

DRAFT

**SMPRC 2007 Comprehensive Economic
Development Strategy**

**Submitted to the
Economic Development Administration
United States Department of Commerce
April 2007**

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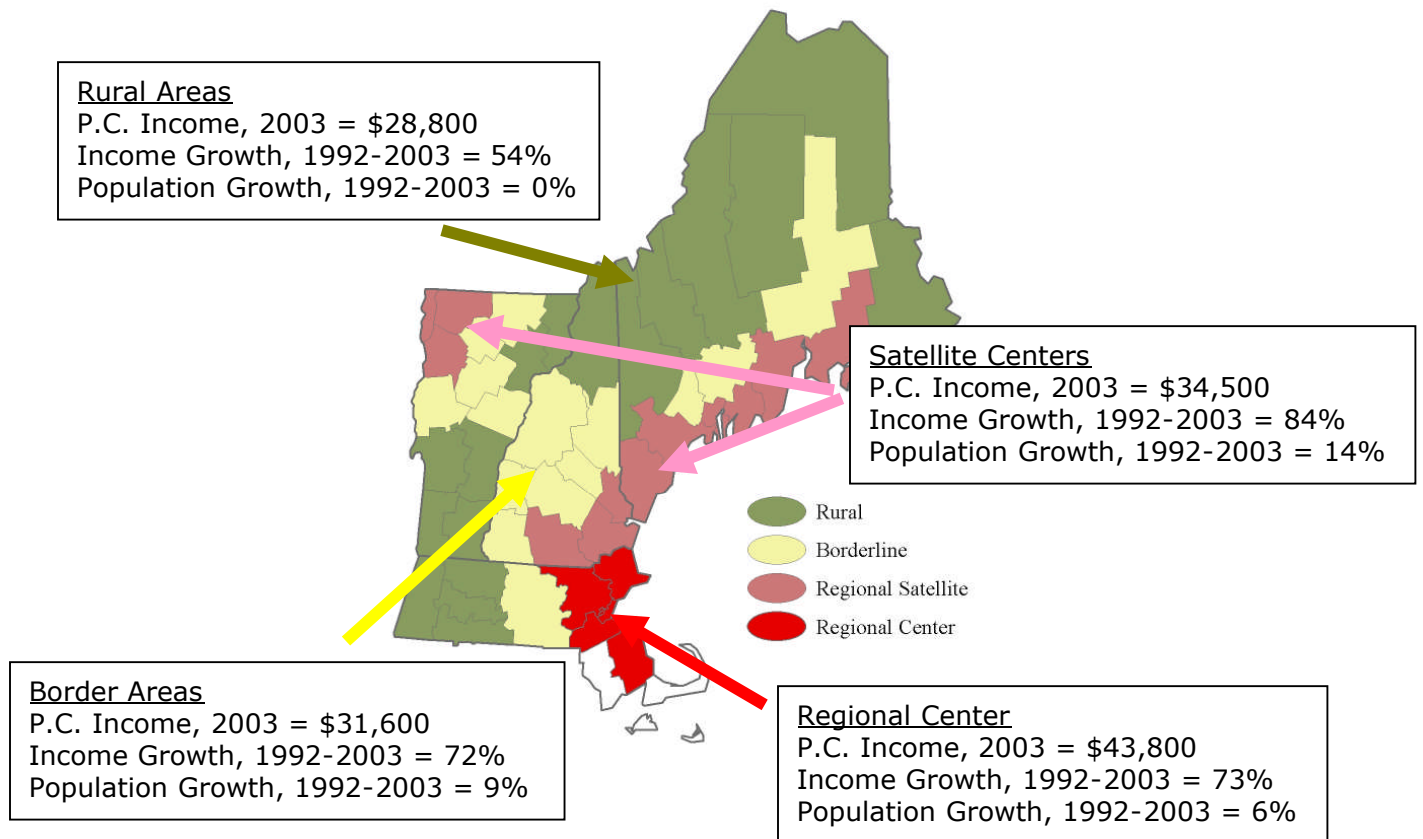
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Background

(Much of the following data and analysis was derived from the study, “An Economic Development Strategy for York County: What are the Best Prospects for Future Growth?”, prepared by Chuck Lawton and the firm, Planning Decisions, Inc., for the Southern Maine Regional Planning Commission, dated May 29, 2006)

A first step in this task is to look at what industries have grown in comparable regions in New England. Figure 1 presents a view of northern New England based not on state boundaries but on a series of sub-regions based on their relationships to the overall regional center of Metropolitan Boston.

Figure 1: Northern New England’s Economic Regions



Source: U.S. Department of Commerce Bureau of Economic Analysis and Bureau of the Census; *The Regional Center is defined as Middlesex, Norfolk, Plymouth and Suffolk counties in Massachusetts; the Satellite Centers as York, Cumberland and Sagadahoc counties in Maine, Hillsborough, Rockingham and Strafford counties in New Hampshire and Chittenden, Franklin and Grand Isle counties in Vermont; the border areas as Androscoggin, Kennebec, Penobscot, Lincoln, Knox, Waldo and Hancock counties in Maine, all remaining counties in New Hampshire*

except Coos county, Addison, Lamoille, Orleans and Washington counties in Vermont and Worcester county in Massachusetts. Rural areas are the remaining areas in all states except the Cape Cod area of Massachusetts.

Two facts stand out in Figure 1. The first is the systematic decline in per capita income from the regional center to the rural areas. The second, and more interesting for York County, is the fact that both income and population grew more rapidly over the past decade in the Satellite Center areas than in either the Regional Center or the Border Areas. While the Regional Center enjoys a substantially greater per capita income than any other sub-region, its rate of income growth is 12 percentage points less (73% versus 85%) than that of the satellite centers, and its rate of population growth is less than half the rate of the satellite regions (6% versus 15%).

The reason for this discrepancy is that the Regional Center provides more jobs than its residents fill. Lots of people who live outside Boston commute in to jobs there. That's why the population growth of the satellite centers is so much greater than that of the metropolitan center. Table 1 illustrates this pattern.

Table 1 Employment by Place of Work and Place of Residence, 2003

Measure	Employment by place of work 2003	Employment by place of residence 2003	by work/ by residence ratio
<u>Boston Central</u>	<u>2,492,774</u>	<u>1,792,354</u>	<u>1.39</u>
<u>NH Satellite</u>	<u>484,780</u>	<u>434,720</u>	<u>1.12</u>
NH, Hillsborough County (Manchester)	246,438	212,280	1.16
NH, Rockingham County (Portsmouth)	180,857	159,280	1.14
NH, Strafford County (Rochester)	57,485	63,160	0.91
<u>ME Satellite</u>	<u>335,157</u>	<u>268,710</u>	<u>1.25</u>
York County	93,759	103,210	0.91
Cumberland County	219,931	147,660	1.49
Sagadahoc County	21,467	17,840	1.20
<u>Vermont Satellite</u>	<u>145,967</u>	<u>112,850</u>	<u>1.29</u>
Chittenden	120,610	84,350	1.43
Franklin	22,928	24,550	0.93
Grand Isle	2,429	3,950	0.61

Source: Bureau of Economic Analysis and Bureau of Labor Statistics.

It is particularly interesting to note that both the Maine and Vermont satellite centers exhibit a greater excess of jobs provided over resident employed than does the New Hampshire satellite and that the seacoast counties (Strafford in New Hampshire and York in Maine) have

ratios of jobs provided to jobs held that are below 1.00, indicating a potential for overall growth simply by bringing employment closer to the homes of existing employees.

This pattern of regional dispersion is even more striking when looking at the components of population change. Table 2 presents these data.

Table 2 Components of Population Change, 2000 - 2005

Geographic Area	Net Natural Increase	Net International Migration	Domestic Migration
<u>Boston Central</u>	<u>93,548</u>	<u>126,063</u>	<u>-239,499</u>
<u>NH Satellite</u>	<u>21,658</u>	<u>8,819</u>	<u>15,449</u>
NH, Hillsborough County (Manchester)	11,613	6,719	2,584
NH, Rockingham County (Portsmouth)	7,374	1,328	9,378
NH, Strafford County (Rochester)	2,671	772	3,487
<u>ME Satellite</u>	<u>6,470</u>	<u>2,617</u>	<u>18,232</u>
York County	2,620	459	12,727
Cumberland County	3,210	2,080	4,416
Sagadahoc County	640	78	1,089
<u>Vermont Satellite</u>	<u>4,639</u>	<u>2,640</u>	<u>-660</u>
Chittenden	3,482	2,486	-2,724
Franklin	1,063	146	1,357
<u>Grand Isle</u>		94	8,707

Source: Bureau of the Census <http://www.census.gov/popest/counties/CO-EST2005-04.html>.

Both the regional center and all three satellite centers saw positive natural increases (births less deaths) and positive net international migration. But net domestic migration shows a vastly different pattern. The four counties comprising central Boston lost nearly 240,000 people over the five-year period, while both the New Hampshire and Maine satellite centers experienced substantial gains. Maine was particularly notable in that the net domestic migration was nearly three times as large as natural increase.

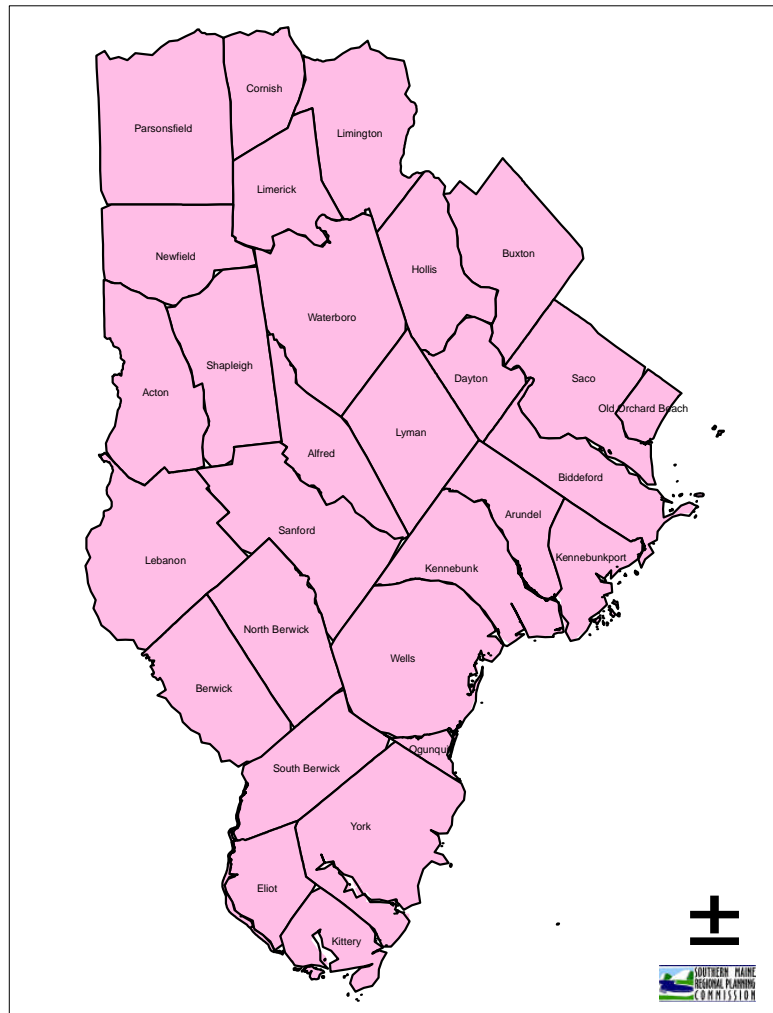
In short, this pattern of sprawling population growth and concentrated earnings growth presents the satellite centers (notably York County) with an opportunity to offer the businesses that are growing in the Boston metropolitan center the chance to expand in locations closer to many of their workers. To determine how York County can best exploit this potential, it is necessary to examine the economic structure of the other satellite centers in somewhat more detail to see if they point to any potential for Maine.

Overview

The Southern Maine Regional Planning Commission (SMRPC) was established in 1966 to promote economic development, land use planning and transportation planning through regional planning and coordination. SMRPC represents 29 communities in York County. Although the District occupies only 3% of the State's land area, it accounts for fifteen percent of its people and eleven percent of its jobs.

Upon receipt of designation as an Economic Development District by EDA one of the primary responsibilities will be the coordination of the Comprehensive Economic Development Strategy (CEDS), the region's vision for economic growth and development. The CEDS will allow communities in York County to become eligible for funding from the U.S. Department of Commerce's Economic Development Administration (EDA). This plan represents the first submission of a CEDS for SMRPC.

29 communities representing 202,315 people and 61,726 jobs



In addition to development of the CEDS, SMRPC fulfills a number of important regional functions:

- Representation of regional interests in Statewide and national economic development forums.
- Assistance to communities with grant applications to support local and regional economic development.
- Strategic assistance to targeted areas, including downtowns, special populations, and industry clusters.
- Coordination with the region's institutional providers of education, workforce development, incubation and microenterprise assistance.
- Data collection and analysis on the York County economy.
- Regional liaison to Maine & Company and to the Department of Economic and Community Development for business leads, regional marketing programs and other statewide economic development projects.
- Implemented and developed a countywide Brownfields Assessment Program.

CEDS Planning Process

One of the District's most important roles is to facilitate the development of the region's Comprehensive Economic Development Strategy. The CEDS will allow communities in York County to become eligible for funding from the U.S. Department of Commerce's Economic Development Administration (EDA). EDA provides grants to support planning and infrastructure in rural and urban areas experiencing economic distress due to high unemployment, low income, mass layoffs, closure of federal facilities, natural disasters, depletion of natural resources, or changing trade patterns. Eligible communities in York County must apply for EDA funds through SMRPC. In addition to meeting economic distress criteria, eligible communities must include their projects in the CEDS.

Historically, SMRPC, in partnership with GPCOG through SMEDD, has been involved in a joint partnership to complete a CEDS. While SMEDD completed and submitted a CEDS for 2006, there has been a parallel effort to complete a York County centered CEDS. These efforts have centered around numerous plans and meetings which include: planning for and completing a Bi-State Summit with participation from Maine and New Hampshire, studies for the potential local and regional impact of the proposed closure of the Portsmouth Naval Shipyard and a study detailing the existing local and regional clusters from southern Maine to northern Massachusetts.

Over the past year SMRPC has been working with GPCOG in an effort to de-district SMEDD and to re-district both SMRPC and GPCOG as EDA designated EDDs. The background behind this effort is presented following this section. In light of this effort SMRPC has appointed a separate CEDS Committee with membership from individuals and business either living or working within York County. In addition, several long term economic development planning

efforts have been started or completed within the past year and these efforts have also contributed to the CEDS. Several of these efforts will be highlighted in some of the following sections.

CEDS Planning Process: The 2007 York County CEDS

During October 2004, EDA Planner Cassandra Lighty visited Southern Maine to conduct SMEDD’s first performance evaluation since 1999. Following her visit, the District received an extensive list of recommendations related to the structure and governance of the District as well as the CEDS planning process. EDA particularly focused on the seeming disconnect between the activities of the regional planning commissions and the identity of SMEDD. In other districts throughout the state, the work is one and the same, i.e., the work program of the regional planning commission IS the work of the district. Because SMEDD represents two regional planning commissions, however, there is a third entity, the SMEDD Board, to bridge the gap. Yet the general membership of each planning commission identifies not with SMEDD, but with GPCOG and SMRPC. On top of that is the issue of capacity. The District represents over one third of the state’s people and jobs and is expected to grow by another 50,000 jobs over the next 25 years. But by sharing resources, SMEDD cannot staff either the York or Cumberland county office with full-time staff devoted exclusively to economic development. Shortly after EDA’s visit, the District staff and the SMEDD Executive Committee began to explore the only solution that would result in a higher level of service: to reorganize SMEDD into two distinct and separate Economic Development Districts. To accomplish this reorganization, the following actions must be taken:

1. Each district must meet EDA requirements, including preparation of a CEDS. Each district must contain at least one area with an unemployment rate 1% greater than the national average; per capita income 80% or less than the national average, or a special need as defined.
2. Governing bodies of both SMRPC and GPCOG must approve the reorganization.
3. Maine State Governor must approve the reorganization.
4. EDA must approve the reorganization.

Accordingly, restructuring the District has dominated SMEDD’s agenda. As stated in SMEDD’s November 24th, 2004 letter to EDA, the proposed reorganization of the District’s structure and governance would take precedence over other changes suggested by EDA. Although SMEDD’s CEDS Committee did not meet as a committee of the whole in 2005-2006, each subgroup comprising the Committee, i.e., the Executive Committees of SMRPC, GPCOG, and SMEDD, did meet individually to discuss and take action on the issue on reorganization. The following table represents significant actions taken to date to reorganize SMEDD:

Date	Actions take to reorganize SMEDD
October 19-21, 2004	EDA Planner Cassandra Lighty visits Maine to conduct performance evaluation of SMEDD
October 2004	SMEDD staff and Executive Committee review recommendations from EDA
November 2004	GPCOG and SMRPC Executive Committees briefed on SMEDD reorganization
November 24, 2004	SMEDD responds to EDA’s evaluation with update on reorganization efforts
December 20, 2004	Neal Allen and Paul Schumacher meet with DECD Commissioner Jack Cashman and Deputy Commissioner Jeff Sosnaud to discuss SMEDD reorganization
January 7, 2005	Neal Allen, Paul Schumacher, and Chuck Morgan meet with DECD staff Ron McKinnon and

	Peter O' Donnell, who agree to discuss SMEDD reorganization with the Commissioner
January 19, 2005	SMRPC Executive Committee passes resolution to establish separate districts
February 9, 2005	SMEDD Board passes resolution to establish separate districts
February 16, 2005	GPCOG Executive Committee passes resolution to establish separate districts
April 13, 2005	SMEDD Executive Committee briefed on progress of reorganization
April 20, 2005	SMEDD receives letter from Commissioner Cashman tabling request for reorganization
June, 2005	SMRPC General Assembly approves motion to submit application for designation of SMRPC as separate EDD
June 29, 2005	SMEDD board briefed on restructuring status.
September, 2005	GPCOG establishes restructuring of EDD as one of four major goals.
October 12, 2005	SMRPC board briefed on status of restructuring.
November 28, 2005	In a letter to Paul Raetsch, Governor Baldacci formally requests that EDA de-designates SMEDD and re-designates GPCOG and SMRPC as separate EDDs.
January 25, 2006	SMRPC board briefed on status of restructuring, including possible development of CEDS.
February 27, 2006	At the request of Tyrone Beach, Neal Allen and Paul Schumacher submit a justification summary for the restructuring of SMEDD.
March 21, 2006	Neal Allen submits SMEDD Restructuring and Progress Report to the GPCOG Executive Committee and Membership with a request for formal endorsement from each municipality of the restructuring proposal.
March 22, 2006	SMRPC board briefed on status of restructuring.
March – April 2006	Maine congressional delegation is briefed on the SMEDD restructuring proposal.
April 5, 2006	SMEDD board briefed on status of restructuring.
April 24, 2006	Senator Snowe formally expresses support for the SMEDD restructuring proposal in a letter to Paul Raetsch.
April 26, 2006	SMRPC board briefed on status of restructuring.
June, 2006	As of this date, 17 GPCOG member municipalities have responded to the March 21, 2006 request for a letter of support with all in support.
June 22, 2006	Neal Allen presents the SMEDD restructuring proposal as a priority for the coming year at the Annual Meeting of GPCOG's General Assembly, including a recommendation that a Standing Committee on Community and Economic Development be established.
August, 2006	SMRPC appoints Comprehensive Economic Development Strategy Committee and holds first meeting.
April, 2007	SMRPC CEDS is completed and approved by SMRPC Executive Committee.

Over the past year, SMRPC and GPCOG have developed separate CEDS that is specific to each district. As a precursor to this effort, planning activities have proceeded within each district on distinctly different tracks. In York County, the Pentagon's proposal to close the Portsmouth Naval Shipyard jumpstarted a strategic planning process to identify new economic clusters on which the region could build a diversified, year round economy. This effort has led to the creation of a bi-state planning effort between Maine and New Hampshire to identify potential areas where joint efforts can lead to increased and improved economic growth in the greater region. The initial start of this process was a Bi-State Summit attended by 200 participants in September 2006. In Cumberland County, a number of efforts brought municipalities together for strategic planning purposes, including GPCOG's strategic plan update, Cumberland County's strategic plan update, and Cumberland County's pursuit of CDBG entitlement status. These efforts are consistent with the need for both GPCOG and SMRPC to develop a CEDS that is specific to each region while recognizing that the process of restructuring will not effectively take place through the continuation of efforts that are also consistent with SMEDD's CEDS.

York County

For over 200 years, the Portsmouth Naval Shipyard has dominated the economy of York County, Maine and Seacoast New Hampshire. Just 13 years ago, one out of every five jobs in the county was located at the Shipyard. According to a recent study by Professor Charles Colgan with the Center for Business and Economic Research at the University of Southern Maine, the Portsmouth Naval Shipyard today accounts for more than 10,000 direct and indirect jobs in York County and Seacoast New Hampshire and \$750 billion in gross regional product.

In 2005, SMRPC commissioned an assessment of economic conditions in York County. The study, prepared by Planning Decisions of South Portland, was a follow-up to the 1995 Defense Conversion Study stemming from the threatened closure of the Portsmouth Naval Shipyard. Faced again with the threat of closure, the report said that York County's central economic problem is "the lack of a coherent regional identity resulting from the opposing pulls exerted by the Greater Boston region to the south and the Greater Portland region to the north." With more workers than jobs, this problem also represents, according to the study, the county's greatest opportunity – "growing and attracting businesses that can more fully exploit the skills of the existing labor force." Recommendations were shared at the second York County Economic Development Summit on April 1st co-hosted by the Southern Maine Regional Planning Commission, University of New England, and Biddeford-Saco Economic Development Corporation.

Then on Black Friday, May 13, 2005, the Pentagon announced plans to close the Portsmouth Naval Shipyard. In the months leading up to this announcement as well as in the wake of its aftermath, SMRPC was very active in securing funds to deal with the anticipated closure.

Southern Maine Regional Planning Commission received a grant from the federal Office of Economic Adjustment to complete two project components: 1. the development of an initial reuse plan for the Portsmouth Naval Shipyard, and 2. the completion of an economic diversification plan in response to the region's dependence on defense related employment. The first component has been completed and is somewhat moot as the Shipyard was not placed on the federal closure list. The second project component was completed and is of great interest to communities and economic development professionals in Maine and New Hampshire. From this effort arose a bi-state committee with members from both Maine and New Hampshire representing Chambers of Commerce and regional economic development organizations. This committee planned, designed and have implemented a bi-state economic development planning process seeking to better integrate the economic opportunities in southern Maine and Seacoast New Hampshire in order to foster better economic opportunities for citizens of this greater region.

