



Aroostook-Washington Economic
Development District Comprehensive
Economic Development Strategy

2016-17

AWEDD CEDS Sections:

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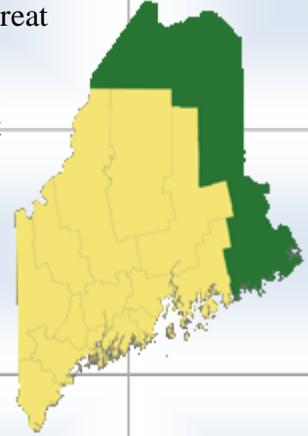
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**AWEDD CEDS PREPARED BY STAFF AT
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I. Introduction

In July of 2011, Washington and Aroostook counties were combined as one of seven Economic Development Districts (EDDs) in Maine. The purpose of this realignment was to better represent natural economies. The linkage between Aroostook and Washington counties has many similar attributes and unique assets – some of them with great promise and some with serious challenges.

Aroostook Washington Economic Development District (AWEDD) has great potential to leverage its natural resource base and environment, its hardworking people, its proximity to Canada and Europe, and its inherent economic resiliency. Those that live here are individuals and families that have become “survivors” – doing whatever is necessary to secure adequate food, shelter and clothing in a very rural location with an extreme winter climate. However, mere survival is not good enough and regional leaders are committed to a transformation that will reverse the economic and social decline of the past three decades.



After a slight rebound in manufacturing, specifically in forest products, 2015-16 has seen a downturn in lumber prices, and increased challenges on biomass energy plants. Covanta closed plants in Washington County and ReEnergy in Aroostook County is facing the loss of out of state contracts at the end of 2017.

The biggest challenge facing the AWEDD is workforce related, due to the loss of population as depicted in the chart below.

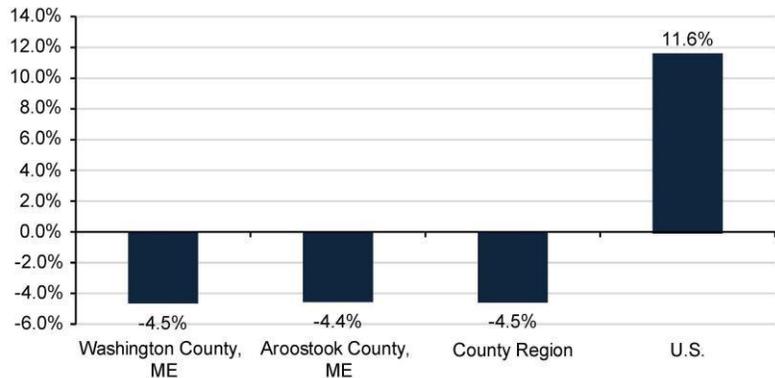
Population, 2000-2014*

	Washington County, ME	Aroostook County, ME	County Region	U.S.
Population (2014*)	32,397	70,653	103,050	314,107,084
Population (2000)	33,941	73,938	107,879	281,421,906
Population Change (2000-2014*)	-1,544	-3,285	-4,829	32,685,178
Population Percent Change (2000-2014*)	-4.5%	-4.4%	-4.5%	11.6%

* The data in this table are calculated by ACS using annual surveys conducted during 2010-2014 and are representative of average characteristics during this period.

Percent Change in Population, 2000-2014*

- From 2000 to the 2009-2014 period, County Region had the smallest estimated absolute change in population (-4,829).
- From 2000 to the 2009-2014 period, U.S. had the largest estimated relative change in population (11.6%), and Washington County, ME had the smallest (-4.5%).



Opportunities and Challenges that drive our strategy

Opportunities:

- Very active international border with Canada that offers significant economic opportunity for business expansion and more meaningful cross-cultural engagement.
- Expanded shipping opportunities at the Port of Eastport (deepest port on the U.S. east coast), especially to European biomass market.
- Available (and increasing) tillable cropland, much of it suitable for organic use.
- Expanding and diversifying value-added wood products that will leverage the most concentrated wood resource in the U.S.
- Utilization of our renewable and alternative energy resources in wind, tidal, biomass and compressed natural gas.
- Expanding value-added processing of crop and marine resources.
- Potential of mining in northern Maine.
- Expanded utilization of higher education resources.
- Expanding Maine Military Authority's bus refurbishment expansion to aid Loring Commerce Centre employment.
- Light manufacturing at former Cutler Naval Station.

