

# MAINE STATE LEGISLATURE

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JOHN ELIAS BALDACCI  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF  
ECONOMIC AND COMMUNITY DEVELOPMENT  
59 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0059



JACK CASHMAN  
COMMISSIONER

April 1, 2005

Honorable Lynn Bromley, Senate Chair  
Honorable Nancy Smith, House Chair  
Joint Standing Committee on Business, Research & Economic Development  
Room 207, State Office Building  
Augusta, Maine 04333

Dear Senate Chair Bromley and House Chair Smith,

In accordance with 30-A § 5250-C this letter shall serve as our report on the status of the Pine Tree Development Zone Program.

As you know, Governor Baldacci was pleased to announce the establishment and availability of the Pine Tree Development Zone initiative in February 2004. The program offers an array of tax incentives to spur economic development in Maine. During 2004 our department completed the final designation process and approved the creation of 8 zones: Aroostook County, Androscoggin Valley, Downeast, Kennebec Valley, Midcoast, Penobscot Valley, PenQuis and Southern Maine. Over the course of the year the department, along with our tax colleagues, traveled to each of the eight zones to meet with our regional economic development partners, municipalities and businesses in order to present and discuss the initiative.

We also developed marketing material and a detailed program website highlighting the benefits of the program, a complete map and parcel list and an online application for certification. Notably, the marketing efforts resulted in the Pine Tree Zones public relations and marketing campaign receiving top honors at the Maine Public Relations Council's Annual Golden Arrow Awards Ceremony for Best Communications Campaign for a Non-Profit Organization and beat out nearly 80 entries in 11 categories for the overall award "Best of Show".

In 2004 over 120 companies expressed interest in the program and 37 were certified with the intention of creating over 1,300 jobs. Detailed information on the eight zones, and a break-out of the number of companies and the sector in which they were certified is attached as Table 1.

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At the present time the department is completing the gathering of annual report information from both the companies certified in 2004 and the administrators of the eight zones. We expect that the information collected will provide us with details on the progress of the companies certified as well as afford us a view of how this program is working for our regional economic development partners.

In 2005 the department will continue to work with our regional economic development partners and their participating municipalities to coordinate and market this program. We receive inquiries daily from businesses and citizens interested in the initiative. With the sales tax exemption benefit of this program beginning on July 1, 2005 we expect further interest in this important economic development program.

Thank you for the opportunity to present our department experience during the first year of the Pine Tree Development Zone initiative.

Sincerely,



Jack Cashman  
Commissioner

cc: Business & Economic Development Committee members  
Thaxter Trafton, Director, Office of Business Development  
James Nimon, PTZ Program Manager  
Andrea Smith, PTZ Project Officer

## **2004 Status Report for Pine Tree Development Zone Initiative**

**Table 1**

### **Androscoggin Valley:**

11 companies certified

Financial Services – 1  
Information Technology – 2  
Manufacturing – 7  
Precision Manufacturing – 1

Jobs expected to be created by companies certified in 2004: 375

### **Aroostook County:**

6 companies certified

Manufacturing – 5  
Financial Services 1

Jobs expected to be created by companies certified in 2004: 130

### **Downeast:**

0 companies certified

### **Kennebec Valley:**

6 companies certified

Manufacturing – 6

Jobs expected to be created by companies certified in 2004: 168

### **Midcoast:**

2 companies certified

Manufacturing – 2

Jobs expected to be created by companies certified in 2004: 9