard backroom food preparation equipment and customer convenience equipment such as produce scale hangars, fish and produce displays, worktables and utility carts. When the company was established in 1991, the principals found large suppliers (which dominated the market) were unwilling to fabricate customized products. The filling of this niche market has allowed the company to grow substantially in a relatively short period of time. The company now enjoys a rich history with specialty materials and fabrication technologies combined with Maine-Made craftsmanship, which yield products of exceptional quality, performance, and reliability.

The company's extensive understanding of the marketplace, vertical integration, veteran staff, and capital improvements has fortified SFE's ability to manufacture and custom tailor products to meet the specific needs of their clients. Continuing with the company's tradition for innovation, SFE successfully developed a new product that would incorporate refrigeration technology into the company's product line for the first time. Positioned as a dual-purpose refrigerated display, the new concept resulted in a design good for *remote* and *self-contained* applications, taking absolute advantage of a more ambidextrous design.

SFE has expended a substantial amount of human and capital resources to reach the design for manufacturing stage of development and had identified that in order to successfully commercialize this new product the appropriate safety inspection and certifications must first be obtained. These were ANSI/UL-471 Safety Evaluation & Certification.

Benefits to obtaining ANSI/UL-471 are:

- Assurance that SFE is protecting public health safety

- Opportunities to improve SFE’s product and process
- The most comprehensive documentation to help reduce legal and regulatory exposures
- Prompt regulatory acceptance to provide greater ease of expansion and improved opportunities for growth
- Improved access to international markets with ANSI/UL's worldwide presence and strategic alliances
- Enhanced leverage with the ETL Marks as a marketing tool to increase SFE’s sales and more quickly and easily enter new markets

ETL Certification programs are accepted and frequently mandated by public regulators throughout the United States, as well as internationally. In order for SFE to successfully complete the design for manufacturing stage, leading to commercialization, the company identified the need to contract the services of the Maine MEP and Intertek Testing Services (ETL) to complete and comply with the required certifications. Successful completion of the above referenced project has lead to the company's authorization to mark per ANSI/UL-471.

Mike's Maine Pickles: Mike's Maine Pickles (Mike's) is a small family owned processor of gourmet pickle products located in Easton. Mike's processes primarily pre-acidified shelf stable vegetable products for sale and distribution throughout Maine.

- Pickled Fiddleheads
- Dill Pickles
- Bread & Butter Pickles
- Dilly Beans
- Mustard Pickles
- Pickled Beets
- Pickled Eggs
- Hot Garlic

The company determined that in order to develop new products (pickled hot sausage) and expand into markets outside the state of Maine, they must first complete the appropriate related USDA/FDA regulatory requirements:

- Application for Federal Meat, Poultry, or Import Inspection
- Implement Sanitation Standard Operating Procedures (SSOP)
- Hazard Analysis and Critical Control Point (HACCP) program - including Scheduled Thermal Process requiring Heat Penetration Tests
- Develop Nutrition Label(s)

Mike's Maine Pickles contracted the services of the Maine MEP to develop and deliver the following components leading to successful USDA compliance.

Aegis Bicycles: Aegis Bicycles has been in the business of designing, developing, manufacturing, and marketing high-end carbon fiber bicycle frames and forks since 1984. Aegis was the first industry manufacturer to produce carbon fiber tubing and one-piece (monocoque) bicycle frames by developing and patenting a low cost, rapid fabrication method known as “bladder molding”. The proprietary process results in an advanced composite bicycle of the highest structural

integrity and performance. Aegis now enjoys a rich history with advanced materials and patented, race-proven technologies combined with Maine-Made craftsmanship, which yield products of exceptional quality, performance, and durability.

Continuing with the company's tradition for innovation, Aegis sought to produce a new product that would incorporate pioneering composite technology. The new product would require the implementation of new innovative manufacturing techniques that are currently not found in the market. These innovations would yield lighter product weight and increased durability – qualities that are continually sought after by the competitive cyclist.

The company's patented technology, vertical integration, veteran staff, and capital improvements have fortified Aegis' ability to rapidly and efficiently produce their own designs, precision tools, and molds in-house. Aegis lacked the staff with adequate skills and experience to design and engineer this new product. As a result, the company contracted the services of the Maine MEP to assist in completing the design and development.

METER: In 1999, the Maine Department of Economic and Community Development in collaboration with Maine MEP, Maine Department of Environmental Protection, and Central Maine Power obtained a grant from the Department of energy to assist secondary wood manufacturers in improving their manufacturing operations through free assessments and reports. The project called the Manufacturing Energy Technology and Environmental Report or METER, integrated energy efficiency, environmental compliance, pollution prevention, and technology utilization. Assessment participants included Kelly Lumber, Inc. in Ashland, Katahdin Forest Products in Oakfield, MacDonald Enterprises in Limestone, and Porter's Woodworking in Patten. The initial project made manufacturers of all types of products aware of the available resources through MEPP.

Regional Planning

It is the goal of the Planning Department to preserve, protect, and enhance a lifestyle and quality of life in a way that will facilitate sustainable development for the communities and economies of northern Maine; while maximizing potentials and minimizing conflicts with land uses, natural resources, and the environment. This includes the desire for healthy, active communities whose residents respect the need for sound and sensible land use, quality jobs, sustainable economic growth, safe efficient roadways, and effective waste management options. In addition, the Department fosters the need for stewardship of our valuable natural resources (soil, water, and air), and to be respectful of the environment and our diverse natural beauty throughout northern Maine. The Department will work to enhance and protect the environment, vital natural resources, and sensitive areas for their scenic, recreational and tourism value and as a habitat for fish, waterfowl, and wildlife.

To accomplish this goal the department provides extensive planning services, technical assistance, data and information, reports, model wording for regulations, and education, and training on planning related issues and topics.

Regional Policies

In 2000, the Planning Department updated its 1991 Regional Policies and Planning Goals document. This document has been created to encourage communities to consider the effects and impacts of local policies and actions within and upon the broader context of the larger regional environment. Over the years, NMDC has reviewed draft comprehensive and economic development plans for compliance with the 1991 policies. All of the comprehensive plans have addressed the regional policies with little difficulty. Whether or not the policies are identified explicitly by the plans, NMDC's reviews indicated that, at the very least, discussions of regional concerns have been a part of the local planning process and have therefore resulted in few substantive comments or suggestions for changes in draft plans. We strongly encourage communities to follow through on the regional and interlocal commitments expressed in their plans. The statute today calls for review of adopted plans by NMDC at the time a municipality applies for state funding of its implementation program.

Land Use Planning

NMDC's Planning Department provides on-going technical assistance to communities on a wide range of land use planning topics and issues. Since 1990, 32 communities have been offered comprehensive planning grants, an average of less than three per year. The resultant plans ranged from straightforward discussion and analysis of local conditions to fairly sophisticated planning documents that examine and address issues beyond the town's minimum substantive and geographic interest. Of the 32 communities, six have had their planning programs certified by the state---the highest number of any regional planning council in Maine.

Presently, there are seven communities working on comprehensive plans, either new plans or updates of past plans. The resurgence in interest in comprehensive planning is due mainly to support applications for Community Development Block Grants. Unfortunately, state funding is extremely difficult to obtain and completion for these funds is growing. Future indications show a greater level of funding for these plans will be needed.

The Department also assists communities by providing technical assistance with state mandated land use regulation and with locally adopted land use regulation/ordinance development, amendments, training, interpretation, and compliance. These include regulations/ordinances for: zoning, subdivision, site design review, shoreland zoning, building codes, confined animal feeding operations (CAFOs), nutrient management, telecommunication facilities, floodplain, and various other land use standards. Unfortunately, there are currently no state or federal grant programs available to complete land use ordinances.

Transportation Planning

The Department continues to provide support to the Maine Department of Transportation (MDOT) and the Regional Transportation Advisory Committee Region-1 (RTAC) in formulating long range plans to assist in the improvement and development of the region's transportation systems. The Department has a contract with MDOT to complete transportation related projects throughout the region.

Transportation planning in northern Maine consists of identifying solutions toward improving the region's overall transportation system. The Planning Department realizes that all of the systems are intricately linked and function as a unit in moving passengers and freight into and out of the region. In the past, projects were pieced together with very little thought given to long-range or corridor planning. Today, projects are part of a Six-Year Transportation Plan where the Planning Department, MDOT, and RTAC look at regional economic development potentials and prioritize projects based on need and regional importance.

Future needs include a long-term commitment for funding to complete projects. In addition, there needs to be funding made available to market the region's transportation systems and transit providers.

Six-Year Transportation Plan

The Maine Department of Transportation (MDOT) in cooperation with NMDC presented its 6-Year Transportation Plan to the public. The purpose of the plan is to provide a better linkage between MDOT's 20-Year Transportation Plan, which is policy based, and the Biennial Transportation Improvement Program (BTIP) which is project based and fiscally constrained. The plan is one of the most aggressive ever developed by MDOT. Statewide, MDOT estimates that 3,992 miles of road are in need of reconstruction or other improvements and \$1.4 billion is needed to correct all of the backlog mileage. MDOT proposes to reconstruct more than 700 miles of highway statewide during the next six years. In Division 1 (northern Maine), 78 miles of roadway are scheduled for reconstruction.

One highlight of the transportation plan is the Aroostook County Transportation Study. Begun in 1997, the largest transportation project in the history of Aroostook County is nearing completion. The Planning Department continues to work on this multi-year contract with the Maine Department of Transportation (MDOT) to provide a coordinated program for transportation planning services among regional stakeholders and other interested parties. The Aroostook County Transportation Study has been completed. VHB, the primary consultant, and the project team, including NMDC, initially identified over 40 corridors that had the potential to be constructed. Corridors ranged from upgrades of US Route 1 and Route 11 to the identification of several new corridors from I-95 in Sherman, Smyrna Mills, and/or Houlton to the St. John Valley. Using specific criteria developed by the project team, these 40 corridors were reduced to four and approved by the Public Advisory Committee for inclusion in the draft Environmental Impact Statement (DEIS). The Department has completed numerous projects for the Study, including using our Global Positioning System recorder to identify each structure along the twelve proposed corridors, completed digitizing of the Study area's tax maps, and provided economic development, natural resources, and cultural and historic information to the consultant. The final EIS was submitted to MDOT in October, 2002.

During the next five years, and beyond, the region will implement the findings of the EIS. Federal and state agencies will be asked to help fund corridors.

Solid Waste

NMDC has provided technical assistance and programs to municipalities to find local and regional solutions for solid waste management issues, which could translate into lower costs for local communities. Some of the programs over the past five years have included a Recycling for Renters Program, school educational programs, Biosolids Utilization Training Program, Waste Exchange Directory, Project Compost Program, Household Hazardous Waste Program, and continuation of a group of solid waste and environmental professionals called the Northern Maine Solid Waste Management Committee. Hundreds of people have received assistance through these programs over the past five years resulting in a grassroots movement to lower tonnage to landfills and decrease environmental hazards found in burn barrels and illegal dumping. These programs were developed and first implemented through several solid waste grants through USDA-Rural Development and other sources.