Challenges:

- Lowering energy costs for business and industry.
- Broadband availability/access to high speed internet.
- Mitigating distance to market through more effective/efficient transportation.
- Limitations on local economy's ability to support more businesses/service providers.
- Inability to capture more tourism visitors.
- Reversing the prevalent negative mindset and aversion to risk-taking/trying something new.
- Lack of rail infrastructure connection to Port of Eastport.
- Small number of "leaders" in the region.
- General lack of business acumen/sophistication and lack of entrepreneurial training and assistance.
- Accessing Canadian market.

II. AWEDD Regional Vision

Our region is a place of abundant natural resources that is reflected in the beauty of our landscape and the potential for economic and social prosperity it offers. We value the individuality and endurance of our people while recognizing the strong sense of community and place that sustains us. We will create economic growth by focusing on sectors that best leverage these assets and by working to develop policies that promote private sector investment; while at the same time, retaining the quality of life that makes the region special.

III. AWEDD Regional Goals

A Comprehensive Economic Development Strategy (CEDs) must be more than a description of the region accompanied by broad aspirational goals that allow a wide-ranging list of designated “priority” projects to qualify for federal funding sources.



AWEDD is employing ViTAL Economy’s S.M.A.R.T. goals principals for the development of this Comprehensive Economic Development Strategy.

These principles include the following key elements:

Process – Based on Best Practices for Regional Community Economic Development (CED) and Collaboration

Regional Focus – Enables regions to compete against other regional, national and international strategies

Asset-Based – Indigenous assets grow more durable economies

Diversified – Makes for a nimbler & resilient economy!

Measurable Strategy – Responsive to trends...relevant to region

Disciplined & Consistent – All ideas are not equal...priorities matter

The AWEDD CEDs with key strategies and implementable action plans linked to S.M.A.R.T. goals will become the playbook for a collaborative, region wide transformation for regional prosperity.

AWEDD Goals:

AWEDD	Baseline 2010	2017 Goal	Change
Population	104,726	108,841	4,115
Employable Population (16 and older)	86,700	90,660	3,960
Labor Participation Rate	58.09%	59.50%	1.40%
Total Employment (Line 3 X Line 2)	50,368	53,939	3,571
Average Wage per Job (BEA CA30 line 300)	\$35,581	\$36,481	\$900
Total Region Wages (BEA CA30 line 190)	\$1,792,151,948	\$1,967,756,750	\$175,604,802
Per Capita Income (BEA CA30 line 110)	\$31,019	\$34,067	\$3,048
Regional GDP	\$4,633,000,000	\$5,042,715,000	\$409,715,000
Bachelors Degrees 25 & Over	11,776	12,776	1,000
Regional Specific Goals			
Increase younger population 20-44	27,867	32,460	4,593
Associate Degrees (25 years & older)	8.60%	8.90%	0.30%

Note: These goals were established by convening regional business, governmental, and educational leaders to discuss basic economic and socioeconomic indicators for the region. From those discussions, these goals were agreed upon as aggressive, but achievable, targets for regional growth over the next five years.

IV. Sense of Urgency

To accomplish the transformation from a condition of survival to one of sustainable prosperity, we must address two critical issues.

First, our young people continue to leave for work (and lives) in other parts of our state and region, while we bitterly complain about that reality. This is the source of the region's economic and social challenge; the critical imperative we face. The 20- to 44-year-old age demographic is the workforce lifeblood and is hovering at 28 percent of the total population; a level below which economists tell us our local/regional economy is no longer sustainable. When the pool of younger workers drops below this 30 percent threshold, companies struggle to find the workers needed to operate their business, eventually causing them to either close or relocate.

Second, we must alleviate our energy cost burden that is a major constraining factor for both business growth and household stability. The region's citizens and businesses "survive" in a region with twice the national average cost burden for energy. Since energy is the primary input to life and economic performance, our region faces a greater barrier than many regions in the U.S. The cost burden is driven by an 80 percent use of heating oil (although oil prices were at a seven-year low in 2015-16), 16 cents per Kw for electricity and a low household income as a result of an aging population on fixed incomes and lower wage jobs.