In September, Professor Colgan authored "*Looking Beyond the Shipyard: Economic Development Challenges of Southern Maine and Seacoast New Hampshire.*" In this study, Professor Colgan examined existing industry clusters on which York County might diversify its economic base. With an economy that is not export-oriented, York County's specialized strengths do not provide a firm foundation for growth:

- construction and real estate industries are vulnerable to a rising tide of interest rate and energy cost increases
- manufacturing sector will continually decline as businesses substitute capital for labor in the quest to remain competitive
- tourism does not show signs of increasing its visitor base
- although demand for health services will increase in relation to the county's attraction as a retirement destination, the tight labor force constrains growth

A second study, funded by the OEA Grant, was completed by Planning Decisions, entitled "*An Economic Development Strategy for York County: What are the Best Prospects for Future Growth?*" This study examined York County's competitiveness in relation to urban and suburban areas in Greater Boston and Southern New Hampshire. To flaunt its proximity to Boston, however, York County must address its three greatest obstacles:

1. Severe shortage of skilled workers in key industries ripe for expansion
2. Fiscal constraints on State economic development programs that support business expansion
3. Absence of a countywide voice for economic development

Over the last two years, this groundwork makes the case for establishing an Economic Development District specifically for York County and provides the basis for the development of the York County CEDS. Although planning for the 2007 CEDS has occurred on parallel tracks in York County and Cumberland counties, the same themes have been echoed in each region for a coherent identity, a unified voice, and a regionwide plan for the future.

Analysis of Economic Development Problems and Opportunities

The threatened closure of the Portsmouth Naval Shipyard has spurred an intense examination of the future economic prospects for York County, Maine and Rockingham County, New Hampshire. The removal of the shipyard from the list of defense facilities proposed for closure has been a major relief to the region. But saving the shipyard should be not be seen assuring the economic future of the region. Intense budgetary pressures on the Federal Government will remain and may mean yet more efforts to reduce domestic defense bases and could also reduce the amount of work at the yard even if it does stay open.

A report by USM Professor Charlie Colgan titled “*Looking Beyond the Shipyard: Economic Development Challenges of Southern Maine and Seacoast New Hampshire*” provides the first integrated analysis of the shipyard’s effects on both the Maine and New Hampshire economies. The shipyard accounts for more than 10,000 direct and indirect jobs across the two-state region. Over 80% of these jobs are in York County, with an additional 10% in Rockingham County and the balance spread through the rest of Maine and New Hampshire.

The total jobs associated with the shipyard account for 3.5% of employment in York and Rockingham counties, but 8.5% of York County employment. The shipyard, together with its indirect effects, accounts for over \$750 billion in regional output (gross regional product), which is 5% of output in the region and 12% of York County output.

The shipyard is home to unique technical skills in the region, but it also indirectly supports a large number of jobs in retail trade, construction, leisure & hospitality services, and education & health services. The most affected occupations include management and finance occupations, as well as office and sales jobs. The econometric analysis of the future of the regional economy without the shipyard indicates that closure of the shipyard would not result in recovery of the total number of jobs lost within twenty years even though large numbers of people would become available and wage costs would be thereby reduced.

Analysis of the current strengths of the region began with a study of leading industries in Rockingham County by the University of New Hampshire. Application of a similar methodology to York County, together with additional detailed analysis, suggests that the York County still faces economic development challenges even with the shipyard remaining open. Among the findings of this analysis are:

- Rockingham County’s leading industries include a number of export service industries that are likely to provide a strong foundation for economic growth.
- York County’s strengths include some of the industries that are strong in Rockingham County, but a much larger number of its high ranking industries lie in more locally-traded services, construction, and manufacturing, along with leisure and hospitality on a seasonal basis. York County’s industrial and sector strengths all face competitive or other economic challenges which may limit their ability to continue strong growth in the County.

Economic development responses to the challenges of both the shipyard and the current economy must focus on growing export-oriented services, assuring a continued strong role for tourism, addressing the productivity needs of manufacturers, and finding approaches to urbanization in the region that both enhance the County's attractiveness to service and related industries, while maintaining the County's special qualities as a place to live and recreate.

Leading Industrial Clusters in York County

(Much of the data and analysis in this section was derived from a study titled "Looking Beyond the Shipyard: Economic Development Challenges of Southern Maine and Seacoast New Hampshire, by Professor Charles Colgan, November, 2005)

What are the foundations upon which economic development can be built? The starting point to answer this question is to assess what are the strengths in the economy today, what are the prospects for those areas, and what opportunities exist that may yet be seized?

One tool to accomplish the first of these tasks is what is termed leading industry cluster analysis. This assessment uses standard economic data, particularly employment, to identify those industries that show particular characteristics of strength in a regional economy. The approach involves assessing employment trends in order to measure:

- Size: Which industries are the largest employers in the region?
- Growth: Which are the fastest growing?
- Wages: Which pay the highest wages?
- Specialization: In which industries does a region specialize compared to other regions?

Other factors, such as the number of establishments (places of employment) may also be used, and there are options to analyze either the level of growth (absolute change) or the rate of growth (percent change). These different measures are difficult to combine into a single number, but it is relatively easy to construct a rank order index in which an industry's ranking among all industries is a weighted average of its rank on each of the measures of economic strength.

The location quotient is a measure of the extent to which a particular region specializes in a given industry, and may be more accurately called a "specialization ratio". It is defined as the ratio of the proportion of employment in a given industry and region to the proportion of employment in a reference region. A ratio greater than one implies a region is more specialized in that industry and a ratio less than one that it is not specialized in that region.

The leading industry analysis used here provides an important perspective on local economic strengths, but it is just one perspective. To verify the trends and characteristics shown in the leading industry analysis, the data used to construct the leading industries can be used to provide additional views. One way to do this is to remove the weighting used to construct the final rank order; weighting provides a useful way to reflect greater or lesser importance among the factors, but no weighting scheme is inherently correct and all introduce some level of bias in the analysis.

Table 1 shows the top 25 industries based on an unweighted sum of the rankings of all industries on the factors used in this analysis. This analysis implicitly increases the role of the specialization ratio and establishments in defining leading industries. The summary of leading industries by sectors between the weighted and unweighted rankings shows that construction and education and health related services now comprise nearly half of the leading sectors. Tourist-related industries such as restaurants also appear in the unweighted list. This is not surprising given that these industries tend to have a large number of establishments.

Table 1 Leading Industries in York County-Unweighted Rankings

SIC Code	Profession
2361	Residential building construction
2389	Other specialty trade contractors
2382	Building equipment contractors
6211	Offices of physicians
5413	Architectural and engineering services
5312	Offices of real estate agents and brokers
4411	Automobile dealers
5221	Depository credit intermediation
6241	Individual and family services
3118	Bakeries and tortilla manufacturing
5416	Management and technical consulting services
6233	Community care facilities for the elderly
6111	Elementary and secondary schools
3366	Ship and boat building
7221	Full-service restaurants
5617	Services to buildings and dwellings
4441	Building material and supplies dealers
2383	Building finishing contractors
6213	Offices of other health practitioners
6232	Residential mental health facilities
7211	Traveler accommodation
2381	Building foundation and exterior contractors
4451	Grocery stores
6244	Child day care services
4543	Direct selling establishments

The picture of the York County economy that emerges from the unweighted rankings is influenced in large part by the increased importance of establishments in this analysis. It highlights further the role of services, particularly local services, in the economy.

At the same time the analysis emphasizes size in the economy, not necessarily key aspects of economic strength such as sales outside the region (exports). To examine the role of export industries in more detail, the specialization ratio is a useful tool. Industries with

specialization ratios greater than 1 can be seen as having some competitive locational advantage within the region.

But specialization ratios can be biased by the choice of reference regions. In the analysis presented so far, the reference region is the U.S., implying that an industry's competitiveness with the U.S. as a whole is identified. But competitiveness (specialization) can also be assessed relative to other regions. Table 2 through Table 4 show the top 25 industries in York County based on specialization ratios compared with the U.S., Maine, and New England. The 2003 York County employment in each industry is also shown to give a sense of the size of each industry.

Table 2 York County Specialization Ratio Relative to U.S.

NAICS Industry Name	Specialization Ratio	York Employment 03
3366 Ship and boat building	49.759	4,025
3346 Magnetic media manufacturing and reproducing	7.140	167
3118 Bakeries and tortilla manufacturing	5.143	782
4543 Direct selling establishments	4.597	368
6232 Residential mental health facilities	2.717	804
5323 General rental centers	2.626	82
3222 Converted paper product manufacturing	2.544	458
7211 Traveler accommodation	2.379	2,113
3332 Industrial machinery manufacturing	2.352	145
6233 Community care facilities for the elderly	2.292	663
3273 Cement and concrete product manufacturing	2.118	248
2389 Other specialty trade contractors	2.053	619
3371 Household and institutional furniture mfg.	2.021	395
2361 Residential building construction	1.990	872
7221 Full-service restaurants	1.949	4,074
6242 Emergency and other relief services	1.936	130
4422 Home furnishings stores	1.913	259
3323 Architectural and structural metals mfg.	1.845	362
3327 Machine shops and threaded product mfg.	1.817	286
3328 Coating, engraving, and heat treating metals	1.793	130
4451 Grocery stores	1.792	2,286
4471 Gasoline stations	1.789	810
3231 Printing and related support activities	1.720	598
4531 Florists	1.717	98
4511 Sporting goods and musical instrument stores	1.701	385

Table 3 York County Specialization Ratio Relative to Maine

NAICS Industry Name	Specialization Ratio	York Employment 03
3346 Magnetic media manufacturing and reproducing	102.95	167
3366 Ship and boat building	92.80	4,025
3222 Converted paper product manufacturing	14.53	458

3371	Household and institutional furniture mfg.	12.73	395
3118	Bakeries and tortilla manufacturing	12.66	782
3273	Cement and concrete product manufacturing	8.52	248
5323	General rental centers	8.36	82
2123	Nonmetallic mineral mining and quarrying	7.72	44
7211	Traveler accommodation	7.04	2,113
1112	Vegetable and melon farming	5.53	48
3152	Cut and sew apparel manufacturing	5.30	17
3323	Architectural and structural metals mfg.	5.16	362
6233	Community care facilities for the elderly	5.09	663
3332	Industrial machinery manufacturing	4.79	145
6111	Elementary and secondary schools	4.67	5,807
2361	Residential building construction	4.65	872
1113	Fruit and tree nut farming	4.22	21
4471	Gasoline stations	3.95	810
6242	Emergency and other relief services	3.94	130
5191	Other information services	3.93	135
7221	Full-service restaurants	3.88	4,074
6232	Residential mental health facilities	3.82	804
8122	Death care services	3.80	99
3231	Printing and related support activities	3.72	598
4482	Shoe stores	3.59	125

Table 4 York Specialization Ratio Relative to New England

NAICS	Industry Name	Specialization	Ratio	York Employment 03
3346	Magnetic media manufacturing and reproducing	102.95		167
3366	Ship and boat building	92.80		4,025
3222	Converted paper product manufacturing	14.53		458
3371	Household and institutional furniture mfg.	12.73		395
3118	Bakeries and tortilla manufacturing	12.66		782
3273	Cement and concrete product manufacturing	8.52		248
5323	General rental centers	8.36		82
2123	Nonmetallic mineral mining and quarrying	7.72		44
7211	Traveler accommodation	7.04		2,113
1112	Vegetable and melon farming	5.53		48
3152	Cut and sew apparel manufacturing	5.30		17
3323	Architectural and structural metals mfg.	5.16		362
6233	Community care facilities for the elderly	5.09		663
3332	Industrial machinery manufacturing	4.79		145
6111	Elementary and secondary schools	4.67		5,807
2361	Residential building construction	4.65		872
1113	Fruit and tree nut farming	4.22		21
4471	Gasoline stations	3.95		810
6242	Emergency and other relief services	3.94		130
5191	Other information services	3.93		135

7221	Full-service restaurants	3.88	4,074
6232	Residential mental health facilities	3.82	804
8122	Death care services	3.80	99
3231	Printing and related support activities	3.72	598
4482	Shoe stores	3.59	125

The specialization ratios indicate a substantially increased role for manufacturing industries in York County, with between 40% and 48% of the top 25 industries in manufacturing. (Table 4) Seven manufacturing industries are to be found in the top 25 whichever reference region is chosen. These are listed in Table 5. Of course ship and boat building is on the list, which is also predominantly made up of durables goods manufacturing, which has traditionally been the area of manufacturing specialty in York County compared with Maine where nondurable goods manufacturing has been more common.

Table 5 Manufacturing Specializations in York County

3118	Bakeries and tortilla manufacturing
3222	Converted paper product manufacturing
3231	Printing and related support activities
3273	Cement and concrete product manufacturing
3323	Architectural and structural metals mfg.
3332	Industrial machinery manufacturing
3346	Magnetic media manufacturing and reproducing
3366	Ship and boat building
3371	Household and institutional furniture mfg.

Leisure and hospitality industries are also more present among the top 25 specialized industries in York County than in the leading industries. Both restaurants and hotels (accommodations) rank high in specialization compared with New England and U.S. than Maine.

The comparison of specialization ratios with different reference regions also indicates that York County is more specialized in Education and Health Services with respect to New England and the U.S. York also has a large number of specialized industries in trade compared with the U.S., but not nearly as many when compared with New England or Maine.

Examining the economies of York and Rockingham counties, it is certain that York County would have borne the brunt of the economic effects of a shipyard closure, but, more troubling, would be in a weaker position to recover economically. York County's economy has a number of strengths, but those strengths are also threatened. The fact that the shipyard will not close in the immediate future means that York County must now concentrate on addressing the threats that it faces other than the shipyard. These include:

- The construction and real estate industries are vulnerable to a rising interest rate and energy cost environment, which is likely to be the situation for the next several years.
- York County remains very dependent on manufacturing, which will remain under continual threat from intense competitive pressure. Survival strategies for manufacturers will almost

certainly concentrate on steadily increasing productivity by substitution of capital for labor, meaning that even a robust manufacturing sector in York County in the future will almost certainly employ fewer people than today.

- Tourism remains a key industry, but it does not show signs of increasing competitiveness on the indicators examined here.
- Health services will clearly be a major industry for the future in the County as an aging population, which is growing from both natural population aging and immigration from the South as the County increases its role as a retirement destination. But the region is already labor force constrained meaning that growth in this most labor-intensive of industries will face its own challenges.

What does this mean for economic development in York County? The response may be made under four headings: services, tourism, manufacturing, and urbanization.

Services: Services already dominate the economy, but it makes a difference what kinds of services are present. Local services such as health care, education, legal, and social services play a different role than such services as management consulting, software design, and architecture & engineering, whose customers can be anywhere in the world. York County has begun to see some strength in some of these industries, but has not succeeded to the extent that neighboring Rockingham County has. This is not surprising. Rockingham County is a larger and more urban economy, and has the advantage of having the University of New Hampshire as a nearby resource.

Tourism: The analysis here suggests that tourism related industries in York County faces competitive pressures and limited resources. The form of the analysis used understates the importance of these industries because of their highly seasonal nature, and these industries do appear in York County's specializations when compared with New England and the U.S., but these industries still rank relatively low even on the measures that are most favorable to them.

York County's tourism industry is clearly concentrated in its coastal communities, and there are limitations as to how fast it can grow there. The key resources are the beaches, and these are already highly developed. Traffic and other concerns about the demands on these communities in the summer may suggest further limitations on significant growth for tourism. Tapping new tourism markets, considering the role of inland communities, and managing access and transportation issues will be the foundation for tourism development in York County.

Manufacturing: The challenge in manufacturing, as suggested above, focuses on increasing productivity to remain competitive. The ability of local and regional efforts to affect productivity and costs is relatively small, but one key area is in assuring an educated and trained workforce. The metals manufacturing industry, which is a key part of the York County economy, has already seen the availability of a technically skilled and trained workforce a priority.

Urbanization: From an economic geography perspective, York County has several distinct characteristics. There are no large central cities in the County. The major urban areas of Biddeford-Saco, Sanford, and York-Kittery are relatively small, even by Maine standards. Yet the County is fast developing urban, and particularly suburban, features through most of the communities. At the same time, the County is home to important tourism resources and has a

long history as a summer resort. It is also situated among a number of larger urban regions in Maine, New Hampshire, and Massachusetts.

How economic activity is distributed across the York County landscape will be one of the keys to the future. Space must be found for the growth of the service industries, particularly the export industries noted earlier. These, along with other service industries like health care, will need urban-like places with relatively high densities of trade and service establishments, efficient transportation connections, and sufficient quality and cost characteristics to provide York County locations with a competitive advantage for these industries.

At the same time, the region's tourism and recreation resources must be protected and built upon. And York County will likely continue to be a highly attractive location for housing development, and increasingly so for retirees or near retirees (those who move to York County but keep their jobs outside the County until they retire).

Saving the shipyard, once again, has been an important event in York County's economic life. But it is by no means the end of the story. The road ahead would have been much harder if the shipyard had closed. A vibrant Portsmouth Naval Shipyard will make the road easier but not easy. York County still has much to do to assure a vibrant economy.

York County has been the subject of intense investigation in recent years. A group of educators, business leaders and economic development professionals have hosted two Economic Summits for York County, one in March 2004 and a second in April 2005.

Planning Decisions, Inc prepared a report on the overall economy of York County—an update to the 1995 Defense Conversion Study—in preparation for the 2005 BRAC process that again threatened the existence of the Portsmouth Naval Shipyard. Charlie Colgan of the University of Southern Maine's Center for Business and Economic Research prepared a report on the impact of the shipyard on the seacoast region of Maine and New Hampshire. At the same time, The Southern Maine Regional Planning Commission has moved forward in its quest to have York County designated an Economic Development District (EDD) by the U.S. Economic Development Administration (EDA).

Given this work, the next step for county economic development professionals is to look to the future. Building on the information that has been gathered on the current structure, strengths and weaknesses of the county's economy, it is now time to set targets and seek to achieve them. This task, in essence, demands answering two questions:

1. Which industrial sectors present the best prospects for future growth in York County? and;
2. What are the most important steps economic development agencies in York County might take to attract and grow these businesses?

The Opportunity

York County's central economic opportunity lies in the national trend noted in the most recent Bureau of the Census report on domestic migration:

- “Eighteen of the country’s twenty-five largest metropolitan statistical areas experienced average annual net out-migration during the period 2000 to 2004” and
- “Twenty-one of the country’s largest micropolitan statistical areas had net in-migration between 2000 and 2004.”

This trend applies to the Greater Boston MSA as an area experiencing net outmigration and the Greater Portland MSA as an area experiencing net in-migration. The four counties comprising central Boston lost nearly 240,000 people over the five-year period between July 1, 2000 and July 1, 2005, while the Greater Portland MSA experienced substantial gains. Greater Portland was particularly notable in that the net domestic migration (over 18,000) was nearly three times as large as natural increase (approximately 6,500). In York County, the discrepancy was even greater with net immigration of over 13,000 compared to a natural increase of only 2,600.

In short, this pattern of sprawling population growth outpacing employment and earnings growth presents York County with an opportunity to offer the businesses that are growing in the Boston metropolitan center the chance to expand in locations closer to many of their workers. The challenge to York County is to manage this trend so it includes business migration as well as residential migration.

The Obstacles

There are three central obstacles that stand between York County and the greater economic prosperity that would result from full exploitation of the national migratory trends noted above:

1. A severe shortage of skilled workers needed for expansion of key industries;
2. The fiscal constraints on economic development programs at the state level created by the pressures to fund education and health care without raising what are already perceived to be Maine’s high taxes; and
3. The absence of a county-wide voice for economic development serving both to complement the nitty-gritty deal fostering work of local economic developers and to represent county interests in state-wide policy decisions affecting such things as transportation investment, infrastructure bonding and economic development marketing.

An effective economic development strategy for York County must address these three obstacles.

Community and Private Sector Participation

Goal	Objective	Performance Measure
Active Leadership: Provide opportunities for regional cooperation in economic development among communities, businesses, institutions, government and other partners	75% of communities will participate in at least one regional event per year.	Baseline data – will measure in June 2008 for performance

Recognizing that regional boundaries vary and sometimes are reflected in geographical boundaries, and sometimes are not, SMRPC has taken an active leadership role in regional economic development projects and issues. SMRPC has been at the forefront of efforts to look beyond York County border and to develop partnerships across the border with New Hampshire and also with businesses and municipalities in York County. As the only regional planning and development agency covering York County, SMRPC recognizes its role to provide regional planning and development activities that support the regions’ growth and development.

Regional Issues

Capacity. Local capacity for economic development varies tremendously throughout York County. Just three communities - Saco, Biddeford, and Sanford, have full-time municipal staff devoted to economic development. Towns with professional staff usually designate their town manager or planner as their lead economic development contact and maintain a town committee focused on economic development. Sanford contracts with the Sanford/Springvale Chamber of Commerce for representation in business attraction and marketing. The rest have no professional representation at all. As of yet, there is no comprehensive assessment of the local staffing capacity, the ability of a community to access economic development programs, or the need for subregional formations.

Network of Agencies. The single biggest challenge to a comprehensive strategy in economic development is the multitude of agencies and actors involved. Not only are there 29 communities within York County, there are local development corporations, single purpose nonprofits, chambers of commerce, advocacy groups, and statewide service providers. Indeed, in the financial realm alone, there are over 70 programs available to businesses. The programs and the agencies providing these programs sound frighteningly alike, e.g., Maine Rural Development Council, Maine Rural Development Authority, and USDA Rural Development. With no one-stop shop, no gateway, and no common protocol for business assistance, there is bound to be duplication as well as competition for limited resources.

One Voice. With such a diversity of competing interests, there is a great need for collaboration and coordination. Traditionally, this has been most successful when required by mandate and/or when resources are involved. Some state and federal government agencies, such as the Maine Department of Transportation, require consensus in the allocation of funding. That authority, however, does not necessarily govern all transportation infrastructure. Despite the adoption of a

regional plan, York County transportation investments may still be made in communities by local governments, with economic development funding, by the Maine Turnpike Authority, directly from a state or federal agency, and sometimes by Congressional earmark – whether or not they are in the spirit of the plan. Economic development occurs in the same context. There is no regional economic development agenda in York County that is adopted by local communities and that governs all investments made by the public or private sector. Indeed, in the more rural areas, economic development is largely reactionary, driven by the private sector and the desire for jobs. The lack of a unified agenda – one voice - that can be communicated to the public, to the business community, and to local, state, and federal policymakers is a missed opportunity for York County.

Regional Activities

Develop and administer the Southern Maine Pine Tree Zone.