NMDC will undertake several strategies to continue education and find solutions for solid waste issues in northern Maine communities during the next five years.

Closing the Loop

Closing the loop refers to ensuring that materials are not only recycled but also that the products made from the recycling process are purchased. The solid waste organizations and individual municipalities within NMDC's service area have developed reasonably good recycling systems. However, buying recycled materials is another, equally important, faction that has yet to be sufficiently implemented in this area or throughout the state. NMDC proposes to work with other Regional entities to encourage this process by offering a "Buy Recycled" training course to the municipalities, schools and businesses within our communities.

The Maryland Environmental Service has developed a "Buy Recycled" program and is available to provide staff to present the training course here in Maine. The course consists of one full day of training that includes topics such as Creating a Demand for Recycled Products, Purchasing Options, and Buying for Waste Prevention. As a part of the service, staff will be trained to present the course for future uses.

NMDC also proposes to work with the Maine State Division of Purchases in promoting their cooperative purchase program for buying recycled materials in order to incorporate the training topics into a local perspective. Other means of purchasing recycled products will also be researched and presented.

Mercury-Added Products/Universal Waste Education and Promotion

Recent changes in Maine's legislation include regulations on the handling and disposal of mercury-added products and universal wastes. These regulations have a staged implementation, between 2001 and 2005, and require municipalities to provide for the management of these wastes. The management includes educating the public about the new procedures required. The state has developed educational leaflets and this information will be made available through various avenues; however, other forms of media, radio and television, are known to be an efficient means for delivering messages and have yet to be addressed; therefore, NMDC

proposes to work with the Northern Maine Solid Waste Management Committee (NMSWMC) and a local marketing and advertising company in developing and presenting an on-going educational campaign that will address these regulations. [NMSWMC is a group of municipal officials, solid waste management professionals and concerned citizens who meet on a monthly basis to discuss waste management issues in the region].

Follow-Up to Project Compost Review

In 2000, NMDC received a grant from the USDA-Rural Development to develop an analysis of the previously completed Project Compost. The goals of the review were to determine the success of the project and ultimately to assist municipalities to expand upon their waste reuse programs. The review included a survey that yielded a 26 percent overall response rate with 85 percent of the respondents still participating in backyard composting. There was also significant enthusiasm expressed for continued educational programs.

The review resulted in the following three suggested strategies:

1. Develop and present an update to the original workshops that would address topics raised via the surveys e.g. compost taking too long to develop, bins breaking, difficulty in turning the compost and what to do with food scraps during the winter months. The workshops would take on a more holistic approach and include other ways to reduce waste, reuse and recycle more.
2. Develop and present an educational waste reduction pilot program incorporating the all-important management support and teacher/student participation structure. The pilot would be targeted initially at several of the interested schools within the service area.
3. Conduct a feasibility study of one region-wide, or possibly several sub-regional, composting programs. The study would incorporate composting from businesses such as restaurants and supermarkets that have not been addressed previously.

The third strategy would be most comprehensive if it included the reuse of sewage sludge and will therefore be addressed under a separate technical assistance grant pre-application to the USDA. NMDC proposes to implement the first two strategies listed above as part of this scope of service.

Multi-Media Regional Training Program

Many northern Maine communities have less than 1,000 residents, are remote, rural, and contain limited municipal infrastructure. These smaller communities have limited access to needed training and technical assistance to manage their wastes efficiently. Solid waste management continues to be a large part of each municipality's budget. Municipalities need to have easy access to the latest data, information, training, and technology to maximize participation in new and on-going recycling and waste reduction programs.

In order to keep abreast of the latest developments in solid waste management, both regionally and federally, it is proposed that staff will become involved in the local chapter of the Solid Waste Association of North America (SWANA). All knowledge gained by this participation will be shared with the municipalities as applicable.

NMDC proposes to continue the multi-media outreach program that works collaboratively with municipalities, solid waste facilities and recycling programs to enhance and expand upon the services provided. Assisting these groups increase their recycling, composting, and waste reduction activities will work towards achieving the state waste management laws. These include a revised recycling goal of 50 percent by January 1, 2003, and the new goal of reducing the annual generation of municipal solid waste tonnage by 5 percent by January 1, 2003, and by an additional 5 percent every two years thereafter.

Geographic Information Systems

Historically NMDC has been the information center for our service area community, today our Geographic Information System (GIS) is helping NMDC continue this tradition and GIS will lead the way.

As we began to build our GIS capabilities it became immediately apparent that this technology would play an important role in the continued development of NMDC's Information/Data Repository. NMDC staff rapidly established the status quo for our in-house mapping requirements, executing a series of comprehensive plan maps in succession. At the same time, we introduced GIS to our region by hosting the first Northern Maine GIS Users Group Meeting entitled "Working IT". The conference was a huge success providing a forum for the exchange of information and ideas relevant to GIS and related technologies.

Topics covered at the GIS Conference were as follows: Global Positioning Satellite (GPS) data, the environment, public safety, community planning, mapping infrastructure, implementation of GIS systems, GIS and Environmental Analysis, Internet and GIS, GIS Education, Forest Management Planning with GIS and the Sable Island Natural Gas Pipeline and GIS. These topics were explored in round table discussions and concurrent sessions with speakers from private and public sector organizations from Maine and Canada.

As we honed our new skills we have been experimenting with data base information collected within our office and were able to create coverages of the Maine Economic Development Districts as well as shape files for each individual Economic District which can be queried by township. This was an interesting exercise because we here at the NMDC were the first to chart this data in such a way and these files have already been shared with other State of Maine planning organizations.

Over time NMDC's GIS program has continued to evolve, migrating across software and hardware platforms and investing in new and more powerful equipment. In 1999, NMDC's Mapping Department was moved into the Regional Planning Department to allow for more seamless workflow. At the time the two departments were combined, electronic map data had been created for 23 communities in our service area. Since that time, map data for 44 additional communities has been generated as a result of various contracts such as the Maine Department of Transportation work on the Aroostook County Transportation Study. NMDC staff have been collecting and archiving data from the Office of GIS in Augusta as well as from the US Census Bureau with the help of a grant from HUD for GIS Capacity Building.

Currently the Planning Department is using its GIS application in the development of mapping for comprehensive plans for the towns of New Sweden, Perham, New Limerick, Weston and the City of Caribou with more comprehensive plan projects proposed for the towns of Fort Fairfield and Fort Kent.

More and more, technology plays an important part of our daily work. NMDC has recognized this fact and has been enhancing our GIS capacity with the addition of a Global Satellite Systems (GPS) data collector. Our GPS data collector provides the ability to record spatial features in the field, combine them with related data and then bring this data directly to our GIS application.

The future of GIS at NMDC is a promising one. Taking a parallel course to that of the Maine Office of GIS NMDC will continue developing our GIS capacity while providing vital support to our member communities. The Empowerment Zone designation within our service area will give NMDC the opportunity to further our GIS efforts in the areas of technology, Internet, and community support. By continuing use of the latest technology, the most recent data and the latest techniques NMDC will remain on the cutting edge of GIS and will remain the data repository for our service area.

Program Highlights

Northern Maine Development Commission GIS Implementation Plan: In June of 2000, the NMDC GIS Implementation Plan was completed and staff began collecting spatial data for the region. A GIS data archive now exists at NMDC well in excess of two gigabytes in size. This Archive includes the available base data from 7.5" quadrangle sheets, 7.5" orthoquadrangle files for the entire NMDC service area and parcel line data for sixty-four of our member communities.

E-911: In working with the Office of GIS in 1995, NMDC hosted one of the first E-911 workshops in the state of Maine. More recently NMDC hosted a series of classes for prospective GIS Users. Introduction to ArcView GIS classes were held at the NMDC office and at the University of Maine at Fort Kent. NMDC continues to provide assistance for communities striving to implement E-911 through a continuing contract with the Maine Department of Public Safety.

Business Finance

The Business Finance Department administers NMDC's loan programs funded by the Economic Development Administration (EDA), the Small Business Administration (SBA), the Finance Authority of Maine (FAME), Department of Economic and Community Development with EDA (DECD) and the U.S. Department of Agriculture Rural Development (formally the Farmer's Home Administration). These loan funds now total almost \$9,000,000.00. With the exception of the SBA Microloan Program, the Business Finance Department provides loan funds to leverage other private and public funding for new and existing businesses in our service district. The Finance Department also provides business counseling and loan packaging on a contract basis for existing and new businesses, and community programs designed to assist business development in local communities. Technical assistance for a variety of public and private loan

programs as well as micro businesses is provided. The staff of the Business Finance Department will take the time to work with a business and pre-review the financial package so that a presentation to a primary lender is complete and accurate before the business makes its request for funding. Use of these loan funds has resulted in jobs created of 2664 and 3061 retained with a dollar per job amount of \$4,512.00.

EDA Revolving Loan Program (EDA BUS & EDA AGR)

NMDC administers two EDA loan funds: 1) the Business RLF provides low interest loans to new and existing industrial, manufacturing, and tourism businesses, and 2) the Agricultural RLF provides direct loans to agricultural businesses involved in manufacturing activities. Since the program's inception in 1978, these loan funds have created 1137 and saved 1277 jobs in our region. We have closed loans totaling \$9,200,138., which helped leverage \$54,366,679 in private and public financing.

SBA 504 Loan Program

As the region's Associate Development Company for Small Business Administration 504 loans, we process new requests and service prior loans. These are fixed asset loans for a maximum 40% of total project cost. The standard program of participation is 50% for conventional lender, 10% for the borrower, and 40% for the SBA

Intermediary Relending Program I, II and III

From a combination of three loans obtained from the the USDA - Rural Development, originating in 1998, plus match funds from NMDC and the State Department of Economic and Community Development, we have \$3,873,804.95.00 to lend in leverage funds to most types of businesses. These funds include the most recent loan to NMDC that will be used to help new and existing businesses in the newly designated Empowerment Zone. As of May 2002, this fund has created 391 and retained 458 jobs to date. We have made 53 loans for a total of \$5,002,298 and helped leverage \$22,936,161.00 in other private and public funding within our service area.

SBA Microloan Program (SBA MICRO I, II & III)

This is a small loan program that allows us to make up to \$35,000 available directly to businesses without leverage requirements, with the objective of providing capital to small businesses that cannot obtain credit from conventional sources. As of May 2002 the total of these funds is \$725,865.10. We have closed 57 loans totaling \$949,151.83.00 with 86 created and 161 retained jobs. These funds have helped leverage \$59,696.66 in other public and private funding.