Therefore, the challenge is clear. We must reverse this long-term trend of our children leaving us for work elsewhere by promoting the good-paying jobs that do exist, while at the same time creating new jobs and opportunity in our regional economy. Mobilize Maine, an asset-based strategic planning process, offers the best hope of accomplishing this positive change. By engaging local and regional business leaders in establishing measurable goals that are then linked to assets (natural, business and human resources), job creation and business expansion is accomplished from within the region. The foundational premise is that business, municipal and nonprofit leaders have the capacity to lead economic change if it is based on regional assets that are in our control.

Regional Mindset Modification – We need to get serious about where we are heading.

Aroostook and Washington counties have been trending downward in population, median age, median household income and percentage of total population in the workforce for the past four decades. All of these issues are directly related to the continuing out-migration of young working-age people (20-44-year-olds) from the region that results in 1) loss of business due to recruitment issues, 2) less entrepreneurship, and 3) loss of services (healthcare and schools, most directly). Immediate actions need to be taken to retain our young people and lure others to the region; and it must be an initiative that includes and engages all aspects of our communities – business, educational and governmental.

The private sector, workforce development officials and educators have come together to address the needs of the future workforce through the Aroostook Partnership "Education to Industry" initiative. Retention and attraction of younger workers is critical to the effort. A jobs/resume posting website, www.opportunitiesaroostook, was launched, as well as supporting social media. The initiative also stresses the importance of job shadowing and internships as a way of exposing students to emerging jobs in the region. Also, Sunrise County Economic Council provides scholarship funds to students who agree to return to Washington County after graduation.

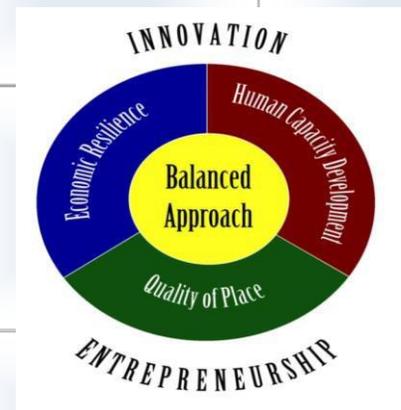
The creation of new jobs, either through business expansion or business startups, has been faltering and one of the key factors is the high cost of energy (2 times the national average). The whole Northeast is a high electrical cost region, but the AWEDD area has some of the higher rates and that, coupled with our excessive heating costs, creates a huge operating cost challenge for business and industry. What results from this circumstance is that products and services are less competitive in the marketplace, businesses in the region are less stable and business startup and expansion is depressed.

Utilizing the Mobilize Maine process, we have identified the economic sectors that offer the best opportunity, and are investigating, defining and initiating business activities in those clusters that will improve wages and create new jobs to achieve the goals we have established.

V. Measuring Progress - Moving Forward

Why having a path forward counts

Economic development in Maine and in our region has traditionally been either reactive (someone calls with “the greatest business opportunity in a decade”) or needs based (if we only had that new technology park, the phone would ring off the hook). Northern Maine Development Commission (NMDC) has been utilizing an innovative and more logical approach to community economic development; asset based. The Mobilize Northern Maine (MNM) initiative employs a community-based collaborative process that engages businesses and community organizations to develop sustainable, specific and measurable goals for the region. These goals are benchmarked to the current economy and form the evaluative backdrop to determine if economic initiatives are working. An essential aspect of the Mobilize Maine process is to identify the human, natural, educational and social resources present in the region and leverage them to create jobs and expand opportunity. The paradigm shift from the old economic development model is the creation of a collective mindset of regional independence and self-determination that builds on the resources already in our control. This reliance on “what we have” as opposed to “what we need” is a liberating approach that develops strategies that build on regional business clusters and their relative competitiveness in the global economy. In addition, these strategies underpin the initiatives that NMDC carries out to help regional businesses expand and new businesses form. This progressive approach, involving business and community interests, creates an economic path forward that has direction, focus and commitment.



