Aroostook County, Maine
Mobilize Northern Maine

NADO Annual Training Conference
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ViTAL Economy Alliance

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http://www.vitaleconomy.com

Map of Aroostook County & Washington County, Maine

Regional Attributes

- Aroostook County is Maine's largest county with a land area of 6,672 square miles.

- By road, it is 155 miles from the northern to southern tip of what is referred to as "The County".

- More than 88% of the area consists of heavily wooded land that supports wood, paper, and lumber industries.

- Rich farmland is the source of 90% of Maine's potato crop and supplies other agricultural products, which together contribute significantly to the agricultural economy of the state.

- The vast natural resource base and strong agrarian heritage have fostered an economy based upon the region's natural resources.

- The 2000 census population of Aroostook County's 71 municipalities and 127 unorganized townships is 71,870, with the largest population center of Presque Isle comprised of 9,511 people.

APP Investors

- TAMC
- Cary Medical Center
- Maine Public Service
- NMDC
- MMG Insurance
- Katahdin Trust Company
- FairPoint Communications
- Dead River Company
- United Insurance
- F.A. Peabody
- Daigle Oil
- KeyBank

- Northern Maine Medical Center
- Sheridan Corporation
- First Wind
- Katahdin Cedar Log Homes
- S.W. Collins
- Acadia FCU
- NorState FCU
- The County FCU
- LEAD

Keys to Asset Based Community Economic Development

1. Community driven, empowering hundreds of leaders

2. Leverage assets currently in the regions control speeding up growth and long term sustainability

3. Build NEW high value collaborations

4. Launch actions immediately based upon a business case

5. Promote innovation and entrepreneurship

Strategies Must Address Regional Challenges & Leverage Strengths
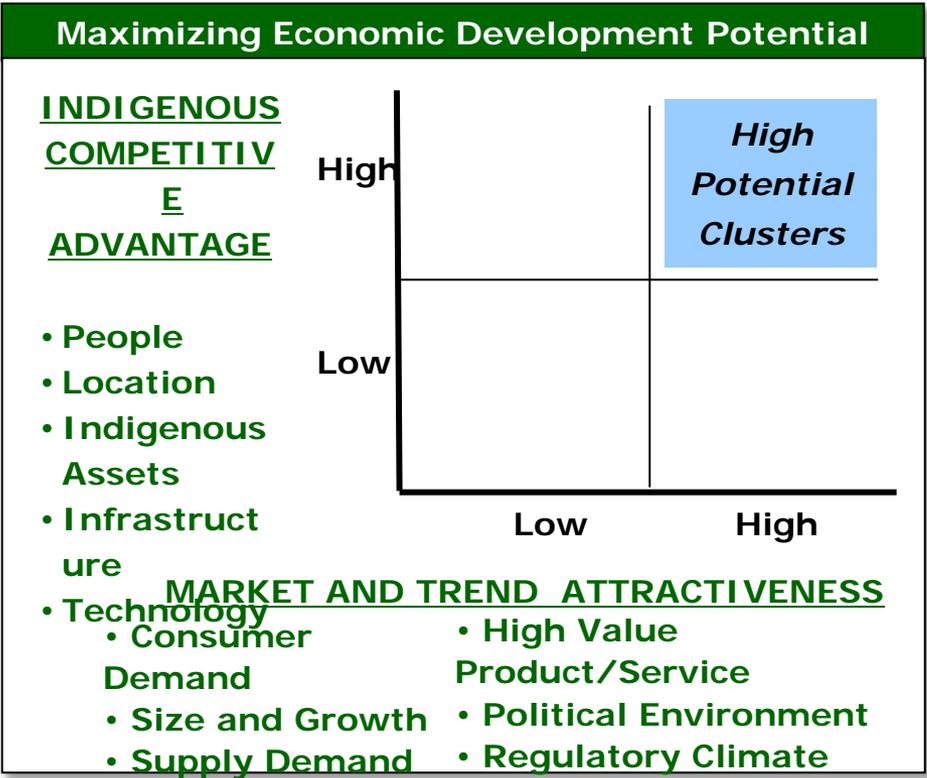
Mobilize Northern Maine 2015 Goals

