



AROOSTOOK WASHINGTON
COMPREHENSIVE
ECONOMIC
DEVELOPMENT STRATEGY
2018-2023



AWEDD CEDS Sections:

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AWEDD CEDS PREPARED BY STAFF AT NORTHERN MAINE DEVELOPMENT COMMISSION
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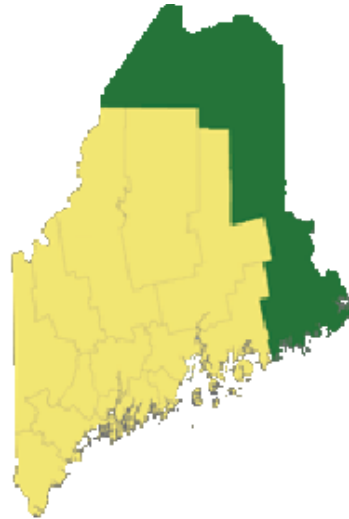


Introduction

Northern Maine Development Commission (NMDC) covers the Aroostook Washington Economic Development District that spans the entire northernmost and southeastern part of the State of Maine.

This is the land of Aroostook and Washington counties – a place of abundant natural resources with vast forests, fertile agricultural land, rich marine waters, and a clean, outdoor environment. The area contains nationally award-winning education and healthcare institutions that enrich the quality of life for the people who call these counties their home. The region also includes many major employers that recognize the significance of a dedicated workforce and a culture of entrepreneurship.

The Aroostook and Washington counties region possess many positive attributes but continues to face monumental social and economic forces that challenge the area's viability. These forces include an older demographic,



consistent out-migration of population, global market pressures on traditional industries, high rates of poverty, and decades of economic stagnation.

NMDC is the federally designated planning and economic development nonprofit agency leading many of the programs and efforts to respond to these forces. One of those programs is the creation of a Comprehensive Economic Development Strategy (CEDS) as directed by the U.S. Economic Development Administration.

This document is the result of work with the private sector, through the Aroostook Partnership, a private-public organization representing roughly 100 businesses, University of Maine at Presque Isle, University of Maine at Fort Kent, Northern Maine Community College and Husson University and NMDC; Sunrise County Economic Council; interviews with business leaders in both counties; surveys and data collection.

Demographics

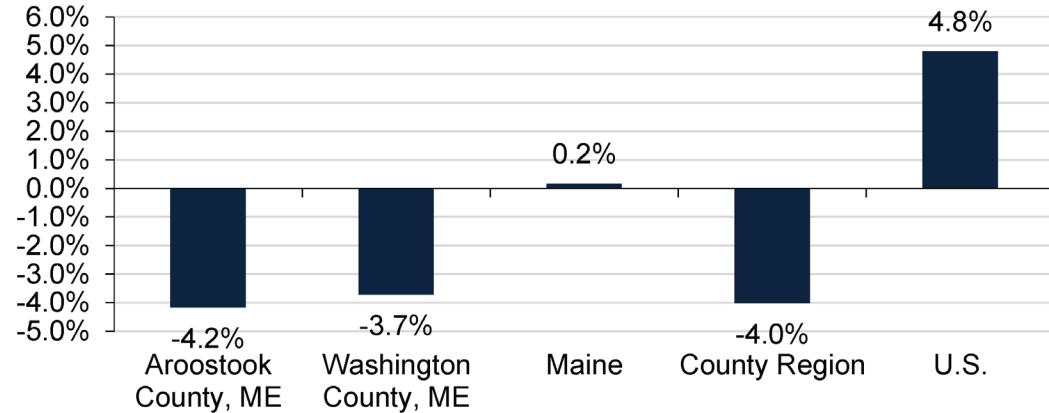
AWEDD

Population

	Aroostook County, ME	Washington County, ME	Maine	County Region	U.S.
Population (2016*)	69,405	31,925	1,329,923	101,330	318,558,162
Population (2010*)	72,412	33,154	1,327,665	105,566	303,965,272
Population Change (2010*-2016*)	-3,007	-1,229	2,258	-4,236	14,592,890
Population Pct. Change (2010*-2016*)	-4.2%	-3.7%	0.2%	-4.0%	4.8%

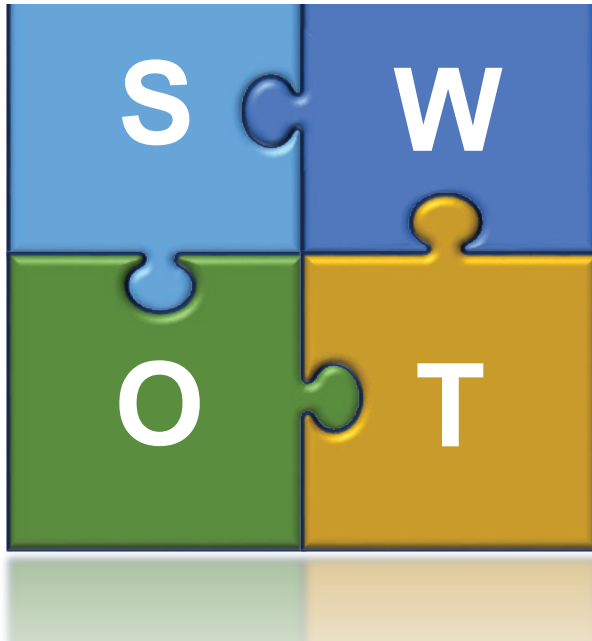
Percent Change in Population, 2010*-2016*

