

March 26, 2014

Dear Senator King,

As part of its efforts to create a new national park and recreation area in Maine, Elliotsville Plantation Inc. asked us last year to peer review two economic studies performed by Headwaters Economics, a nonpartisan, independent research organization with extensive experience studying land management and community development.

We found that the reports used standard economic data and analysis techniques. The methodology and data are sound and well-presented, and the results should be considered credible.

Headwaters predicts significant net employment creation and growth in economic activity for chronically distressed parts of Penobscot and Piscataquis counties from the creation of a national park and national recreation area there. They predict that 500 to 1,000 additional full-time jobs will be created, and there will be a significant increase in revenues to county and local governments stemming from federal payments in lieu of taxes and from increased economic activity.

A careful analysis of 16 “peer” national parks and national recreation areas across the U.S. suggests that enhanced quality of life in “gateway communities” such as Millinocket, Patten and Medway would also help diversify local economies by attracting mobile entrepreneurs, highly educated younger people, affluent retirees and seasonal home owners.

Together the two reports provide strong evidence that an economic development strategy for north-central Maine based on development of a national park and national recreation area could provide an additional anchor for this regional economy and successfully halt or reverse the increasingly distressed conditions there.

The development of a national park and national recreation area combined with the existing resources of areas such as Baxter State Park and the 100 Mile Wilderness offers a significant opportunity to offer a new and highly valued tourism and recreation opportunity in Maine. It can also help to reinvigorate an area of Maine that has been struggling with the aftermath of adverse changes beyond the control of the region or state.

Such an economic development strategy will have to include a significant effort to plan for expanded communities in the region and to identify development locations and establish standards for development to assure that the region grows in a way that will attract visitors and new permanent residents to the region. The strategy should be

consistent with good land use planning practice and with visions of the built and natural environments that are consistent with Maine values.

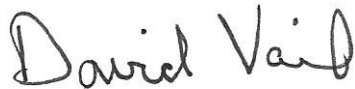
This is not a debate about timber versus recreation – both have been and will continue to be critical to the region’s future. What’s needed, however, is a fresh dialogue that squarely addresses the long-term social and economic challenges facing these communities, and charts a course for economic revitalization that respects traditional livelihoods while building on the region’s considerable strengths.

We believe this is an important economic development opportunity for northern Maine that should be thoroughly evaluated, and the Headwaters Economics reports make a valuable contribution to understanding the possibilities.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles S. Colgan". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Charles S. Colgan
Associate Director, Maine Center for Business and Economic Research, professor of
Public Policy & Management, Muskie School of Public Service, and University of
Southern Maine:

A handwritten signature in black ink, appearing to read "David Vail". The signature is written in a clear, slightly cursive style.

David Vail
Adams-Catlin Professor of Economics, Emeritus

A handwritten signature in purple ink, appearing to read "Robert Lillieholm". The signature is highly stylized and cursive, with a large initial "R" and a long, flowing tail.

Robert J. Lillieholm, E.L. Giddings Associate Professor of Forest Policy, School of Forest
Resources, University of Maine, Orono