In 2003, Governor Baldacci established Maine's Pine Tree Zone Program, a package of tax incentives targeted to businesses choosing to locate or expand in distressed areas of the state. In 2004, SMEDD successfully applied for Pine Tree Zone status on behalf of eligible communities in York County, Southern Oxford County and the Lakes Region of Cumberland County. Upon de-designation of SMEDD, the Southern Maine Pine Tree Zone (SMPTZ) will be administered under the auspices of SMRPC as a joint venture between municipalities and economic development organizations. Currently SMRPC staff serve as the primary administrators of the SMPTZ and 13 out of the 16 member communities are located in York County. A diversified Board of Advisors representing municipalities, economic development professionals and community stakeholders and other appropriate sectors provides: (1) planning and policy guidance for the SMPTZ; (2) business recruitment and marketing; and (3) support in SMPTZ financial management and resource generation.

The second year of existence has been devoted to ongoing administration of the program. Much of this work has been keeping communities updated on new changes to the Pine Tree Zone legislation and assisting communities in amending their existing PTZ parcels. In addition, several communities have expressed interest in joining the SMPTZ and work has begun on assisting these communities. Given the existence of capable economic development professionals and the commitment to the goals of the Pine Tree Zone Program, the SMPTZ will provide real and tangible benefits to the State and host communities.

The last year has been assisting participating communities to have their businesses certified as Pine Tree Zone Businesses. Once this certification takes place the businesses are able to receive Pine Tree Zone benefits. The most current information indicates that 19 businesses in the SMPTZ have been certified as Pine Tree Zone businesses. SMPTZ has the highest number of PTZ certified businesses in the State.

Bi-State Summit

A group of local and regional economic development and business professionals met with professors Charlie Colgan (USM) and Ross Gittell (UNH) to discuss ways to utilize the results of the study to work on multi-state projects and activities to strengthen and diversify the regional economy. There was broad agreement that on some issues, projects and activities a multi-state effort made sense and offered the best solution to some problems.

Professors Colgan and Gittell reviewed the existing economic data and studies they collectively have on York County and seacoast New Hampshire. Using this review they identified 3 or 4 issues or projects that would be the best candidates for multi-state efforts and projects (e.g. a regional technology business incubator). These results were presented to the working group for initial comment and review. The final product was presented at a summit of State, regional and local leaders and professionals that will be invited to attend the event. The desired result of the summit is to choose one or two projects or activities that will be the top priority for a multi-state effort that is coordinated by regional economic development professionals and organizations.

The first effort from this group was a Bi-State Summit held in September 2006. Speakers at the Summit included the current Governors of Maine and New Hampshire, the former Governor of Maine, and nationally known columnist Neal Pearce. The study completed by professors Colgan and Gittell was the keynote address. The Summit was attended by 200 persons from both States. A follow up session was held in December 2006. At this session participants were asked to participate in small group sessions designed to further identify issues and opportunities for greater regional collaboration. The event, held on a cold, icy morning, was attended by approximately 75 people. Further events from these sessions are planned for Spring 2007.

Brownfields

SMRPC has enacted a Brownfields Redevelopment program aimed at spurring reinvestment in underused industrial properties in downtown areas. Over the last year, SMRPC identified at least 300 potential Brownfields, including 100 contaminated with petroleum. Phase I and Phase II assessment were completed for mills in North Berwick and Parsonsfield and an industrial site in Biddeford. In 2006, the EPA awarded SMRPC two assessment grants totaling \$400,000. Hazardous substances grant funds will be used to update the existing Brownfields inventory and reassess priorities. Funds also will be used to conduct Phase I and II site assessments at four to six sites within the region's 39 communities. Over the last year, SMRPC identified at least 200 potential Brownfields potentially contaminated with petroleum. Petroleum funds will be used to perform the same tasks at sites with potential petroleum contamination. In addition, in 2006 SMRPC submitted an application to the US Environmental Protection Agency seeking \$1 million for a revolving loan fund to support the redevelopment of Brownfields sites in York County.

Strategic Investment Plans for Corridors of Regional and Economic Significance (SIPCREs)

In 2006, Maine DOT charged SMRPC and GPCOG with the task of working with their respective Executive Committees and the SMEDD Board to develop and submit Strategic Investment Plans for Corridors of Regional and Economic Significance (SIPCREs) for the Maine DOT Long Range Plan. Strategic Investment Plans enumerate strategic capital improvements, planning activities and/or policies for corridor regions based on former local and regional plans and studies, and public input. There were six corridor systems of regional and economic significance identified as passing through the SMEDD region. Maine DOT continues to work with Maine DOT to promote strategic investments that will help the Maine economy. The SIPCREs is a central component of the Maine DOT Long Range Plan, which is scheduled for release in the summer of 2007. See Appendix.

Strategies

- ***Maintain a diversified and engaged board through regular meetings that provide opportunities for education, networking, and planning.***

The SMEDD Board is structured to address turnover as well as to ensure diverse representation in terms of geography, economic interests, gender, and affiliation. In addition, meetings have been designed to focus on educational topics of interest to members, such as financing, tax reform, and economic clusters. Now, quarterly meetings are open to members as well as planners and managers from other municipalities in the district. Through the Corridor Coalition initiatives hosted by SMRPC, Board members enjoy multiple opportunities to learn, to network, and to focus on issues at a subregional level.

- ***Facilitate the development of groups of communities, such as corridor coalitions, wishing to address issues on a regional basis.***

Increasingly, municipal leaders across Southern Maine are coming to the table to explore ways that they can work together on a subregional basis in such diverse areas as transportation, land-use planning, housing, public safety, public works, economic development, and environmental management. Currently, the Southern Maine Regional Planning Commission is sponsoring such groupings delineated by geography or by issue. Towns are also joining forces to study regional models for service delivery, capital purchases and joint training programs. For some towns, the defining interest in working together is to save money; for others, it is the opportunity to provide an improved level of service to the public. The first priority in all efforts, however, is to build an environment for trust and a common understanding of the issues. At the first meeting of the Route 113 Corridor Coalition, which brought together municipal officials from five towns in two counties, one grateful town manager said, “I think this is the first time we’ve ever been in the same room – for *any* reason.”

What sets these initiatives apart from the traditional role of the councils as conveners is geography and planning. The underlying goal is to develop a common public policy agenda that will shape the development of the region through, for example, public investment, zoning or

joint services. The major challenge for the district is to locate continued funding for these special planning services, such as grants, contracts, and municipal cost sharing.

- ***Represent the interests of Southern Maine through participation in Statewide and regional efforts to develop, deliver, and improve economic development services.***

As one of six economic development districts in the state of Maine, SMEDD strives to represent Southern Maine's interests and issues. Involvement in statewide programs and policies occurs primarily through membership in the Maine Economic Development District Association (MEDDA), which is comprised of the State's six Economic Development Districts. Through MEDDA, SMEDD has conducted research and analysis for a number of statewide projects, including recent studies on Maine's mature and dominant industries, fisheries, entrepreneurs, labor force, and targeted technology clusters. In addition, SMEDD staff are members and participants in many state and regional economic development organizations, such as the Economic Development Council of Maine, New England Economic Development Association, and New England Association of Regional Councils.

- **Create a Bi-State Coordinating Council with SMRPC, Rockingham Economic Development Corporation (REDC) , GPCOG, educational institutions, private business, human service providers, and others to forward a two state economic development strategy.**

The effort to integrate economic development activities and seek new economic opportunity through a two state regional strategy is discussed throughout this document. As we have begun to move forward with some of the ideas generated through the initial Bi-State Summit and subsequent meetings it has become clear that a more permanent structure is needed to act as the umbrella for that effort. A number of different issues have arisen which not only cross state lines but cross various disciplines (such as transportation and housing) and numerous organizations. While the summit introduced a number of exciting initiatives, it did not provide clarity on how to move those initiatives forward. We plan to begin that process with a look at other successful efforts and bring the various interests to a seat at the table.

2006-2007 Accomplishments

Education. The SMEDD Board met on June 29, 2005, December 19, 2005 and April 5, 2006. Topics focused primarily on SMEDD's reorganization, Pine Tree Zone, potential EDA projects, and the CEDS update.

Regional Efforts. SMRPC wrote a successful grant application securing funds for a feasibility study for a regional industrial park for six communities in southern York County.

Representation. SMEDD staff and Board members continued to represent the interests of Southern Maine through participation in Statewide and regional efforts to develop, deliver, and improve economic development services. Neal Allen served on the state's Intergovernmental Advisory Committee to examine regionalism.

Joint Purchasing. SMRPC continued its successful joint purchasing program, saving 29 communities \$237,494 in the purchases of salt, paper and road striping.

Regional planning and coordination.

Route 111 Corridor Committee

SMRPC has been working with the municipalities of Sanford, Alfred, Lyman, Arundel, and Biddeford, along with Maine DOT, the York County Sheriff's Dept. and the State Police. The Corridor Committee convened to address land use patterns and growth in the corridor, coordinate the various enforcement, planning, and improvement implementation efforts, and to share information between agencies and between municipalities. The shared vision of all entities involved is a safer highway and the preservation of its important east-west mobility function.

Route 109 Corridor Committee

SMRPC has been working with Sanford, Wells, Maine DOT, the Maine Turnpike Authority, and York County Community Action. The purpose of the Committee is to provide coordination between the many land use and transportation planning efforts related to Route 109 in an effort to build a long-term coalition between Corridor stakeholders, and to determine if the road will be able to meet the mobility needs of the anticipated future economic and residential activity in the region. Another objective of the committee is to assess the impact of Maine DOT's access management rules on existing and potential future curb cuts, and develop access management strategies to preserve road capacity and enhance safety along the corridor.

Route 236 Corridor Implementation Committee

This Committee, recently formed in October of 2004, includes the towns of Kittery, Eliot, and South Berwick, Maine DOT, the Maine Turnpike Authority, York County Community Action, the Seacoast New Hampshire Metropolitan Planning Organization (MPO), and others. The Committee was formed as a response to several different studies completed in the last 3-5 years. This effort, while updating data on current conditions of the roadway, will almost exclusively focus on implementing strategies and programs which will attempt to preserve existing capacity and reduce future municipal and state expenditures on Route 236. The plan is to work with not only the Corridor Committee, but also municipal decision makers in all towns to ensure that these recommendations are considered and adopted.

Route 113 Corridor Committee

Since 2004, SMRPC and GPCOG have been working with business and community leaders in Fryeburg, Brownfield, Hiram, Baldwin, and Standish to identify opportunities for regional cooperation along the Route 113 Corridor. Related but distinct initiatives have emerged: pursuit of federal and state Scenic Byway designation for Route 113 from Standish to Gilead; advocacy to secure funding for reconstruction of the Mountain Division rail and construction of the Mountain Division trail; and identification of community and economic opportunities associated with the development of this infrastructure, including value-added manufacturing opportunities, entrepreneurship and tourism.

Route 1 Corridor Coalition

SMRPC has working with Route 1 corridor towns in Southern York County including Arundel, Biddeford, Kennebunk, Kittery, Ogunquit, Wells and York. The group is developing an integrated regional transportation and land use plan focused on improving existing mobility and safety and developing a long-term regional approach to preserving the roadway's functionality.

Mt. Agamenticus to the Sea Conservation Initiative

Working with ten non-profit, state and federal agencies in addition to, six towns in southern Maine, SMRPC has spent two years developing strategies to conserve a 40,000 acre bio-region in southern York County. The end goal is to create a place for recreation, wildlife, water quality, forest management which creates not only a quality of place but sustainable economic development opportunities as well. The program is considered a model at the state level on how communities and non-profits can interact.

Regional Industrial Park

Working with six southern York County Towns, SMRPC wrote and received on behalf of the town of South Berwick, a 15,000 grant from the state of Maine to begin to look at the feasibility of a regional industrial park. The project will look at issues such as tax base sharing, sharing infrastructure costs, governance and a possible location. The project is anticipated to be finished in 2008.

Strategic Projects, Programs and Activities

Focus on Export-Oriented Services

Goal	Objective	Performance Measure
Economic Growth: Support the attraction, retention, and expansion of businesses and microenterprises	Annual job growth in Southern Maine will keep pace with or exceed Maine and New England's	Bench mark measure – to be fully measured in June 2008

One major sector where York County could well see substantial growth over the next decade is professional and technical services. While the recently completed BRAC process put a scare into York County, it also (indirectly) pointed to a potential growth area. Undoubtedly, the best result of the BRAC process for Maine was the expansion of the Defense Accounting Center in Limestone. A similar expansion of technical services employment could well occur in York County. Table 6 again highlights the relative magnitude of these sectors in southern Maine and the Cambridge-Framingham Metropolitan Area to its south.

Table 6 Relative Size of Technical Services Sectors by Region, 2002 (Planning Decisions, Inc., May 2006)

NAICS Code	Description	Establishments	Sales (\$1,000)	Payroll (\$1,000)	Employees
Portland Satellite					
541	Professional, scientific, & technical services	1,760	\$1,305,735	\$511,586	11,480
	Non-employers	5,585	\$174,356		
5411	Legal Services	364	D	D	1,000 to 2,499
	Non-employers	393	\$19,233		
5412	Accounting & Related Services	221	\$122,770	\$56,183	1,543
	Non-employers	704	\$10,321		
5413	Architectural, Engineering & Related Services	326	\$348,146	\$152,559	3,201
	Non-employers	516	\$19,598		
5414	Design Services	64	D	D	100 to 249
	Non-employers	392	\$11,258		
5415	Computer Services	198	D	D	1,000 to 2,499
	Non-employers	605	\$18,111		
5416	Management, Scientific & Technical Services	298	D	D	500 to 999
	Non-employers	1,001	\$34,753		
5417	Scientific R&D Services	32	D	D	250 to 499
	Non-employers	44	\$2,181		
5418	Advertising & Related Services	99	D	D	500 to 999
	Non-employers	256	\$12,165		
5419	Other Professional, Scientific & Technical Services	158	D	D	500 to 999
	Non-employers	1,674	\$46,736		
541	Professional, scientific, & technical services	1,760	\$1,305,735	\$511,586	11,480

Cambridge-Framingham Metropolitan Division

NAICS Code	Description	Establishments	Sales (\$1,000)	Payroll (\$1,000)	Employees
541	Professional, scientific, & technical services	6,948	\$14,592,119	\$6,924,952	97,712
	Non-employers	29,292	\$1,269,279		
5411	Legal Services	978	\$519,832	\$184,651	3,834
	Non-employers	2,662	\$168,555		
5412	Accounting & Related Services	609	\$378,293	\$217,125	4,976
	Non-employers	2,450	\$54,047		
5413	Architectural, Engineering & Related Services	994	\$2,406,208	\$1,004,608	16,537
	Non-employers	2,029	\$92,876		
5414	Design Services	250	\$171,348	\$59,051	1,132
	Non-employers	1,548	\$59,186		
5415	Computer Services	1,743	\$4,605,277	\$2,409,663	30,403
	Non-employers	3,638	\$161,523		
5416	Management, Scientific & Technical Services	1,208	\$1,973,280	\$859,673	10,889
	Non-employers	7,270	\$348,076		
5417	Scientific R&D Services	505	\$3,686,169	\$1,836,451	22,739
	Non-employers	687	\$25,844		
5418	Advertising & Related Services	265	\$502,574	\$218,906	3,927
	Non-employers	800	\$43,545		
5419	Other Professional, Scientific & Technical Services	396	\$349,138	\$134,824	3,275
	Non-employers	8,208	\$315,627		

Source: Bureau of the Census 2002 Economic Census <http://www.census.gov/econ/census02/>

In the Maine satellite center in 2002, there were nearly 1,800 establishments in the professional/technical services sector employing over 11,000 people and making sales of over \$1.3 billion. In addition, there were nearly 5,600 sole proprietors in these fields with sales of nearly \$175 million. By comparison, the Boston regional center had nearly 7,000 firms employing nearly 100,000 people and making nearly \$15 billion in sales. In addition, the Boston center had nearly 30,000 sole proprietors making sales of nearly \$1.3 billion. Undoubtedly, more than a few of these Boston employees and sole proprietors are Maine residents commuting, either physically or electronically. The central economic development challenge to the Maine satellite center, and specifically to York County, is to bring some of these businesses closer to the homes of their workers.

In order to meet that challenge, the businesses, governments, economic development professionals, educators and citizens of York County must:

- assess each of the major factors that determine business location decisions-labor, space, transportation and finance;
- identify the obstacles that prevent Boston area businesses from moving to Maine; and
- specify actions to overcome those obstacles.

Regional Issues

Taxes. According to the Tax Foundation, Maine ranks first in the United States in taxes paid as a percentage of per capita income. This dubious ranking is the result of related factors: compared to other states, wages are low and taxes are high. In addition, Maine boasts one unit of local government for every 2,500 residents. Exacerbating the situation are socio-demographic trends. Sprawl is the result of residents moving from urban cities to rural areas, requiring an

increase in public infrastructure and services to support them. With a birth rate that is 50th in the nation, Maine is aging faster than other states as baby boomers grow older. Maine's young people are leaving the state, especially up north, at alarming rates, at a higher rate than they are moving back. In Southern Maine, property taxes top the list of tax concerns, breeding competition between municipalities to attract and retain businesses to balance the tax base.

Business Climate. Recent proposals for large-scale projects, such as a resort casino in Sanford and a Liquefied Natural Gas terminal in Harpswell, Cumberland, and Yarmouth have generated intense debate about the local and regional impact of economic development. On the local level, new construction also generates tensions about the value of economic development versus other public goods, such as historic preservation and rural character. The “pro” side usually touts the increased tax base and the number of new jobs that would result from the proposed investment, while the “con” side focuses on the scale and character of development as well as the impact on the environment, traffic, and the supply of affordable housing. Sometimes the latter involves a negative economic impact, such as the impact of the proposed Liquefied Natural Gas terminal on the fishing industry or the impact of a big box store on downtown retail. While every case is unique, local review of projects has generated issues that could be addressed on a regional basis, including consensus on the appropriate use of public incentives to support economic development and the need for a mechanism facilitating regional review of large projects.

Strategies

- ***Strengthen the capacity of micro-enterprise centers to deliver services to entrepreneurs, including comprehensive access to information, counseling and financing opportunities.***

Almost a quarter of Southern Maine's labor force is working for themselves or for a micro-enterprise with less than five employees. SMRPC has primarily supported entrepreneurship through the creation of a micro-enterprise center, the Business Resource Information Center in Sanford. Other organizations, such as Coastal Enterprises and Women, Work and the Community, have created unique services to target entrepreneurs, including women, new immigrants, and farmers. The Maine Department of Economic and Community Development's commissioned study, “Promoting and Supporting an Entrepreneurship Based Economy,” calls for increased coordination in the delivery of services, including a “first stop” point of entry and common intake protocol. Because most of the region's service providers are located in Biddeford, Saco or Sanford, this is particularly an issue for the rural parts of York County, where the town manager or Code Enforcement Officer is the business's first contact with the system.

In the last five years, SMRPC has worked with host organizations to secure EDA, Maine Department of Economic and Community Development and private sector funding for development and expansion of the region's microenterprise center. In the future, SMRPC will continue to support efforts to strengthen the capacity of the centers, including funding, diversification of services and participation in the “Business First”, one-stop delivery system.

A Maine Small Business Development Center Counselor is located at the SMRPC Office in Springvale. This position is primarily funded by the University of Southern Maine, with financial and administrative assistance from SMRPC. The Maine SBDC Counselor sees clients from all parts of York County. The Counselor typically counsels 200-250 clients a year.

- ***Provide small businesses with access to capital through the Revolving Loan Fund program.***

SMEDD administers two revolving loan funds (RLF) that provide gap financing for small businesses in York and Cumberland counties. Loan funds have been capitalized from two sources, the Finance Authority of Maine (FAME) and the U.S. Department of Commerce's Economic Development Administration (EDA).

The FAME Program is commonly referred to as the Regional Economic Development Loan Program (REDLP) and is the funding source for fourteen of the loans in the current portfolio. Established in 1996, the goal of the REDLP Program is to provide financing to small businesses with fifty or fewer employees or annual sales of less than \$5 million. Funding priorities for the program include businesses that are involved in the fields of advanced manufacturing, biological or information technologies, research and development, and exporting of products and/or services outside of Maine. In addition, all microbusinesses with fewer than five employees are also eligible. Before obtaining financing through this program, businesses must obtain at least two-thirds of their total project financing needs from sources other than GPCOG. In FY 2002, FAME awarded GPCOG a second grant of \$280,000 to supplement the original funds in the REDLP Program.

The EDA Loan Program is the source of funds for nine of the projects in SMEDD's current loan portfolio. Established in 1995, the original intention of these grant funds was to make loans to businesses that had been negatively impacted by defense downsizing and defense industry realignment in York and Cumberland Counties. In 2002, EDA granted a waiver to SMEDD so that a much wider range of businesses could qualify for loan funds. This new flexibility allows SMEDD to fund any commercial or industrial project that will create jobs in the two-county area. Business applicants to this program are not restricted by size although the maximum loan amount cannot exceed \$250,000. In addition, loan commitments cannot be made to a business until at least two-thirds of the project's costs have been financed through other sources of funds.

Both the REDLP and SMEDD Program funds are examples of gap financing, which is intended to provide funding for projects that cannot obtain all of their financing needs from owner's equity and conventional financing sources. As a result, projects that are funded tend to be riskier as a result of weak collateral, questionable cash flow, or other credit factors. Since 1995, SMEDD has loaned \$3,422,540 to 47 businesses, including manufacturing and technology enterprises. Through the RLF program, 1,482 jobs have been created or retained, with an average investment of \$72,820 or \$2,309 per job. Currently, SMEDD has over \$1,000,000 in available funds to loan, which could be utilized by increasing the diversity of financing partners as well as targeted marketing in rural areas. With additional loan funds, SMEDD would like to

target microenterprises, particularly creative businesses that do not have the track record to meet traditional lending criteria.

Once SMEDD is de-designated the administration of the loan programs will be completed by GPCOG. This makes the most sense as the administration of the two revolving loan funds has been completed through The GPCOG Office. Clients in York County will still be able to access the revolving loan funds.