The Six Economic Drivers for Growth and Prosperity

- Asset Based Cluster Development
- Entrepreneurship and Innovation
- Education and Workforce Development
- Access to Capital
- Infrastructure and Environment
- Leadership

Asset Based Cluster Development

AWEDD’s approach to asset based economic development focuses on the regions competitive strengths and opportunities. Systematic regional asset mapping has been completed in nine categories including tangible and intangible assets; natural, human/skills, knowledge, cultural/historic, geographic, excellence, infrastructure, government and innovation. The exploration and analysis of the regions assets has included a prioritization process consisting of a determination of assets that are “truly unique and indigenous” and that can be leveraged to reach the measureable economic vision. Output from this analysis resulted in priority regional assets, targeted industry clusters, strategies and specific industry sectors for value chain mapping. SWOT analyses were also conducted in both Aroostook and Washington counties in early 2016.

AWEDD’s priority industry clusters are ***Alternative Energy, Manufacturing, Agriculture, Forest Resources, Tourism and Marine Resources***. We will be paying particular attention to the crosscutting role that educational institutions and workforce training can play in addressing structural change in job requirements to better support these clusters.

Asset Based Cluster Development Goal Statement. By focusing on six asset-based industry clusters the region will realize 3,571 new jobs by 2017; 3,214 @ \$36,500; 357 @ \$40,000 and total employment of 53,539.

Alternative Energy Goal - Realize 236 jobs in the Renewable Energy Economy strategy by 2017.

Strategy 1.

Establish an active and integrated industry cluster leadership in Aroostook and Washington County to implement and achieve the cluster goals.

Action Item 1. Develop relationships with wind and biomass producers, who wish to expand or continue to conduct business in the AWEDD.

Outcome:

The Aroostook Partnership, of which NMDC is a member, has cultivated relationships with Sun Edison, ReEnergy, EDP Renewables, electric utilities and transmission consultants to grow alternative energy opportunities in the AWEDD. Initial exploration into solar opportunities is also underway. In the SCEC five-year strategic plan, adopted in early 2016, support for community wind farms was identified.

Strategy 2.

Focus on and evaluate a wide variety of alternative energy sources to reduce the heat energy cost burden in Northern and Eastern Maine by \$10 million per year by 2017.

Outcome:

Briefings have been held on current state for renewable energy alternatives. Partnership also engaged the renewable energy working group.