- From 2010* to 2016*, County Region had the smallest estimated absolute change in population (-4,236).
- From 2010* to 2016*, U.S. had the largest estimated relative change in population (4.8%), and Aroostook County, ME had the smallest (-4.2%).



* ACS 5-year estimates used. 2016 represents average characteristics from 2012-2016; 2010 represents 2006-2010.

Data Sources: U.S. Department of Commerce. 2017. Census Bureau, American Community Survey Office, Washington, D.C.



Strengths

- Natural resources.
- Coastline.
- Geography close to Canada and Europe.
- Loring Commerce Centre.
- Bilingual population St. John Valley.
- Access to outdoor recreation.
- Quality of place.
- Low crime.
- NMDC, SCEC, WCCOG, Aroostook Partnership
- Post-Secondary Education

Weaknesses

- Energy costs.
- Broadband availability/access to high speed internet.
- Deteriorating road conditions.
- Outmigration/Declining Workforce.
- Opiate abuse.
- Lower than state average wages.
- Distance to large markets.
- Inability to capture more tourism visitors.
- Negative mindset and aversion to risk-taking/trying something new.
- Lack of rail infrastructure connection to Port of Eastport.
- Access to Canadian market.

Opportunities

- Available (and increasing) tillable cropland, much of it suitable for organic use.
- Expanding and diversifying value-added wood products.
- Utilization of our renewable and alternative energy resources in wind, tidal, biomass and solar.
- Expanding value-added processing of crop and marine resources.

- 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).
- Potential of mining in northern Maine.
- Growing entrepreneurial opportunities.
- Light manufacturing at former Cutler Naval Station.
- Local foods.
- Regional tourism efforts.

Threats

- Workforce/Population decline.
- Climate change (rising ocean temps).
- Biomass energy plant closures.
- Lack of work ready skills.
- Drug abuse.
- Business relocation out of region.
- Limited number of landowners.

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.

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 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 and 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 basis for a collaborative, region wide transformation for regional prosperity.



AWEDD Regional Goals

AWEDD	Baseline 2016	2023 Goal	Change	Maine 2016
Population	101,330	102,830	1,500	1,329,923
Employable Population (16 and older)	62,909	63,909	1,000	859,437
Labor Participation Rate	54.1%	59.5%	5.4 percentage point increase	63.20%
Total Employment	53,290	54,290	1,000	652,638
Average Wage per Job	\$41,936	\$45,000	\$3,064	\$48,079
Per Capita Income	\$22,483	\$25,483	\$3,000	\$28,473
Bachelor's Degrees (25 & older)	18.7%	20.7%	2 percentage point increase	29.3%
Associate Degrees (25 & older)	9.7%	12.7%	3 percentage point increase	9.7%
Increase younger population 20-44	33,268	34,286	1,000	

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 targets for regional growth over the next five years were set..

Sense of Urgency

The most critical issue facing Aroostook and Washington counties is the systemic population decline.

Fundamentally, the retention and attraction of people is the core factor for future viability of Aroostook and Washington counties. Extreme economic, community and personal pressures are now being felt as a smaller population is carrying the full cost of critical public services and workforce demand.

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.

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 five 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.com, was created in 2015, 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.

The Mobilize Maine Strategic Planning Process



Measuring Progress

Northern Maine Development Commission (NMDC) continues to utilize an innovative 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, led by the private-public partnership Aroostook Partnership, is to identify the human, natural, educational and social resources present in the region and leverage them to create jobs and expand opportunity. This reliance on “what we have” as opposed to “what we need” is a method 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 measurable economic vision. Output from this analysis resulted in priority regional assets, targeted industry clusters, strategies and specific industry sectors for value chain mapping.

In-person and online SWOT analyses were also conducted in both Aroostook and Washington counties in early 2018.

AWEDD's priority industry clusters are: Agriculture, Forest Resources, Marine Resources, Tourism, Manufacturing, and Alternative Energy.

Asset Based Cluster Development Goal Statement

By focusing on six asset-based industry clusters the region will realize 1,000 new jobs by 2023; and total employment of 54,290.

Agriculture Goals

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.

Strategy 1.