- ***Adopt a common marketing, coordination and communications protocol among municipalities, state agencies, and service providers to identify and respond to business prospects interested in locating, expanding, or remaining in Southern Maine.***

As the regional coordinator for the State's business attraction program, SMEDD has taken on a number of responsibilities, including dissemination of leads, production of collateral materials, and representation at trade shows. Due to limited resources, however, SMEDD's primary role is the dissemination of leads generated by the State of Maine and Maine & Company. Leads are distributed to economic development contacts in York and Cumberland counties primarily through e-mail. Communities respond directly to the State and to Maine & Company with information on suitable sites. Currently this process involves some limitations that need attention. Most communities do not have full-time economic development staff to respond in the urgent timeframe given. Staff turnover in the district's towns necessitates constant orientation to the process. Leads do not flow from the bottom-up, i.e., when communities cannot accommodate a local business, they do not routinely advise SMEDD although they may refer them to a neighboring town. There is no comprehensive regional database of property parcels to reduce the duplication of information. Due to confidentiality, there is no feedback loop amongst the players to communicate the status of prospects. And finally, the current process does not reflect all business attraction nor business expansion needs. Over the years SMRPC has coordinated the leads process for York County communities. Thus the designation of SMRPC as an Economic Development District should have no impact on the continued coordination of the leads process.

- ***Begin networking/trade groups around some of the identified existing and emerging technologies in the region.***

The Bi-State Summit as well as some of the research conducted by the firm Planning Decisions, Inc regarding the York County economy identified the need for professional associations and networking groups to help young and growing businesses not only begin, but expand in the region. The Maine Metal Trades Association was held up as a model of how such groups might operate. This idea was also discussed as part of a two state strategy, utilizing the brain power of some of the retired or semi-retired boomers who have recently settled in the region.

- ***Facilitate the development of guidelines for regional review of major commercial projects.***

Developers of three recently proposed projects, including a resort casino, a racino, and a Liquefied Natural Gas terminal, bounced from town to town in search of a receptive community with a flexible land-use ordinance that would accept their proposals or at least negotiate with them. In all cases, the process was divisive and expensive, pitting neighbor against neighbor as local residents rallied to counter the deep pockets of out-of-state developers. Through the 2002-2004 forum series, both regional planning agencies were able to generate consensus regarding the need for some level of regional planning review as well as the general principles that might guide such a review. The major obstacle to the development of a process for regional planning review is governance. Maine has a long-standing tradition of home rule that has not yet surrendered to regionalization in the area of land-use control, even if such a tradition is expensive to maintain. Indeed, it is on the very issue of property taxes that Southern Maine will continue to remain vulnerable to the promises of out-of-state developers yet reluctant to cooperate on what developments are appropriate for the region.

2006-2007 Accomplishments

BRIC: The BRIC continues to serve businesses and entrepreneurs in York County. In 2005, the Center conducted business counseling sessions with 279 clients at SMRPC's Springvale office as well as and outreach counseling sites at the York Chamber of Commerce and the Biddeford-Saco Area Economic Development Corporation in Saco. In addition, 156 individuals participated in the Center's workshops, which included a monthly "Getting Started" overview as well as the more advanced Fast-Trac program. In 2006, Gordon Platt, certified business counselor for the Maine Small Business Development Center at SMRPC, won Maine's Small Business Administration's Veteran Small Business Champion Award.

Business Attraction: SMEDD continued to coordinate the distribution of business leads from the Maine Department of Economic and Community Development and Maine and Co. to communities. At this time, no new business locations have resulted from the dissemination of leads in 2006.

Access to Capital: Over the past year, demand for the Revolving Loan Fund has been limited. As of June, SMEDD had not closed on any loans for FY 06, although there are three pending deals that involve financing requests of approximately \$75,000 to \$125,000 each. Low demand results primarily from the extremely competitive lending environment in York and Cumberland counties. This intense competition has meant that banks are offering relatively lower rates of interest and favorable repayment terms to its borrowers, reducing the need for gap financing.

In order to build loan volume and demand for its loan funds, SMEDD has continued to meet with and speak regularly with area banks and economic development professionals. SMEDD also continues to partner with other providers of gap financing on the local, regional, and statewide level, when the opportunity arises.

Regional Development Review. Under a grant from the Maine State Planning Office, SMRPC conducted an analysis of alternatives for reviewing large scale projects on a regional basis. The report, completed in 2004, identified deficiencies in the current system of local review, identified best practices across the country, both mandatory and voluntary, and suggested potential

alternatives that might work in Maine. The alternatives recommended included the establishment of a regional reviewing authority similar to the Cape Cod Commission; a statewide review board with delegated regional authority, similar to Vermont Act 250; a regional advisory board similar to the MetroWest Growth Management Committee in the Boston area; and adding a regional input component to Maine's existing Site Location Law, which is mandated by the Department of Environmental Protection. Since the report's publication, the latter recommendation is being actively pursued at the state level. Over the last year, SMRPC staff also presented the report to the State's Community Preservation Advisory Committee.

Economic Prosperity

Goal	Objective	Performance Measure
Prosperity for Everyone: Facilitate investments to strengthen distressed communities, downtowns, industry sectors, and populations	The median household income of each labor market will keep pace with or exceed the state median.	Benchmark measure – this will be assessed in June 2008.

Regional Issues

York County is a diverse region that can actually be broken into a coastal region, an inland region and then a rural region. All regions differ as far as their economy, their income levels and their capacity to handle growth and development. The one area they do not differ is in their desire for sound economic development opportunities. The challenge is to ensure this economic growth while making sure we do not ruin the qualities that make the region special.

Inland. Whether measured by unemployment, wages or income, prosperity is not shared equally across York County. The Sanford Labor Market Area generally lags behind the rest of the region, and in most cases, the state, in the relative values as well as annual gains in jobs, income and wages. Inland regions that are distant from transportation gateways, including the Maine Turnpike, Portland International Jetport, and Portland Harbor. With a historic dependence on manufacturing, less diversified economies, and fewer job options, both regions have been hurt more than their coastal counterparts by plant shutdowns, including the closure of Sebago Shoe, Robinson Woolen Mill, Vishay Sprague, and Thomas and Betts. While northern York County, anchored by Cornish, is rich in natural resources, it is struggling to sustain tourism on a year-round basis. And while the Sanford area is rich in historic character, it is struggling to attract anchor tenants to facilitate the redevelopment of its vast millyards.

Service Centers. The relatively higher wealth of the coastal labor markets masks pockets of economic distress, particularly in the region’s service center communities. Regional Service Centers have been identified by the Maine State Planning Office as the economic hubs of the state, attracting people to work, shop, and do business. At the same time, they face higher levels of economic distress, including rising tax burdens, aging infrastructure, declining populations, and waning downtowns. As the economic hubs of the region, service center communities have shouldered the greatest job losses in the region, particularly Portland, Westbrook, and South Portland. Almost every coastal service center – Kittery, Biddeford, Saco, – in addition to the entire town of Sanford, contain areas where the per capita income is below 80% of the national average, meeting EDA’s economic distress criteria. Within the last two years, the City of Biddeford has also qualified as CDBG Entitlement communities.

Defense. On Friday, May 13, 2005, the Pentagon announced plans to close the Portsmouth Naval Shipyard and realign the Brunswick Naval Air Station. Under the recommendations of the Base Realignment and Closure (BRAC) Commission, almost 7,000 jobs would have been eliminated in Southern Maine - 4,510, at the Shipyard, and 2,420 at the Air Station. According to the Maine State Planning Office, the BRAC proposal, which included the loss of 350 jobs at

the Defense Finance and Accounting Service in Limestone, would have resulted in direct and indirect job losses of almost 12,000 representing \$465 million in wages. With the Shipyard anchoring the southern end of the District, and the Air Station, the northern end, these losses would primarily have impacted Southern Maine. Maine was second only to Connecticut as the state with the highest job loss under BRAC.

Although the Shipyard was spared, it continues to dominate the region's economy. According to a recent study by Professor Charlie Colgan, the Shipyard accounts for more than 10,000 direct and indirect jobs in York County and Seacoast New Hampshire. Over 80% of these jobs are in York County, 10% in New Hampshire's Rockingham County, and the rest, dispersed throughout Maine and New Hampshire. Together with its indirect effects, the Shipyard accounts for over \$750 billion in gross regional product, which represents 5% of the region's output and 12% of York County's.

Major Disaster. Beginning on May 13, 2006, unrelenting rains unleashed the worst flooding on record in coastal York County since the 1930's. Hitting just 10 days before the start of the summer tourism season, the storm dumped 16 inches of rain on York Beach and 10, in Kennebunkport. Coastal York County, which stretches 40 miles from Kittery to Old Orchard Beach, is the number one tourist destination in the state, accounting for over one third of all visitor trips to Maine, or nearly 20 million per year. Damage was reported in over 1,000 homes spread across 29 communities as well as dozens of businesses that had just stocked up for Memorial Day. In addition, the storm closed shellfish beds and grounded lobster vessels. On May 25, 2006, President George W. Bush declared York County a major disaster. Early estimates for damage to public infrastructure are in the range of \$8-\$10 million dollars.

Strategies

- *Use the CEDS process to identify distressed areas and to inventory and prioritize local and regional needs, including commercial/industrial space, transportation, and utilities identified by municipalities, regional organizations, and service providers.*

In 2003, SMEDD reorganized its activities related to data collection, inventory, and project solicitation. First, staff constructed a database to collect information on the region's most frequently requested data, including population, housing and jobs. This database was turned into a series of print-ready profiles for each community and county in the district for posting on the Web. In addition, an analysis was conducted of income, unemployment, and job loss data to identify and map economically distressed areas eligible for funding, e.g., from EDA or the state's CDBG program. For the first time in four years, SMEDD also conducted a project solicitation process in 2004 for the CEDS, revising its selection criteria to better reflect the new CEDS vision and goals. Due to the lack of federal funding, no project solicitation process was conducted for 2005. The annual collection and assessment of data will continue to be a key component of the CEDS in order to determine areas of need, develop regional priorities, and assess the effectiveness of funding and programmatic decisions. One area for improvement remains better outreach to ensure the inclusion in the CEDS of local projects from rural and suburban towns as well as regional projects proposed by coalitions and service providers.

Current Public Works projects funded by EDA under previously approved CEDS are in various stages of planning and implementation:

Saco: EDA has awarded the City over \$1.3 million in eight years for public infrastructure associated with the construction of its industrial parks. In the past, the city has built, maintained and successfully marketed four previous phases of industrial parks with job creation of more than 1,000. These parks are now nearly fully occupied, including the Spring Hill section, which was completed in 1999 with EDA funds. The new Mill Brook Business Park, nearing completion in June of 2006, is expected to generate between 250-400 jobs in five years.

- ***Assist communities in pursuing state and federal resources to address needs on a local or regional basis.***

Due to the healthy economic climate in Southern Maine, it is difficult for communities in the region to compete for state and federal funding. On the other hand, the pockets of distress, such as poverty in Biddeford and Saco or unemployment in Sanford, rival needs elsewhere. And the presence of professional staff capacity, particularly in service center communities, enables the region to capture state and federal dollars from the Community Development Block Grant program, Environmental Protection Agency's Brownfields program, Maine's Municipal Investment Trust Fund, Tax Increment Financing, and the Economic Development Administration. SMEDD staff are always available to assist towns with the preparation of applications, including data collection, research, grantwriting, and consultation with town officials. Important non-EDA investments over the last three years include the following:

- \$175,000 in Economic Adjustment funds to support planning associated with the Base Alignment and Closure Commission's recommendations
- Securing State Pine Tree Zone designation for York County and the Sebago Lakes Labor Market Area
- \$600,000 in Brownfields funding for a regional assessment program for York County to be implemented by SMRPC.
- \$750,000 in state bonds to support development of the region's Composites Technology Center.
- CDBG Entitlement status from the U.S. Department of Housing and Urban Development for the City of Biddeford.
- Municipal Investment Trust funds to support downtown revitalization in Biddeford and Saco.
- New economic development plans and studies in Biddeford (mill redevelopment), Sanford (economic development), Parsonsfield (economic development), the Route 113 Corridor (economic development), and York County (economic development).
- \$2,000,000 in CDBG funds to support business expansions in Arundel, Kennebunk, Hiram, Limerick, Saco, Sanford.
- Main Street Maine designation for downtown Saco.

- *Establish a protocol among municipalities, government agencies, and service providers (such as the United Way of York County and York County Community Action Corp.) for providing assistance to economically distressed areas.*

Whenever a mass layoff occurs in one of the region's communities, a series of actions usually takes place. An announcement is made in the local paper. The Maine Department of Economic and Community Development offers incentives to prevent the layoff or shutdown from occurring. If eligible, Maine's Congressional team qualifies workers for federal retraining and education dollars. The Maine Department of Labor meets with workers to review opportunities in the local job market. SMRPC offers assistance with applications for resources, such as EDA or CDBG. These actions are not necessarily scripted or coordinated. Nor are communities necessarily "ready" to respond with a plan or project identified in the CEDS or in their own comprehensive, economic development, or downtown plan, if they have one. In fact most of these efforts are reactive rather than proactive. It is hoped that in working with community based social service providers we might be better prepared to respond on both a regional and even neighborhood level.

Sometimes a mass layoff provides the opportunity to implement a project of regional significance. In May of 2001, SMRPC, as part of SMEDD, received an EDA Grant to cope with the nearly 2,000 manufacturing jobs lost in York County, particularly in the manufacturing of electronics and textiles. Through the York County Recovery Project, SMRPC, as part of SMEDD, conducted a strategic study of economic development capacity in the region, including staffing, service delivery, labor force, infrastructure, industrial facilities, technology, and marketing. One component assessed opportunities for joint use at the Portsmouth Naval Shipyard, specifically allowing private sector firms to rent Shipyard space that is no longer needed by the Navy. The assessment surprised the region by concluding that the Ways Building, the Shipyard's dry dock facility, held the most potential for joint use, such as the production of high speed ferries. In 2003, SMRPC, as part of SMEDD, staff participated in a trade show on maritime boatbuilding to test this assumption. Another component was an assessment of the market for industrial space in York and Cumberland counties. The study reported an overall vacancy rate of 9%, with some coastal markets near the Turnpike, such as Saco, "red hot." In addition, the study identified a high demand for buildings in the 10,000-30,000 square foot range. In order to implement conclusions of the project, SMRPC successfully obtained a Brownfields grant in 2004 to redevelop underutilized properties in Biddeford, Saco, and Parsonsfield.

2006-2007 Accomplishments

CEDS Priority Projects: SMRPC communities participated in the 2006 CEDS project priority process for SMEDD. As such, 2 projects were placed on the SMEDD project priority list-the Sanford Public Works application and the Biddeford Economic Adjustment application. Once approved as an economic development district, SMRPC will use the CEDS project priority process that has been developed and successfully used by SMEDD.

2006 High Priority EDA Projects

SPONSOR	TYPE	PROJECT	COST
Sanford	Facility	Construction of a 93,000 SF hangar to support expansion of Oxford Aviation at the Sanford Regional Airport, resulting in the creation of 200 jobs.	\$8,500,000
Biddeford	Economic Adjustment	To complete a master plan for the millyard area located in downtown Biddeford. The millyard area consists of more than 1.5 million square feet of industrial space in a number of mill buildings. Area has seen significant manufacturing plant closings and downsizing.	\$150,000

CDBG Grants: Provided communities with project consultation, planning, and development for submission of Community Development Block Grant applications to the Maine Department of Economic and Community Development. Over \$2.2 million in applications were funded in the region's non-entitlement communities during FY 2006:

Town	Year	Program	Amount	Description
Hiram	2006	EDI	\$400,000	New England Castings
Kennebunk	2006	EDI	\$40,000	Gracefully Yours
Limerick	2006	EDI	\$150,000	Max Torque
Saco	2006	EDI	\$400,000	Saunders Electronics
Sanford	2006	EDI	\$400,000	US Felt Manufacturing
Sanford	2006	EDI	\$400,000	DM Technologies
Lyman	2006	PS	\$40,000	Therapeutic riding program
Parsonsfield	2006	CP	\$10,000	Planning grant
Saco	2007	PI	\$300,000	Public infrastructure
Sanford	2006	EDI	\$150,000	Central Tire
Sanford	2006	EDI	\$400,000	Oxford Aviation
Non-entitlement			\$2,690,000	
Biddeford	2006	Entitlement	\$486,189	
Entitlement				
2006 Region Total			\$3,176,189	

Pine Tree Zone: On October 26, 2004, SMEDD received final designation from the Maine Department of Economic and Community Development to establish a Pine Tree Zone in Southern Maine, one of Maine's eight such designated zones. The Southern Maine Pine Tree Zone covers 4,793 acres in York and Cumberland counties, including commercial and industrial sites in Arundel, Biddeford, Bridgton, Cornish, Fryeburg, Hiram, Kennebunk, Limerick, Naples, North Berwick, Saco, Sanford, South Berwick, Waterboro, and Wells. In March of 2006, the residents of Baldwin voted to include the town in the Southern Maine Pine Tree Zone. To date, 12 manufacturing businesses have committed to locating or expanding their businesses in the Pine Tree Zone. On May 30, 2006, Governor Baldacci signed into law LD 2091, an act to amend the Pine Tree Zone to include properties vacated by mass layoffs. Among those now

eligible for Pine Tree Zone benefits is the Sappi Mill in Westbrook. Westbrook is now the only community in Greater Portland that will be able to take advantage of the Pine Tree Zone.

List of Certified PTZ Businesses as of February 13, 2007

Name	Sector	Location	Year
Correct Building Products, LLC	Manufacturing	Biddeford	2006
Rumery's Boatyard	Manufacturing	Biddeford	2005
Volk Packaging	Manufacturing	Biddeford	2006
MaxTorque	Manufacturing	Limerick	2004
General Dynamics	Manufacturing	Saco	2005
Shape Global Technology	Manufacturing	Sanford	2005
Saunders Electronics	Manufacturing	Saco	2005
DM Technologies	Manufacturing	Sanford	2005
US Felt Manufacturing Company	Manufacturing	Sanford	2005
The Baker Company	Manufacturing	Sanford	2006
Maine Precision Welding, Inc.	Manufacturing	Sanford	2006
Central Tire Co., Inc.	Manufacturing	Sanford	2006
Sterling Rope Co., Inc.	Manufacturing	Biddeford	2006
Architectural Skylight Co., Inc.	Manufacturing	Waterboro	2006
CRI-SIL, LLC	Manufacturing	Biddeford	2006
Sagoma Technologies	Manufacturing	Biddeford	2006
Meridian Life Science, Inc.	Manufacturing	Saco	2007
Wasco Products, Inc.	Manufacturing	Sanford	2007
Oxford Aviation, Inc.	Manufacturing	Sanford	2007

Build-out Analysis of Service Center Communities. Conducted a build-out analysis of Sanford, Biddeford, Saco, Portland, South Portland and Westbrook to determine whether there is a sufficient inventory of land and properties available to absorb future employment and residential growth projected by 2025. On the commercial side, the analysis included an inventory of potential employment associated with existing business/industrial parks, Brownfields, and vacant downtown office space. This analysis will be incorporated into a \$675,000 study by the Brookings Institution commissioned by GrowSmart Maine that will explore the connection between Maine's future economic prosperity, quality of life, cost of government and sprawl. Both GPCOG and SMRPC concluded that, with few exceptions, the service center communities had sufficient land and properties available to accommodate future growth for their labor markets, projected at 51,686 additional workers by 2025.

Addressing the Productivity Needs of Manufacturers

Goal	Objective	Performance Measure
Economic Diversification: Support growth and innovation in economic clusters, including composites, agriculture, biotechnology, environmental technology, financial services, information technology, forest products, precision manufacturing, marine resources, and the creative economy	Annual job growth in the precision manufacturing sector will keep pace with or exceed the region's rate of job growth.	Benchmark measure – will be calculated in June 2008

It is obvious that York County has two sorts of specialization—large scale and small scale. The large scale specialized industries are the Portsmouth Naval Shipyard, tourism (lodging, restaurants and gas stations), teaching and, to a lesser degree, construction and health care. The smaller scale specialized industries are miscellaneous manufacturing industries.

The Colgan Report concludes that,

“York County’s key industries are probably a less-firm foundation for economic growth.

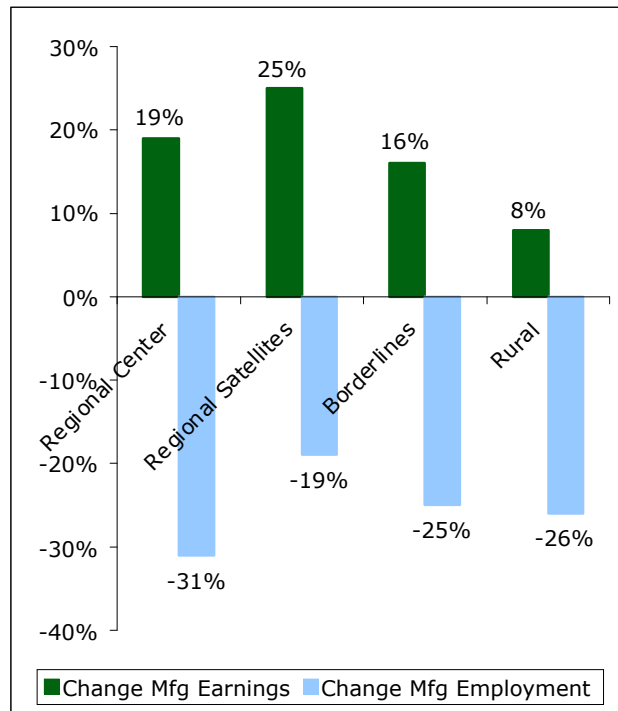
- Construction and real-estate-related activity have been associated with the national housing boom, along with a steady influx of immigrants to York County. While the latter trend will continue, the former is already reversing.
- Manufacturing industries remain highly threatened by competition.
- The absence or relatively low rank of Leisure & Hospitality industries from the leading industries measure suggests that this industry has not seen significant growth recently, and its high seasonality means that it is not a firm foundation for the year round economy.
- Relative to the U.S., York County is retail trade and local service intensive. Relative to Maine, New England, and the U.S., York County is manufacturing intensive.
- Education and health services, particularly health and social services play a significant role in the York County economy.”

On one hand, this sobering assessment is discouraging. However, the words of Hector Ruiz, Chairman and CEO of Advanced Micro Devices (AMD) offer some direction, “You can’t have competitiveness without competition.” In other words, though York County’s small specialized manufacturers do face intense competition, they are not without significant advantages. Indeed, one of the most important challenges York County faces is more clearly identifying those advantages and marketing them more effectively to expanding businesses in the greater Boston region.

While manufacturing as a whole has seen a drastic decline in employment over the past decade, and this decline has occurred in all sub-regions of northern New England, there are significant differences within the manufacturing sector and among regions.

Figure 2 highlights these differences.

Figure 2: Patterns of Manufacturing Employment and Earnings, Northern New England, 1992 to 2003



Source: BEA.

While manufacturing employment fell in all sub-regions, it fell the most in the regional center and the least in the satellite centers. While earnings from manufacturing increased in all sub-regions, they increased the most in satellite centers. Together, these trends point to a movement of successful manufacturing activities from the regional center to the sub-regional satellite centers. The challenge to York County is to examine this trend in more detail and find ways to profit from it.