	<i>Strategy 3.</i>	Produce 45,000 tons locally sourced biomass in the transition of (10) commercial and (1,500) residential units from heating oil to biomass by 2017. <i>Outcome:</i>
		<i>The production of 45,000 tons per year of locally sourced biomass is being achieved. Residential conversion and supplemental heating to biomass sources is continuing and on pace to achieve the 1,500 residential unit impact. Commercial biomass conversion/installation is not as active, due to the drop in heating oil prices. Pellet mills, such as Northeast Pellets in Ashland experienced a precipitous drop in sales as a result of warmer than average temperatures and low fuel oil prices.</i>
	<u><i>Specialty Manufacturing and Processing Goal</i></u> – Achieve 350 new jobs in metals manufacturing, food product manufacturing and natural resource product manufacturing.	
	<i>Strategy 1.</i>	Continuing consultation with small manufacturers by conducting 50 business visits and delivering five efficiency improvement projects per year. <i>Outcome:</i> <i>Through the Maine MEP and outreach from NMDC, Aroostook Partnership, SCEC and WCCOG those efforts continue.</i>
	<i>Strategy 2.</i>	Identify, research and communicate niche market opportunities to business leaders through newsletters, workshops and summits. <i>Outcome:</i> <i>Newsletter distribution includes information on niche markets. In addition, various working groups discuss opportunities.</i>
	<u><i>Diversified Agriculture Goal</i></u> – Accomplish 50 new farm businesses/jobs, increase net income to farmers by 10%, expand acres under production by 5,000 and increase value added production.	
	<i>Strategy 1.</i>	Establish an active and integrated industry cluster leadership in Aroostook and Washington counties to develop strategies and action plans to achieve the cluster goals. <i>Outcome:</i> <i>Diversified Agriculture working group has been meeting since the fall of 2013 and is developing relevant initiatives for Strategy 2.</i>
	<i>Strategy 2.</i>	Identify and determine characteristics and primary crop opportunities for the 28,000 plus acres coming out of the conservation resource preservation program.
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	<i>Strategy 3.</i>	Build and strengthen distribution systems across Aroostook/Washington counties to east coast markets. <i>Outcome:</i> <i>Secured USDA RBDG investment to map and develop distribution routes in Aroostook-Washington and Piscataquis counties. Work underway, scheduled for completion by June 30, 2016.</i>
<u>Forest Products Goal</u> – By 2017, increase total value-added wood products manufacturing in Northern and Eastern Maine by 40%.		
	<i>Strategy 1.</i>	Establish and support an integrated industry cluster team with Aroostook and Washington County participation by December 2013 to craft and implement a forestry strategy. <i>Outcome:</i> <i>Forestry working group was formed in 2013 and, with their guidance, a Northern Maine Forest Products Industry Cluster (NMFPIC) was convened. This work began in January 2015 and an action plan was developed. Cluster, comprised of more than 30 businesses, organizations and educational institutions has met 8 times and due to radical shifts in the forest products industry, mainly foreign competition, more analysis and more specific actions need to be identified. An EDA Economic Adjustment Assistance is being prepared.</i>
	<i>Strategy 2.</i>	Regular review of the legislative and regulatory climate to streamline and improve the forest operational business climate. <i>Outcome:</i> <i>This is part of the NMFPIC focus.</i>
	<i>Strategy 3.</i>	Build a workforce supply pipeline through youth engagement and the establishment of a timber harvesting training program at NMCC. <i>Outcome:</i> <i>This is part of the NMFPIC focus. A new mechanized harvester training program is being implemented at Northern Maine Community College and Washington County Community College.</i>
<u>Marine Resources Goal</u> – Increase marine-related employment by 250 jobs through expansion of research, harvest, processing and marine vessel manufacturing.		
	<i>Strategy 1.</i>	Investigate and develop a regional business case for increased seafood processing capacity in the region. <i>Outcome:</i> <i>SCEC, in 5-year strategic plan, calls for creating shore side infrastructure to enable seafood to reach local and remote markets.</i>
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	<i>Strategy 2.</i>	Expand marine research capacity in the region by leveraging the unique marine environment and creating connection to interested out-of-region research institutions.
	<i>Strategy 3.</i>	Investigate and develop marine vessel manufacturing in the region. <i>Outcome:</i> <i>SWOT analysis with SCEC, determined opportunity to leverage work already being conducted locally and statewide.</i>
		<i>Millennium Marine has begun manufacture of fishing and pleasure boats in Eastport.</i>
<u><i>Tourism Goal</i></u> – Increase overall lodging and dining revenues by 25 percent, employment by 15% and expand or develop five major events.		
	<i>Strategy 1.</i>	Increase event coordination capacity in the region. <i>Outcome:</i> <i>Eastport, a leader in festival creation, implemented Bay Day in August of 2016 to draw more tourists. Aroostook Brewfest was established in Mars Hill in October 2016. Two Nation Vacation initiative continued by Downeast Maine and New Brunswick. The cross-border tourism partnership is designed to increase visitation for both regions. The package entices travelers to take advantage of scenic drives and boat tours that cross the border, and along the way visit coastal towns, natural vistas, cultural heritage sites, festivities — and patronize businesses along the way. Funded by the Maine Office of Tourism and Tourism New Brunswick.</i>
	<i>Strategy 2.</i>	Coordination of public and private marketing dollars to increase visitor interest and impact. <i>Outcome:</i> <i>Coordination with Aroostook County Tourism and DownEast Acadia Regional Tourism to market region. See Two Nation Vacation above. Leverage lessons learned in Downeast region to replicate in Aroostook and Northwestern New Brunswick.</i>
	<i>Strategy 3.</i>	Improve the quality and quantity of basic tourism information about customer demands and regional tourism products to guide improved visitation and spending. <i>Outcome:</i> <i>Revamped marketing goals for Aroostook County Tourism; a standing committee Northern Maine Development Commission.</i>
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Entrepreneurship and Innovation

AWEDD employs a holistic ecosystem approach to assessment and further development of the region’s entrepreneurship and innovation framework. This ecosystem includes businesses – both traditional and technology driven; knowledge transformers and idea igniters, including universities and other education/research centers; change agents; public agencies and the nonprofit sector; and multiple levels of investors.

The strength and measurement of this driver will be determined with four metrics (the 4 P’s):

- Pipeline – the number of active ideas generated and pursued;
- Participation level – the number of active and engaged innovators and entrepreneurs;
- Prototypes – the number of products or services developed and entering the market;
- Portfolio – the mix and success rate of ideas.