RECD Rural Business Enterprise Grant Program (RBEG)

The RBEG is designed to support development of small and emerging private business enterprises in rural areas. We were granted a total of \$600,000 in RBEG funds. The repayment of these loans become the funds that make up the NMDC loan fund and they become available

for a number of uses. We have loaned a total of \$1,177,493.99 that created 147 jobs and retained 197 jobs with these funds.

Defense Diversification Loan Program (DDLDP)

Our DDLP program was a grant from DECD (originating from EDA and FAME) for \$1,200,000 in funding for businesses affected by the closure of Loring Air Force Base. The program was for businesses that had a direct contract relationship with the base, or those businesses that will hire displaced workers. We have helped leverage \$26,427,362. in private and public financing and created 397 and retained 262 jobs with this program. The program funds have now been combined with the EDA funding for future loans.

Regional Economic Development Loan Fund (REDLF)

We were awarded a total of \$1,200,000 in loan funds by the Finance Authority of Maine (FAME) to establish a revolving loan fund that will help local businesses use part of the bond funds obtained by the State for rural business assistance. The fund is currently at \$716,636.77, has created 315 and helped retain 397 jobs. The funds have leveraged public or private funds totaling \$25,808,834.43.

Loan Packaging

The Business Finance Department provides services to package financial request for existing and new business development in our service area. This service enables the proposed borrower to have a completed application package that they can take to the primary lender with confidence that will help shorten the processing and decision time of the lender. Many lenders refer prospective borrowers to this service for completion of the business plan and proformas. With the number of years of lending that the BFD staff has, this program also provides pre-analysis of the loan request by knowledgeable and professional seasoned lenders working with the borrowers primary lender. This assistance, provided for a fee (no fee if we are participating in the financial package with one of our loan funds), responds to direct requests from potential borrowers, as well as referrals from area bankers.

SBA Microloan Technical Assistance (SBA TA I, TA II & TA III)

We are awarded TA funds from SBA to provide Technical Assistance to those borrowers that we make loans to from the SBA Microloan Fund programs. This TA is intended to provide the ongoing support and assistance to these small businesses in order to help them grow and become sustainable businesses in our service area. We have a full time person that provided this service with a regular visitation schedule to meet with each business at least monthly. TA is provided in areas of management, accounting, marketing, personnel and many other areas that the business might need.

Other Services of the Business Finance Department

The department not only provides financial packaging for its loan programs and those of private lenders. It also provides up to date information and assistance concerning all state and Federal Business programs that could be of assistance to new or existing businesses in our service area. Having a network of contacts and a verity of sources for up to the date information helps the staff provide the best possible solutions for the business client. The respect and quality of the work of the department has earned it the confidence of the Federal providers of businesses services to assure that the business client can expect accurate and complete information when developing a business plan or a financial package.

The following charts show NMDC loan activity.

NMDC LOAN ACTIVITY: 5/1/01 to 4/30/02

PROGRAM	#LNS MADE	AMOUNT OF LOAN	LEVERAGED	JOBS CREATED RETAINED
IRP	1	250,000.00	2,193,000.00	18
IRP II	2	75,000.00	250,000.00	6
REDDLF	1	30,000.00	9,000.00	2
EDA BUS.	7	819,000.00	1,255,000.00	224
SBA MICRO I	3	60,000.00	5,124.16	11
SBA MICRO II	2	62,500.00	17,500.00	4
SBA MICRO III	3	55,142.30	572.50	1
NMDCRLF	2	75,000.00	224,000.00	10
DEF.DIV.	1	56,000.00	112,438.71	2
TOTALS	22	\$1,482,642.30	\$4,066,635.37	278
LOAN PACKAGING				
SBA 7A, SBA 504	0	0	0	0
WOMENS	7	1,469,000.00	875,472.00	
PREQUAL, B&I, OTHER PKG				

The 22 loans provided funding for 20 businesses of which 2 received funding from 2 funding sources.

NMDC REVOLVING LOAN FUND ACTIVITY As of 5/1/97

PROGRAM	#LNS MADE	AMOUNT OF LOAN	LEVERAGED	JOBS CREATED RETAINED
IRP	27	2,573,100.00	\$ 14,543,754.89	495
IRP II	0	0	0	0
REDDLF	4	315,000.00	15,002,130.00	189
EDA BUS & AG	102	7,099,146.13	42,561,510.51	2044
SBA MICRO I	25	371,000.00	0	133
SBA MICRO II	12	210,564.00	0	39
SBA MICRO III	0	0	0	0
DEF. DIV	7	1,439,000.00	22,799,033.34	486
NMDC/RLF	7	318,747.92	6,298,351.49	131
RBEG 1*	4	100,000.00	1,853,227.00	124
RBEG 2*	8	500,000.00	1,766,029.00	73
TOTALS	196	\$12,926,558.05	\$ 104,824,036.23	3714

NMDC REVOLVING LOAN FUND ACTIVITY As of 5/15/02

PROGRAM	#LNS MADE	AMOUNT OF LOAN	LEVERAGED	JOBS CREATED RETAINED
IRP	42	3,907,299.46	19,936,277.09	657
IRP II	12	1,094,999.26	3,497,584.90	191
REDDLF	22	1,311,075.93	26,773,316.81	725
EDA BUS & AG	122	9,194,303.33	53,536,630.06	2407
SBA MICRO I	33	534,932.38	10,124.16	162
SBA MICRO II	16	297,614.00	37,000.00	62
SBA MICRO III	8	116,605.45	10,572.50	23
DEF. DIV	17	2,192,541.21	26,427,261.84	659
NMDC/RLF	14	634,958.42	6,854,666.62	158
RBEG 1*	4	100,000.00	1,853,227.00	124
RBEG 2*	8	500,000.00	1,766,029.00	73
TOTALS	298	\$19,884,329.44	\$122,760,089.98	5241

- The Rural Business Enterprise Grant funds (RBEG) have been fully disbursed and repayments go into the NMDC/RLF

Program Highlights

The Business Finance Department has been very active this year. The Department has seen NMDC's available loan funds utilized by many businesses in our service area to the point that we have had to ask for additional funding from our Federal and state sources. NMDC has loaned out \$1,217,142.30 from July 1, 2001 to May 28, 2002. These loans helped to create 61 and retain 198 jobs. It also assisted in leveraging \$2,180,591.71 of other private or public funding to these businesses.

Kent, Inc.: This company, that NMDC assisted to provide the initial financial packaging and funding to save over 150 jobs in the Fort Kent area, has grown from 0 in sales to an anticipated 20 million in sales this year. The company has just started an expansion project that will create an initial 50 jobs and lead to the possibility of another 100 in the near future. This company has established itself with the national market that it provides its products to. You will now find their products in such stores as Walmart, Target, and General Drug (in Canada), and with such labels as Pampers. The company owners were awarded the SBA Business Person of the Year for 2001 at a ceremony held in New York City in May of 2002.

Beaver Brook Mill: The owner of Beaver Brook Mill has been purchasing specialty logs from northern Maine for several years. He would then have them delivered to a mill in New Hampshire for value added production and sell his products to primarily companies in the music instrument manufacturing business. He approached the NMDC to help finance a new mill operation that would be not only state-of-the-art for milling his raw material, but especially set up to maximize the usefulness of the raw material. The project involved the department in helping to add value to raw material resources in our service area that are then sold across the country and have provided some export opportunities. This company has a goal of creating 11 new jobs in Aroostook County.

Water's Edge, Inc.: This company is the new owner of what has been an historic location for camping and many recreational activities for the last 75 + years. It is located on Mud Lake previously know as the Crown of Maine campsite. The project entails development of a state of

the art camping and RV rental site with amenities including lake frontage, and recreational trail opportunities. The owners have moved to this area from out of state and have made a substantial investment in the project and our area.

Mikes Pickles: For several years the staff of the department has worked with the owners to develop a business plan, plant facility and distribution system to promote the product, and assist in finance diversification in the product mix to help make this business a success. With financing and counseling this business now has a manufacturing location rather than a home-based one that can meet the needs of the company's growth. With the collaboration of the department, the community and other departments of NMDC, the company now has its greatest opportunity to become well know for the quality and reliability of its products.

Eagle Lake Sporting Camps: With ongoing technical assistance, the department has helped the owners of this property complete more than 60% of the project goals in the last three years. Most recently NMDC assisted the owner in obtaining site permit changes and accommodated the installation of the second waste disposal system. This enabled the owners to have a salable product and to start advertising the property for sale (not owner's original plan but necessary due to health and other financial considerations). NMDC then worked with the new buyers to assure them that the project met all of the currently required regulations and inspections to proceed with development of the next and final phase of the project. As a tourism related project we feel that the completion of this project will have a great impact on the NMDC service area.

911 Disaster Assistance: The Staff of the BFD worked with several businesses to determine eligibility for the SBA 911 Disaster Assistance loan program. NMDC was successful in helping to obtain over \$800,000.00 and is still working on another \$820,000.00.

Fort Kent Revitalization, LLC: The department was successful in working with several equity investors from the Fort Kent Area in helping to keep open a long established business previously know as Route 1 Fashions. The new owners anticipate expansion of the current facility and retail product lines to greatly enhance the downtown area of Fort Kent. The owners are also have preliminary plans to expand the company with a new addition next door to the current location that will be a two story structure housing part of the expansion and also providing residential living space. Through collaboration with the community, private investment and primary lenders, projects like this are a great advantage to the local economy.

Previously Helped Companies that Became Notable Success Stories This Year

The department has had the opportunity to see several success stories this year that resulted in past assistance. The following are some of the companies that were able to pay in full their loans, thus making the funds available to assist other needs in our service area.

E. G. W. Bradbury Enterprises: This company obtained financial assistance from the BFD to restructure part of its debt in conjunction with its primary lender. As a result the company has now been able to obtain primary financing that enabled the NMDC to be paid in full.

Browning & Watson, Inc.: Assistance was provided by the BFD concerning the purchase of this Presque Isle Business. Since the original loan the company has been successful to the point that it has now paid NMDC in full with the assistance of its primary lender.

N.H. Bragg & Sons: This company purchased the auto parts stores known as Clukey's Auto Supply. With a financial package to assist in the acquisition, N.H. Bragg & Sons has been able to operate the business location in Aroostook County, in addition to its other locations within the State of Maine, thus retaining employees and this service in Aroostook County. They have been able to obtain a new buyer for these stores resulting in the ability to pay NMDC in full for the balance of the original amount loan to them.

D & D Stables: This startup company was assisted with funding through the BFD many years ago. It has grown steadily to the point that the owner now spends most of his time with this operation. He has been able to secure funds to pay us in full and continue growing his company on his own.

Visiting Nurses of Aroostook: This company and its primary lender approached NMDC to assist in its ability to stay viable within a market that the healthcare industry was not able to support. Through the BFD the company was able to continue and has now merged with one of the local hospitals while continuing to employ 160 plus people and provide a needed service to the residents of our service area.