Two manufacturing sectors in particular seem to hold promise for York County—metal fabrication/machinery and health and medical equipment. Table 7 highlights their relative standing within New England by shares of total private, non-farm earnings.

Table 7: Share of Private Non-Farm Earnings by Region, 2003

Sources of Earnings	Regional Center	NH Satellite	ME Satellite	Vermont Satellite
Fabricated Metal Products	1.13%	1.90%	1.14%	2.49%
Machinery	0.95%	1.50%	0.67%	1.58%
Computer & Electronic Products	5.53%	9.20%	2.57%	13.50%
Electrical Equipment	0.38%	1.36%	0.28%	0.44%
Chemicals & Medicine	1.13%	0.56%	0.89%	0.59%
Plastics and Rubber Products	0.23%	1.25%	0.65%	0.00%

Source: U.S. Department of Commerce, Bureau of Economic Analysis. The Maine satellite region is here defined as York, Cumberland and Sagadahoc counties.

With respect to the metals, machinery and electronics industries, the Maine share of earnings is substantially below those of the New Hampshire and Vermont satellites. This indicates a potential growth area. Table 8 outlines these comparisons in greater detail.

Table 8: Relative Size of Manufacturing by Region, Selected Sectors, 2002

NAICS Code Description	Establishments	Sales (\$1,000)	Payroll (\$1,000)	Employees
<u>Portland Satellite</u>				
332 Fabricated Metal Products	113	\$380,045	\$87,118	2,321
333 Machinery	44	\$243,229	\$60,260	1,591
334 Computer & Electronic Products	32	\$504,020	\$141,897	3,195
335 Electrical Equipment	D	D	D	D
3254 Pharmaceuticals & Medicine	14	\$130,396	\$47,803	971
3391 Medical Equipment & Supplies	21	\$37,403	\$11,888	316
Total	224	\$1,295,093	\$348,966	8,394
<u>Cambridge-Framingham Metropolitan Division</u>				
332 Fabricated Metal Products	356	\$1,323,094	\$304,631	7,024
333 Machinery	169	\$1,455,041	\$406,568	7,753
334 Computer & Electronic Products	398	\$11,800,758	\$2,164,508	36,053
335 Electrical Equipment	62	\$393,511	\$119,843	2,908
3254 Pharmaceuticals & Medicine	29	\$988,188	\$184,424	2,924
3391 Medical Equipment & Supplies	111	\$1,007,128	\$238,489	4,896
Total	1,125	\$16,967,720	\$3,418,463	61,558

Source: Bureau of the Census 2002 Economic Census D means data are not disclosed.

Even accepting Colgan's warning that manufacturing faces severe competition, the relative magnitude of the manufacturing sector in these selected sectors (metals and medicine) when combined with York County's well-recognized quality of life (reflected in the steady flow of population migrating into the area) indicates fertile ground for industrial development. The Cambridge-Framingham Metropolitan area just to the south of York County has five times the number of businesses in these sectors, and they made over ten times the sales and employ over seven times the number of workers. Given the remarkable population migration from the region's metropolitan center, it is reasonable to assume that some of the businesses that employ these people will migrate as well. The challenge to York County is to induce some portion of these companies to move to or expand in Maine.

This conclusion is reinforced by the findings of the Maine Metal Products Association's recent member survey that identified 129 current job openings (34 in York County alone) and over 1,100 expected job openings over the next two to six years (over 400 in York County alone).⁶ A similar survey of Maine biotech indicated expectations for substantial growth over the next five

years, and indicated that access to professional colleagues and availability of skilled workers were the most important factors affecting business location.

Regional Issues

Assessment. Over the last five years, the State of Maine has aggressively pursued an economic development strategy focused on investments in technology clusters. Through key investments in research and development, including the Composites Technology Center in Sanford and the Center for Environmental Enterprise in South Portland, the state is facilitating innovation and growing new businesses. As the economic engine of the state, Southern Maine is flush with well-known anchor firms in each of the state's targeted clusters, such as National Semiconductor in Precision Manufacturing, Idexx Laboratories in Biotechnology, Hancock Lumber in Forest Products, Delorme in Information Technology, and Sabre Yachts in Composites. These industry leaders cultivate skilled workers who are key to building each cluster. Other key elements, as outlined by the Maine Science and Technology Foundation, include the following:

- Innovation in products & production
- Market opportunities
- Workforce development
- Distribution networks
- Land supply and regulation

Although there is no comprehensive assessment of the region's competitive advantages in each of the targeted technology clusters or its other strong sectors, such as financial services, Southern Maine is recognized for a number of assets that contribute overall to the building of strong clusters:

Assets

- *Quality of Life:* According to the U.S. Census Bureau, Greater Portland is one of the top 10 regions in the country, and the only city in the Northeast, attracting college-educated young people. In addition, Portland consistently ranks in the Top 10 on almost any national list related to "livability," including recreation, arts, historic preservation, and business climate. York County meanwhile, has attracted over 11,000 people since Census 2000, capturing more than one third of all in-migration to Maine.
- *Education:* Relative to the rest of the state, local residents enjoy less than an hour's drive to at least 10 colleges and universities, including the state's only law school, business school, medical school, and art school.
- *Skilled labor force:* Almost 30% of adults in Southern Maine adults hold a bachelor's degree or higher, compared to 23% for the rest of Maine.
- *Proximity:* Southern Maine is less than two hours' from Boston and six from New York City and Canada.
- *Support organizations:* The legal and financial capital of Northern New England, Greater Portland is also home to a number of support organizations, such as the Maine International Trade Center, Maine Patent Office and industry associations for Environmental Technology, Information Technology, and Biotechnology.

- *Incubators:* Eight business incubators are in the planning or operations stage, including environmental technology (South Portland), composites (Sanford), information technology (Portland), biotechnology (Saco), agriculture (Windham), trades (South Portland), and professional services (Portland, Freeport).
- *Access to markets:* Southern Maine hosts important transportation gateways into the state, including the Maine Turnpike, Portland International Jetport, and Portland Harbor.

Globalization. York County's unemployment rate of 3.7% for 2007, down by approximately half a percentage point from 2005, remained below state and national averages. With the last 24 months, 1,425 layoffs have been announced, 1,241 in Cumberland County and 234 in York County. The communities hit hardest during this time period include Portland, 542 jobs, Westbrook, 325 jobs, South Portland, 293 jobs, Standish, 200 jobs and Biddeford, 200 jobs.

Since 2000, Southern Maine has lost over 7,600 jobs. These layoffs have touched every economic sector, but particularly manufacturing. Over the past six years, the manufacturing sector has lost 5,349 jobs related to defense and information technology as well as the production of shoes, textiles, electronics, food, and paper goods. Indeed, for the first time in a decade, the region posted a negative job growth rate of -0.29%, from 212,438 jobs in 2001 to 211,830 jobs in 2002. In 2003, the region rebounded, posting a job growth rate of 0.9%, from 219,628 jobs to 221,619 jobs, faring slightly better than Maine, New England, and the country as a whole. In 2004, the last year for which data is available, jobs grew 1.3%, better than New England's growth of 0.4% but barely besting the state and national growth of 1.1%. In the future, consolidation, outsourcing, and other cost-cutting corporate measures will continue to threaten manufacturing, with Southern Maine projected to lose another 20% of its manufacturing base by 2025.

Strategies

- ***Support the growth of the region's incubators, including the Composites Technology Center.***

Through public and private sponsorship, eleven business incubators are in the planning or operations stage in Southern Maine, up from eight last year:

SMRPC's role in the development and support of incubators varies by need and interest of the sponsoring organization. For example, in the case of the Composites Technology Center, SMRPC recruited sponsors, prepared applications for funding, and staffed the infant enterprise. The Composites Technology Center in Sanford is a member of the State's Applied Technology Development Center network. There is no regional forum or study to capture the individual status or collective needs of the region's incubators, such as marketing or financing. Nor is there a formal support system to help incubator graduates with the next stage of their development, such as a site search to facilitate their retention in Southern Maine or a dedicated pool of funding to support commercialization.

- ***Develop a strategic planning process to strengthen the region's economic clusters, including opportunities for innovation in production, marketing, workforce development, networking, and access to capital.***

SMRPC has been an active participant in the planning efforts to identify, support and grow the region's economic clusters, especially its incubators. The next step for cluster development in Southern Maine is to apply the findings of state and local cluster studies on a regional basis. A study by the Maine Science and Technology Foundation, for example, indicated that there is a strong biotechnology presence in Southern Maine that would support the development of a research or business park. Overall, SMRPC's role will primarily be strategic in scope, such as supporting investments in public infrastructure or expanding access to financing. SMRPC also plans to stay engaged with the Maine Metal Trades Association who is active in recruiting and identifying new opportunities in that field, as well as recruiting workforce for member businesses.

2006-2007 Accomplishments

Strategic Planning: In 2005, SMRPC received a grant from the federal Office of Economic Adjustment to complete two project components: 1. the development of an initial reuse plan for the Portsmouth Naval Shipyard, and 2. the completion of an economic diversification plan in response to the region's dependence on defense related employment. The first component has been completed and is somewhat moot as the Shipyard was not placed on the federal closure list. The second project component, which was recently completed by Professor Charlie Colgan of the University of Southern Maine, is entitled, *Looking Beyond the Shipyard: Economic Development Challenges of Southern Maine and Seacoast New Hampshire*. This study is the first to provide an analysis of the economic impact of the Portsmouth Naval Shipyard on the economies of Maine and New Hampshire. In addition, this study provided a multi-state cluster analysis of York County, Maine and seacoast, New Hampshire. A key component of the study was to make suggestions as to what can be done on both sides of the southern Maine border to diversify the greater regional economic base.

A group of local and regional economic development and business professionals met with professors Charlie Colgan (USM) and Ross Gittell (UNH) to discuss ways to utilize the results of the study to work on multi-state projects and activities to strengthen and diversify the regional economy. There was broad agreement that on some issues, projects and activities a multi-state effort made sense and offered the best solution to some problems.

Professors Colgan and Gittell agreed to review the existing economic data and studies they collectively have on York County and seacoast New Hampshire. Using this review they will identify 3 or 4 issues or projects that would be the best candidates for multi-state efforts and projects (e.g. a regional technology business incubator). These results will be presented to the working group for initial comment and review. The final product will be presented at a summit of State, regional and local leaders and professionals that will be invited to attend the event. The desired result of the summit is to choose one or two projects or activities that will be the top priority for a multi-state effort that is coordinated by regional economic development professionals and organizations.

Incubator support: SMEDD staff and Board members continued to serve on the Board of Directors for both the Maine Center for Enterprise Development in South Portland and the Composites Technology Center in Sanford

A Skilled Workforce

Goal	Objective	Performance Measure
Educated Workforce: Provide quality education and training opportunities for residents of all ages	Enrollment at York County Community College will continue to grow at a faster rate than other similar educational institutions.	Benchmark measure – will be measured in 2008

Regional Issues

It is widely considered that a skilled workforce is critical to economic vitality. In York County, that concept may be even more widely acknowledged. The previously referenced study of the York County economy, by the firm Planning Decisions, Inc., discussed this issue in detail. Through discussions with business owners in the region and also in the greater Boston area it became apparent that a lack of an available workforce was stunting potential economic growth. It is clear this is one of the predominant issues for the region to address.

Quality. Employees in York County consistently rank high in workforce productivity, attendance and longevity. Discussions with area business leaders indicate that these employees frequently rank among the highest in those businesses with multiple sites across the country. Despite this reputation, not everyone is succeeding in the labor force. The region’s low unemployment rate of 3.7% for 2006 masks the reality that there are still over 4,56 unemployed workers, thirteen percent of the State’s total, in York County. These numbers represent the unemployed that are actually measured, not those discouraged from looking due to lack of transportation or child care, mental illness, physical disability, or language and cultural barriers. Those already employed may not be in their chosen field or position. According to the Labor Force Analysis completed by the University of Southern Maine, up to one fifth of the area’s workers are actively looking for a new job. Although additional pay is a factor, another important reason is “underemployment,” or the desire for work that more closely matches job skills.

Access to Education. Local residents enjoy less than an hour’s drive to at least 10 colleges and universities, including the state’s only law school, business school, medical school, and art school as well as two community colleges and a two state universities. With 23% of adults holding at least a bachelor’s degree, Southern Maine residents are as educated as the rest of state (23%), but less competitive than Boston (39%) and New England as a whole (35%). A more educated workforce will increase the competitiveness of the region’s existing businesses, make Southern Maine more attractive to expansions by out-of-state firms, and support a dynamic entrepreneurial climate that values quality of life. According to the Maine Compact for Higher Education, barriers to higher educational attainment include the following:

- *Preparation:* Maine’s Learning Results provide a standard for student achievement in math, science, writing, and the social sciences. In Southern Maine, less than a third of the region’s 11th graders meet or exceed state standards in math and writing.

- *Affordability:* For young people on their own, the cost of college competes with housing and other basic needs. In Southern Maine, local colleges are asking residents to take in students unable to pay rising market rents.
- *Retention:* Due to family or work pressures, many students veer off the course to college. In Southern Maine, lack of articulation agreements between schools forces students who return after a long absence, change academic programs, or choose a different college to start from ground zero.

Strategies

- *Use the results of regional and statewide studies to identify opportunities to enhance the region's education, entrepreneurial, and workforce development systems.*

Workforce development plays a pivotal role in the recommendations of recent economic development projects, including the USM Center for Business and Economic Research's labor force analysis, Maine Science and Technology Foundation's cluster study, and the Maine Compact for Higher Education's report on raising educational attainment in Maine. In the future SMRPC will continue to participate in the development of regional and statewide studies, including research and analysis, dissemination of results to municipalities and businesses, and application of appropriate recommendations in Southern Maine. Over the last three years, for example, SMRPC has hosted workshops on the results of the labor force analysis and on strengthening economic clusters.

Based on the results of the Bi-State Summit held in September, there also appears to be a great deal of interest in looking for ways to cross register for programs across state lines (such as the bio-tech program available in New Hampshire that is not available in Maine), consolidating efforts in accessing research and development funding and looking for ways to focus on the marine sciences across the shared ecosystem.

- *Support the involvement of schools, colleges, and universities as resources to address business and community needs.*

According to the Maine Compact for Higher Education, 43% of high school graduates leave the state to begin their college education. Many never return. An oft-cited reason for their departure is that young people do not see an economic future for themselves, for their children, or for the state. Some do not want to leave but envy the higher salaries offered by more urban labor markets. One strategy to retain Maine's young people is to create opportunities, such as apprenticeship or service-learning, that invest them in communities and workplaces, solving problems as part of how they learn in school. Across Southern Maine, students are building trails, writing the history of their towns, and testing the water quality of rivers and lakes. While there are no statistics on how many schools, colleges or universities offer such opportunities, our regional planning agencies can and do encourage such partnerships through a variety of ways: highlighting planning issues and projects throughout the region that are ripe for student involvement; brokering connections between classrooms, organizations, and businesses; and

recruiting classrooms to help implement their own planning projects, such as survey design for comprehensive planning.

2006-2007 Accomplishments

Strategic Planning. As part of the Office of Economic Adjustment Grant, SMRPC commissioned a study entitled, *An Economic Development Strategy for York County: What are the Best Prospects for Future Growth?* This Planning Decisions study cited a severe shortage of skilled workers as one of the three central obstacles to achieving economic prosperity in York County. According to the study, “*York County doesn’t have a jobs problem. It has a skills problem. Construction, metals, health care, all report problems finding workers with the skills needed to fill current job openings.*” To address this shortage, the report recommended that, “*if it did nothing else, York County should establish a position dedicated to making the labor market work more efficiently, to establishing links between the education, government and business communities and maintaining a regular flow of practical information on jobs available, training programs available, new ideas tried elsewhere.*” With major parts of York County, such as Biddeford, Saco, and Old Orchard Beach, now in the Portland Labor Market, many of these recommendations would apply to Cumberland County as well.

A great deal of progress has been made recently in expanding or examining new transit services to improve access to workplace, vocational and educational opportunities.

- The Workers Accessing Vocation and Education (WAVE) service through the York County Community Action Corporation expanded its service area. The demand responsive transit service now transports workers and students between Sanford and Biddeford in addition to an established service between Sanford and Wells. The WAVE route to Biddeford also connects to a express bus service (the ZOOM) to the Portland area and to the Biddeford-Saco-Old Orchard Beach Tri-Town Shuttlebus system.
- The Tri-Town Shuttlebus System, the City of Biddeford and the University of New England have secured funds to develop a pilot program transit service that will connect UNE students to downtown Biddeford, the Tri-Town Route, and the Downeaster.

Tourism

Goal	Objective	Performance Measure
Tourism: Support the development of four-season opportunities that attract visitors on business and leisure.	Annual lodging revenue will keep pace with or exceed Maine's.	New Benchmark- will be measured in June 2008

Regional Issues

Tourism represents one of the key (and perhaps the most notable) driving factors in the regional economy. During the summer York County receives the largest number of visitors by region than any other destination in Maine. It is also the gateway to those entering Maine to go elsewhere in the state. Maintaining this economic base and also seeking to expand it is a key issue for the region. In this regard, it is critical that the region support the infrastructure necessary to accommodate the large number of tourists, but also ensure that the quality of place that brings the tourists her in the first place is maintained. That is a central planning issue for the region.

Market Share. Visitors come to York County to enjoy the region's sandy beaches, bustling downtowns and rural lakes and ponds. Communities in the Southern Maine Regional Planning District are located within one distinct tourism region defined by the state – the Southern Maine Coast, which stretches from Kittery to Saco and includes all of York County. According to market research conducted by Longwoods International for the Maine Office of Tourism, 93% of the 44.1 million trips to Maine in 2002 included time spent in Southern Maine, albeit most of it as day trips. Indeed, the Southern Maine Coast is the most popular region in the state, capturing 44% of all trips to Maine. Despite its superior market position, challenges remain: to induce day-trippers to stay overnight and to stay longer in the region, to encourage visitors to tour the region, especially inland areas, and to increase visits during the shoulder seasons. With eight chambers of commerce in York County developing a marketing campaign to address these opportunities will also be a challenge.

Sustainable tourism. Beyond the numbers, the region is grappling with sustainable tourism that supports the development of infrastructure to provide balanced access to its unique historic, natural, and cultural assets. In 2003, York County was the battleground for a statewide referendum on gaming - whether to allow the Passamaquoddy Indian Tribe to build a resort casino and whether to allow the Scarborough Downs racetrack to operate slot machines. Plans for the resort casino included a six-story hotel facility with 875 guest rooms, 120,000 square foot casino, 60,000 square foot convention center, various restaurants and retail shops, an 18-hole golf course, 4,000 slot machines, and 180 gaming tables – one of the largest projects in recent Maine history. Although both projects were defeated in Southern Maine by overwhelming margins, they raised relevant, and as yet unresolved, issues associated with tourism as economic development:

Community

- scale and character of development

- environmental impact
- traffic impact
- crime

Workforce

- livable wages
- lack of affordable housing for low-wage workers
- lack of workers for low-wage jobs

Tourism

- moral character of visitors and activities
- lack of space for large events, such as conventions
- seasonality

Planning

- lack of a mechanism for regional review of large projects
- economic impact, including taxes and jobs
- out-of-state power and influence

While gaming as a form of tourism is clearly not supported in Southern Maine, almost any tourism-related project would raise one or more of the issues stirred by the referendum.

Touring. In the last five years, the industry has focused on touring as a strategy for sustainable tourism. For example, the Maine Office of Tourism has supported, through its website, marketing grants, and collateral materials, the development of “trails” around specific themes - antiquing, bicycling, gardens, museums. Its most recent roundtable series focused on increasing natural resource-based tourism, such as bird watching. While York County chambers participate in these efforts, inland areas may be underrepresented because they do not have the staff to participate in planning efforts or they lack the infrastructure to support visitors.

Strategies

- ***Facilitate planning efforts to develop four-season sustainable tourism strategies focused on assets, including historic, cultural, and natural resources.***

Planning assistance is primarily provided to inland rural towns that are turning to tourism as an economic development strategy, such as Hiram and Cornish. In 2003, the planning commissions teamed up to facilitate the development of a coalition along the Route 113 corridor, including the towns of Standish, Baldwin, Hiram, Brownfield, and Fryeburg as well as interests from the Bethel area in Western Maine and the Mount Washington Valley in New Hampshire. Route 113, also known as the Pequawket Trail, stretches 30 miles from Standish to Fryeburg. A scenic corridor within a 30-minute drive of the state's largest metro area, the Pequawket Trail boasts plentiful opportunities for hiking, bicycling, fishing, canoeing, antiquing, and other outdoor and cultural heritage activities. Although it lies within the shadows of Greater Portland, the region does not share in the same level of prosperity: its 9,500+ residents suffer greater unemployment, are less likely to have graduated from college, gross fewer wages, and earn less

income than residents of the metro area. Areas of potential collaboration include economic development, tourism, public safety, transportation, and village revitalization. For now, the group has agreed to research the qualification process for scenic byway designation.

2006-2007 Accomplishments

Route 113 Corridor Coalition. In 2004, SMRPC and GPCOG held the inland towns of Standish, Hiram, Brownfield, and Fryeburg establish the Route 113 Corridor Coalition. Four subsequent meetings were held throughout 2004-2005, rotating each to a different town in the corridor and focused on a different topic, including organizational development, tourism, scenic byway, outdoor recreation, and marketing. Later that year, SMRPC obtained a \$5,000 grant from the Northern Forest Center to conduct a community development plan for the section of the corridor from Hiram to Fryeburg, which it completed last summer. The agency also partnered with the Androscoggin Valley Council of Governments and the Western Maine Cultural Alliance on a \$5,000 grant from the Maine Department of Transportation to determine Route 113 and Route 2's eligibility for State Scenic Byway designation. This application requires substantial research into the particulars of the road and approval from every town the road passes through. With assistance from GPCOG and the sponsorship of the Town of Standish, the coalition obtained a CDBG Planning Grant to conduct a study of economic development opportunities along the corridor, including value-added manufacturing opportunities, entrepreneurship and tourism. The first forum stemming from the CDBG grant was held on June 14, 2006, where participants considered the merits of five different regional umbrellas, including a Scenic Byway stretching from Standish to Gilead, the return of freight rail on the Mountain Division line, support for the expansion of niche and value-added manufacturing, outdoor tourism/recreation associated with the Mountain Division trail, and attraction and support for the creative economy.

Shoreline Explorer Transit Planning. SMRPC worked with towns, chambers of commerce, private transit operators, the York County Community Action Corporation, and Maine DOT to plan for the first phase of a transit system for southern York County from Kennebunk/Kennebunkport to York. The system is right on schedule. This seasonal service will enhance tourism services and also move workers to seasonal job opportunities on the Route 1 corridor.