Statewide Goals (tracked in each Region)	Data Source	Regional Baseline 2007	Maine	% of Maine	2015 Goal	Change
Population	US Census	72,047	1,317,207	5.47%	75,000	4.1%
Employable Population (16 and older)	US Census	60,716	1,052,290	5.77%	62,500	2.9%
Labor Participation Rate	Employable Pop./Total Employed	54.50%	63.60%	85.69%	57.5%	5.5%
Total Employed	BEA, CA30	33,142	669,948	4.95%	35,938	8.4%
Average Wage	BEA, CA30	$29,167	$36,054	80.90%	$38,000	30.3%
Total Regional Wage		$966,652,714			$1,365,625,000	
Per Capita Income	BEA, CA30	$28,693	$35,381	81.10%	$35,289.00	23.0%
Internet Subscriptions	Maine Growth in Focus	21,614	394,619		37,500	73.5%
Bachelors Degrees (25 yrs. and older)	05-07 American Community Survey	8,287	253,332	3.27%	11,500	38.8%
GDP	CNNE Economic Model	$2,550,000,000	$59,400,000,000	4.29%	$2,800,000,000	9.8%

Region Specific Goals						
New Business Startups and net new businesses	Not currently being tracked	Position paper has been developed and will be presented to state officials.				
Percentage of Private Payers in Healthcare System	Maine Hospital Association	27.70%			TBD	
Associate Degrees in Region	American Community Survey	5,449	81,000	6.7%	Trend data will be gathered to guide goal establishment.	

Analytical Approach *(Cont)*

The analytical process begins by determining the high potential industry clusters that can achieve the regions economic goals. Only industry clusters that rank high in indigenous competitive advantage and market and trend attractiveness are considered for analysis.