The AWEDD region is very rural in nature and the distance to typical generators and supporters of vibrant innovation and entrepreneurship can be an isolating factor. Therefore, the region is pursuing a “right sized” innovation and entrepreneurship ecosystem, utilizing existing in-region assets while building partnerships with external capacity resources to fill local gaps. This approach will result in forming a Venture Development Organization devoted to qualified entrepreneurs seeking assistance.

Entrepreneurship and Innovation Goal Statement. By 2017, the region will improve the overall business acumen and increase business starts to over 400 per year and grow overall total number of firms by 10% (+1,102) to 12,129.

Strategy 1.

Complete a regional innovation strategic plan to guide the direction and priorities through 2017.
Outcome:
Applied for EDA funding for Venture Development Organization, focusing on innovation, in 2015. Funding request denied. Will readdress initiative to better serve Aroostook and Washington counties.

Strategy 2.

Increase the regions interest and capabilities to start new businesses by providing one-on-one consultation, startup workshops and trainings.
Outcome:
See Strategy 1.

Strategy 3.

Focus a part of the Education to Industry initiative to include business ownership and entrepreneurial concepts and opportunities.
Outcome:
An Education to Industry working group has been formed and has held summits to explore career paths and business ownership.

Education and Workforce Development

Human capital is a top priority for the AWEDD region, and regional leaders recognize that development, retention, and attraction of sufficient quantity and quality workforce are essential to a sustainable Northern and Downeast Maine economy.

AWEDD has taken multiple steps to reinforce and leverage the resources and tools within economic and workforce development. AWEDD is one of a few federally recognized regions in the country that have merged the regional Workforce Investment Board (LWIB) with the regional economic development district (EDD). Consequently, discussions, strategies and actions undertaken in the region meaningfully integrate workforce issues with industry needs. This is particularly the case with a new emphasis on “industry partnerships” that will link specific sector training needs to training resources. In the K-12 school system, there is growing focus on an “Education to Industry” initiative that seeks to engage middle and high school students in a variety of programs that will give them more direct work experiences. School superintendents are working with regional business leaders to change how students connect to and become aware of the availability of good jobs. Efforts will be increased to better connect research and development in private/public institutions in the aquaculture, farming, forestry and renewable energy sectors with companies that can leverage that research into business opportunities.

Education and Workforce Development – Goals developed by Area 1 Workforce Investment Board

Goal #1: Resource Integration – Continue to build capacity in established workforce development system, which expands and leverages public, private and nonprofit resources with a common vision. In five years, the regional system will have at least 20 active workforce stakeholders resulting in a 2 to 1 leverage of funds.

Goal #2: Industry Engagement –The workforce system partners have engaged with private and public employers to increase participation in regional industry sectors.

Goal #3: Human Capital Development – To align and support Mobilize Maine, in five years, the workforce development system will help build a robust workforce pool by increasing population, growing the 25-44 age group, increasing bachelor’s degree attainment and Associate Degree attainment of residents.

Goal #4: Innovation & Entrepreneurship – The regional workforce development system will engage with NMDC, Sunrise County Economic Council, Aroostook Partnership and other economic development partners to create a region wide Innovation and Entrepreneurship model. Entrepreneurship and workforce development programs will increase collaboration to embed new strategic and ongoing entrepreneurship programs into workforce services. The workforce development system partners will adopt innovative and entrepreneurial principles to create a system wide culture of creativity, innovation and flexibility in service delivery.

Priorities of focus include:

Communication

- Promotion
- “No wrong door” – all informed
- Contact clearing house
- Employer forums

Strategy 3. Promote risk reduction of commercial lending through the development of loan products that require more direct involvement in actively monitoring.
Outcome:
Work continues on this through the Northern Maine Forest Products Industry Cluster.

Infrastructure and Environment

Regional infrastructure analysis, needs and priorities come directly from the regional asset based industry cluster activities. Infrastructure projects and priorities are analyzed and developed based upon regional return on investment and impact on industry cluster competitiveness.

Environment is viewed in the context of Quality of Place characteristics. Northern Maine is a region that covets its natural environment as a place for commerce, recreation and a unique lifestyle. Protection and development of the natural environment is balanced and recognized as a priority in a knowledge-based 21st century economy.