Encourage diversification to supplement traditional potato and blueberry crops. Research new value added crops and link growers to programs and resources to improve profitability.

Outcome: See attachment A

Strategy 2.

Identify and determine characteristics and primary crop opportunities for the acreage coming out of the conservation resource preservation program.

Outcome: See attachment A

Strategy 3.

Build and strengthen distribution systems across Aroostook/Washington counties to east coast markets.

Outcome: See Attachment A



Forest Resources Goals

By 2023, increase total value-added wood products manufacturing in Northern and Eastern Maine by 25%. Participate in the FOR/Maine initiative to grow Maine's forest products sector by 40% by 2025.

Strategy 1.

Continue support of the Aroostook Partnership led Northern Maine Forest Products Industry Cluster, which represents more than 30 forest products related businesses, education, workforce development and ancillary organizations.

Outcome: See attachment B

Strategy 2.

NMDC, Aroostook Partnership and Sunrise County Economic Council will promote new forest products, like nanocellulose, biofuels and others to attract large scale manufacturers/producers to the AWEDD.

Outcome: See attachment B

Strategy 3.

Support workforce training efforts to grow pool of forest products industry employees.

Outcome: See attachment B

Strategy 4.

Assist in redevelopment of shuttered biomass electricity plants in Aroostook and Washington County.

Outcome: See attachment B



Marine Resources Goals

By 2023, increase marine-related employment by 250 jobs through expansion of research, harvest, and processing.

Strategy 1.

Improve current processing facilities, by strengthening current infrastructure and developing a more available and skilled workforce.

Outcome: See attachment C

Strategy 2.

Investigate and develop a regional business case for increased seafood processing capacity in the region.

Outcome: See attachment C



Strategy 3.

Expand marine research capacity in the region by leveraging the unique marine environment and creating connection to interested out-of-region research institutions.

Outcome: See attachment C

Strategy 4.

Monitor climate change effects on the fishery and seek federal/state assistance to mitigate reductions in harvests.

Outcome: See attachment C

Tourism Goals

By 2023, increase overall dining and tourism revenues by 25%, employment by 15%, and grow non-peak season events by one a year.

Strategy 1.

Market Aroostook and Washington County jointly to attract visitors and encourage longer stays.

Outcome:

See attachment D

Strategy 2.

In conjunction with tourism businesses and officials in the AWEDD, promote adventure tourism in the region.

Outcome: See attachment D

Strategy 3.

Coordination of public (Aroostook County Tourism and Downeast Acadia Regional Tourism) and private marketing dollars to increase visitor interest and impact.

Outcome: See attachment D

Strategy 3.

Improve the quality and quantity of basic tourism information about customer demands and regional tourism products to guide improved visitation and spending.

Outcome: See attachment D



Manufacturing and Specialty Processing Goals

By 2023, achieve 200 new jobs in metal manufacturing, natural resources manufacturing and food product manufacturing.

Strategy 1.

Identify, research and communicate niche market opportunities to business leaders through newsletters, workshops and summits.

Outcome: See attachment E

Strategy 2.

Conduct workforce surveys to assist local higher education institutions, adult ed and others with training programs.

Outcome: See attachment E

Strategy 3.

Market assets, such as Opportunity Zones, the Loring Commerce Centre and the former Cutler Naval Station, to potential manufacturers.

Outcome: See attachment E



Alternative Energy

Realize 200 jobs in the Renewable Energy Economy by 2023.

Strategy 1.

Capitalize on new technologies (biofuel, biomass, less expensive solar panels, wind, tidal and other power generation) to generate green technology jobs and lessen dependence on fossil fuels. Develop relationships with producers, who wish to expand or continue to conduct business in the AWEDD.

Outcome: See attachment F



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 2023.

Outcome: See attachment F

Strategy 3.

Encourage connection to ISO New England to realize multibillion dollar investments in wind generation in Aroostook County and to work with producers to encourage responsible development in the AWEDD.

Outcome: See attachment F



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.

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.

Goals developed by Northeastern Workforce Development Board, which serves Aroostook, Hancock, Penobscot, Piscataquis, and Washington counties.



Maine will enhance and align its workforce development system to be more responsive to the needs of businesses. The plan focuses on the development and implementation of a systematic approach to engaging and responding to the workforce and business service needs of employers. The establishment of broader and deeper sector partnerships will enable the development of a pipeline of workers in high growth, high demand fields, thereby reducing apparent skill-gaps and the time needed to fill positions. Advancing a workforce development system that is more responsive to the needs of businesses will be essential to creating a more business friendly environment and developing a more competitive economy.