HIGH POTENTIAL INDUSTRY CLUSTER OPPORTUNITY ANALYSIS APPROACH

Maximizing Economic Development Potential

INDIGENOUS COMPETITIVE ADVANTAGE

- People
- Location
- Indigenous Assets
- Infrastructure
- Technology

High

High Potential Clusters

Low

Low   High

MARKET AND TREND ATTRACTIVENESS

- Consumer Demand
- Size and Growth
- Supply Demand
- High Value Product/Service
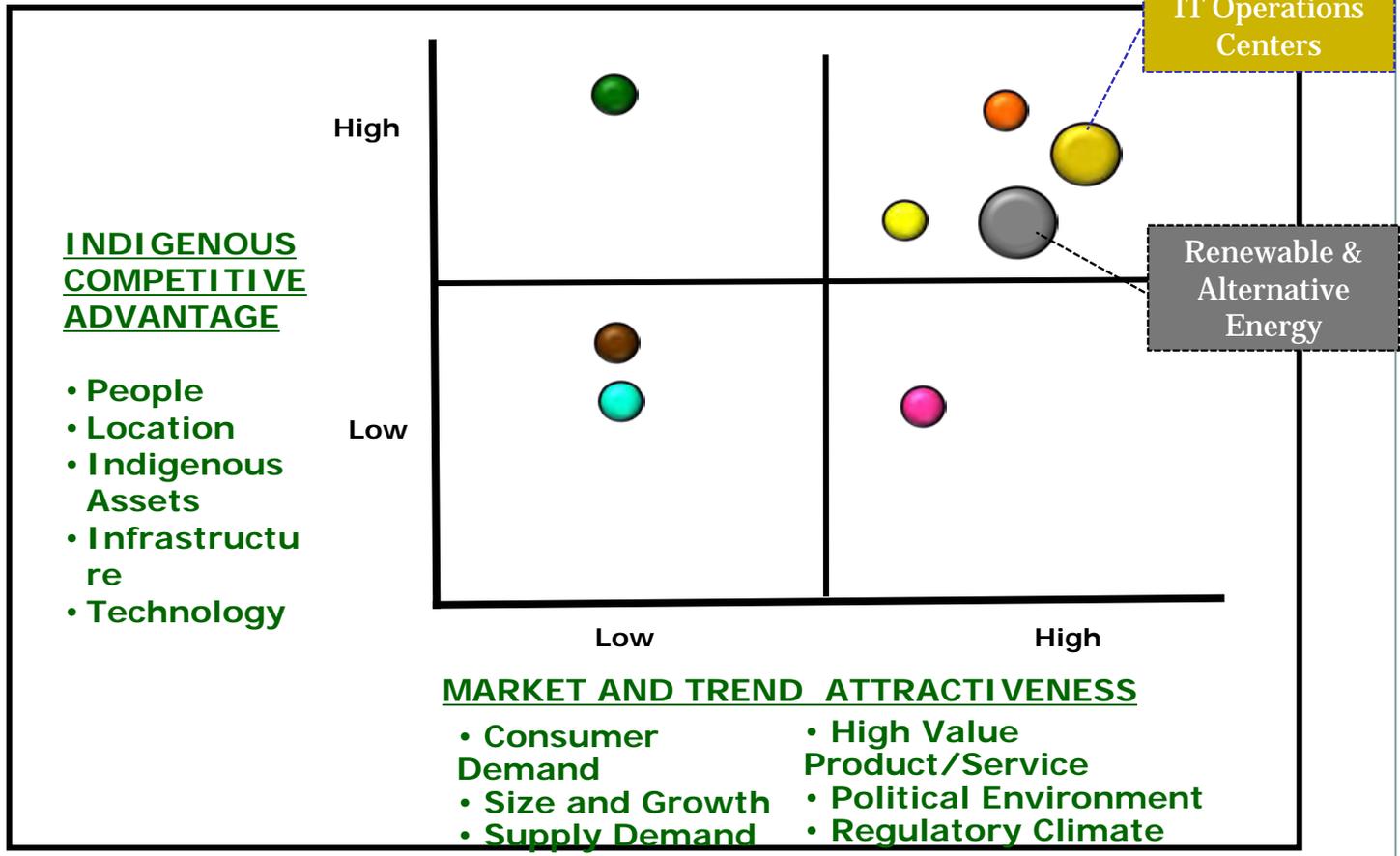- Political Environment
- Regulatory Climate

RESULTS

Desired Economic Development Goals

- Diversify economy
- Create sustainable economic growth
- Create jobs which exceed average national wage
- Create jobs with associated benefits
- Increase workforce capabilities
- Attract outside capital
- Deepen and strengthen capabilities of existing industry clusters
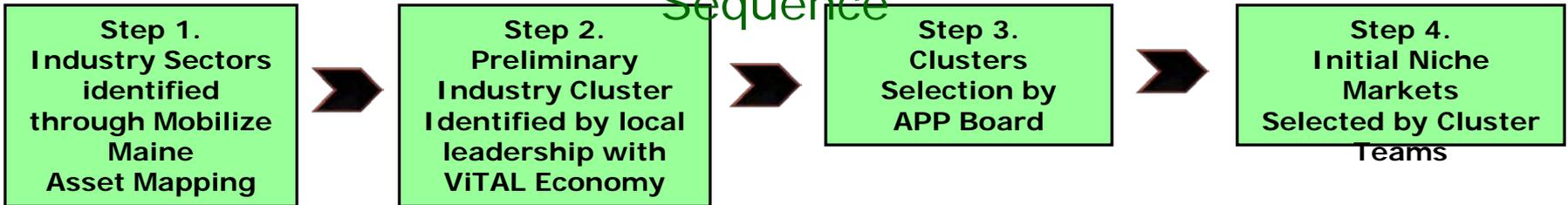
Analytical Approach *(Cont)*

Aroostook leadership conducted industry cluster potential analysis and prioritization and selected *IT Operations Centers* and *Renewable Energy* clusters, each high in *Competitive Advantage* and *Market Attractiveness*. The size of the bubble represents the level of probability for this cluster to help achieve the regions goals.

