

by Sheila Grant, Tom Lizotte, and Erik Stumpf

## Economic Development in Maine The Piscataquis County Model



The former Brown's Woolen Mill in Dover-Foxcroft represents the historical economic base of Piscataquis County.



*Not long ago, few people would have regarded Piscataquis County as an economic development model, but today it is charting a new course for rural Maine.*

With the state's smallest population (17,235) and lagging personal income growth, Piscataquis County shared in rural Maine's recent economic decline.<sup>1</sup> Ongoing losses in traditional manufacturing industries (shoes, clothing, paper) led to a net outmigration, reducing Piscataquis County's population by nearly 8 percent between 1990 and 2000.<sup>2</sup> This loss of population, especially the loss of young families with children, has accelerated other negative social trends, such as the ongoing closure and consolidation of public schools.

But today Piscataquis County municipal officials and residents have embraced a cooperative approach to regional economic development that holds great promise—not only for Piscataquis but for rural Maine generally. In fact, countywide action is an innovation for most of New England.

### **A Coordinating Identity**

Economic development efforts are now coordinated on a countywide basis by the Piscataquis County Economic Development Council (PCEDC).

Incorporated in 1998, PCEDC is a nonprofit, individual-membership, local development corporation. The council's board of directors consists of approximately 50 Piscataquis County residents from business, professional, and governmental sectors. A 12-member executive committee chosen from the board provides day-to-day oversight and policy direction. The executive committee currently includes the town managers of four of the county's five largest towns.

The council determined early on that a full-time, in-house economic development director was essential to organize local efforts

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to attract business; talk with prospective new business owners; show available sites; provide statistics on the labor market, education, and employment; and write and administer grants.

In 1999, an executive director was hired, technically as an employee of Eastern Maine Development Corporation (EMDC) in Bangor but reporting directly to the PCEDC executive committee. The executive director works from the council's office in the merged town of Dover-Foxcroft.

The staff grew in 2006, when two half-time specialist positions were added: one in tourism marketing to help the Piscataquis Tourism Task Force develop nature-based tourism opportunities; one in community development to support downtown revitalization efforts.

The Piscataquis County commissioners fund the three positions through the annual county budget, increasing the funding from \$40,000 in 1998 to \$100,000 in fiscal years 2005 and 2006.

### **A Rare Countywide Collaboration**

Although county-based initiatives are common in some states, Piscataquis County's approach to economic development is unique in Maine. In general, Maine towns have full home-rule powers, and county governments can exercise only delegated powers.

So PCEDC sought and obtained special authorization from the Maine legislature for Piscataquis County to undertake and fund economic development efforts. And since 2003, through its commissioners, the county has had that power. It is now permitted to issue bonds to support local or countywide economic development capital projects and—subject to voter approval through a referendum—local match funding for state and federal grants.

Today Piscataquis functions as a single economic development entity. It has more population than any one county town, more than \$1.8 billion in countywide assessed value, and more than \$22 million in county economic development bonding capacity. It is on a par with Maine's larger municipalities—a boon for future economic development efforts.



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### **Activities and Successes**

The countywide sharing of risks and the pooling of resources have enabled Piscataquis County to undertake efforts that are beyond the means of any single town.



### **Penquis Higher Education Center**

An economy in transition requires retraining of displaced workers and convenient, affordable access to postsecondary education. The PCEDC sought to overcome a lack of local postsecondary opportunities through creation of the Penquis Higher Education Center (P-HEC).

Dover-Foxcroft donated the vacant Mayo Street School to Eastern Maine Community College, and PCEDC secured \$1.2 million from the legislature for renovations. Since opening in 2002, P-HEC has served more than 7,000 students. More



than 100 have graduated with a diploma, associate's degree, or bachelor of science.

In 2003, PCEDC and P-HEC created the Penquis Leadership Institute (PLI), modeled on the state initiative called Leadership Maine, to train local volunteers wishing to take a more active role in civic affairs. PLI has graduated four classes totaling 62 students, many of whom now staff local volunteer organizations and boards.

### Development Sites

To address a critical shortage of available, prepermitted development sites, PCEDC is assisting in the creation or expansion of three business and industrial parks, geographically distributed in the county's three service-center communities. These include Pine Crest Business Park in Dover-Foxcroft, which opened in 2000; the existing Greenville Industrial Park, where recent efforts have focused on expansion and infrastructure improvements; and the planned Eastern Piscataquis Industrial Park in Milo. Milo purchased 140 acres for the Eastern Piscataquis park in 2004. One lot has been developed, occupied in 2005 by Mayo Regional Hospital's Milo Family Practice. The rest is in the design and permitting phase. PCEDC helped secure a \$544,500 Congressional appropriation for infrastructure development, plus a transportation-bill earmark for related traffic improvements.