General Comments

With demand for leverage funding increasing this last year, we found that approximately two million dollars that had been an average on hand amount throughout the later part of 1999 and 2000 would soon be used. With this knowledge the Business Finance Department applied for an additional loan to NMDC from the U.S. Department of Agriculture Rural Development in the amount of \$750,000.00 and the U.S. Small Business Administration for \$750,000.00. Both loans to NMDC were approved and are now available for relending to new or existing businesses in our service area. These loans to NMDC required match funding in the amount of \$382,500 that was obtained by NMDC from the State Department of Economic and Community Development through the Office of Community Development. The past history of the department to provide funding and technical assistance to businesses in our area since 1977 played a large role in securing these additional funds. We anticipate having available, through the new funding and repayments of existing loans, a total of over two million dollars available for the 2002-2003 year (July 2002 through June 30, 2003).

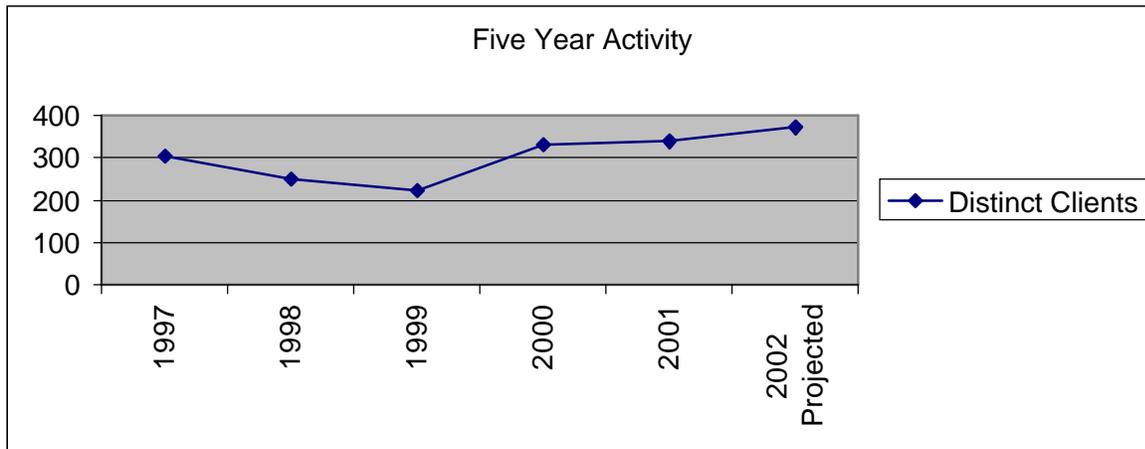
Small Business Development Center

Northern Maine Development Commission's Small Business Development Center provides comprehensive business assistance and information services to the small business community of Northern Maine through it's main office located in Caribou and starlight office locations in Houlton and Fort Kent. The focus of Small Business Development center services is to strengthen Maine's economy by helping small businesses grow and develop.

One-on-one counseling assistance is provided at no cost to potential and existing business owners and managers in the following areas; Business start-up and acquisition, sources of credit and financing, marketing and sales, market research, government procurement, recordkeeping, cashflow analysis operations and personnel management business liquidation/sale, business technical issues and other business related areas. The SBDC also offers training seminars and conferences on business-related topics at key locations throughout Northern Maine, minimal fees may be charged. Programs are geared to local and regional needs as well as fundamental business issues.

NMDC's SBDC assists three hundred plus small businesses annually. A five year trend analysis predicts that three hundred and seventy three clients will request some type of business counseling assisted during 2002.

	1997	1998	1999	2000	2001	2002 Projected
Distinct Clients	305	250	224	331	339	372



We can examine the five year client activity using several standards. Over the past five year period an almost equal number of clients receiving assistance were either In-Business or Pre-Venture, considering an entrepreneurial project.

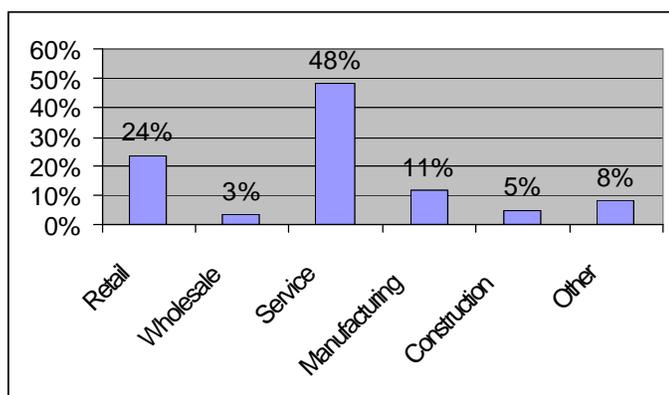
Pre-Venture 49.95%
 In-Business 50.05%

An Analysis of the types of businesses services yields this result

Business Type	No. Assisted	% of Total
Retail	210	20
Service	386	38
Wholesale	28	3
Manufacturing	120	12
Construction	32	3
Other	50	5

9 % of the SBDC clients indicated they were Veterans
5% of the SBDC Clients were non-white

We anticipate the demographic makeup of our client base to remain stable during the next five year cycle, but believe the actual numbers of clients receiving services through the Small Business Development Center program will drop off as the SBDC budget is adjusted by both our State and Federal partners. The adjustments will effectively eliminate one full time position from the program. The funding adjustments seem to be tied directly to the area's population base, which has been declining over the period.



Program Highlights

Maine Micro-Enterprise Initiative: The Aroostook County Action Program (ACAP) in partnership with the Northern Maine Development Commission (NMDC) received \$150,000 for a two-year “Micro Enterprise Initiative for Northern Maine”. This is the second year of the program which has expanded business assistance programs for micro-enterprises, including the application of technology in bookkeeping, marketing (e-commerce), and business data base maintenance. According to the 2000 State Economic Development Strategy, the support and growth of existing and emerging industries is a key component of the development of Maine’s economy and its place in the competition for economic prosperity. We hope to access additional resources to continue the efforts to assist and develop new Micro-Enterprises in our area.

Aroostook Business Information Group: This on-going effort continues to provide assistance to local businesses. With representatives from SBDC, SCORE, ACAP, UMPI, UMFK, NMTC, Aroostook Band of Micmacs, NMDC, and the local electric company participating, this organization has the ability to pool a vast amount of knowledge and expertise. The primary goal of the ABIG is to provide small businesses of Aroostook County with current information regarding sources of assistance and other resources available to them. The group also provides a medium for businesses to keep informed as to trends and events occurring not only at the local level, but the state and federal levels as well.

Northern Maine Business Sector Initiative: This project, a multi-agency collaboration, including Northern Maine Development Commission, The Maine Career Centers, Aroostook County Action Program and the Local Workforce Investment Board, analyzed the current structure and workforce needs of the area's business community.

The mission of the Northern Maine Business Sector Initiative (NMBSI) is to improve the job climate of Northern Maine. The job climate should be defined as the availability and access to well paying, personally satisfying and economically impactful employment. The purpose of the Northern Maine Business Sector Initiative (NMBSI) is to choose an appropriate business sector for workforce and economic development intervention. The appropriate sector will demonstrate an existing or projected need for staffing/employees. It will demonstrate the capacity to transform or create career ladders for current and newly created employment positions that will provide a living wage and benefit stream for all its employees. It also will be a sector that can utilize the area's resources and integrate into existing economic and community development strategies.

The Healthcare industry was selected as a targeted segment for an intervention project. The project will attempt to assist this industry sector develop career ladders, new approaches to recruitment, and facilitate linkages between the industry, labor, and training providers.

Other Community Activities Assisted by NMDC Satellite Offices

Katahdin Area Value-Added Technical Committee

In 1999, the Maine Legislature passed LD 1886, which provided funds for the Strategic Technology Initiative, a collaborative effort by the University of Maine System and Eastern Maine Development Corporation to examine technological opportunities using wood-based natural resources and the existing skilled labor pool in the Millinocket region. The initiative was expanded to include areas in the southern portion of NMDC's region as well. The working group included representation from industry consultants, private business, UMO and economic development. Inventories, focus groups and business surveys were tasked, completed and assembled to gain insight into available resources and industry trends. A Business Development Assessment and Grant Program was launched to try and spur technological innovation within the existing wood products companies in the service area.

To date the effort has provided some of the following insight.

- Those companies that have kept pace with technology upgrades are doing reasonably well.
- The politics of forest practices is having a chilling effect on large investment.
- Changes in land ownership and log distribution practices are becoming a problem for some companies and are inhibiting new investment within the wood products industry.
- Labor supply has tightened severely at all levels and in all areas. Turnover is high at the entry level and few skilled people available for technical jobs.
- Although well-established and larger companies have access to capital, little investment is occurring due to market fluctuation, risk and low returns. There is inadequate access to capital for new entrants to the industry.

- Tying public financing to job creation is counterproductive as technology generally improves productivity and efficiency. Investment should be based on quality of jobs, not quantity.

The lack of interest in the Business Assessment Program seems to indicate that many smaller wood products companies are struggling to do business as usual and have little time for innovation, new products or process ideas. In the next few years, more effort will be placed on providing focused business management assistance, friendlier financial program development and labor force solutions. Generally speaking, the wood products industry will evolve into more composite materials integration, mechanization and automation as a result of rising raw material costs, availability and a shortage of labor. Job creation will take a back seat to job quality.

Smith & Wesson

In early 2001, Smith & Wesson's Houlton facility successfully competed for and received the contract to manufacture the Walther PPK handgun. As a result, Smith & Wesson received assistance from the Maine Quality Center for an aggressive and accelerated training program to help meet production schedules. Maine Applied Technology Region II provided much of the training through the Houlton center. The program provided a pool of over 20 qualified applicants and was so successful that S&W requested assistance again in the spring of 2002 for additional 15 prospects. MQC staff housed at Northern Maine Technical College will continue to provide an important service to both new and expanding businesses in the Northern Maine region, providing customized training in machine tool, health care, information technology and a host of other technical disciplines.

NxLevel Agricultural Entrepreneur Course

Many regional agricultural businesses have historically struggled to keep pace with changing markets and business practices. Contributing factors were lack of expertise in certain areas, lack of available information and resources and appropriate training opportunities. With the help of Heart of Maine RC&D, a collaborative effort including representation from USDA, St. John Valley RC&D, NMDC, University Cooperative Extension Service, Maine Small Business Development Center, public and private industry partners was formed. The goal was to identify the curriculum needed and develop a program that would provide the curriculum in a readily accessible manner to the farm business community. NxLevel™, a nationally recognized training program, provided the necessary content and could be delivered in a format that would meet the schedule of most farm operations. The course entitled "Tilling the Soil of Opportunity" was delivered in 7 one-day sessions over 4 months and was successfully completed by 12 different farm-based businesses. Scholarships were offered to offset some of the tuition expense and made the course more attractive to those attendees with limited financial resources. Training topics covered planning/research, legal issues, management practices, marketing strategies, budgeting, financial analysis and resource development. Course graduates were lectured by professionals in each topic area participated in group exercises and wrote complete business plans for their individual endeavors. They left the educational experienced armed with a wealth of resources and a sense of community with their fellow students.