And, to accomplish these goals the following action areas are set forth in the State Plan:

- Increase the relevance of the workforce development system to employers. Developing better alignment between the supply and demand for labor will result in fewer ‘difficult to fill’ positions, more efficient use of resources and a greater number of Maine residents with quality jobs.
- Produce an educated and skilled workforce through the development of a comprehensive Career Pathways system. Maine’s Career Pathways approach will focus on building the educational, employability and occupational skills of the population and articulating pathways that lead to in-demand credentials and jobs.
- Align the state’s commitment and investment in its workforce. Developing a workforce that is globally competitive and continuously well prepared to succeed in current and future careers will require the commitment and alignment of resources that extend beyond the public workforce system; employers, policy makers, legislators and administrators must be invested in the process and outcome.
- Increase the operational effectiveness of the workforce development system. Aligning and integrating systems, services and operations to enhance customer services will result in critical efficiencies.
- Grow and diversify the workforce through the development of innovative strategies that result in more Mainers with jobs and a larger workforce.

Entrepreneurship and Access to Capital

AWEDD continues to utilize a strategic lifecycle approach for access to capital. This lifecycle strategy includes the formation of capital sources from microloan/startup financing, debt and equity, growth and public finance. Access to capital strategies are directly linked to the innovation and entrepreneurship, industry cluster development and infrastructure drivers.

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.



NMDC, as of the Spring of 2018, is certified at a Community Development Financial Institution, which will allow for more lending to low to moderate income individuals in the AWEDD to engage in entrepreneurial activities.

Entrepreneurship and Access to Capital Goals

By 2023 the region will improve the overall business acumen and increase business starts to more than 100 per year. Increase overall lending in the region by 15% by 2023 including the coordination of capital resources from micro lending to public projects and mature industry finance.

Strategy 1.

Support discussion between SCEC and NMDC lending resources to look at specialty lending products to serve niche market sectors.

Outcome: See attachment G

Strategy 2.

Use Entrepreneurial Technical Assistance Center, in development by NMDC, to track potential entrepreneurs and align them with financing or investors.

Outcome: See attachment G

Strategy 3.

Promote risk reduction of commercial lending through the development of loan products that require more direct involvement in actively monitoring.

Outcome: See attachment G

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 and Downeast 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 Goal

Roads and bridges have been identified as the region's most important transportation infrastructure and the backbone to economic development and retention in the region. While the transportation system is extensive, it is not diverse and the region's roads are being asked to serve two conflicting services. The first is to be the major north-south or east- west corridor that is used by the heavy haul trucking industry to access mills and manufactures throughout the region. The second is to serve as "Main Street" in small communities.

The region's bridges are aging. Many were constructed in the first half of the last century, and many are reaching the end of their service lives. Through proactive bridge maintenance activities and capital investments, MaineDOT's strategic objective is to achieve an average replacement age of 80 years. However, based on current funding and rate of replacement, bridges will need to last an average of 180 years. Though age is not the only predictor, this poses a challenge which, if not addressed strategically over the next several decades, would require future generations to fund a large number of bridges at once, or be faced with numerous postings and long detour routes.

There is no true public transit system in the region. ARTS serves all communities in Aroostook County at least one time per week but it heavily reliant on MaineCare and Medicare clients for its ridership. As a result, local schedules typically accommodate those clients for their non-emergency trips to medical or other appointments and less so for the general public to access employment centers. Additionally, there is no organized car and van pooling projects on-going.

Rail service has improved in the region since the State of Maine purchased the MMA line and made significant capital improves to the infrastructure. Past complaints of rail cars only being able to travel up to 10mph have been eliminated with the installation of a higher class of line and ballast services. Additionally, the NMR company has been providing a higher level of service to the region's largest manufactures and rail usage has increased substantially in the past year. However smaller manufactures are still finding rail difficult to utilize as NMR cannot accommodate the smaller number of loads from these industries.

There are 7 regional or municipally owned airports, located in Houlton, Presque Isle, Caribou, Frenchville, Cutler, Machias, and Eastport. Presque Isle International Airport is the largest airport in the region and now offers 12 regularly scheduled flights on regional jet to Newark, New Jersey. The remaining airports are general aviation airports and provide locations for medical flights, private aviation and cargo. There are no regularly scheduled flights from these airports.

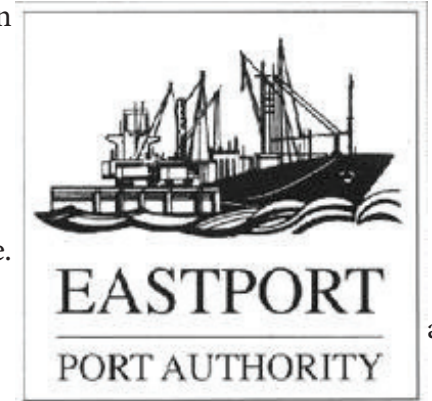
Eastport Port Authority, located in Eastport, Maine, operates the easternmost shipping port in the United States and boasts the deepest natural

water of any port on the east coast. Eastport is the closest US port to Europe by one day. The port is located within six hours of Boston and 30 minutes of Canada.