Infrastructure and Environment Goal Statement. Starting in 2014 build a strategic community and economic linkage between regional project prioritization and the regional vision and goals.

Strategy 1. NMDC will coordinate and facilitate a region wide project prioritization process to inform the CEDS and also build consensus among public, private and nonprofit parties.

Outcome:
NMDC conducted outreach meetings in Aroostook and Washington counties and issued a SurveyMonkey questionnaire to municipal leaders in both counties to identify CEDS priorities and economic activity.

Strategy 2. NMDC will incorporate and leverage the work conducted in the Grow Washington Aroostook initiative to inform and design infrastructure and environment strategies and actions

Outcome:
Actions and initiatives in the Grow Washington/Aroostook report are incorporated into the goals and strategies of this CEDS. www.gro-wa.org

Strategy 3. Tourism initiatives will incorporate the land and water based trail systems as a quality of place asset with recreational tourism opportunities to support the economic goals.

Outcome:
Aroostook County Tourism and DownEast Acadia Region Tourism routinely incorporate land and water based trail systems in marketing the respective regions.

Strategy 4. Determine the regional significance of the Port of Eastport; especially in relation to transportation connections to supply and market.
Outcome:
NMDC staff has met and continues to engage with Port Director, Chris Gardiner, and strongly believes economic growth in the region is directly connected to the Port of Eastport.

Strategy 5. Increase broadband access and digital inclusion for residents and businesses in Aroostook and Washington counties. Maine ranks 49th out of the 50 American states for the quality of its broadband services, thus putting the state at a serious economic disadvantage. This situation is addressed directly in “Maine broadband service ranks 49th out of 50 states,”¹ report.
Outcome:
Support efforts like ConnectME. Develop partnerships with organizations like Axiom Technologies LLC in Washington, County to educate Maine residents on effective use of the internet for both business and personal use. Encourage federal and state investment in broadband expansion.

Leadership

NMDC views leadership as an immediate requirement, but also a long-term priority to guide and drive the region's comprehensive economic development strategy forward. We recognize the role and value of private sector leadership and involvement in economic development through our experience of the Mobilize Maine work. To that end, NMDC has purposefully combined and streamlined boards and committees to increase efficiency and effectiveness. Private sector leadership and advisement is being provided through the Aroostook Partnership and the Sunrise County Economic Council (SCEC). We recognize and support the other community groups that sustain the identification and development of new and future leaders. These include Young Professional Institute and Empower Aroostook in Aroostook County and the Washington County Leadership Institute in Washington County. It is vital that these programs be expanded and that new programs be developed to grow the development of informed new leaders in the region.

Leadership Goal Statement. By 2017, NMDC and its community economic development partners will expand the regional and Mobilize Maine leadership to 500 active participants.

Strategy 1. NMDC will coordinate and facilitate under the Mobilize Maine initiative the strategic alignment of community, economic and workforce development entities, along with the private sector, focusing on the achievement of the regional goals.
Outcome:
This is an active and ongoing process led by the Aroostook Partnership Executive Board and the Partnership President.

¹
http://www.pressherald.com/2014/01/08/maine_broadband_going_nowhere_fast__service_ranks_49th_out_of_50_states/

Strategy 2. Continue to expand the role of the private sector in the design and leadership of the regional economic development strategy.
Outcome:
This is an active and ongoing process led by the Aroostook Partnership and SCEC through its strategic planning process.

Strategy 3. NMDC will develop and implement a coordinated internal and external communication strategy designed to reinforce the purpose and progress of the regional strategy.
Outcome:
NMDC maintains a number of communication processes from electronic newsletter to a printed municipal newsletter. CEDS progress is also chronicled in new releases, social and traditional media.

VI. Economic Resiliency

Counties, regions and states that can foresee, adapt to and leverage changing conditions to their advantage are best positioned to attract and grow new businesses, retain skilled workers and families and promote a high quality of life. Each of the identified clusters faces threats, including climate, workforce, market, etc. All of these threats represent financial challenges and planning for economic resiliency is now a priority for Economic Development Districts.

Threats to agriculture include foreign competition, drought, pests, access to markets and others. Resiliency in agriculture calls for diversification, access to capital and research.

The greatest threat for Marine Resources is climate change, an increase in ocean temperature can lead to depleted stocks. Diversification and research are keys to mitigating those factors.