Approaches to Urbanization

Goal	Objective	Performance Measure
Promote and adopt policies that support both environmental and economic sustainability.	Average annual growth in service center communities (as a percentage) will exceed growth levels in these same areas for the period 1990-2000	New benchmark – measure for growth rate in June 2008 (for the period 2000-2007)

Regional Issues

York County is the fastest growing region in Maine. It’s proximity to Boston and fast growing urban centers in Portsmouth, N.H., Manchester, N.H., and Portland, Maine make it a particularly attractive place to live. These increasing growth pressures have resulted however, in increased demands on the transportation system, housing prices and the character of the area. While residents demand increased economic opportunity within the region locating commercial/industrial development is not always an easy chore. Finding this balance between economic growth and environmental sustainability remains one of the greatest challenges for the region.

Housing. The tight housing market in Southern Maine severely restricts the ability of workers to attain housing near their place of employment and that of employers, particularly the government and service sectors, to attract workers. The average household in Southern Maine must now earn \$77,202, 150% of median income, to afford the 2005 median priced home of \$235,000. The average worker must now earn \$16.04 per hour, more than double the state’s minimum wage, to rent a two-bedroom apartment in the least expensive housing market, the Bridgton area, and up to \$20.42 per hour, triple the state’s minimum wage, in the York area.

This housing shortage is driven by a number of factors related to population growth, including declining household size and in-migration. In York County, for example, 32% of all households are now comprised of single people living alone. Another factor contributing to the housing crunch is in-migration. Since 2000, the region has added over 15,000 new people, primarily from in-migration rather than natural increase. Many newcomers, perhaps retirees or urban refugees, are from “away”, attracted to Southern Maine for its scenic landscape, low crime rate, and relatively low housing prices compared to other metropolitan cities. By cashing out on their stocks or higher home equities, households from “away” are able to pay more for a home than Maine households earning the median income.

Zoning. On the supply side, construction is limited by zoning that unnecessarily limits density. This increases the unit cost of construction that eventually is translated into higher rents or selling prices. Many communities, including Portland, South Portland, and Saco are resorting to contract zoning as a strategy to allow higher density housing – with mixed results. For example, South Portland approved a contract zone that will allow the conversion of the former Maine Youth Center, a correctional facility, to a mixed-use neighborhood with 300 units, including townhouses, apartments and condominiums. In addition, 21 towns in Southern Maine, 17 in

York County alone, have passed growth caps that limit new construction to anywhere from 18 units per year (Dayton) to 132 units per year (Wells). While this measure may slow the pace of construction, it drives up land prices and forces growth to neighboring and often, more rural, towns.

Suburbanization. As demand outstrips supply, workers are forced to live far away from their place of employment, contributing to traffic congestion and the suburbanization of Southern Maine. Based on commuting data from the 2000 Census, the Portland Metropolitan Statistical Area has now been expanded by the Office of Management and Budget to include Biddeford, Saco, and for the first time, portions of Oxford County. Suburbanization is already having serious consequences for both urban and rural areas. In Greater Portland, for example, the fair market rents permitted under the federal Section 8 program have been *lowered* to reflect average rents from Cumberland, York, and Sagadahoc counties, a larger but less urbanized area than before. Meanwhile, renters and first-time homebuyers already living and working inland are forced to compete for housing with workers in the Portland labor market - who are willing and able to pay more.

Access to the resource. For generations, Maine's forests, lands, and waters have served as the foundation for its diverse ecosystem, abundant wildlife, natural beauty, and industrial base. While 200 years ago, most of Maine's workforce was employed in natural resource-based industries, the rural landscape today supports less than 1% of jobs in Southern Maine but thousands more in the processing of paper goods, shoes, textiles, wood products, and food and beverages. The region's greatest threat to the continued economic viability of these industries is access to the resource, including limitations imposed by regulation, ownership, and development. For example, over the last decade, stringent federal regulations have thrown the fishing industry into crisis. In February of 1999, the New England Fisheries Management Council considered closing the entire Gulf of Maine due to overfishing. Ultimately, the decision was not made, although many zones within the Gulf are indeed closed to fishing. In 2000, a lawsuit was filed in U.S. District Court against the Department of Commerce by the Conservation Law Foundation, claiming that certain provisions of the Northeast Fisheries Management Plan did not comply with the Sustainable Fisheries Act. A settlement agreement known as Amendment 13 was finally reached that may reduce fishing effort by as much as 50%. Although within SMRPC, the fishing industry is relatively small in terms of total numbers of employees, its economic impact is huge. The City of Portland serves as the industry hub for the entire State, generating an economic impact of \$400 million per year. More than 90% of the groundfish that is landed in the State, and 20% of New England's, passes through the Portland Fish Exchange – the East Coast's only publicly owned display auction. In 2002, the Portland Fish Exchange saw its landings drop 28% from 25 million pounds to 18 million pounds. When Amendment 13 is fully implemented, the Fish Exchange expects its landings to drop by as much as half.

Future of commodity production. Maine's natural resource-based industries are also threatened by global and domestic competition. Lower pricing by competitors is facilitated by a number of factors, including technology investments, contiguous acreage for production, and access to subsidized inputs, such as water. In 2003, competitors even challenged Maine's wholesome image with multi-million dollar lawsuits against Poland Spring, which has a plant in Hollis, and Oakhurst Dairy, headquartered in Portland, that called into question the purity of production and

marketing practices. In the case of Oakhurst, infuriated local consumers boosted sales to such an extent that the company recently constructed a cold storage warehouse in Portland to supply demand. Indeed, a focus on consumers, local and niche markets, is the bright spot for Maine's natural resource-based industries. The Maine State Planning Office estimates that a focus on local agriculture could boost farm income by as much as 40%, a great need in York County where the average cost of production is greater than net farm income. And in Biddeford, downtown mills, once abandoned by textile manufacturers, are thriving again thanks to entrepreneurs crafting furniture for high-end markets. This shift, from commodity production for the masses to specialty production for niche markets builds on Maine's reputation for hard work, quality, and ingenuity.

Sustainability. Ultimately, the future of fishing, farming and forestry depend on a healthy ecosystem. Regulations on production, particularly pollution prevention, have led to cleaner rivers and oceans, including Casco Bay, the breeding ground for Maine's shellfish industry. Although regulation has been targeted effectively at industry, there has not been much progress in regulating the consumption of the resource base by residents. During the 1990's, the percent of farm and forest land conversion outpaced population growth 10:1, earning greater Portland, according to the Brookings Institution, one of the worst rates of sprawl in the country. As people continue to spread out to rural areas, sprawl is having a number of negative impacts. House lots break up contiguous acreage necessary to support the economies of scale associated with farming and forestry. Out-of-state residents pay a premium for waterfront property, driving up coastal property values and barring access to the ocean. New neighbors, while valuing rural character, do not necessarily support the perceived "nuisances" inherent in rural production, including equipment, noises, smells, and animals. Maintaining rural land for production value, not consumption value, remains a challenge.

- ***Develop consensus among local policymakers to pursue regional solutions for affordable housing, such as regional planning review authority, regional housing trust fund, and a regional Transfer of Development Rights program.***

In 2004, GPCOG teamed up with the Southern Maine Regional Planning Commission, and USM School of Business' Institute for Real Estate Research & Education to host a series of quarterly networking meetings to continue the focus on Southern Maine's housing crisis. Over 80 municipal officials, developers, lenders, and other housing advocates met at the winter forum in Saco, and the spring forum in Westbrook to discuss the regional housing market, to visit "bricks and mortar" housing projects, and to develop a regional housing agenda. The planning commissions are seeking funding to continue the series and to focus on the development and implementation of a regional housing plan. The planning commissions also participate on the board of the Southern Maine Affordable Rental Housing Coalition, which is developing recommendations for the state legislature on how to increase the supply of affordable multi-family rental housing.

- ***Support communities in their efforts to identify growth areas that allow mixed use, increased density, and a diversity of housing types.***

As regional planning commission, SMRPC assists communities with the assessment of housing conditions and the development of land-use ordinances. Although this occurs primarily under the umbrella of comprehensive planning, towns are also conducting comprehensive analyses with funding from the Community Development Block Grant Program, including Portland, South Portland, Falmouth, Windham, and Cumberland. Technical assistance may include inventory, analysis, forecasting, and strategy development. Under a grant from the Maine State Housing Authority, GPCOG recently developed a toolbox that focuses on what municipalities can do to increase the supply and availability of affordable housing. The toolbox, available on CD-Rom, includes information on the regional housing market, a template for producing local and regional housing forecasts and, due to popular demand, concrete examples of strategies in Southern Maine and the United States. These strategies, highlighted as case studies and sample ordinances, include neighborhood planning, transit oriented development, compact development, contract zoning, density bonus, inclusionary zoning, infill, rehabilitation, replacement housing, and special needs housing.

- ***Foster the identification and growth of the region's creative economy, including asset mapping, networking, and downtown revitalization.***

According to a study conducted by the Muskie School at the University of Southern Maine, the creative economy employs 63,342 individuals representing 10% of all wage and salary employment in the state, including technology, tourism, education, and the arts. At the Governor's Summit on the Creative Economy in May, 2004, author Richard Florida validated Portland's standing as the only city in Maine with a critical mass of activity to serve as a national example of the creative economy. On a smaller scale, however, communities like Bridgton and Saco are pursuing the arts as a core component of their economic development agenda. SMRPC is already supporting the "community" side of the creative economy with strategies to attract creative entrepreneurs, including Smart Growth, outdoor recreation, downtown revitalization, historic preservation, and affordable housing. On the "business" side, SMRPC might target increased assistance to creative entrepreneurs, such as a micro-loan program, or public infrastructure grants to transform empty buildings into studio space. Examples of the latter include the Dana Warp Mill in Westbrook, home to a number of arts-related organizations, the Sparhawk Mill in Yarmouth, home to Lincoln Canoe and Kayak, the Lincoln mill in Biddeford, home to custom furniture makers, and the Porteous Department store in Portland, home to the Maine College of Art.

- ***Support the development of local, state and federal policies to link public investments to designated growth areas.***

Public investments such as roads, water, and sewer facilitate the location of homes and businesses. With public sewer, for example, housing units can be constructed at greater density, influencing their affordability and their walkability to stores, schools, and jobs while conserving the land base. Through technical assistance, SMRPC staff assist communities in shaping economic and community development projects that comply with similar state and regional linkage policies:

- Land-use: Under the State’s Growth Management Act, communities preparing comprehensive plans must designate growth areas to absorb a majority of expected future commercial and residential development.
- Transportation: Under the PACTS Transportation Project Land Use Policy, projects that involve an expansion of arterial capacity must be accompanied by a land-use plan that protects mobility and minimizes sprawl.
- Community and economic development: Under Public Law 776, capital investments funded with state and federal dollars must be made in designated growth areas or other urbanized portions of towns.
- ***Support strategic planning efforts to enhance the economic viability of natural resource based industries, including value-added processing, niche marketing, and access to capital.***

Through the Mature and Dominant Industries Study, SMRPC gained a firsthand look at the challenges facing the region’s natural resource based industries, particularly in the manufacturing sector. While the study focused on identification and assessment, attention has now turned to implementation of concrete strategies to support economic viability and, ultimately, promote innovation.

- ***Assist communities with the development and implementation of comprehensive plans consistent with the State’s Growth Management Law.***

Municipal zoning provides the regulatory framework for protecting a town’s natural resources, including wetlands, farmland, lakes, rivers, forests, and coastlines. The framework begins with an inventory of the town’s assets, the development of goals, policies, and strategies, and ultimately the codification of these principles into a land-use ordinance consistent with State and Federal law. The regional planning commissions boast a long tradition of providing technical assistance to municipalities in land use planning activities, including comprehensive plans, ordinance development, development review assistance and regional workshops. Over the last two years, SMRPC has assisted fifteen towns in York County, in whole or in part, with the development of their comprehensive plans. Unfortunately, natural resources do not stop at the town border. Indeed, the integrity and productivity of ecosystems and watersheds depend on contiguous acreage that envelops vast regions. In order to promote this understanding, the commission has teamed up with the Maine Audubon Society to promote Beginning with Habitat, a mapping tool that illustrates the location of plant and animal habitat, including undeveloped, contiguous parcels of land.

- ***Support implementation of area management plans to protect agricultural, forest, and coastal resources.***

Southern Maine hosts a number of regional planning efforts dedicated to the governance and protection of natural resources, especially river corridors and coastal watersheds. With funding from the Maine State Planning Office, SMRPC facilitated the development of regional management plans for Saco Bay and Wells Bay. Both regional planning agencies are now helping to implement management plans for each watershed, which articulate policies and programs that seek to balance the ecological integrity of each region’s natural resources with

compatible human uses. A number of these human uses, including beach tourism and shellfishing, are vital to the economy of the Southern Maine coast. Indeed, according to the Maine Office of Tourism, 84% of visitors to York County, the state's most popular region, travel to its beaches to enjoy the ocean. Further north, the Casco Bay Estuary Project has estimated that the Bay's soft shell clam industry alone generates \$11-\$15 million, including full and part-time jobs for almost 300 people. With the health of the region's economy linked inextricably to the integrity of its natural resources, the regional planning agencies are working to implement management plans primarily through the comprehensive planning process as well as the development of more stringent state and local land-use ordinances.

2006-2007 Accomplishments

Fair Share Housing Analysis. In 2005, SMRPC completed an analysis that estimates the number of affordable housing units, both rental and ownership, needed in each York County community by 2015. The methodology, which considers future household and employment growth, produces development targets that are readily available for incorporation into the Housing Element of the Comprehensive Plan.

Comprehensive Planning. The Land Use Planning Divisions at SMRPC provided assistance to help the following communities with the preparation of their comprehensive plans, including inventory, policy development, and adoption: Denmark, Fryeburg, Kennebunkport, North Berwick, Lebanon.

Build-out Analysis of Service Center Communities. SMRPC conducted a build-out analysis of Sanford, Biddeford, and Saco, to determine whether there is a sufficient inventory of land and properties available to absorb commercial and residential growth projected by 2025. On the residential side, the analysis included an inventory of vacant land by zoning district. This analysis was incorporated into a \$675,000 study by the Brookings Institution commissioned by GrowSmart Maine that will explore the connection between Maine's future economic prosperity, quality of life, cost of government and sprawl. SMRPC concluded that, with few exceptions, the service center communities had sufficient land available to accommodate future residential growth for their labor market and additional residents by 2025.

Policy. PACTS continued to work with municipalities, Maine Department of Transportation, and the Maine Turnpike Authority to develop implementation guidelines for the PACTS Transportation Project Land Use Policy, which is intended to link transportation investments with land use planning decisions. The guidelines will be modeled after the Sensible Transportation Policy Act (STPA) Rule, which is scheduled for revision later this year.

Comprehensive Planning. The Land Use Planning Division at SMRPC provided assistance to help the following communities with the preparation of their comprehensive plans, including inventory, policy development, and adoption: Denmark, Fryeburg, Kennebunkport, North Berwick, Lebanon. In York County, staff is also assisting the towns of Acton, Alfred, Berwick, Ogunquit, Porter, and Wells with ordinance amendments associated with the implementation of their comprehensive plans.

Development Review. Staff also provided development review assistance for the following towns in York County: Acton, Alfred, Berwick, Buxton, Cornish, Hollis, Kennebunkport, Lebanon, North Berwick, Ogunquit, Parsonsfield, Sweden, Waterboro.

Forestry. In 2004, SMRPC obtained a \$5,000 grant from the Northern Forest Center to complete a community development plan for the towns of Hiram, Brownfield, and Fryeburg. The plan, completed in 2005, includes an inventory of natural, historic, and cultural assets as well as public and private infrastructure to support tourism.

Environmental quality. Staff continued to serve on the boards of regional agencies to support the implementation of area management plans that protect agricultural, forest, and coastal resources. These boards included Threshold to Maine Resource Conservation and Development District, which covers York, Cumberland, Franklin, and Oxford counties, and the Casco Bay Estuary Project, which covers most of Cumberland County.

Hazard Mitigation. In 2005, SMRPC completed work on the York County Hazard Mitigation Plan, which was adopted by the York County Commissioners as well as by 28 of the 29 towns in the county. The adoption of the plan provided assurance that towns would be eligible for FEMA assistance in case of a disaster. Disaster struck on May 13, 2006, when unrelenting rains dumped over ten inches of rain across York County, resulting in a Presidential declaration of disaster. With early estimates of damage to public infrastructure in the millions of dollars, the groundwork on the regional plan will bring much needed relief to York County.

Creative Economy. In 2004, SMRPC completed an assessment of businesses located in Biddeford's surviving mill complex, which contains 1.2 million square feet spread over five different properties. Over the past 10 years, these buildings, due to their affordability and their character, have become an informal incubator for small industries, artists, woodworkers, and other types of high-end businesses not typically associated with Biddeford. Businesses interviewed expressed an interest in common display space as well as assistance with administration, bookkeeping, technology, marketing or other services. The study served as a foundation for SMRPC's Brownfields grant as well as a new Cultural Plan, completed in March 2006, for the twin cities of Biddeford-Saco.

Transportation Planning and Urbanization. Several transportation planning initiatives were developed to integrate land use planning with transportation planning, to promote highway mobility between service centers, and to make smarter investments in urbanized areas through the recently created Strategic Investment Plans for Corridors of Regional and Economic Significance (SIPCREs). See Appendix.

Transportation Choice

Goal	Measure	Status
Transportation Choice: Develop varied transportation choices to support the mobility of visitors, goods and services, and residents of all ages.	Passenger trips will keep pace with vehicle miles traveled.	In 2004, passenger trips increased 3% compared to -2% for Vehicle Miles Traveled.

Regional Issues

Congestion. Southern Maine’s transportation system is the lifeline connecting people and goods with their communities, their state, and the world. Although the region offers the most diverse transportation options in the state, the system is limited compared to urban cities such as Boston and New York – and perhaps compared to 100 years ago when ferries, steamships, trolleys and trains connected the city and countryside. Indeed, the region’s sprawling development patterns have increased vehicle miles traveled by 20% in the last 10 years. According to the Portland Area Comprehensive Transportation Committee (PACTS), ten miles of roads and almost half of Greater Portland’s 47 key intersections experience congestion on a regular basis. Residents in Southern Maine are driving everywhere to get anywhere because of the increasing distance between the places where people live, shop, work, and play and the limited alternatives to driving.

Maximizing Choice. Over the next 20 years, Southern Maine is expected to grow by almost 100,000 new people. Recognizing that the region cannot build its way out of the problem with new roads and highways, Southern Maine is focusing on enhancement and improvements in the current system:

- *Preservation:* To maintain the current infrastructure, investments must be prioritized to road preservation, intersection improvements, access management, increased transit, improved highway access and, to a lesser extent, expanded road capacity.
- *Intermodalism:* In order to reduce vehicle travel, investments must be made to intermodal facilities that provide seamless connections for short and long-distance travel by air, bus, rail, sea, bicycle, and foot.
- *Density:* Future expansion of public transit options, particularly bus and, someday, light rail, are dependent on density – how many people live within a safe walking distance of the system.

Capital Investment. Key components of the Southern Maine transportation system include the following:

Roadway Corridors: As the workhorses of the system, arterials and collectors connect people with villages, jobs, schools, and downtowns. Important corridors in Southern Maine include

Interstate 295 from Scarborough to Gardiner; Route 1, from Kittery to Brunswick; Route 302, from Portland to the Lakes Region; Route 26 from Portland to Lewiston-Auburn; Route 25 from Portland to the New Hampshire border; Route 202 between Sanford and Waterboro; and Route 111 between Alfred and Biddeford. After decades of planning, the Portland Connector, which joins I-295 with the Portland waterfront, finally opened.

Turnpike: The turnpike, while heavily traveled, is in good condition and connects the area to New England and the rest of the country. The project to widen the turnpike from two to three lanes from Portland to Kittery is complete. In 2006, construction finally began on the long-awaited Westerly Connector, which is expected to alleviate traffic congestion in Gray Village.

Ports: The Portland International Marine Terminal offers regular, weekly container vessel feeder service to the Port of Halifax, Nova Scotia and container barge service to the Port of New York. From these two ports, businesses can ship containers virtually anywhere in the world. Portland Harbor offers a natural deep-water port that is ice-free. Maine is positioned one sailing day closer to Europe than most East Coast ports. Portland also provides direct rail transfer at dockside. Portland Harbor now boasts high speed ferry service to Yarmouth, Nova Scotia on The Cat and is also a port-of-call to many as 50 cruise ships per year.

Air: The Jetport has regular service, four major airlines and numerous regional carriers, including Jet Blue, a new discount carrier. The Jetport is retaining and even increasing in passenger usage despite the presence of Southwest Airlines at Manchester Airport. The Jetport will need to maintain the current carriers and continue to attract new airlines to serve the region.

Regional Train/Bus Service: After a four-decade hiatus, Amtrak resumed passenger service between Boston and Portland in December 2001. The service will increase our connections to the Boston market and may open up new sources of labor for high tech businesses in Maine. Initial ridership has exceeded expectations and projections. Bus service to Boston, provided by Concord Trailways and Vermont Transit, also continues to enjoy high ridership.

Intercity bus service: The urban cores of Portland-South Portland-Westbrook, Biddeford-Saco, and Sanford are served by fixed-route providers that connect people to downtown destinations as well as neighboring cities. Ridership is increasing, thanks to two new bus routes serving the suburban town of Falmouth as well as increased frequency on some of Portland's routes.

Pipelines: Two new natural gas pipelines now connect Maine with other states and Canada. These pipelines provide new energy options and more competitive pricing for 23 communities in Southern Maine.

Regional Trail Systems: Two regional trail systems suitable for bicycling and walking are in various stages of planning and construction: the Eastern Coast Greenway runs north-south from Kittery to Brunswick via the City of Portland while the Mountain Division Trail runs east-west from Windham to Fryeburg. Funding remains the primary challenge to completion.