Suggested Actions

Roads and Bridges

- Maintain and/or acquire adequate funding to maintain and upgrade existing highway and bridge infrastructure. Utilize transportation bonds as needed.
- Adequately identify heavy haul truck routes in the region. Construct heavy haul freight routes to higher standard that accommodates this type of traffic.
- Maintain and/or upgrade minor collectors and state aid routes that are utilized to access major manufactures.
- Use transportation signage that makes motorists more aware of the possible presence of bicyclists and pedestrians on the roads.



Rail Service

- Continue to utilize the Industrial Rail Access Program IRAP program to fund essential projects in the region.
- Work with major manufacturers to develop schedules that increase shipments.
- Accommodate the smaller manufacturers that ship fewer loads, whenever feasible.
- Continue to ensure that cross border traffic can flow between Van Buren and St. Leonard, New Brunswick and Calais and St. Stephen, New Brunswick.
- Continue to provide access to rail service through maintenance/preservation of rights-of-way and infrastructure.
- Ensure that all rail spurs currently in use are maintained for a high level of service.
- Seek the development of public and private financial assistance for system improvements.
- Allow high truck weights to major rail siding near the Canadian border and develop intermodal/trans-load facilities.

Public Transit Service

- Increase demand and use through better marketing of the services available in the region.
- Seek alternative funding opportunities, such as the New Freedom grant, to provide service to non-traditional users of the system.
- Review schedules from service centers to employment centers and determine if van pooling/commuter services can be implemented and/or increased.

Air Service

- Maintain convenient and affordable inter- and intra-state passenger air service.
- Improve/Implement marketing of the region's cargo, commercial, and passenger air services.

Access to adequate and affordable broadband continues to be a pressing issue for the AWEDD.

A modern home requires water, sewer, and electricity to function. In rural areas, some or all of these can be provided by the homeowner, but most of us rely on our public utilities to provide all or part of these services. In the 21st century, though, it has become clear that a fourth utility is required: Broadband.

High-speed internet service is a defining issue for rural communities across the NMDC service area. We consider it a necessary, essential utility, required for the proper functioning of a home and the full participation of citizens in society. Ensuring that the communities of Aroostook and Washington County and their citizens have the types of connections that allow them to do their school work or access adult education resources; allows an elderly citizen to stay in their home with the help of telemedicine services that require a strong Broadband connection; allows a home-based business to increase its presence across the area and the world and help families create their own economic future are all enabled with a good internet connection. Many homes and businesses across the county suffer from poor reliability and lack of speed and even more importantly some of our citizens do not have an internet connection at their home and must rely on expensive and unreliable satellite or cellular hotspots to obtain access to this basic necessity. NMDC is committed to assisting communities and their citizens with these basic goals.



- Equal Service to All- It is unacceptable that the location of your home dictates the type of internet service you can receive, we must do more to support better, and more uniform service across Washington and Aroostook Counties
- Ensure affordable service to all- Understanding that the counties of Aroostook and Washington are among the most disadvantaged in Maine, we must work to ensure that solutions are affordable to our citizens
- Speed and Reliability meet customer needs- Any new Broadband service must be built with future demands in mind, the current situation is unacceptable
- Stronger voices- NMDC is committed to creating the conditions that give communities a stronger voice in internet provider accountability by supporting “the public good” as the private sector has failed to provide what the region is demanding.

Leadership

NMDC views leadership as an immediate requirement, but also a long-term priority to guide and drive the regions 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

By utilizing the NMDC Next Generation Strategic Plan, completed in late 2017, the Commission will target impact areas of population, economic value, quality of place, infrastructure, and mindset.

Strategy 1.

Beginning in 2018, NMDC and stakeholders in Aroostook and Washington Counties, will actively engage in productive and rewarding partnerships that will contribute to building prosperity, fostering a thriving economy, and achieving mutually beneficial goals.

Outcome: See attachment H

Strategy 2.

Beginning in 2018, NMDC will lead the design and execution of a transformational communications strategy to build an internal and localized sense of confidence and self-determination while positively shaping and impacting external investment. By 2020, core elements of the plan will be utilized by over 30 partners.

Outcome: See attachment H

Strategy 3.

Beginning in 2018, NMDC will identify and enhance its priority partnerships with organizations, foundations, and other entities that can support the achievement of the Next Generation Strategic Plan. Partnership prioritization helps NMDC staff and Executive Leadership focus resources to assist in achieving the objectives. Besides AP and the Washington County entities previously identified, it is important for NMDC to strengthen its relationship with other priority partners such as Aroostook County Government and relevant entities in the neighboring Canadian provinces of New Brunswick and Québec.

Outcome: See attachment H



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.