This type of training proved to be well received and valuable to those that committed their time and energy to the process. In the future, courses such as NxLevel™ should be offered to other existing small business enterprises, start-ups and entrepreneurs in addition to agricultural based businesses. In collaboratively bringing these training opportunities to the region, the empowerment of small businesses can be achieved.

JMC corporation d/b/a Porter's Woodworking

JMC Corporation purchased Porter's Woodworking of Patten in 1994 and subsequently experienced excellent growth. Porter's is currently the largest supplier of wooden canoe parts in the country. Growth did not come without a price however, and the company was faced with some difficult decisions in 2001. Worker productivity was down, production costs were up and cash flow suffered. The terrorist attack on September 11 further exacerbated the problem and JMC was forced to reduce its workforce from 40 to 15 jobs. Due to the importance of the jobs provided by JMC, the town of Patten applied for and received Development Funds through CDBG to assist the business in retaining employment by taking measures to improve productivity and broaden its customer base. JMC Corporation, like many small manufacturing enterprises, lacked certain expertise in accurately estimating costs of production and product profitability. With assistance from the Maine Manufacturing Extension Partnership, an experienced consultant was brought onboard to identify areas needing improvement and develop a customized program to better track production and labor costs. Efficiencies continue to improve at the facility, and with the additional funding, further implementations are expected to produce a healthy bottom line through better management practices. This type of assistance will become more necessary for many manufacturers as they face tighter profit margins and off-shore competition, but better funding mechanisms need to be developed to help offset the cost.

Upper Valley Economic Council

The Upper Valley Economic Council was formed in 1999 to champion business attraction and expansion in the Katahdin valley region that includes Sherman, Stacyville, Patten and Mt. Chase. The organization received a planning grant to develop a Community-based Economic Development Strategy, which inventoried assets and identified weaknesses, opportunities and threats to economic development. The plan ultimately produced a set of goals, objectives and strategies aimed at proactively meeting the many challenges in rural economic development. Though the organization has undergone many personnel changes, they continue to make headway in achieving many of the objectives set out in the plan. In April 2002, municipal leadership took on the objective of exploring a regional industrial development site to be shared by the area towns. Once public support is in place, funding will be sought for a feasibility study to determine the best site location and layout targeted industrial sectors, necessary infrastructure improvements and costs. This type of regional approach to development is likely to become the only cost effective means of preparing rural communities for new investment and employment opportunities to reduce outmigration of young people.

Tourism

Tourism in Northern Maine has taken great strides over the past five years. After decades of consistent outmigration patterns, Northern Maine has begun to receive a substantial share of

tourism-related visits. Based on a Longwoods International tourism study conducted in May of 2001, it is obvious that tourism is beginning to play an integral role in the economic sustainability in Northern Maine. Based on this study, Aroostook County saw an average of 474,000 trips per year. Of that amount, approximately 80% stayed overnight, while the remaining 20% merely passed through the area. To further break it down, of the 379,000 overnight trips, 45% were visiting family/friends; 38% were on a marketable pleasure trip; and 17% were on business related travel. The average length of stay for the overnight traveler was 6.8 days. As indicated by this study, tourism and travel is a major industry for Aroostook County. With that being said, however, there is substantial room for improvement both in infrastructure, inventory, and marketing.

One example of success in these areas is the snowmobile industry. In the past 10 years this industry and thrived as a direct result of an aggressive marketing campaign that took place in the early 1990's targeting tourist from outside the region, partnered with efforts by local clubs to improve the trail system. By best available estimates, tourism revenues have increased 40% since 1998. This success story now needs to be translated into other areas to make Aroostook County a four-season destination.

The state of Maine has recently taken steps to help this happen. The State Office of Tourism is aggressively marketing the state to potential visitors, and legislation was passed that earmarks substantial funding to regional tourism organizations, such as Aroostook County Tourism. In addition, with the recent Empowerment Zone designation, Aroostook County will have the opportunity to apply for additional grant money that can be focused on tourism.

The next five years holds great promise for tourism in Northern Maine. With the increasing popularity of outdoor vacations, Aroostook County is well positioned for growth. The groundwork is being laid for promoting Northern Maine as a four-season vacation destination by analyzing and developing the region's tourism infrastructure. A master database of what is available in tourism-related industry is being created that will help to evaluate the region's strengths and challenges.

Efforts will be made to duplicate the snowmobile marketing efforts and to establish other outdoor activities as "vacation draws" in areas such as All Terrain Vehicles. It is a fact that ATV sales outnumber snowmobile sales by a margin of four to one. People snowmobile in Northern Maine for a number of reasons. Some of those include the beautiful scenery, condition of the trails, low traffic patterns, and the quality of the people residing in Aroostook County. Northern Maine could draw ATV riders to the area for the same reasons. Marketing efforts will increase in other outdoor activities such as biking, hiking, canoeing, golfing, skiing, camping, fishing and hunting, to name a few. In addition, opportunities in heritage tourism will be developed and marketed. Northern Maine is rich in diverse cultures and history, and heritage tourism is a growing trend in the industry, which makes this a logical progression for the area.

Throughout this process relationships with tourism partners will continue to be strengthened. These include groups such as Aroostook County Tourism, local chambers of commerce, government agencies, tourism-related businesses, non-profit organizations, and anyone else interested in the tourism industry.

Program Highlights

Maine Tourism Marketing Program: This program, originally a component in the NMDC Marketing Communications Program in 1995, has successfully continued over the years. Although funding has been reduced and a match is required, participants have stretched dollars to develop award-winning promotional materials and a comprehensive advertising and marketing plan to promote Aroostook County as a tourism destination.

Toll-Free Tourism Line: A toll-free tourism number, featured on all tourism promotional materials and ads, comes into NMDC. Staff members take the calls, and fill out a short survey with information on the caller (name, address, etc.) and where the caller saw the ad. In addition, to a central contact for fulfillment, the information from the initial caller survey provides a basic database to assist in targeting market sector, and to assess the success of marketing activities.

Discovery Channel's Travel Channel: A highlight of the 1999 year was the filming of a feature on Northern Maine's winter recreational and cultural opportunities. A five to six minute scene in one episode aired on *Discovery Channel's Travel Channel* with a minimum of one re-run. Teaching Learning Network's (TLN) Public Relations Department distributed articles and editorials in both regional and national magazines and newspapers. The show was also promoted in four color print advertising in national publications such as *US News and World Report*, *Redbook*, and *Travel & Leisure*.

Tourism Development Office: In 2001, Aroostook County Tourism, Inc. (ACT) and NMDC received two grants from DECD to assist in enhancing northern Maine as a tourism destination. The first focused on promotion efforts and the second on tourism development. NMDC and ACT formed a service agreement and a new staff person was hired to address infrastructure needs through the new Aroostook Tourism Development Office. ACT also reorganized with new bylaws and a new board of directors that increased the comprehensive and regional approach to tourism development, highlighting the diverse cultural and recreational tourism opportunities in the area.

www.visitaroostook.com Web Site. A web site, www.thecounty.com, was designed in 1999 to support NMDC's business attraction and tourism promotion efforts, with information on festivals and attractions all over The County. There were also links to other sites. In 2001, a redesigned web site was implemented called www.visitaroostook.com.

Evaluation

Evaluation of Existing and Potential Assets and Liabilities of the Region that May Impact New Growth

A complete assessment of assets and liabilities of the region can be reviewed in Volume II, Section 2 of the Strategic Plan. The assessment section gives a holistic view of the circular issues that create liabilities that may affect new growth. The assessment also provides information regarding the assets of the region. However, qualities such as lifestyle, quality of

life, and work ethic, that bear a philosophical rather than sociological foundation, are an intrinsic element in achieving the goals and objectives of the Strategic Plan. They are some of the undefinable assets that hold together a region striving to stabilize its population and preparing for an increasing aging population. These types of assets also provide reasons for the younger age population of the region to stay or return later on. The elements of work ethic, quality of life, etc. also are qualities in the very fabric of northern Maine people and give the area its great numbers of social capital. The region's social capital manifests itself into what are extensive costs to communities who do not have a high level of social capital. These costs are alleviated in such activities as volunteer drivers for seniors, educational and social service assistance, and business mentoring programs.

Evaluation of Program Experience During the Past Five Years

The ultimate purpose of the 1997 overall Economic Development Program was “to create jobs, foster more stable and diversified economies, improve living conditions, and provide a mechanism for guiding and coordinating economic development.” The 2002 CEDS Update as part of the Strategic Plan outlines much the same goals with the addition of social services and community development to broaden the scope of the Update. The focus of the CEDS is primarily job creation and retention over a five year period through the planning and implementation process with the NMEC (formerly NMEDC). It has been determined through the evaluation of program experience over the past five years that it is especially important to track the integrative effects of job creation and retention in the development of the education, social services, health, and other sectors, and vice-versa. Over the last five years the NMEC was focused on value-added natural resource industries, precision tool/electronics manufacturing, telecommunications, tourism, and international trade. Two goals and their accompanying objectives were developed to address this focus. The following is an evaluation of the program experience for each goal.

Goal 1: Retain and expand existing industry and attract new investment into the region.

Objectives:

- Continued implementation of NMDC's Marketing Communications Program, funded through the Economic Development Administration and the Maine Department of Economic and Community Development.
- Pursue funding to continue the Marketing Communications activities into the future.

In 1997, the Marketing Communications Program activities were targeted toward industry sectors that could make the best use of the region's resources: value-added natural resources, precision metals/electronics manufacturing, telecommunications, and tourism. There seemed at the time these strategies were written that associate job creation numbers directly to a marketing campaign would be difficult. In 2002, NMDC and its partners have integrated a detailed and easily accessible benchmarking system to monitor job creation and retention and economic impact.

1. Business Attraction – This strategy just began in 1997 and has expanded in the last five years. The direct mailing campaigns to businesses in the Northeast U.S. and Canada

looking for expansion and relocation opportunities was conducted as well as trade meetings and continued contact with businesses. Trade shows were attended for targeted industry sectors. The results have proved very successful and the business attraction program continues presently. This is a long term strategy needing constant effort. Presently results are excellent with 10 Canadian businesses in talks with NMDC considering location or expansion to northern Maine.