Preliminary Industry Clusters

- Secondary Wood Products
- Agriculture
- Rural Healthcare
- Natural Resource Tourism
- IT Operations Centers
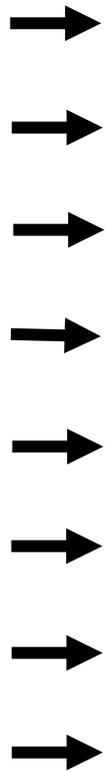- Rural Higher Education
- Metal Fabrication
- Renewable & Alternative

Plot Maximizing Economic Development Potential

IT Operations Centers

Renewable & Alternative Energy

INDIGENOUS COMPETITIVE ADVANTAGE

- People
- Location
- Indigenous Assets
- Infrastructure
- Technology

High

Low

Low   High

MARKET AND TREND ATTRACTIVENESS

- Consumer Demand
- Size and Growth
- Supply Demand
- High Value Product/Service
- Political Environment
- Regulatory Climate

Industry Cluster Niche Market Analysis Sequence

| Step 1. Industry Sectors identified through Mobilize Maine Asset Mapping | Step 2. Preliminary Industry Cluster Identified by local leadership with ViTAL Economy | Step 3. Clusters Selection by APP Board | Step 4. Initial Niche Markets Selected by Cluster Teams |

Step 1.
- Forestry
- Agriculture
- Healthcare
- Tourism
- Information Tech
- Education
- Manufacturing
- Energy

Step 2.
- Secondary Wood Products
- Agriculture
- Rural Healthcare
- Natural Resource Tourism
- IT Operations Centers
- Rural Higher Education
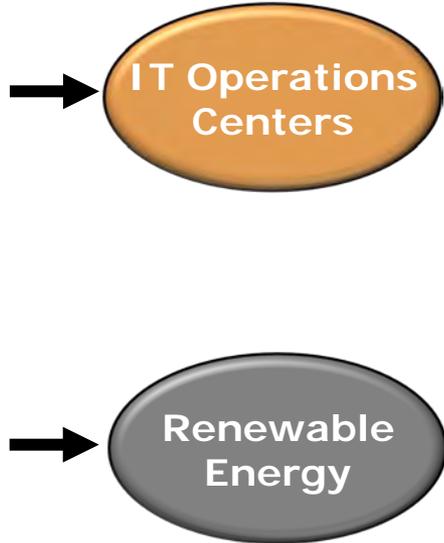- Metal Fabrication
- Renewable & Alternative

IT Operations Centers
1. Insurance, Accounting, Finance Outsourcing
2. Storage Data Centers
3. Customer Service Operations Centers

Renewable Energy
1. Biomass to Energy
2. Wind
3. Utilize Excess Energy

Renewable Energy Cluster

- Renewable Energy Cluster Group
  - Comprised of over seventy participants and growing
- Renewable Energy Cluster Leadership Team
  - **Action Teams**
    - **Biomass to Energy**
      - Wood Supply and Production
      - Marketing / Public Relations
      - Financing
      - Advocacy / Legislation
      - Infrastructure
        - sales / installation / delivery
    - **Grass Biomass**
    - **Buy Local Strategy**
    - **Center of Excellence**

Renewable Energy Industry Cluster Vision

Northern Maine will create a Renewable Energy Economy by utilizing alternative energy sources and being a innovation leader to capture wealth and stimulate the economy.