The challenges of the forest products industry are primarily foreign competition, changing market conditions (declining paper consumption), an aging workforce, high-energy costs and the impending spruce budworm migration. Developing new value added products, securing the workforce and attracting new workers, and developing a statewide plan to assist the forest industry are steps to make the forest products industry more resilient.

Manufacturing also faces significant foreign competition, high-energy costs and workforce challenges. To make this sector more resilient, more has to be done to make Maine a more business friendly state, primarily lowering business related costs and taxes. Supplementing WorkReady skills programs would also assist in workforce related challenges.

Finally, tourism is primarily a weather dependent industry. Successfully marketing Aroostook and Washington counties as four-season destinations would lessen reliance on non-inclement weather.

VII. High Impact Project Priorities

Project Selection

The criteria for project selection will be revised over the upcoming year to reflect the new goals outlined in this CEDS. There will be a challenge in relating project information to each and every goal component, so it is anticipated that the project rating system will rely more heavily on new jobs, wage level, and related benefits to determine priorities. One of the tools

that will be used for project selection and impact will be the Northern New England Economic Model, a credentialed model developed by Connect Northern New England and Vital Economy. This model will be used to determine the economic impact of job creation in various sectors and how those jobs assist in accomplishing the regional goals. Additionally, projects that fall under the focus cluster areas of *Alternative Energy, Manufacturing, Agriculture, Forest Resources, Tourism and Marine Resources* will receive more weight and attention; while, at the same time, the emphasis for any project will be the job and wage impact for the region.

Priority Projects:

Priority Project 1 – Infrastructure improvement to the former Cutler Naval Station in Washington County.

To accommodate growth in light manufacturing and seafood processing at Cutler, an investment of \$2,000,000 is needed for renovation and expansion. The Washington County Development Authority estimates the project would retain 60 jobs and create an additional 25. Twenty five jobs would result in earnings of \$1,298,320. Also another 29 indirect of induced jobs. Resulting in a total GDP of \$3,803,723².

Priority Project 2 – Infrastructure improvements at the Loring Commerce Centre in Limestone, Aroostook County to accommodate a new manufacturing enterprise.

Manufacturing facilities. Make improvements to Loring Commerce Centre infrastructure including buildings and facilities (especially Buildings #7210, 7220, 7230, 8250 and #8713) to accommodate the development and growth of multi-faceted manufacturing project involving multiple business enterprises engaged in manufacturing and rebuilding of transportation equipment and vehicles. Up to \$5,000,000 will be needed for generic renovations and improvements to buildings, facilities and supporting infrastructure including, but not limited to the following:

1. removal of 4 firewalls in 2 buildings to improve the flow of vehicles through various production stations;
2. improvements to lighting, ventilation, doorways, ramps, floor surfaces, small shops and support space, driveways and parking areas; and
3. improvements to roofs, addition of HVAC systems and interior electrical and plumbing as part of a conversion of a large hangar to production space.

The project will require the relocation of 2 existing businesses with a total of 60 employees to the large hangar. The project will result in at least one new employer with projections of 200 new jobs by the end of Year 4 and up to 750 at the end of Year 8. In addition, the project will result in the expansion of the two existing employers permitting the retention of 60 existing jobs and adding a projected 150 new jobs.

Although outside the scope of the upgrades to manufacturing facilities, the project is likely to attract at least one additional business as a major supplier of parts to the manufacturing project with a projected creation of 25 new jobs.

Estimated annual payroll associated with the 925 new jobs as projected above is approximately \$31,750,000. After four years the GDP impact would be more than \$53,000,000.¹

Priority Project Amendments

¹ Connect NNE Scenario Model, ViTAL Economy

² Connect NNE Scenario Model, ViTAL Economy

If and when a significant project is proposed that needs to be added and/or moved on the priority list, NMDC staff members will prepare a project-scoring sheet that will be circulated to CEDS subcommittee members who will be polled on the proposed action. The poll may be taken by telephone, in person or 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.

VIII. ACKNOWLEDGMENTS

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Data for this document is from the American Community Survey, Bureau of Economic Analysis and U.S. Census Bureau. Additional graphics were developed using the Headwaters Economics Economic Profile System.

This is the final year for this iteration of the Aroostook Washington Comprehensive Economic Development Strategy. A complete rewrite is scheduled for 2017.