### New Technologies

The town of Greenville is now affiliated with the Sanford Composites Technology Center, as part of Maine's targeted technologies program. Greenville and PCEDC have obtained local funding and state and federal grants for construction of a 10,000-square-foot incubator facility for wood composite businesses. The low-cost production space is for start-ups utilizing wood composite technologies and products developed and patented by the University of Maine's Advanced Engineered Wood Composites program in Orono. The incubator facility opened in May 2005, and an initial tenant-took occupancy of a portion that June.



### Tourism Development

Piscataquis County has Maine's highest mountain, Katahdin, and its largest lake, Moosehead, plus the Appalachian Trail's "100 Mile Wilderness" section, the Gulf Hags National Natural Landmark area, more than one million acres of conservation and forestry easement lands, and a unique forestry and outdoor heritage.

Given such advantages, PCEDC decided to create the Cultural Heritage and Eco-tourism Committee (CHET). CHET's efforts include acquisition of funding for a book about 20th century Piscataquis history and the publication of *Cultural Heritage Directory of the Piscataquis Region* and *Southern Piscataquis Regional Recreation Map and Guide*, the latter created with the University of Maine Cooperative Extension and the Appalachian Mountain Club.

A 2005 state-commissioned study of ecotourism assets identified the southern part of the county as one of two proposed "implementation areas" for enhanced nature-based tourism development. And PCEDC, with financial support from the Piscataquis County commissioners, created the Piscataquis Tourism Task Force to help implement the study's recommendations through signage, travel itineraries, and infrastructure improvements at designated nature-based tourism sites.

Recently, several national conservation groups have made major purchases in Piscataquis County. The Appalachian Mountain Club now owns 37,000 acres in central Piscataquis adjacent to Gulf Hags. A significant base of working forest landscape is being put into conservation easements. About 1.5 million acres of Piscataquis County are now in public ownership or set aside for sustainable forestry and outdoor recreation.



### Local Businesses

A 1998 University Maine Cooperative Extension study indicated that 2,000 home-based microbusinesses provided 20 percent of the county's employment base. A subsequent study found that 40 percent of those microbusinesses were tourism related.

To assist home-based craft businesses, CHet created and incorporated the Maine Highlands Guild. The guild provides juried artisan members with a strong brand identity, a coordinated marketing and sales strategy, education and networking opportunities.

In 2001, PCEDC assisted the relocation of JSI Store Fixtures, Inc., to Milo, obtaining \$400,000 from Maine's community development block grant (CDBG) program to help finance JSI's purchase the vacant Dexter Shoe Company facility. JSI now employs about 80 people.

Also in 2001, PCEDC helped obtain a \$400,000 CDBG grant for Dover-Foxcroft to help fund construction of a 15,000-square-foot production facility in Pine Crest Business Park, for Creative Apparel, Inc. This project created more than 60 new manufacturing jobs.

In 2005, PCEDC was instrumental in obtaining a \$400,000 business assistance program grant to help finance acquisition of the Pride Manufacturing mill in Guilford by American Wood Turnings, Inc., thereby retaining 60 jobs.

The PCEDC has assisted in bringing more than \$4.5 million in grant dollars to Piscataquis County for tourism development, renovations of the Center Theatre in Dover-Foxcroft, downtown revitalization, and more. Direct business guidance and assistance referrals by PCEDC are ongoing.

Piscataquis County's approach is evidence that a county-based economic development program can be successful in rural Maine. By organizing local resources on a countywide basis, Piscataquis County now has the opportunity to play a meaningful role in its own economic future.

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*Economic development photographs are courtesy of PCEDC.*

### Endnotes

<sup>1</sup> In 2004, for example, workers earned the lowest average annual wage in the state, \$24,103. See <http://www.pcedc.org>. The income figures on the web site are from the U.S. Bureau of the Census.

<sup>2</sup> After a decade of decline, Piscataquis County's total population increased by 2.5 percent between the 2000 census and the end of 2005, contrary to Census Bureau predictions. The net outmigration issue also seems to have been reversed, with a net immigration reported in 15 of Maine's 16 counties (including Piscataquis) in 2004. *The Bangor Daily News*, November 3, 2006, reports that in 2004 more than 11,600 people moved to Maine from the other five New England states, versus only 7,000 departures from Maine to those same states.

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**In western Maine, the Greater Franklin Development Corporation has worked diligently to retain jobs and bring in new ones.**