- ***Support development and implementation of a long-range transportation plan for metropolitan and rural areas.***

Transportation planning is managed by three primary planning processes housed and staffed by the regional planning agencies that govern and/or guide capital investments made in Southern Maine. Since 1975, the Portland Area Comprehensive Transportation Committee (PACTS), which is housed at GPCOG, has operated as the federally mandated "metropolitan planning organization" for the Portland region. In April, 2003, PACTS adopted *Destination Tomorrow*, the most comprehensive transportation plan in 40 years, for the urbanized area of Cape Elizabeth, Falmouth, Gorham, Portland, Scarborough, South Portland, and Westbrook. In 2006, PACTS approved its amended plan to cover the additional communities added in 2002 as a result of the 2000 Census: Biddeford, Cumberland, Freeport, North Yarmouth, Old Orchard Beach, Saco, Windham and Yarmouth. This expansion reflects the growing suburbanization of Greater Portland as population, jobs, and households move further out of the urban nucleus. As part of the larger Portsmouth and Dover-Rochester, New Hampshire region, the Kittery Area Comprehensive Transportation Committee (KACTS), which is housed at SMRPC, is responsible for transportation planning in the towns of Kittery, Eliot, South Berwick, Berwick, and Lebanon. In 2003, KACTS adopted a new transportation plan for 2025. The Southern Maine Corridor Coalition was formed in 2004 to serve as an advisory body for the Maine Department of Transportation for an area encompassing York and Cumberland counties as well as Southern Oxford County. The new coalition, managed jointly by GPCOG and SMRPC, replaces the Regional Transportation Advisory Committee (RTAC 6), which in 2002, completed a comprehensive report on the region's needs and deficiencies. The new Coalition has just completed a Regional Transportation Assessment that outlines the region's transportation, land-use, and economic development priorities.

- ***Support the expansion of public transit by air, water, and land.***

Through planning and coordination, GPCOG and SMRPC have supported the expansion of mass transit options in Southern Maine, including feasibility studies for new services, master plans for transportation terminals, and staff support to public transit operators. Significant developments in the last five years include the following:

Rail

- New passenger train service from Portland to Boston on Amtrak's Downeaster

Ferry

- Master plan for Portland's Eastern Waterfront
- Construction started on Ocean Gateway, a new intermodal terminal to support cruise ship industry
- New high speed ferry service from Portland to Yarmouth, Nova Scotia on The Cat

Air

- Attraction of a new discount airline carrier, Jet Blue
- New runway and parking garage at the Portland Jetport to increase competitiveness

Bus

- New express bus service from Portland to Boston's Logan Airport
- New bus service for passengers arriving to Portland Harbor by cruise ship
- New bus service from Portland to Falmouth and from Portland to Freeport

- Service improvements on the Shuttle Bus, ZOOM, Metro, and South Portland bus systems
- New shuttle service, the Portland Explorer, connecting visitors with the Maine Mall, Portland's downtown district, and the area's train, plane, ferry, and bus terminals
- New seasonal transit service serving Kennebunkport, Kennebunk, Wells, Ogunquit, and York

Intermodal Facility

- New Portland Transportation Center housing train and bus operators

As a result of these investments, particularly the resumption of train service, passenger trips made on the region's buses, ferries, trains, and planes have increased each of the last four years.

- ***Educate residents and visitors about transportation options***

Through the use of cutting edge technology, residents and visitors are encouraged to utilize the region's growing transportation options.

- Administered by GPCOG, GO MAINE is a statewide program that connects commuters and employers with low-cost, and environmentally friendly commuting options. Program services include carpool ridematching, express vanpools, public transit and bicycle commuting information, the Emergency Ride Home Guarantee, and coordination of the annual Commute Another Way Day.
- A new traveler information system has been developed for Greater Portland, including www.transportme.com and plasma monitor screens at selected hotels and transportation terminals displaying departure and arrival times for buses, ferries, trains, and planes.
- Administered by GPCOG and SMRPC, the Kids and Transportation Program teaches students and teachers about how transportation choices impact air quality, land use, economics and communities. Through workshops, class presentations, and summer institutes, the program has helped over 50,000 young people to explore walking, bicycling, carpooling, transportation on ferries, trains, planes and buses, and the benefits of alternative fuels.

2006-2007 Accomplishments

Project Planning. Due to the high number of Congressional earmarks this year, the Maine Department of Transportation faced a funding shortfall that forced them to defer \$130 million dollar's worth of projects. Reprioritizing transportation projects thus became the major challenge for the region's Metropolitan Planning Organizations in FY 06. Congressional earmarks included \$15 million for the Gorham Bypass, \$15 million for improvements to the I-295 corridor, and \$1 million for the Eastern Trail.

Southern Maine Corridors Coalition. In 2006, work was completed on the Regional Transportation Needs Assessment, which was rolled out to the broader public over the past year. Over 100 people participated in the region's October 2005 public forum in Scarborough, where eight breakout groups prioritized strategic initiatives in Southern Maine. Results will be incorporated into MaineDOT's long range plan.

Kids and Transportation. The Kids and Transportation Program trained over 5,000 students and 273 teachers in York and Cumberland counties via classroom presentations as well as a weeklong summer institute for educators. Among middle and high schools, the topic of alternative fuels continues to command popular attention. This year, a new presentation was created by the Maine Energy Education Program to help students compare the true costs of owning a motor vehicle with transportation alternatives. With the help of Anthem Blue Cross/Blue Shield, the Headfirst Helmet program was also established to provide free bicycle helmets to income-eligible children.

Transportation Information Display Systems (TIDS). The TIDS program managed by GPCOG has installed computer displays of traveler information at the Hilton, Embassy, Marriott Hotels, Vermont Transit, Portland Transportation Center, Casco Bay Ferry, the Convention and Visitors Bureau and the Maine Mall. In 2006, two stolen terminals were replaced and new terminals were installed at the International Marine Terminal, Portland Jetport, and three locations at the University of Southern Maine. In addition, the Automatic Vehicle Location system, which uses Geographic Positioning System (GPS) technology, was installed on the Portland Explorer and the USM shuttle, allowing waiting travelers to view their exact location.

GoMaine. This year's *Commute Another Way Day* theme was "*It's Time to be Fuel Efficient*" and it attracted tremendous support and participation from employers and commuters. This year the program implemented a new interactive online ridematching system offering fast customer service and reduced administrative costs. As a result of this and other outreach efforts, the commuter database increased by 23%. In addition, plans were implemented for four new vanpool routes: Bangor to Augusta, Augusta to Portland, Bath-Brunswick to Portland, and Lewiston-Auburn to Portland. Next year will mark the first time that vanpools have commuted to Portland, as opposed to taking Portland commuters out to other destinations.

Transit Planning. GPCOG and SMRPC continue to provide staff support to the Transit Providers Working Group and the PACTS Transit Committee. On May 16, 2006, the five mayors from Portland, South Portland, Westbrook, Biddeford and Saco hosted a Bus Transit Summit. Over 50 participants heard remarks from Portland Mayor James Cohen, Governor John Baldacci, MaineDOT Director of Passenger Transportation Ron Roy and Consultant Arthur Handman regarding ways to "cooperate, coordinate and collaborate" with regional bus services. In five small group sessions, participants identified a transportation vision for the region, suggested short-term and long-term actions to improve services and identified barriers to future collaboration.

In April 2005, the PACTS Policy Committee adopted three priority tiers within the 86 strategies found in *Destination Tomorrow*, the Long Range Regional Transportation Plan for the MPO region. One transit related strategy rose to the first tier, indicating that it should be addressed in the first year. Strategy 34, Transit Coordination seeks to "*Continue the efforts of the PACTS Transit Committee and the Peninsula Transit Operations Group to coordinate transit service, fares and operations in the region. These efforts should include studying the feasibility of regionalizing the seven public transit service providers, potentially into a regional transit authority or other more cost-effective and streamlined structure.*" GPCOG and SMRPC serve as the primary staff to the study committee which is comprised of the managers of the seven public

transit services in the region and three PACTS Policy Committee appointees. The study is still in the Inventory stage. The Committee completed its work in November 2006. Products to date include: a comparison of New England Transit District/Authority Policies; examples of consolidation from other parts of the country; consolidation criteria; consolidation steps; and an inventory and analysis of capital and operating revenues and expenses from all the providers.

CEDS Plan of Action

CEDS Evaluation and Performance Measures

The simple, overarching goal that is the basis of the Economic Development Policies and Plan is to “foster and maintain a vigorous economy able to provide an adequate number and variety of activities that generate wealth for the residents of York County, Maine. This statement encompasses all of the purposes of economic activity: jobs, income, production of goods and services, capital investment, and government revenue. The three objectives that guide Southern Maine Regional Planning Commission (SMRPC) as it endeavors to achieve this goal bear repeating:

- 1) Provide new employment opportunities for York County, Maine, achieving and maintaining full employment and reducing underemployment.
- 2) Work with economic development practitioners to encourage sustainable industrial and commercial development that advances the long- term economic and environmental well-being of the state, and is consistent with State and local economic development plans.
- 3) Maintain a business environment conducive to the birth, sustenance, and growth of suitable industry and commerce.

These three objectives embrace related social, physical and environmental factors that are attainable and measurable. In the Economic Development Policies and Plan discrete steps toward the accomplishment of each of these objectives are listed as policies. Taken altogether, the single goal, the three objectives, and the policies that support them constitute SMRPC’s action plan. Implementation comes through the CEDS, as planners and practitioners in the public and private nonprofit sectors — at the state, regional and local levels - submit creative project proposals that implement their own economic development strategies consistent with the Plan’s’ long term objectives.

Each CEDS applicant is required to key his or her project to a specific objective and policy in the Economic Development Policies and Plan. This is a threshold requirement independent of numerical scoring, ensuring that each proposal, regardless of its ultimate score or status as a priority project, will in its own way help implement the action plan. The goals below are derived directly from policies in the Plan, allowing us to determine how well we are conducting SMRPC’s Comprehensive Economic Development Strategy by how well we are implementing the Economic Development Policies and Plan.

As this is the first CEDS developed by SMRPC much of the evaluation criteria to be collected will be used to establish a baseline for future CEDS. In addition, the evaluation criteria will be annually reviewed as part of the CEDS process to determine continued relevancy towards the measurement of the effectiveness of SMRPC’s CEDS process.

Goal 1: To involve as broad a range of economic development practitioners in the CEDS as possible.

1) Recognize local character, cultural diversity and heritage as major assets to be protected and promoted in economic development and ensure that diverse economic, cultural and ethnic interests are represented in the membership of our CEDS planning bodies.

2) Solicit projects from all eligible applicants, conducting the necessary outreach to do so.

a) Determine how many economic, business development organizations and municipalities are represented on the CEDS Committee and SMRPC Executive Committee.

Evaluation Criteria

- Fewer than 10, needs improvement
- 10-15, good
- More than 15, excellent

b) How many women and minorities are represented on the CEDS Committee and the SMRPC Executive Committee?

Evaluation Criteria

- Fewer than 5, needs improvement
- 5-10 good
- More than 10, excellent

c) How many CEDS application packages were mailed or e-mailed to potential applicants?

Evaluation Criteria

- Fewer than 15, needs improvement
- 16 - 20 good
- More than 20, excellent

The CEDS Committee and SMRPC staff review and recommend revisions to the criteria used to score CEDS project proposals whenever necessary to reflect new directions in policy or newly surfaced concerns.

CEDS applicants must identify a specific objective or policy from the Economic Development Policies and Plan that their project proposals will help implement. Then, the project scoring criteria will award points based on where the CEDS Committee wants to focus development, on the projects' impacts on employment and wealth generation, on the

commitment of other funding sources to the projects, and on the economic programs the Committee hopes to tap.

For example, one criterion assesses how many permanent, non construction jobs are to be generated per EDA dollar invested and what the anticipated wages will be. Another determines the amount and source of non- federal support the applicants are committing to the project and awards points accordingly.

The CEDS scoring system also assigns points for a project's 'area of' influence. The maximum number of points in this category, 10, is given to projects having region wide influence, while projects having local influence are assigned 5 points. Region wide projects have the potential to affect the entire Region. Local projects have single community significance and solely affect a municipality in the Region. This criterion s intended to reward applicants that will partner with others on a project of mutual benefit and regional agencies that can generate projects with regional impact.

The CEDS Committee continuously refines and revises the scoring criteria so that projects selected for the Priority Project List reflect and effectively implement the Region's economic development objectives as outlined in the CEDS. The jobs created as a result of EDA's investments should provide higher-than-average wages in distressed communities and, should promote regional prosperity. Applicants should commit a high level of non-federal matching funds, including private investment. This will indicate a higher level of commitment to successful completion by the public sector and higher market-based credibility by the private sector.

Ideally, the project solicitation, selection and implementation process will be designed and redesigned to attain the rest of our program goals:

Goal 2: To increase the number of permanent employment opportunities for York County residents, and reduce unemployment and underemployment in the Region.

Qualitative measure of achievement — Attract projects into the CEDS that generate a large number of direct and indirect jobs.

Quantitative measure — How many permanent non-construction jobs are anticipated from projects on the priority list in total?

Evaluation criteria

- 150-250, needs improvement
- 251-500, good
- More than 500, excellent

Goal 3: To target public economic development assistance to those projects that can increase the average wage rate in their industrial sectors and communities.

Qualitative measure of achievement - Attract projects into the CEDS that generate jobs that pay well enough to support a family and can improve per capita incomes in distressed communities.

Quantitative measures - How many projects on the priority list offer jobs with wages 250 percent or higher than the state minimum wage?

Evaluation criteria

- Fewer than 20%, needs improvement
- 20% - 50%, good
- More than 50%, excellent

Goal 4: To encourage investment by the public and private sectors.

Qualitative measure of achievement — 1) Attract projects into the CEDS that have a significant commitment of private funding.

Quantitative measures - How many projects on the priority list have funds committed from private sources?

Evaluation Criteria

- Fewer than 20%, needs improvement
- 20%-50%, good
- More than 10, or 50%, excellent

Goal 5: To encourage the growth and development of the region's economic clusters.

Qualitative measure of achievement - Attract projects into the CEDS that play to the Region's strengths and promote industrial clusters as identified by regional and State economic development plans.

Quantitative measures - How many projects on the priority list promote existing or potential clusters?

Evaluation Criteria

- Fewer than 20%, needs improvement
- 20%-50%, good
- More than 50%, excellent

The evaluation process outlined above gives us a tool for satisfying what is fundamental to SMRPC's Comprehensive Economic Development Strategy: enhancing EDA funding eligibility for priority projects and implementing the policies and objectives of CEDS. Continuing to make satisfactory progress and improving what needs work will determine which aspects of the priority rating system we will be retained or revised. This could mean adjusting the point, scales for the scoring criteria, adding new criteria, or eliminating criteria that do not prove effective.

APPENDICES

Economic Distress Targets meeting EDA Eligibility Criteria

Strategic Investment Plan Strategies and Scores York County Corridors

SMEDD Meeting Minutes, 2006-2007

Justification Letter

EDA Eligibility Criteria

High Unemployment Rates	<i>Standard:</i> for the most recent 24 month period, the area must have an unemployment rate that is one percent above the national average.
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No qualifying areas

Low Per Capita Income	<i>Standard:</i> Per capita income must be 80% or less than the national average of \$17,378
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Town	Place	Census Geography	Per capita income (1999)
York County			
Acton	Northern Section	Block Group 1, Census Tract 235	\$16,280
	South Acton	Block Group 3, Census Tract 235	\$16,675
Berwick	Village	Berwick CDP	\$16,822
Biddeford		Census Tract 252.01	\$15,908
	Downtown	Census Tract 252.02	\$16,429
Kennebunk	W. Kennebunk	Block Group 3, Census Tract 280.01	\$16,890
	Portion of Kittery	Block Group 3, Census Tract 380.01	\$16,009
Kittery	CDP		\$16,009
Lebanon	Town	Town of Lebanon	\$15,503
Limington	Town	Town of Limington	\$17,097
Newfield	Town	Town of Newfield	\$16,280
Old Orchard	Downtown	Block Group 5, Census Tract 61	\$17,333
Parsonsfield	Town	Town of Parsonsfield	\$16,968
Saco	Route One	Block Group 2, Census Tract 53	\$15,821
	Saco Island/Pepperell Square	Block Group 3, Census Tract 53	\$15,914
	Downtown	Block Group 4, Census Tract 53	\$15,187
Sanford	Town	Town of Sanford	\$16,951
South Berwick	Downtown	Block Group 3, Census Tract 350	\$14,201
Waterboro	Western section	Block Group 1, Census Tract 240	\$17,128
	CDP	Lake Arrowhead CDP	\$16,588

Special Needs	<p>Substantial outmigration or population loss: must have "appropriate and compelling data"</p> <p>Military Base Closures or Realignments or reductions in force: Defense department closure or loss of \$10 million in contracts per year</p> <p>Major Disasters: Presidential, Magnuson-Stevens Act, Consolidated Farm and Rural Development Act, Small Business Act</p> <p>Extraordinary Depletion of Natural Resources: Fisheries, Coal, Timber</p> <p>Closure or restructuring of industrial firms essential to area: 500 job loss in areas of 100,000 pop, 200 jobs in areas under 100,000</p> <p>Destructive Impacts of Foreign Trade (must be eligible for North American Development Bank Eligibility or Community Adjustment and Investment Program)</p>	<p>Closure of Brunswick Naval Air Station in Cumberland County</p> <p>York County (Flood of May 2006)</p> <p>Fisheries (Portland) Portland (542), Westbrook (325), Portland (475), South Portland (293), Cumberland County (1,241), Biddeford (200)</p>
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Defense

On Friday, May 13, 2005, the Pentagon announced plans to close the Portsmouth Naval Shipyard and realign the Brunswick Naval Air Station. Under the recommendations of the Base Realignment and Closure (BRAC) Commission, almost 7,000 jobs would have been eliminated in Southern Maine - 4,510, at the Shipyard, and 2,420 at the Air Station. According to the Maine State Planning Office, the BRAC proposal, which included the loss of 350 jobs at the Defense Finance and Accounting Service in Limestone, would have resulted in direct and indirect job losses of almost 12,000 representing \$465 million in wages. With the Shipyard anchoring the southern end of the District, and the Air Station, the northern end, these losses would primarily have impacted Southern Maine. Maine was second only to Connecticut as the state with the highest job loss under BRAC.

Although the Shipyard was later eliminated from the BRAC Commission's recommendations, the Brunswick Naval Air Station is still slated to be closed, instead of realigned, by 2011. The BRAC vote to close Brunswick Naval Air Station involves the elimination of 968 military and civilian jobs and the relocation of 2,307 military and civilian jobs. According to a study by the Coastal Counties Workforce Board, indirect job losses in Southern and Midcoast Maine from the closure could total 1,440, with consumer spending down \$129 million. Planning for the reuse of the base's 3,000 acres will constitute the largest redevelopment project in Cumberland County.

Fishing

In addition to manufacturing and defense, the fishing industry remains in crisis. Although within SMEDD, the fishing industry is relatively small in terms of total numbers of employees, the City of Portland serves as the industry hub for the entire State, generating an economic impact of \$400 million dollars per year. More than 90% of the groundfish that is landed in the State, and 20% of New England's, passes through the Portland Fish Exchange – the East Coast's only publicly owned display auction. Other significant coastal ports in the SMEDD region include Kittery, York, Kennebunkport, Biddeford, Cumberland, Freeport, and Harpswell.

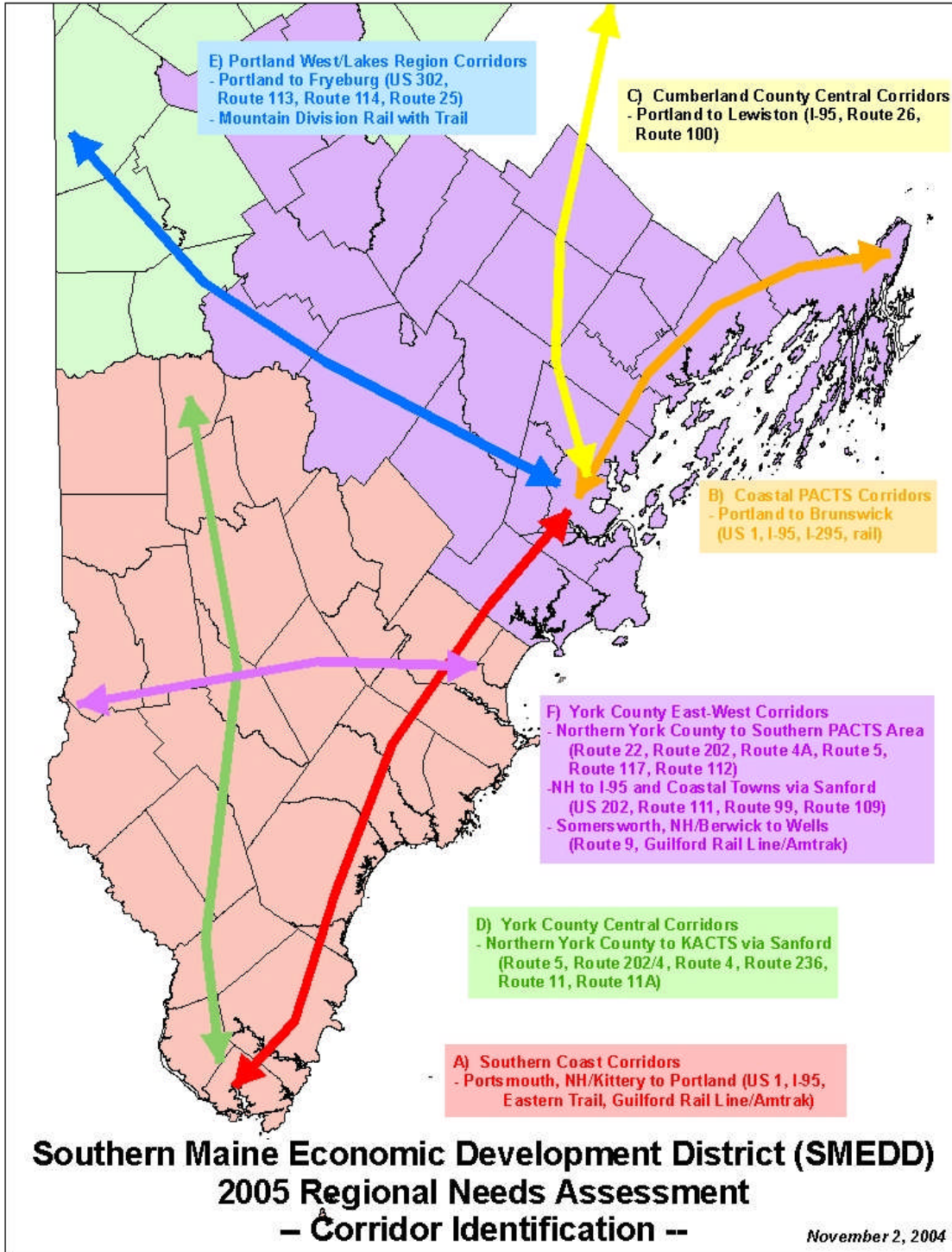
Over the last decade, the depletion of fish stocks has spawned a series of stringent federal regulations. In February of 1999, the New England Fisheries Management Council considered closing the entire Gulf of Maine due to overfishing. Ultimately, the decision was not made, although many zones within the Gulf are indeed closed to fishing. In 2000, a lawsuit was filed in U.S. District Court against the Department of Commerce by the Conservation Law Foundation, claiming that certain provisions of the Northeast Fisheries Management Plan did not comply with the Sustainable Fisheries Act. A settlement agreement known as Amendment 13 was finally reached that may reduce fishing effort by as much as 50%.