In addition, information networks will be created to share information and to mitigate threats. NMDC will serve as a responsive participant in economic recovery efforts. The region will also serve as an information hub by collecting data and convening the appropriate players to facilitate recovery post-disruption. The effectiveness of a region's response to a major economic disruption is often enhanced if the public, private, education, and nonprofit sectors are aware of each other's roles and responsibilities – particularly as they pertain to recovering from economic shocks.



Opportunity Zones



Opportunity Zones are a relatively new community development program that was established by Congress via the Tax Cuts and Jobs Act of 2017. The goal of Opportunity Zones is to encourage long-term investments, specifically in low-income urban and rural areas throughout the country and bolster the economy.

Not only do Opportunity Zones offer a chance for investors to earn significant revenues, but they also have tax incentives that encourage investors to re-invest their unrealized capital gains into Qualified Opportunity Zones

An Opportunity Zone is an economically distressed urban or rural community that has been identified by certain local, state, and federal qualifications.

There are six Opportunity Zones in the Aroostook Washington Economic Development District. In Washington County the zones are: Baileyville, Whiting, Dennysville, Pembroke, Baring, and Meddybumps, or census tracts 23029955400 and 23029955900. In Aroostook County, Washburn, Limestone, Madawaska, Stockholm, Caswell, and Connor, or census tracts, 23003951000, 23003951600, 23003950300, and 23003950100.

In Washington County, population in the OZ totals 2,733. The industry mix includes natural resources and manufacturing. Wild blueberry acreage is abundant and although the market for the commodity is

recently depressed, food processing opportunities are present. Baileyville is also the location for Woodland Pulp and Paper. Woodland Pulp is the largest employer in Washington County, with approximately 310 employees.

Today, Woodland Pulp produces St. Croix Hardwood, a type of pulp made from locally sourced wood. The high-quality pulp is sold to paper makers all over the world. Starting in 2016, St Croix Tissue, consumes a portion of the pulp produced.

The Aroostook County zone of Washburn has a population of 3,346. The industry mix consists of agriculture and food processing. A new potato processing facility is under construction in Washburn, which will employ more than 80. Limestone has a population of 2,007, the most substantial asset in Limestone is the former Loring Air Force Base, now the Loring Commerce Centre. With over 3,800 acres of developed area Loring has the capacity to support new business development with a variety of existing modern and practical buildings and developable sites supported by high-capacity municipal utility infrastructure and a newly constructed dark fiber network. Also included in that zone are lake front properties in Stockholm. The most northern Opportunity Zone in Aroostook County is in Madawaska, which has a population of 3,793. Madawaska is home to Twin Rivers Paper Company, which employs nearly 400. It produces innovative packing products and other specialty paper.

It is also a bustling international border crossing with Edmundston, New Brunswick, Canada. It is also a service center for the St. John Valley, with retail establishments, hotels/motels and restaurants.

For more information on the demographics and other characteristics of the zones, visit <http://www.statsamerica.org/opportunity/map.aspx>.

Priority Projects

The criteria for project selection rely 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.

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.

The proposed projects are:

1. Electrical & Thermal Power Generation Using New Technology.

The Loring Development Authority and the developer of a new, highly efficient combined heat and power (CHP) generation technology would establish an electrical generation facility at Loring. The project would serve to demonstrate the commercial feasibility of the new, highly efficient technology. The generator plant would be fueled by wood biomass which is an underutilized byproduct of logging and forest industry activities carried out in the region. The commercial demonstration project leverages considerable federal assistance already provided by US Dept of Energy in support of the scientific and technical aspects of the technology. Electrical power generated by the project would be consumed by multiple Loring-based employers. Funding obtained for the project would be used for construction or modification of the building and electrical interconnection facility (to be owned by LDA).

2. 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 or induced jobs. Resulting in a total GDP of \$3,803,7232.

3. Manufacturing and Processing Project at Loring Commerce Centre.

Funds for improvements to buildings, facilities and supporting infrastructure that would house and support a food and beverage industry manufacturing and processing project. The project would utilize locally-sourced agricultural products and take advantage of existing buildings and infrastructure at Loring Commerce Centre. Funds would be used for upgrades and modifications to buildings, including heating and cooling systems, internal and external building renovations, electrical, plumbing, water and sewer service, and access for trucks and other means of transportation.

4. The Washburn project consists of extending the 6" public water main 3,600 lf to an industrial zoned property and the installation of fiber-optic lines 2.8 miles to the project site. This infrastructure project will accommodate a new potato processing plant that will employ up to 80 new employees. Total infrastructure project is about \$1 million with NBRC providing \$500,000.

5. The proposed project in Linneus will consist of constructing a new 6,000 s.f. facility and new equipment for the processing of organic flour, organic raw rolled oats, organic oat flour, organic spelt and organic wheat berries. The project cost for building and equipment is estimated at \$1 million creating 4 to 5 new jobs at the processing facility and 1 to 2 new jobs on the farm. The client grows approximately 300 acres of organic crops located in Linneus. The new facility will require 3-phase power and close proximity to rail.