2. **Planned Tourism Development** – Over the last five years NMDC continued its print and television advertising campaign, which was directed at the southern Maine market, and promoted attractions and events in all four seasons. Collaborative efforts with ACT (Aroostook County Tourism) and the Aroostook Chambers of Commerce (ACC) was effective, but more was needed to enhance strategies to avoid repetition and burnout. Careful monitoring of tourism growth was just beginning to be implemented during this time. Surveys were brief and mainly asked if those who called in for travel packages actually came. Activity on the NMDC toll-free tourism line is kept, but calls have begun to drop off over the last year. Through these strategies a more centralized effort has evolved, the NMDC Tourism Development Office. This office in collaboration with ACT and ACC established new By-Laws, developing a more concentrated effort by centralizing tourism infrastructure and activities in one central location. This currently gives more time for individual chambers and organizations time for their projects and makes regional projects an easier coordinated effort by the Development Office.
3. **TOP Program** – NMDC took the lead in 1997 to organize the Targeted Opportunities Program (TOP). This highly successful program is now in its second phase of development. the program is readying itself to focus on the development of “homegrown” businesses, and will consolidate the region’s business development resources to create the business and then spin it off into the private sector. Presently, through the efforts of the past five years, the program has had its first meeting, established By-Laws, is forming a board, and going through the process to become a corporation. The organization has named the program the Northern Maine Equity Capital Corporation.
4. **The In-County Campaign of 1997** has accomplished the goals of reducing negative attitudes and pessimism relating to the region’s economic development. NMDC used newsletters on marketing campaign efforts and the quarterly television show called “Eye on Aroostook.” to inform local residents about marketing efforts in the region. The In-County campaign was so successful it has transformed into the present 2002 One Aroostook Initiative. Partners in the initiative include DECD, local communities, trade association, and industries. It has received \$400,000 for these efforts.

Objective: Expand and diversify natural resource-based industries.

NMDC has provided special attention to the natural resource-based industries since 1997. The strategy at that time related to the agricultural industry and the increasing trend to encourage diversity and add value to local farm products. In addition, since 88% of the region’s land area is

forested, priorities in the strategy addressed providing raw product to local paper and lumber mills, and becoming more competitive with subsidized Canadian mills.

1. New value-added industries – NMDC actively pursued and coordinated public and private resources to finance the start-up and expansion of viable natural resource-based companies in Northern Maine. This included several mill operations and wood processing facilities. This strategy was just the beginning of the efforts being conducted in 2001 to expand Valley Paper Company, LLC in Madawaska and the Maine Woods Company in Portage Lake.
2. Diversify crops and associated processing industries – NMDC planned continuing support for initiatives to grow and process diverse crops such as flax, spinach, broccoli, carrots, and peas. Since 1997, the processing market, especially in potatoes has grown substantially. In an effort to prepare for better quality products for processing, not only in potatoes, a new potato storage research facility plan has been awarded funding to be built. This facility will not only improve the quality of potatoes, but can be adjusted to provide top notch storage for other types of vegetables waiting for processing. In addition, now in 2002, Maine is now the third largest broccoli producing state in the nation. The initial strategy established in 1997, has been highly successful and ongoing.
3. Develop export opportunities for agricultural and forest products – In 1997, NMDC planned to continue to pursue funding for the Potato Export Development Project introduced in 1996. The project planned to expand export markets for tablestock, seed, and value-added potato products in the Caribbean, North Africa, South America, and Southeastern Europe. Now, in 2002, this project has made amazing strides in attaining its goals. Seed potatoes have been exported and planted in Venezuela, Uruguay and the Dominican Republic. These plots were successful and the markets to provide seed stock to these countries is being pursued. Another country being ardently pursued is Cuba and a trade mission is planned for this year with a reciprocal visit from Cuba. A \$14,800 grant from USDA-Rural Development has been awarded this year for these efforts.

Objectives:

- Coordinate financial and other business development resources to assist the expansion of existing business and new business start-ups.
- Pursue new and innovative sources of funding to meet business needs and to support business development.

One of Northern Maine's greatest strengths is still how well the community comes together to provide an immediate response to business development opportunities. As was stated in the 1997 OEDP, NMDC will continue to take a leadership role in coordinating the necessary support from local, state, and federal entities to ensure the success of projects. NMDC will also pursue new programs through which NMDC will assist expansion of existing business and new business start-ups. These include: Business Finance, Manufacturing Extension Partnership, Business Development Program, and the Small Business Development Center. Accomplishments of the past five years, 2002 highlights, and future trends are given in greater detail in the section of planning and economic development activities of local, state, Federal, and private agencies.

Objective: Coordinate the role of education and training with the needs of business.

In 1997 the OEDP planning process identified that there is training available to upgrade the skills of the labor force in Northern Maine. The following strategies were identified as avenues to accomplish this need.

1. Maine Quality Centers – This 100% state funded program of the Maine technical College System, recruits and trains workers for new and expanding businesses. This program, ongoing in 2002 provides companies with the academic and high performance skills needed to compete in a global economy. Since 1997, the program has trained 717 people for new jobs. This trend is expected to continue through the next five years.
2. Governor’s Training Initiative – This program is a reimbursement program for training costs that Maine companies incur in circumstances such as expansion, retention, or upgrading operations. Over the past five years the program has resulted in 518 new hires in businesses, and a 1,161 incumbent worker retrainings. This demonstrates the continued need for retraining for the skills Northern Maine needs in its work force. A total investment of \$1,003,297 was invested between 1998 and 2002 in training. Over the next five years, it is expected to average \$500,000 a year and provide training for at least 1,000 workers per year.
3. Business & Industry Training Center – Support for Northern Maine Technical College’s pursuit of funding to establish a facility for workforce training programs such as the Maine Quality Centers program continues from 1997. In 2001, a conference center and offices, a part of the project, were built. The Business and Industry Training Center facility has been designated a top priority project for EDA consideration and ranks number two on the list.

Goal 2: Upgrade the condition and capacity of the region’s infrastructure systems to enable local businesses to become more competitive.

Objective: Maintain and expand the district’s transportation system.

In 1997, the CEDS identified through the planning process that the cost and access of transportation was a barrier to doing business in the region. It was established that the maintenance and expansion of the system would promote economic growth by allowing businesses and industries to become more competitive with other regions of the country. The activities focused on improving the quality of the region’s road transportation system in an effort to provide businesses, residents, and visitors with a time and cost efficient multi-modal system: all activities were completed and some are continuing. They are as follows:

1. Region 1 – Regional Transportation Advisory Committee (RTAC) – NMDC worked continuously with RTAC over the past five years and developed the Regional Advisory Report for Region I (2002). NMDC will continue to assist the Maine Department of Transportation (MDOT) in administering the RTAC program for this district.

2. Limited Access Highway – NMDC assisted MDOT in taking each necessary step towards the construction of a four lane, controlled access highway from the southern portion of the county to the northern portion. The project called the North/South Highway compelled a study and has now finalized four corridors for consideration by MDOT (2002).
3. Presque Isle Intermodal Project – The Presque Isle Intermodal Project and road reconstruction was completed in 2001. In 19993 the City of Presque Isle received a \$2.275 million appropriation from the Department of Housing and Urban Development to develop a truck-rail facility in the Skyway Industrial Park. A marketing study completed in 1995 found the project feasible and NMDC assisted Presque Isle in applying for EDA and DECD funding. The facility is continuing to implement its marketing plan.
4. Road Surface Management System (RSMS) – NMDC continues to provide local communities with a contact service that uses a software package that inventories a community’s local roads and then provides data on costs and priorities for repairs, based on present condition and amount of use.
5. Route 11 Corridor - This project is complete. NMDC, along with LEAD (Leaders Encouraging Aroostook Development) assisted the Route 11 Corridor Committee to receive \$17 million from the U.S. Department of Transportation to upgrade a 56 mile stretch of Route 11 from Sherman to Ashland. Businesses were forced to limit loads during winter and spring thaws due to the condition of the road. This placed an extreme hardship on the businesses transporting products to market. A survey established that being forced to use alternative routes would cost business owners over \$3 million in an average year.

Objective: Modernize and expand the district’s telecommunications infrastructure.

In 1997 telecommunications and its increasing importance in developing businesses was identified.

1. A Point of Presence was established in Houlton and will be used in the implementation of the E-911 system for Aroostook County.

Objective: Community development through the improvement of municipal infrastructure and housing stock to meet the needs of residents and businesses.

In 1997, Aroostook County identified the continuing need to maintain and improve public infrastructure and local housing to provide adequate and safe services for both businesses and residents. These included funding for sewer and water facilities, road reconstruction, and other projects at the municipal level.

1. Community Development Projects – NMDC worked during the past five years to keep an active relationship with communities to keep them informed of programs for which they

may be eligible. As an EDA-designated Economic Development District, NMDC assists communities in obtaining infrastructure funding for regional development projects under the EDA Public Works Program. In addition its outreach efforts involve communities in the Community Development Block Grant Program continues.

Objective:

Encourage linkage of Northern Maine to the Maritimes and Northeast Pipeline (natural gas) to provide a low-cost energy option for the region's businesses.

1. NMDC has continued to work in partnership with local legislative leaders to stay abreast of this development over the past five years, and to urge the Maritimes & Northeast to create a spur line to serve Northern Maine. Another option to run a line down the South Shore of the St. Lawrence River is being examined. The project is expected to continue in the feasibility phase with studies. In 2002 the energy market is very unstable, however, it is expected to continue to plan and examine the feasibility of this project.

3) Goals, Strategies, Benchmarks, and Tasks

Goals and Strategies

The goals and accompanying strategies are listed in Volume II, Section 3 and 4. In 2001, the NMEC through a participatory process combined the eight goals of the previous year's Strategic Plan into four goals. The participants in the process and the means by which they developed the goals are described in Volume II, Section 2, which details the assessment that was conducted to determine the issues. Additional details of the planning process leading to the four goals are contained in Volume I, Section 1, page 14. The four goals were derived from a planning process that began in 1998 to address the issues of the Aroostook Champion Community. Although the Aroostook Champion Community, now the Aroostook County Empowerment Zone, does not encompass all the Northern Maine Economic Development District service area, it was determined that the four goals and their strategies would be applied to the entire service area. These goals are the framework for the next 10 years of the Strategic Plan with the corresponding projects and benchmarks.

Benchmarks

In 1999, NMDC, coordinating with the NMEC, developed and posted projects on an interactive website provided by USDA-Rural Development. Thirty-nine projects were posted with short and long term target dates. To post a project involved detailing the project on an electronic form in the system that described tasks to be completed, funding sources, partners etc. This electronic form is still in use in 2002 and is referred to as a benchmarking form. A form, or worksheet, is attached at the end of this section. The posted projects formed the framework by which the Strategic Plan was able to monitor project activity and benefit in the Aroostook Champion Community. Detailed reports on every project outcome were developed electronically. In 2002, it was determined that this would be an effective way to track all projects in the Northern Maine Economic Development District. Thirteen new benchmarks were added to the original 39 to provide broad goals under which tasks can be added as necessity arises over time. These broad benchmarks allow more flexibility and are as follows.

Benchmark #1 (Social Services)

Develop new and expand existing social services to meet the needs of all population age groups.

Benchmark #2 (Education-Employment and Training)

Upgrade educational facilities, equipment and services, including employment and training.