The impact of Amendment 13 is already hitting the region. Since 2002, the Portland Fish Exchange has seen its landings drop 30% from 25 million pounds to 17 million pounds. When Amendment 13 is fully implemented, the Fish Exchange expects its landings to drop by as much as half.

Presidential Declaration of Disaster

Beginning on May 13, 2006, unrelenting rains unleashed the worst flooding on record in coastal York County since the 1930's. Hitting just 10 days before the start of the summer tourism season, the storm dumped 16 inches of rain on York Beach and 10, in Kennebunkport. Coastal York County, which stretches 40 miles from Kittery to Old Orchard Beach, is the number one tourist destination in the state, accounting for over one third of all visitor trips to Maine, or nearly 20 million per year. Damage was reported in over 1,000 homes spread across 29 communities as well as dozens of businesses that had just stocked up for Memorial Day. In addition, the storm closed shellfish beds and grounded lobster vessels. On May 25, 2006, President George W. Bush declared York County a major disaster. Early estimates for damage to public infrastructure are in the range of \$8-\$10 million dollars.

**STRATEGIC INVESTMENT PLAN
STRATEGIES AND SCORES
YORK COUNTY CORRIDORS
OCTOBER 31, 2006**



SOUTHERN COAST CORRIDOR INVESTMENTS

1. Interstate Exit Master Plans
2. Transportation Redundancy Plan
3. Memorial Bridge Reconstruction with multimodal accessibility
4. Investment in Commercial Vehicle Enforcement and Data Collection Intelligent Transportation Systems
5. Maine Turnpike Exit Development
6. Shoreline Explorer Expansion
7. Investment of facility reconstruction of Maine Turnpike Authority infrastructure that does not currently support over-limit commercial vehicles
8. Develop passenger transit connection between Southern York County/Portsmouth, NH and Metropolitan Boston
9. Investment in increasing non-automobile commuter options
10. Reinvestment Plan for Portsmouth Naval Shipyard
11. Expansion and development of additional Freight Rest Area Facilities (planning and project)
12. Marine transportation enhancement feasibility study
13. Eastern Trail Development

SOUTHERN MAINE CENTRAL CORRIDOR STRATEGIC INVESTMENTS

1. Route 236/4 Bypasses
2. Purchasing Right of Way/Negative Easements in conjunction with Town-State Planning for Select Corridors
3. Commuter Transit Service Feasibility Studies
4. Park and Ride Development for Sanford Area
5. Investment of facility reconstruction of Maine Turnpike Authority infrastructure that does not currently support over-limit commercial vehicles
6. Stepped up Planning and Policy Development Concerning Resource Extractive Industry Development and Use of Shared Public Infrastructure

YORK & SOUTHERN CUMBERLAND COUNTY EAST-WEST CORRIDOR STRATEGIC INVESTMENTS

1. Interstate Exit Master Plans
2. Western Expansion of Maine Turnpike Authority Toll System
3. Sanford to Biddeford/Saco Transit System
4. Purchasing Right of Way/Negative Easements in conjunction with Town-State Planning for Select Corridors
5. Park and Ride Development for Sanford Area
6. Running Hill Road Upgrades with Connection to Maine Turnpike Approach Road

SOUTHERN COAST CORRIDOR
STRATEGIC INVESTMENT PLAN
STRATEGY DESCRIPTIONS

Southern Maine Regional Planning Commission staff have identified thirteen (13) possible capital improvement projects, planning activities and policies that are strong candidates for strategic investment plans in the Southern Coast Corridor. These strategies are taken from multiple sources, including plans, planning processes, studies and other documents or activities. The strategies are numbered for reference and do not reflect any prioritization on the part of SMRPC staff. Please refer to the corresponding TELUS score for a ranking of these strategies.

1. Interstate Exit Master Plans (planning and project):

Development of a land use and transportation plan bound by memorandum of understanding (MOU) or other agreement between Maine DOT, Maine Turnpike Authority, municipalities, Regional Planning Agency and other stakeholders as necessary. Master Plans would ideally have Capital Improvement Plans. Master Plans would have a strong design component with recommendations for transportation system and land use with an emphasis on their compatibility. Exit Master Plans are suggested for all exits on this corridor, although there are some exits that are higher priority such as Biddeford Exit 32 (Regional Transportation Assessment, PACTS Long Range Plan)

2. Transportation Redundancy Plan* (planning and capital and operational funds):

The major concern with the Southern Coast in the Regional Transportation Assessment was its lack of redundancy...ie, that all of the eggs in the transportation basket remain in the Maine Turnpike Authority, and when the MTA experiences an emergency incident or peak seasonal traffic, there is not another mode or highway that can handle the volume of passenger or freight traffic. Redundancy is needed not only because the corridor serves the most populous part of the state, but it also serves as the gateway to the entire state. This plan would address intermodal needs and emergency management needs. The goal of the plan is to expand capacity in this corridor, although capacity needs do not necessarily need to be for highways (Regional Transportation Assessment).

* The Town of Saco has noted that a likely candidate for transportation redundancy development is increasing capacity on US Route One. Saco is one community in particular that has requested widening of Route One between Interstate 195 and Cascade Road but the project was dropped because of excessive right of way costs.

3. Memorial Bridge Reconstruction with multimodal accessibility (project):

The reconstruction of the Memorial Bridge at the Kittery/Portsmouth line over the Piscataqua River is a multimillion dollar project that requires funding allocations from both Maine and New Hampshire. The project was recently deferred by MaineDOT. This bridge, located on U.S. Route One holds an importance as a gateway to the state of Maine, and is the only pedestrian/biking access point available to two communities that have higher than average populations of walkers and bikers (Priorities for Route One Corridor Committee, KACTS MPO and Seacoast MPO).

4. Investment in Commercial Vehicle Enforcement and Data Collection Intelligent Transportation Systems (planning and project):

Truck traffic is estimated to double in the State of Maine by 2025. Most of the traffic entering the state travels through the Southern Coast Corridor. Yet the State Police commercial vehicle enforcement division is able to assign only two to three officers to all of York and Cumberland County. States across the country are dealing with issues relating to the rise in truck traffic with new technology designed to weigh trucks in motion, photograph noncompliant truck license plates and other identifiers, and send real-time signals to highway enforcement personnel. New advances in Commercial Vehicle Enforcement technology assist enforcement personnel by allowing them to more efficiently use their resources as well as providing real-time data that the State can use to plan for freight needs more effectively (Route 236 Corridor Implementation Committee, Regional Transportation Assessment).

5. Maine Turnpike Exit Development** (policy, planning and project):

On the Southern Coast Corridor several communities continue to request new access points off of the Maine Turnpike including Kittery, Ogunquit, Wells, Sanford, Biddeford and Saco. At the same time, some arterials are currently moving regional traffic through small villages that cannot effectively handle capacity. Some communities have expressed interest in building new roads for heavily congested areas like Route One in Ogunquit and Wells, Route 236 in South Berwick, and Route One in Biddeford and Saco. This strategy is a request for Maine DOT, the Maine Turnpike Authority and partners to evaluate these various requests and prioritize where additional capacity is warranted (Maine Turnpike Authority 10 Year Plan, Route One Corridor Committee, Route 236 Implementation Committee, Regional Transportation Assessment).

**This strategy addresses a September 29th Town of Scarborough letter which calls for the establishment of a new Turnpike interchange in the northern end of Saco.

6. **Expansion of the Shoreline Explorer Seasonal Transit System** (capital and operational funds):

This would be an investment in capital and operational funds to develop park and ride infrastructure, increase transit service frequency, expand routing, and increase availability of transit vehicles to transport seasonal visitors and residents through the Route One area between Kittery and the Kennebunks. (Route One Corridor Committee, Study of Shoreline Trolley Service, Regional Transportation Assessment)

7. **Investment in reconstructing Maine Turnpike infrastructure that does not currently support overlimit commercial vehicles** (policy, planning and project)

Federal policy restricts vehicles over 80,000 lbs to use non-interstate highways. In Maine, the Maine Turnpike Authority is exempt from this rule, because it does not depend on federal funding for the maintenance of that portion of the highway. Therefore, it is an asset to Maine to have Maine Turnpike Authority infrastructure to move heavy loads through the region quickly and efficiently to other parts of Maine. This provides relief to local roads and villages from pavement damage and safety issues relating to heavy truck traffic. While the Maine Turnpike provides this beneficial alternative to trucking companies, it restricts vehicles over 100,000 lbs, over 13'6" high, and 14'6" wide. The recent Turnpike modernization project made it possible for overlimit vehicles to travel through the mainline, through toll barriers, and under bridges. However, there are tollbooths and bridges that do not have the dimensional requirements to safely handle overlimit vehicles. Reconstruction of the outlying tollbooths and bridges is needed to allow more overlimit vehicles to utilize the Maine Turnpike. (Route 236 and Route One Corridor Committees)

8. **Develop passenger transit connection between Southern York County/Portsmouth, NH and Metropolitan Boston** (planning, project):

Metropolitan Boston is a major job center for southern York County, but many of the towns do not have adequate access to transit services to the area and continue to rely on automobile access. Bus services for this area are an option, but have limited convenience in terms of their origin and destinations. The Downeaster Amtrak line has stops in Wells, Dover, and Exeter, but this route bypasses the heart of the KACTS Metropolitan area, making rail access to these station's inconvenient for a relatively large urban population. Transit connections between southern York County and Boston, as well as connections between Kittery and Portsmouth, NH have been on the table for a long time. Per the Regional Transportation Assessment, this strategy would include coordination between partners to facilitate more transit-oriented development in this region. (KACTS, Route 236 Corridor Committee, Route One Corridor Committee, Regional Transportation Assessment)

9. Investment in increasing non-automobile commuter options in the northern portion of region (planning and capital and operational funds)

At present, there are nine communities in the Southern Coast Corridor that are regional service centers or parts of regional service centers (eg. Biddeford, a portion of Eliot, Kittery, Old Orchard Beach, Portland, Saco, Scarborough, South Portland and Westbrook.) The northern portion of the Southern Coast Corridor consists of seven of those service centers, which are all contiguous. Currently, a subcommittee of the PACTS MPO is investigating ways in which to improve the coordination of transit services in the area. Per the Regional Transportation Assessment, this strategy would include coordination between partners to facilitate more transit-oriented development in this region. This strategy supports following the recommendations of the PACTS Transit Coordination Study Subcommittee. (PACTS MPO, Regional Transportation Assessment)

10. Reinvestment Plan for Portsmouth Naval Shipyard (planning)

Last year the Portsmouth Naval Shipyard was on the Base Realignment And Closure (BRAC) candidate draft list, but narrowly escaped recommendation for the final list. Like the Brunswick Naval Airstation, the Portsmouth Naval Shipyard could present itself as a tremendous opportunity, particularly for the transportation and economic needs of the state. As the state continues to lose public access on the coast, the infrastructure of the shipyard presents numerous marine transportation opportunities. The nearest Maine Port in the State is in Portland, yet there is a highly successful port across the Piscataqua River in Portsmouth. This strategy suggests that Maine DOT needs to have a plan in place to help the state quickly market or invest in the Naval Shipyard should the Shipyard face being placed on a BRAC list again. (Regional Transportation Assessment)

11. Expansion and development of additional Freight Rest Area Facilities (planning and project)

As stated in an earlier strategy, truck freight is expected to double by 2025. The State of Maine Commercial Vehicles Service Plan found that there is a major deficiency in freight trucking facilities (particularly with trucker services) on this corridor. This strategy recommends additional development of Freight Rest Areas and other infrastructure in order to facilitate freight movement and maintain safety in the corridor. (Maine DOT Commercial Vehicle Service Plan, Regional Transportation Assessment)

12. Marine transportation enhancement feasibility study (planning)

The Southern Coast, as its name reflects, is corridor that fronts the Atlantic ocean, yet highway and rail dominate transportation in this area--there is very little marine transportation infrastructure. In the northern part of the corridor is Portland, Maine's premier marine passenger and freight port, in the South is Kittery (Portsmouth Naval Shipyard) and the Portsmouth Port Authority. In between, marine transportation is minimally used for recreation purposes or for small-scale fishing operations. This strategy is a recommendation

for development of a marine highway, with considerations for freight and passenger services, serving communities on this corridor. (Regional Transportation Assessment).

13. Further Development of the Eastern Trail (planning, capital funds)

Presently, the Eastern Trail is primarily an on-road routing system allowing bikers to travel from Portland to Kittery. This is part of a larger trail system (the East Coast Greenway) being proposed that would stretch from Maine to Florida. Funding should be provided to develop the off-road Eastern Trail so that it can be used by a wider array of users, contribute to the Southern Coast Corridor economy, tourism, health benefits, improved air quality, and increased non-automobile shopping and work related trips (Regional Transportation Assessment).

SOUTHERN MAINE CENTRAL CORRIDOR
STRATEGIC INVESTMENT PLAN
STRATEGY DESCRIPTIONS

Southern Maine Regional Planning Commission staff have identified (6) possible capital improvement projects, planning activities and policies that are strong candidates for strategic investment plans in the Southern Maine Central Corridor. These strategies are taken from multiple sources, including plans, planning processes, studies and other documents or activities. The strategies are numbered for reference and do not reflect any prioritization on the part of SMRPC staff.

Recommendations 1-3 might be better expressed as a need for an alternatives analysis for north-south movements in the southern part of Southern Maine corridor.

1. Route 236/4 Bypasses (planning, project):

Several communities feeling pressures of increasing traffic volumes that were originally built to handle that level of traffic volume have expressed interest in bypasses that will take through traffic out of their village centers. As York County's population continues to grow in more affordable areas west of the Turnpike, existing arterials will become increasingly strained by growing traffic volumes. Currently, several towns on the East-West Corridor have expressed interest in limited access highway solutions. South Berwick and North Berwick have expressed interest in bypasses around their village centers (on Route 236 and Route 4 respectively). (Regional Transportation Assessment, 236 Corridor Committees, North Berwick Comprehensive Plan)

2. Purchasing Right of Way/Negative Easements in conjunction with Town-State Planning for Select Corridors (planning, project):

The focus of this investment would be on purchasing right of way for widening needs, parallel frontage roads, and/or purchase of access rights to better control access for select Southern Maine Central Corridors. This particular proposal would require intensive transportation and land use coordination between Maine DOT, local communities and other stakeholders. Corridors for consideration would be Route 236/4 and 202. Ongoing discussions on funds that could be leveraged for such an effort include corridor based impact fee systems or tax increment financing districts. A planning coalition effort would need to be part of the design of this effort, perhaps something similar to the Gateway One project now occurring from Brunswick to Prospect, Maine. (Regional Transportation Assessment, Route 111 and 109 Corridor Committees)

3. Commuter Transit Service Feasibility Studies (planning)

This proposal would be a commuter transit feasibility study for service in the Route 236/4 area. There are several large employers and job centers in this area including, Pratt and Whitney, the Portsmouth Naval Shipyard, and Kittery/Portsmouth. (Route 236 Corridor Implementation Committee, Regional Transportation Assessment).

4. Park and Ride Development for Sanford Area (planning, project)

This is also a York County East-West strategy. Sanford is Maine's 7th largest city and is connected by a number of arterials including Route 4, 109, 111 and 202, yet there are no public park and ride lots available to motorists in the urban area. There are several informal park and ride locations in the city at gas stations, on road shoulders. Sanford, which provides more workers to the Portsmouth Naval Shipyard than any other town, currently uses a number of these informal park and ride lots in conjunction with a private bus service that transports workers to Kittery. (Park and Ride Study, Regional Transportation Assessment, Route 236 Corridor Implementation Committee)

5. Investment of facility reconstruction of Maine Turnpike Authority infrastructure that does not currently support overlimit commercial vehicles (policy, planning and project)

This is also a Southern Coast strategy. Federal policy restricts vehicles over 80,000 lbs to use non-interstate highways. In Maine, the Maine Turnpike Authority is exempt from this rule, because it does not depend on federal funding for the maintenance of that portion of the highway. Therefore, it is an asset to Maine to have Maine Turnpike Authority infrastructure to move heavy loads through the region quickly and efficiently to other parts of Maine. This provides relief to local roads and villages from pavement damage and safety issues relating to heavy truck traffic. While the Maine Turnpike provides this beneficial alternative to trucking companies, it restricts vehicles over 100,000 lbs, over 13'6" high, and 14'6" wide. The recent Turnpike modernization project made it possible for overlimit vehicles to travel through the mainline, through toll barriers, and under bridges. However, there are tollbooths and bridges that do not have the dimensional requirements to safely handle overlimit vehicles. Reconstruction of the outlying tollbooths and bridges is needed to allow more overlimit vehicles to utilize the Maine Turnpike. (Route 236 and Route One Corridor Committees)

6. Stepped up Planning and Policy Development Concerning Resource Extractive Industry Development and Use of Shared Public Infrastructure (policy)

In this region of Maine, major economic development activities are based on resource extractive industries including water extraction, sand and gravel. While the industries provide important jobs and tax revenue to communities in the region, the heavy trucks and frequency at which trucks pass the road appear to put a disproportionate share of damage to roads, increase safety and noise issues for the many villages centers that are on major resource extractive routes. This proposal suggests the initiation of a multi-stakeholder planning and policy development effort which addresses fair share road damage costs, routing, noise, safety issues, multimodal freight opportunities, and other identified issues. (Regional Transportation Assessment)

YORK COUNTY & SOUTHERN CUMBERLAND COUNTY EAST-WEST CORRIDOR
STRATEGIC INVESTMENT PLAN
STRATEGY DESCRIPTIONS

Southern Maine Regional Planning Commission staff have identified (5) possible capital improvement projects, planning activities and policies that are strong candidates for strategic investment plans in the York County East-West Corridor. These strategies are taken from multiple sources, including plans, planning processes, studies and other documents or activities. The strategies are numbered for reference and do not reflect any prioritization on the part of SMRPC staff.

1. Interstate Exit Master Plans (planning and project):

Development of a land use and transportation plan bound by memorandum of understanding (MOU) or other agreement between Maine DOT, Maine Turnpike Authority, municipalities, Regional Planning Agency and other stakeholders as necessary. Master Plans would ideally have Capital Improvement Plans. Master Plans would have a strong design component with recommendations for transportation system and land use with an emphasis on their compatibility. Exit Master Plans are suggested for all exits on this corridor, although there are some exits that are higher priority such as Biddeford Exit 32 (Regional Transportation Assessment, PACTS Long Range Plan)

Recommendations 2-4 might be better expressed as a need for an alternatives analysis for east-west movements for the East-West corridor. The Maine DOT recommendations of its Route 111 study is not included in Strategic Investment Plan because of the relatively short term improvements recommended in the document. These improvements, which are immediate (not strategic medium or long-term needs) should be part of the Maine DOT Capital Work Plan.

2. Western Expansion of Maine Turnpike Authority Toll System (planning and project):

On the York County East-West Corridor several communities continue to request new access points off of the Maine Turnpike, and others hope for bypasses that will take through traffic out of their village centers. As York County's population continues to grow in more affordable areas west of the Turnpike, existing arterials will become increasingly strained by growing traffic volumes. Currently, several towns on the East-West Corridor have expressed interest in limited access highway solutions. South Berwick and North Berwick have expressed interest in bypasses around their village centers (on Route 236 and Route 4 respectively), and Sanford is interested in direct Turnpike Access. Interestingly, the 13 largest towns in the state have reasonable access to the interstate system, with the exception of Sanford which was the 7th largest city in Maine during the 2000 Census. Sanford is also

predicted to rise in population and in state rank by the next 2010 Census. Connections with service and employment centers in New Hampshire, such as Rochester and Somersworth should also be considered. (Regional Transportation Assessment, An Economic Development Strategy for York County, Route 109, 111 and 236 Corridor Committees)

3. Establish Transit Service between Sanford and Biddeford/Saco (planning, capital and operational funds):

This proposal could be designed as an express system, multiple stop system, a peak hour commuter service or a combination of the above. General benefits of the system are that it would reduce traffic volumes, crash incidents, and air pollution on Route 111, and provide an alternative that would connect people from two urbanized areas to important shopping and employment destinations as well as to the Biddeford Park and Ride, the Zoom Turnpike Express, the ShuttleBus Tri-town service, and the Sanford My Bus System. (Regional Transportation Assessment, PACTS MPO)

4. Purchasing Right of Way/Negative Easements in conjunction with Town-State Planning for Select Corridors (planning, project):

The focus of this investment would be on purchasing right of way for widening needs, parallel frontage roads, and/or purchase of access rights to better control access opportunities for select East-West Corridors. This particular proposal would require intensive transportation and land use coordination between Maine DOT, local communities and other stakeholders. Corridors for consideration would be Route 111, Route 109 and Route 25. Ongoing discussions on funds that could be leveraged for such an effort include corridor based impact fee systems or tax increment financing districts. A planning coalition effort would need to be part of the design, perhaps something similar to the Gateway One project now underway from Brunswick to Prospect, Maine. (Regional Transportation Assessment, Route 111 and 109 Corridor Committees)

5. Park and Ride Development for Sanford Area (planning, project)

Sanford is Maine's 7th largest city and is connected by a number of arterials including Route 4, 109, 111 and 202, yet there are no public park and ride lots available to motorists in the urban area. There are several informal park and ride locations in the city at gas stations, on road shoulders. Sanford, which provides more workers to the Portsmouth Naval Shipyard than any other town, currently uses a number of these informal park and ride lots in conjunction with a private bus service that transports workers to Kittery. (Park and Ride Study, Regional Transportation Assessment, Route 236 Corridor Implementation Committee)

- 6. Establish a future road connection from the easterly end of Running Hill Road in Scarborough to the Maine Turnpike Approach Road in South Portland, coupled with an upgrade to the condition and capacity of Running Hill Road from this area west to Route 114 in Scarborough (planning, project).**

The following excerpt from the Town of Scarborough describes the project in the following way: “The alignment of this road connection could be achieved by way of some undeveloped parcels of land off Running Hill Road in Scarborough through to the exit 45 entrance/exit ramps and the toll plaza in South Portland. This is an initiative that we feel could have significant regional transportation benefits by: linking motorists from North Scarborough, Westbrook, Gorham, Buxton and beyond to the Turnpike and visa-versa; generally supplementing the planned Gorham bypass in providing much needed east-west connection; and lessening traffic congestion in the Maine Mall area by reducing through trips as well as trips destined for the Turnpike or I-295.” (Maine Mall Area Transportation Plan).