6. A proposed upgrade to the Fort Fairfield Utilities District, with a \$1.5 million request to EDA, for job retention at a starch facility in Fort Fairfield.

Acknowledgments

Special thanks to Sunrise County Economic Council for input, which helped in creation of this document, Aroostook Partnership Board of Directors, and the Washington County Council of Governments for help distributing the municipal CEDS priority survey.

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 first year for this iteration of the Aroostook Washington Comprehensive Economic Development Strategy. A complete rewrite is scheduled for 2023.

Comments or questions about this document can be sent to Jon Gulliver, Director of Investor and Community Relations at Northern Maine Development Commission, jgulliver@nmdc.org.

Links

[*AWEDD CEDS Council*](#)

[*NMDC Next Generation Strategic Plan*](#)

[*SCEC Strategic Plan*](#)

[*Economic Development Administration*](#)



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Agriculture Goals

Strategy 1.

Encourage diversification to supplement traditional potato and blueberry crops. Research new value-added crops and link growers to programs and resources to improve profitability.

Outcome: Worked with Van Buren grower to improve rail access to facility to support exporting of variety of crops. Aided barley malting facility in Mapleton to add value to already grown crop. Also, applied for grants to assist facility. Worked with small producers on unusual crops and animal feeds.

Strategy 2.

Identify and determine characteristics and primary crop opportunities for the acreage coming out of the conservation resource preservation program.

Outcome: Continued to monitor CRP land now available. Also tracked fallow acreage suitable to return to production. CRP acreage not going back into production quickly. Will address in CEDS rewrite in 2023.

Strategy 3.

Build and strengthen distribution systems across Aroostook/Washington counties to local and east coast markets.

Outcome: Connected growers with other producer to see if shared transportation would be feasible. Project is continuing.

Forest Resources Goals

Strategy 1.

Continue support of the Aroostook Partnership led Northern Maine Forest Products Industry Cluster, which represents more than 30 forest products related businesses, education, workforce development and ancillary organizations.

Outcome: The cluster did not meet this past year 2021-2022 due to the pandemic, but AP and NMDC continued to engage those in the industries to highlight new opportunities and revitalize the wood basket of Aroostook County.

Strategy 2.

NMDC, Aroostook Partnership and Sunrise County Economic Council will promote new forest products, like nanocellulose, biofuels and others to attract large scale manufacturers/producers to the AWEDD.

Outcome: AP served on the Ashland Economic Development Council and helped secure funding to attract investment in the region. NMDC financed a project for Ashland to acquire an industrial site for future development. Continued to research new technologies and possible products to advance the forest products industry.

Strategy 3.

Support workforce training efforts to grow pool of forest products industry employees.

Outcome: Continued to publicize Community College mechanized harvester training program. Engaged with companies in the Northern Maine Forest Products Industry Cluster to assess training needs.

Strategy 4.

Assist in redevelopment of shuttered biomass electricity plants in Aroostook and Washington County.

Attachment B

Outcome: All biomass electricity plants have been either shuttered or raised. Strategy will be eliminated from the new CEDS being developed for 2022-23.

Marine Resources Goals

Strategy 1.

Improve current processing facilities, by strengthening current infrastructure and developing a more available and skilled workforce.

Outcome: Attended Washington County Virtual Economic Summit presented by the Sunrise County Economic Council.

Strategy 2.

Investigate and develop a regional business case for increased seafood processing capacity in the region.

Outcome: SCEC, in 5-year strategic plan, calls for creating shore side infrastructure to enable seafood to reach local and remote markets.

Strategy 3.

Expand marine research capacity in the region by leveraging the unique marine environment and creating connection to interested out-of-region research institutions.

Outcome: Work currently underway by organizations like the Downeast Institute, University of Maine and others.

Strategy 4.

Monitor climate change effects on the fishery and seek federal/state assistance to mitigate reductions in harvests.

Outcome: State of Maine created a Climate Council looking at the issue of climate change as it relates to the economy, transportation, resilience, land use planning, adaptation, etc. Look to access climate change resiliency funding to coastal communities.

Tourism Goals

Strategy 1.

Market Aroostook and Washington County jointly to attract visitors and encourage longer stays.

Outcome: 2021 saw a sizable increase in the number of tourists to Aroostook and Washington County over 2020. Maine Office of Tourism increased marketing funding to the two regions, Aroostook County and Downeast Acadia Regional Tourism for FY 21.

Strategy 2.

In conjunction with tourism businesses and officials in the AWEDD, promote adventure tourism in the region.

Outcome: Aroostook County Tourism increased advertising for motorized outdoor recreation in 2021.

Strategy 3.

Coordination of public (Aroostook County Tourism and Downeast Acadia Regional Tourism) and private marketing dollars to increase visitor interest and impact.