Benchmark #3 (Housing)

Assess and improve existing and/or build new housing through assistance programs that address affordability, safety and adequacy.

Benchmark #4 (Public Infrastructure)

Improve public, private and non-profit infrastructure.

Benchmark #5 (Transportation)

Provide a seamless transportation system.

Benchmark #6 (Business and Economic Development)

Provide support for business development, and job creation and retention.

Benchmark #7 (Health)

Develop a seamless health system with adequate access, services and infrastructure for all residents.

Benchmark #8 (Minorities)

Provide opportunities for services, programs, support and assistance for minority populations and the very low income, elderly, disabled, women and children.

Benchmark #9 (Natural Resources – Agriculture & Forestry)

Protect natural resources while providing for the development of natural resource-based business sectors including forestry and agriculture.

Benchmark #10 (Tourism)

Develop the tourism industry.

Benchmark #11 (Native Americans)

Support economic and community development opportunities for the preservation and advancement of Native Americans.

Benchmark #12 (Ongoing Programs)

Provide region wide programs that support diverse economic and community development projects and programs.

Benchmark #13 (Projects Outside the EZ)

Develop and support projects outside the Aroostook County Empowerment Zone that partner, collaborate, and/or compliment projects and/or programs within the Aroostook County Empowerment Zone.

These 13 new benchmarks are the 2002 objectives. During the coming months, the original 39 benchmarks, which were specific projects or tasks, will be designated inactive and those not completed will be placed as tasks under the corresponding benchmarks listed above. These benchmarks are all both near-term and long-term over the next 10 years. They were chosen not only on the need to address them immediately, but through the realization by the NMEC that a long-term commitment to each goal will be necessary to accomplish the projects under each strategy and reach the four goals of the strategic plan. In addition, projects/tasks listed in the 2001 CEDS and Strategic Plan Volume II, Part II, Section 1 and 2, will be placed under the benchmarks/objectives listed above.

Tasks

All existing projects were scored and placed in order according to sector and score outcome. A sample of the scoring instrument is located at the end of this section. The following list of tasks is organized by rank with the highest scored projects appearing first and so on.

- Notes:** 1) This list does not include projects currently in the two-year work plan for the Empowerment Zone.
2) * indicates this received the same score as another project in that category
3) **Bold indicates a potential EDA project.**

Social Services

1. Catholic Charities of Maine/Region-wide Big Brother, Big Sister Program
2. Aroostook Mental Health Center/Expand Behavioral Services for Older Adults
3. United Way of Aroostook/Develop Volunteer Database and Program
4. Aroostook Mental Health Center/Behavioral Health Community Awareness Campaign

Education

1. Houlton Higher Education Center/Manufacturing Technology Educational Program
2. Northern Maine Technical College/Provide Outreach Training to Upgrade Present EMS Personnel and Train New Personnel
3. Aroostook County Superintendents Association/Technology Program to Implement Learning Results
4. University of Maine at Presque Isle/Renovate, Relocate and Build Infrastructure
5. *Northern Maine Technical College/Provide Distance Learning Components for the Information Technology Certificate Program
*University of Maine at Fort Kent/Build and Renovate Infrastructure at the University of Maine at Fort Kent
6. Aroostook County Superintendents Association/Develop Comprehensive After School Program with Recreation Department
7. University of Maine at Fort Kent/Construct Building to House Acadian Archives
8. Maine School of Science and Mathematics/Build a new 100 Bed Residence hall with Attached Cafeteria and 2 General Classrooms
9. *St. John Valley Technology Center/Develop and Implement a Recreational Entrepreneurship Program that Teaches the Repair and Maintenance of Recreational Equipment
*University of Maine at Fort Kent/Construct a Sports Center and One Residence Hall
10. Maine School of Science and Mathematics/Provide Scientific and Technological Equipment for Additional 100 Students
11. Aroostook County Superintendents Association/Improve School Infrastructure in SAD #1 and Caribou Schools
12. MSAD #29/Gifted and Talented Education Program
13. MSAD #20/Adult Daytime Learning Center

Housing

1. Northern Maine Development Commission/Conduct Region-Wide Housing Assessment
2. City of Caribou/Family Housing for the Homeless
3. Town of Houlton, Sinclair and Fort Fairfield/Housing Developments for Low Income and Elderly
4. Town of Limestone/Housing Rehabilitation Program
5. Town of Chapman/Housing Rehabilitation Program

Law Enforcement/Homeland Security

1. Maine State Police-Aroostook County Sheriffs Department/E-911 Implementation – built, need operating \$

Public Infrastructure

1. Town of Madawaska/Water System Improvement Project
2. Town of Fort Fairfield/Rehabilitate Armory into a Public Safety Building
3. *Town of Houlton/Industrial Park Improvement Program
*Town of Houlton/Construct Industrial Park Drainage System
4. Town of Limestone/Water and Sewer District Improvements
5. Town of Van Buren/Upgrade Wastewater Facility and Divert Storm Water from Sewer
6. Town of Eagle Lake/Purchase Additional Acreage for the Industrial park and Extend Water and Sewer Lines
7. Town of Eagle Lake/Construct a Public Library-Chamber of Commerce-Community Center Building
8. Town of Fort Fairfield/Town Office-Municipal Building Improvements Including Handicap Accessibility

Transportation

1. Maine Department of Transportation/North-South Highway Construction
2. **Town of Fort Fairfield/Rehabilitation of B&A Railroad**
3. City of Presque Isle/Northern Maine Regional Airport Hangar Facility Construction
4. **Town of Houlton/Construct the Houlton Intermodal Facility**
5. Town of Easton and McCain Foods USA/Connector Road Construction between Route 163 and 167
6. City of Presque Isle/Gouldville Bridge Rehabilitation
7. Town of Houlton/Reconstruction of Bangor Street in Houlton
8. Town Houlton/Construct the Houlton International Airport Public Works Garage
9. Caribou/Cary intersection project – new, not scored

Telecommunication

1. Town of Houlton/Telecommunications Upgrade to Support Growth of Telecommunications Industries

Economic Development

1. **Loring building upgrade for incoming business – in pipeline, not scored**
 2. Town of Easton and McCain Foods USA/McCain Foods USA Expansion
 3. **Regional Projects/Develop Two Regional Industrial parks**
 4. **Town of Easton and McCain Foods USA/Expansion of Wastewater Treatment Facility to Accommodate Industry**
 5. ***Regional Projects/Spec Building Development Program (2)**
*Aroostook Communities/Maine Winter Sports Center
 6. **Irving and LDA/Irving Wood Processing Facility**
 7. **Town of Fort Kent and NorSun Food Group, Inc./Construction of Additional Lagoon to Accommodate Industry's Wastewater**
 8. ***Loring Development Authority – Loring Commerce Centre/Infrastructure Improvements-Sewerage Treatment and Other Water Plant Improvements, Construction of Rail Handling Facility and Warehouse and Aviation Upgrading to Hangar and Ramp**
- *City of Caribou and Maine Frozen Foods/Upgrade the Industrial and Municipal Capacity of the Wastewater Facilities in the City of Caribou – funded, work in progress
9. Loring Development Authority-Loring Commerce Centre/Demolition of Nose Docks and Housing
 10. **Town of Van Buren/Van Buren Industrial Building**
 11. **Town of Houlton/Develop Micro-Business Park**
 12. Town of Limestone/Downtown Revitalization
 13. Town of Eagle Lake/Eagle Lake/Winterville Micro-Loan Program

Health

1. The Aroostook Medical Center/Addition to Imaging Center
2. Northern Maine Medical Center – Hospital Improvement Program
3. City of Caribou/Fire and Ambulance Facility Expansion

Native Americans

Separate funding is available

Natural Resources and Recreation

1. Aroostook County Tourism/Expand the Tourism Development Office and Implement Regional Tourism projects that Maintain a Balance Between Natural Resources and the use of those Resources for Tourism
2. Town of Houlton/Construct ¼ Mile of a 5 Mile Greenway Trail
3. City of Caribou/Recreation Department Facility Expansion (Armory)
4. St. John Valley Technology Center/Develop and Implement a Recreational Entrepreneurship Program that Teaches the Repair and Maintenance of Recreational Equipment and Environmental Preservation
5. Town of Eagle Lake/Purchase Land to Expand the Beach and Recreation Area
6. Town of Eagle Lake/Construct a Storage-Recycling Building

Selecting Priorities

Out of this list, potential EDA projects were pooled and presented to the NMEC for review in the following format.

Transportation

1. Town of Fort Fairfield/Rehabilitation of B&A Railroad – need more info, not ready
2. Town of Houlton/Construct the Houlton Intermodal Facility – need more info on status

Economic Development

1. Loring building upgrade for incoming business – approved at NMEDC meeting, in pipeline
2. Regional Projects/Develop Two Regional Industrial parks – need feasibility study, St. John Valley & UVEC
3. Town of Easton and McCain Foods USA/Expansion of Wastewater Treatment Facility to Accommodate Industry – move down, delayed
4. Regional Projects/Spec Building Development Program (2) - too early, must do feasibility studies (#2 first)
5. Irving and LDA/Irving Wood Processing Facility - delayed
6. Town of Fort Kent and NorSun Food Group, Inc./Construction of Additional Lagoon to Accommodate Industry's Wastewater – needs feasibility study
7. Loring Development Authority – Loring Commerce Centre/Infrastructure Improvements-Sewerage Treatment and Other Water Plant Improvements, Construction of Rail Handling Facility and Warehouse and Aviation Upgrading to Hangar and Ramp - ready
8. Town of Van Buren/Van Buren Industrial Building – hold/review, park spec building?
9. Town of Houlton/Develop Micro-Business Park

EDA Priorities

On May 7, 2002, an NMEC subcommittee reviewed the projects; ranked them according to job creation and retention potential, readiness, immediacy, economic impact, and committed partnerships; and made recommendations to the NMEC. Of these projects, and those EDA projects in the Strategic Plan Volume II, Part 2, Sections 1 and 2, nine were selected as top priority by the NMEC and sent to agency contact personnel for work plan development detail. Since that time one emergency situation related to jobs has arisen and been inserted into the list (Ashland). Listed by EDA program, the priorities are as follows.

Public Works Program

- 1) Loring warehouse upgrade for incoming business (\$500,000)
- 2) Business and industry training center at NMTC (\$700,000)
- 3) Loring infrastructure upgrades – wastewater, hanger, etc.
- 4) Loring rail upgrades

- 5) Holton intermodal/Van Buren transmodal facilities
- 6) Fort Fairfield B&A rail improvements

Economic Adjustment Program

- 1) Ashland water system improvements

Technical Assistance Program (Feasibility Studies)

- 1) Regional industrial parks in St. John Valley and UVEC
- 2) Houlton micro-business park
- 3) Fort Kent wastewater improvements (can move up if needed for NorSun)

These projects have been placed under the corresponding objective listed above on the website. The website is accessible only by password, since information is exposed to the possibility of alteration; however, to monitor progress in the plan and objectives, EDA may request access and/or detailed reports at any time through the NMEC.