2015 Industry Cluster Goals

1. Develop 200MW of wind energy
2. Utilize 45,000 tons of locally sourced biomass for residential and commercial heating
3. Capture and retain 50MW of locally generated power
4. Realize 50 jobs at $42,000+ linked to renewable energy R&D
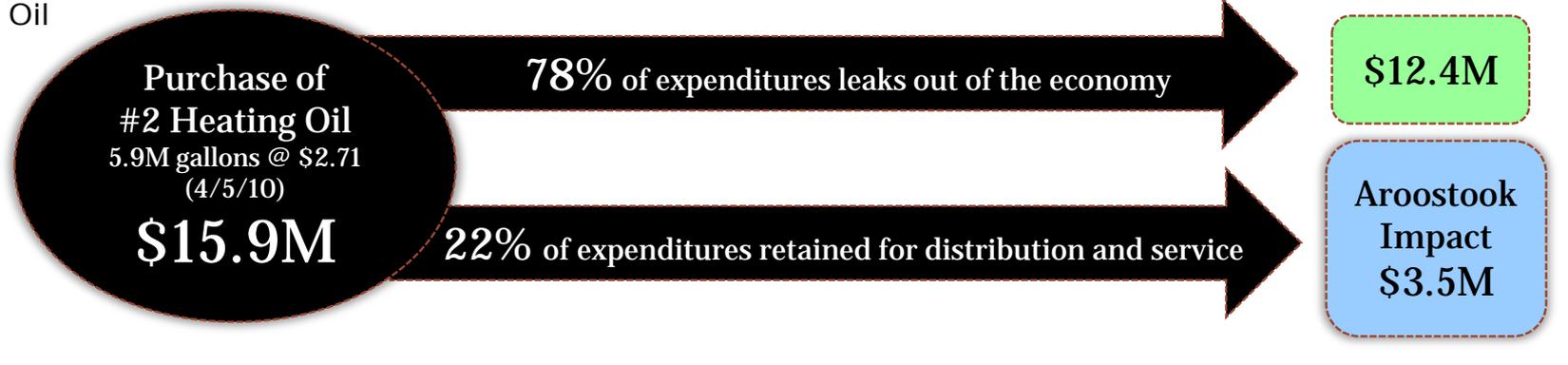
Create the Aroostook Renewable Energy Economy
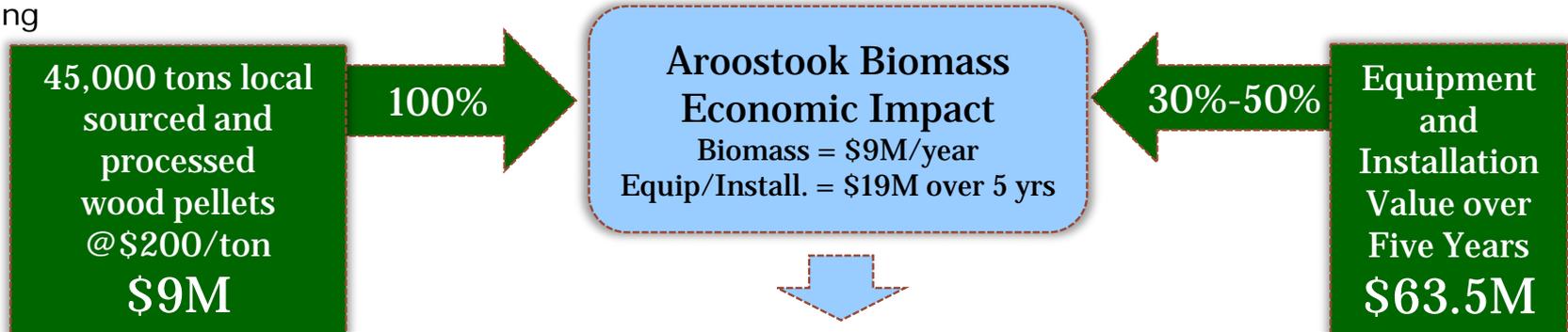
Aroostook Renewable Energy Economy

Biomass to Energy Opportunity Value

Economic Flow of Expenditures on Home Heating Oil

Purchase of #2 Heating Oil
5.9M gallons @ $2.71
(4/5/10)
$15.9M

78% of expenditures leaks out of the economy

$12.4M

22% of expenditures retained for distribution and service

Aroostook Impact
$3.5M

Economic Flow of Expenditures on Biomass Heating

45,000 tons local sourced and processed wood pellets @$200/ton
$9M

100%

Aroostook Biomass Economic Impact
Biomass = $9M/year
Equip/Install. = $19M over 5 yrs

30%-50%

Equipment and Installation Value over Five Years
$63.5M

Job Creation Categories	Direct Jobs	Indirect & Induced	Economic GDP Impact Value
Acquisition & Production of biomass fuel	90	96	$12.3M
Installation & Admin	40	30	$4M
Wealth Retention			$7M
Total	130	126	$23.3M

IT Industry Cluster

- IT Industry Cluster Group
  - Comprised of over sixty registered participants
- IT Industry Cluster Leadership Team
  - Action Teams
    - **Outsourcing Collaborative**
    - **Data Storage Center**
    - **Healthcare Data Management**
    - **Aroostook County IT Networking Group**

Northern Maine will become the premier rural technology hub in the United States where innovation and opportunity attract wealth and people to the region.