Outcome: Now that Sunrise County Economic Council is the administrator of Downeast Acadia Regional Tourism better collaboration in the AWEDD is underway, with both counties stressing the assets of one another.

Strategy 3.

Improve the quality and quantity of basic tourism information about customer demands and regional tourism products to guide improved visitation and spending.

Outcome: Revamped Aroostook County Visitors Guide and work done to update visitaroostook.com. Produced Scenic Byway brochures to highlight two in the region.

Manufacturing and Specialty Processing Goals

Strategy 1.

Identify, research, and communicate niche market opportunities to business leaders through newsletters, workshops and summits.

Outcome: Through distribution channels of NMDC, Aroostook Partnership, and others provided information on business opportunities and workshops. Monitor activity with Manufacturers Association of Maine.

Strategy 2.

Conduct workforce surveys to assist local higher education institutions, adult ed and others with training programs.

Outcome: Did not conduct any workforce surveys in 2021-22 due to oversaturation of surveys due to the pandemic.

Strategy 3.

Market assets, such as Opportunity Zones, the Loring Commerce Centre and the former Cutler Naval Station, to potential manufacturers.

Outcome: Updated CEDS with new priority projects and promoted Opportunity Zones to prospective developers.

Alternative Energy Goals

Strategy 1.

Capitalize on new technologies (biofuel, biomass, less expensive solar panels, wind, tidal and other power generation) to generate green technology jobs and lessen dependence on fossil fuels. Develop relationships with producers, who wish to expand or continue to conduct business in the AWEDD.

Outcome: Engaged with three wind developers looking to bring more than \$1-billion in development to the region. Aroostook Partnership continues to work with energy producers to bring biofuel plant to Ashland.

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 2023.

Outcome: Energy markets extremely volatile in 2021-22. Will need to refocus strategy in upcoming CEDS rewrite.

Strategy 3.

Encourage connection to ISO New England to realize multibillion-dollar investments in wind generation in Aroostook County and to work with producers to encourage responsible development in the AWEDD.

Outcome: Continued to engage with Maine PUC and energy providers to gain a greater understanding of costs association with the project, cost benefits, and other factors. Had discussions with developers of projects to accomplish the goal outlined in the strategy. Worked with wind and solar developers to advance legislation to connect to ISO New England to provide a pipeline to export energy from Aroostook County. Solar is exploding in the AWEDD and will be better incorporated in future CEDS.

Entrepreneurship and Access to Capital Goals

Strategy 1.

Support discussion between SCEC and NMDC lending resources to look at specialty lending products to serve niche market sectors.

Outcome: Lending terms and rates are more flexible to accommodate a greater variety of clients. Added Paycheck Protection Program lending to assist those who did not have a regular banking institution. Establishing a loan and small business development office for Eastport, Maine.

Strategy 2.

Use Entrepreneurial Technical Assistance Center, in development by NMDC, to track potential entrepreneurs and align them with financing or investors.

Outcome: ETAC has been renamed Center for Business Growth @ NMDC. Already working with clients to grow entrepreneurial activity. Continued collaboration with Machias Valley Center for Entrepreneurship. Engaged with Ignite PI, a new organization in Presque Isle, ME. Ignite Presque Isle (IGNITE PI) is a newly formed community development nonprofit organization to serve as a co-workspace, networking hub, and innovation center.

Strategy 3.

Promote risk reduction of commercial lending through the development of loan products that require more direct involvement in actively monitoring.

Outcome: Awarded more EDA and Community Development Financial Institution funds to grow lending portfolio.

Leadership Goals

Strategy 1.

Beginning in 2018, NMDC and stakeholders in Aroostook and Washington Counties, will actively engage in productive and rewarding partnerships that will contribute to building prosperity, fostering a thriving economy, and achieving mutually beneficial goals.

Outcome: Achieved and continuing.

Strategy 2.

Beginning in 2018, NMDC will lead the design and execution of a transformational communications strategy to build an internal and localized sense of confidence and self-determination while positively shaping and impacting external investment. By 2020, core elements of the plan will be utilized by over 30 partners.

Outcome: Abandoned as each region of the AWEDD is too distinct to categorize in one document.

Strategy 3.

Beginning in 2018, NMDC will identify and enhance its priority partnerships with organizations, foundations, and other entities that can support the achievement of the Next Generation Strategic Plan. Partnership prioritization helps NMDC staff and Executive Leadership focus resources to assist in achieving the objectives. Besides AP and the Washington County entities previously identified, it is important for NMDC to strengthen its relationship with other priority partners such as Aroostook County Government and relevant entities in the neighboring Canadian provinces of New Brunswick and Québec.

Outcome: Developed greater relationship with Four Directions Development Corporation (which supports the Wabanaki Tribes), Maine Department of Economic and Community Development, Maine Development Foundation, and Maine International Trade Center.