After these projects were selected, a request was sent for the organization to detail the project in the format used for the first two years of the Strategic Plan. The first two years of the Strategic Plan Work Plan can be seen in Volume II, Section 1 and 2. Since the projects in the Work Plan were defined in September of 2001, several have been funded, have changed, or will be deleted. USDA-Rural Development states that the first two years of the plan are flexible and projects should move up as they are ready.

The Strategic Plan is a holistic plan that incorporates all types of economic and community development rather than strictly a focus of job creation and retention. The planning process revealed the need to address all development since it was determined that one type of development impacts other sectors. This document attempts to combine a comprehensive planning approach with the targeted issue of job creation and retention. As the next eight years of the Strategic Plan continues to be developed, the top priority EDA projects will be inserted into their corresponding year of implementation and projects from other sectors that build capacity as a whole.

The NMEC is in the process of sending a packet to the remaining EDA projects not listed as top priority projects in an effort to acquire more detailed information and commitment. This process is to enable the project's insertion into the Strategic Plan and list them on the web site under the proper corresponding benchmark. Projects that are unable to provide adequate detail will be placed in an on-hold file until they are able to supply the necessary materials. This is an effort to give projects that have been listed for years in the CEDS an opportunity to move up in priority. This also gives the opportunity to review and place on hold, projects that have only a remote probability of being implemented, or are merely a wish at best. It should be noted that projects may be placed in an on-hold file, but not deleted.

Other Tasks Not Scored or Changed for Consideration by the NMEC

Ethanol Project (private business)

VAN BUREN

Regional Industrial Site in Van Buren	Van Buren, Cyr Plantation, Hamlin, Others	\$7,000,000	CDBG, EDA, EDI, RD, DEP, Empowerment	2003-2005
Intermodal Facility at the truck to rail facility	Town of Van Buren	Implementation Cost: \$1,000,000 Partnership Cost: \$1,000,000	State, Federal, Private	Fall 2003

ST. AGATHA

St. Agatha Wastewater Sewer Line Extensions		\$800,000	CDBG, RD, Town, DEP	2003-2004
Ambulance Service Garage		\$150,000-\$200,000	CDBG, RD, Town	2004-2005
Beef Producers Cooperative		\$50,000	USDA-RD, MDA, CDBG	2003-2004
Northern Aroostook Wells & Septic		\$1.5 million	CDBG, RD, DEP	
Long Lake Recreational Trail, Cleveland Road		\$500,000	RD, DOT, Town	2004-2005

CARIBOU

Caribou Public Works Building Expansion	City of Caribou	\$50,000	Rural Development, City	2002-2004
Caribou Downtown Revitalization	City of Caribou	\$5,000,000	CDBG, Rural Development, MDOT, MDOC, City, Private	2002-2006
Caribou Fire & Ambulance Facility Expansion	City of Caribou	\$200,000	FEMA, State, Private, Local	2002-2004
City of Caribou Recreation Facility Expansion	City of Caribou	\$2,100,000	Federal, State, Private, Local	2002-2004
Caribou Municipal Airport	City of Caribou	\$500,000	FAA, MDOT, City	2003-2005
Cary Intersection Relocation	City of Caribou	\$1,200,000	FHWA, MDOT, CUD, State, City, Private	2003-2004
High Street/Downtown Roadway Improvements	City of Caribou	\$500,000	FHWA, MDOT, City	2004-2005

LIMESTONE

Maine School of Science & Mathematics	Town of Limestone	\$3.5 million	Federal, State, Local	Ongoing
Limestone Downtown Revitalization	Town of Limestone	\$100,000	CDBG, Town, Private	Ongoing
Limestone Housing Program	Town of Limestone	\$300,000	CDBG/Town	Ongoing
Limestone Water & Sewer District	Town of Limestone	\$631,300	Rural Development	Ongoing

PRESQUE ISLE

Presque Isle Sewerline Installation, Elizabeth Street	City of Presque Isle	\$450,000	CDBG, PI Sewer District, City	2003-2004 BI
Presque Isle Northern Maine Regional Airport	City of Presque Isle	\$	FAA, MDOT, City	

STACYVILLE

Sherman Lumber Company Revitalization	Town of Sherman	\$		2002-2003
Stacyville Industrial park	Town of Stacyville	\$		2003-2004
Stacyville Citizen Housing and Recreation Facility	Town of Stacyville	\$		2002-2005
Stacyville Salt Shed	Town of Stacyville	\$		
Siberia Road Extension	Town of Stacyville	\$		2002-2005

EASTON

McCain Foods, Inc.	Town of Easton	\$100,000,000	TIF, Municipal Bonds, ETIF	On hold
McCain New Road Construction	Town of Easton	\$1,000,000	MDOT	2002 Important Top Priority

MAPLETON

Mapleton Sewer District	Mapleton Sewer District	\$3,000,000	RD, EDA	2004
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Project Scoring Criteria

Projects can be awarded a maximum of 10 points per evaluation statement for a total possible overall maximum score of 85 points. The scorer will award points by the project's relevance to the evaluation statement and circle the number of awarded points.

Project Title/Organization: _____

1. Degree of project's integration with other projects in the Strategic Plan....0 1 2 3 4 5 6 7 8 9 10
2. Number of jobs created by the project.....0 1 2 3 4 5 6 7 8 9 10
3. Number of clients served by the project.....0 1 2 3 4 5 6 7 8 9 10
4. Fiscal feasibility of the project and funding (cash) match.....0 1 2 3 4 5 6 7 8 9 10
5. The amount of in-kind and volunteer resources brought to the project....0 1 2 3 4 5 6 7 8 9 10
6. Environmental compatibility of the project.....0 1 2 3 4 5 6 7 8 9 10
7. Investment and degree of economic impact of the project for the region...0 1 2 3 4 5 6 7 8 9 10
8. Degree of regional significance.....0 1 2 3 4 5 6 7 8 9 10
9. Service Center designation.....0 1 2 3 4 5

Total Points: _____

4) Implementation Plan

1. Approach to Develop a Multi-year Course of Action

After continued involvement in the OEDP, CEDS, and Strategic Plan planning process, it was determined by the NMEC that not only was a long-term plan necessary, but strategies to arrive at those goals. This process is described in Volume II, Section 3 of the Strategic Plan. Every project or task submitted to the NMEC must address at least one goal and accompanying strategy to be considered for inclusion. In addition, it was determined that a smaller group with a more regional focus would provide hands-on input into the planning process. After new bylaws were developed and new members were chosen from the various sectors, attention turned to the planning process and project/task selection using the subcommittee and scoring criteria discussed in the previous section. The NMEC decided that approximately 10 projects would be targeted each year as priority tasks, ranked in order of priority starting at one for the top project. Criteria for ranking included a repeat of the initial scoring criteria, but with an emphasis on job creation and retention. Recognizing the need for efficient planning and for a means to deal with emergencies that might arise, the NMEC approved the following procedures.

NMEC Procedure for Setting and Amending EDA Priorities

Priority Setting

The NMEC Chair will appoint a committee of approximately five members to meet as needed to review and prioritize EDA projects. The projects will be prioritized based on factors such as relevance to strategic goals, audience served, and feasibility. The committee will then make priority recommendations to the full Council for discussion and approval.

Priority Amendments

If and when emergencies arise where an EDA project needs to be added and/or moved on the priority list, NMDC staff members will work with the NMEC Chair and poll all of the members of the Council in regard to the proposed action. The poll may be taken by telephone, in person, in writing (including email). The person taking the poll shall record each Council member's vote in writing. Any action taken by a majority of the Council shall be deemed the action of the Council, provided that no Council member expresses objection to informal action being taken without a meeting at the time of the poll. If there is an objection, a special meeting will be called.

2. Procedures for Selection of Projects and Programs

The Strategic Plan has a Continuous Quality Improvement Plan beginning in Volume II, Part III and continuing through Section 4 to which all projects must comply are continuously reviewed. Corrections to the Continuous Quality Improvement Plan will be made at the annual review in October 2002. USDA-Rural Development and EDA will be notified as to changes, deletions, and additions.

EDA projects, although part of the overall Strategic Plan, must pass through an additional review by the NMEC. This review is for the prioritizing of projects for EDA funding. Projects are reviewed for relevance regarding job creation and retention. The NMEC must approve projects and their priority.

3. Approach Used in Analyzing Changes in The Economy

Since 1998, citizens have been involved in examining and discussing the changes in the region's economy. A complete narrative on the community catalyst process can be reviewed in Volume I, both in Sections 1 and 2, and in Section 4 which comprises the 1990 economic data. The 1996 through 2000 data are in this CEDS Update and substantiate the trends shown in 1996, outmigration of the younger age population, an increasing older population and the need for quality jobs. Seventy percent of the NMEC members have been involved with the planning process in one context or another as the OEDP, CEDS, or Strategic Plan. When the 2000 Census figures were released it also caused citizens to sit up and take notice as to what issues were existent and what avenues needed to be explored to address these issues and other issues. Members of the NMEC are responsible to make the council aware of changes in their sectors, including economic changes, and receive business and citizen input.

4. Approach Used in Evaluating Program Implementation

In evaluating the 1997 Five-Year Update of the CEDS, the evaluation process involved the review of goals, objectives, and strategies to assess project/program completion and business development. Under the new 2002 Five-Year Update of the CEDS, the approach used to evaluate program implementation will be the continued updating of each project's progress on the benchmarking system. Detailed reports will be run monthly charting job creation and retention, tasks completed, project progress by percentage, and other business development factors. Programs and projects can be tracked by any type of measuring factor through this system and are able to be compared to baseline data. The projects currently proposed are charted under their respective benchmark (objective) and will become their own benchmark as the project is implemented. The benchmarked project will follow the same format as it does in the printed Work Plan. EDA will be supplied with the web site password upon request in order to continually enter and view project progress.

5) Program Evaluation

NMDC staff members will monitor projects and update the interactive web site to chart program and project progress. As a result of monitoring from 1999 to 2001, the NMDC was able to monitor all projects in the 1998 Strategic Plan and chart funding sources, jobs created, facilities built or renovated, and other units of measure pertaining to economic and community development. NMDC also was able to determine that between 1999 and 2001 more than \$27 million in funding was acquired through various agencies for the then 39 projects and programs in the Strategic Plan. The NMEC plans to use the same units of measurement and every project has established baseline data. After examination of a detailed benchmark report, the NMEC will make recommendations and approve changes to the program as necessary. They also will be able to work with project leaders if the project appears to be showing little activity or progress. This will eliminate the CEDS being the repository for projects for many years that have had little or no activity. It will also eliminate the adding of more and more projects and carrying them for many years as was the case in the older formats of the CEDS.