> Aroostook County is entering a new broadband infrastructure capacity and pricing environment, unique and superior to any rural region in the US

Goal	Jobs	Value	GDP Impact
Reach 37,500 high speed internet subscription lines	628 jobs @ $35,600 (20% increase in penetration, 30% to 50%) (.1% increase in employment for every 1% increase in penetration)	Earnings $22.3M	$22.3M/year
Grow IT Operations Center employment by 100 @ $42,000+	Direct jobs: 100 @ $42,000 Indirect jobs: 105 @ $29,365	Direct earnings $4.2M Indirect earnings $3.0M	$13.8M/year
Increase 400 existing IT workers wages by $5,000 per year	Direct job impact: 400 @ $5,000 Indirect job impact: 50 @ $29,365	Direct earnings $2.0M Indirect earnings 1.46M	$6.6M/year

Attract $100M in IT investment	Direct jobs - 666
	  IT 300
	  PST 100
	  Healthcare 200
	  FIRE 66
	(1 job per $150,000 investment)
	
	Indirect jobs: 579
		Direct earnings $25.6M
		
		Indirect earnings $16.9M
			$82.5M/year

Total	**Direct jobs** 1,394 **Indirect jobs** 734 **Total jobs** 2,128	**Earnings $73.46M**	**GDP impact per year** $125.2M

IT Operations Centers Industry Cluster Opportunity Analysis

Northern Maine IT Outsourcing Broker Collaborative

Aroostook County has a high percentage of its workforce currently employed in some form of operations center work. Firms engaged in this work face global competitive pressures. One way to overcome global competition factors is to work collaboratively to brand the quality of the Aroostook workforce, share marketing resources and compete on quality and skills, rather than price.

Strategy:

A.   Convene an action team of existing IT operations center companies and key individuals
B.   Identify current competencies of workers/companies
C.   Prepare a list of existing active broker relationships
D.   Identity KPO market targets based upon current skill sets and improvement opportunities
E.   Determine and develop the Northern Maine Brand and key value proposition

Northern Maine IT Outsourcing Broker Collaborative Opportunity

Build strategic relationship among IT Operations Centers	**Build a Northern Maine brand for IT operations centers**	**100 job@$42,000/year =$4.2M earnings** **110 indirect and induced = $3.3M earnings**	**Overall regional GDP impact = $18.4M/year**

Industry Cluster Tangible Progress Activity

- MTI approved a $1.6M grant for a grass biomass production plant. This proposal was developed in collaboration with MNM members led by Andrew Plant at the UMaine Coop Extension

- Four funding proposals that have been prepared and submitted by NMDC in support of Mobilize Northern Maine

- NMCC is in the process of developing a specialized facility to train energy auditors and certified weatherization heating systems techs and heating. This will assist our biomass to energy cluster activity. And the creation of a Center of Excellence in Aroostook County.

- At least four commercial biomass heating installations have taken place in the region during the opportunity analysis period. Additional installations are being considered.   MNM energy cluster team is facilitating discussions in the County about the various chip boiler models.

- MNM is indirectly influencing power generation discussions in northern Maine.

- $4-5M in new and advance telecommunication infrastructure has been invested in Aroostook County, with more to come. This again is a significant development in support of your vision of a "premier rural technology hub in the US."

- Convened the Airspace Action Team and currently looking at establishing a COA and /or MOA

Mobilize Maine Activity Recap

- Established Five-Year Goals
- Conducted Indigenous Asset Mapping Exercises
- Identified Industry Clusters to initially pursue
    - Renewable Energy
    - Information Technology
- Created Industry Cluster Leadership Teams
- Created Industry Cluster Working Groups
- Established Network Provider Action Team
- Identified potential niche markets to pursue
- Identified additional possible action teams

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EDA Know Your Region website:
www.knowyourregion.org
Has Mobilize Maine report from NADO on it