
An Analysis of Investment in Tourism in Western Maine: 2002-2012

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 Maine Center for
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Executive Summary

The Western Mountains contain some of the most striking natural features in Maine. Consider the Height of Land, a stunning overlook on Route 17 between Byron and Oquossoc; or Frenchman’s Hole, a 12-foot plunging waterfall and swimming hole near Bethel; or the High Peaks, a region in Franklin County that contains ten of Maine’s 14 highest mountains including Sugarloaf and Saddleback. Since long before Thoreau’s visit to the Maine woods, outdoor enthusiasts, naturalists, and picturesque scenery admirers have found what they seek in the mountains, lakes, rivers, and forests of the state’s western counties. Today, the region’s natural beauty attracts nearly five million visitors a yearⁱ and supports 4,000 tourism and related jobs.ⁱⁱ

Tourism is a cornerstone of Franklin and Oxford counties’ economy. Because of its importance to the region, the Maine Center for Economic Policy (MECEP), through funding from the Betterment Foundation, examined 10 years of tourism investment to understand its impact on the region’s tourism economy. Specifically we looked at public and philanthropic support to conserve tourism assets, such as mountains, lakes, and historic sites, and to create tourism amenities, such as trails, scenic byways, and cultural events.

Public tourism investment benefits residents and tourists alike. It can enhance tourists’ experiences and improve the likelihood that they will return again and again. Directly and indirectly, this investment also creates jobs for residents and spending that supports local business.

Over the past 10 years, the area has aggressively preserved its natural heritage. It is building a strong base for a vibrant nature tourism economy. Future investment has the potential, if directed to the needs of today’s selective travelers, to transform tourism into a growth industry for the region.

Summary of Findings

This report documents the investment in tourism assets in Franklin and Oxford counties over the past decade.

MECEP analysis indicates that federal, state, and philanthropic funds contribute markedly to the region’s economy and stimulate jobs and economic activity that sustain the region, even in depressed times.

MECEP finds:

1. Since 2002, public agencies and private foundations invested \$47 million into tourism assets in Franklin and Oxford counties. Of this:
 - Nearly three-quarters supported nature-based, outdoor recreation including land acquisition and green infrastructure.

- Nearly one-third helped preserve the region’s many mountains and high peaks—an indelible part of the landscape that attracts visitors and sustains Maine’s woods products industry.
 - Fifteen percent provided for a single project—the Crocker Mountain initiative to conserve property that contains one of Maine’s tallest peaks, millennia-old glacial features, and lush forest land that borders a spectacular 10-mile section of the Appalachian Trail.
 - Twenty-seven percent funded trail development and maintenance including pedestrian, hiking, biking, ski, snowmobile, and ATV trails.
2. Public funds attracted matching dollars to augment the investment in tourism assets. The tourism investment leveraged another \$19 million in federal, local, and private matching donations, for an investment total of \$66 million over 10 years.
 3. Tourism investment has increased over the time period, averaging \$4.7 million per year.ⁱⁱⁱ This funding is an important element of economic activity in the region, supporting 40-65 jobs per year and stimulating nearly \$6 million in spending annually that supports restaurants, inns and hotels, campgrounds, stores, and other local businesses.
 4. Analysis of three economic indicators (jobs, wages, and lodging sales) shows that tourism is growing at a pace similar to or slightly better than other major industry sectors, especially following the recession.
 5. Tourism accounts for 15% of all jobs in Western Maine; the fifth largest employment sector following government, health services, transportation, and manufacturing.
 6. Tourism jobs have nearly recovered to pre-recession levels. While fairly flat in absolute numbers, in 2012, the region’s 4,000 tourism jobs represent a slight increase over the decade as a percentage of total jobs. This is in part because jobs in other sectors have declined.
 7. Real wages for tourism jobs are lower than other industries and have remained stagnant over the decade.
 8. Lodging sales, while slowly climbing before the recession, have not recovered to their pre-recession peak, similar to several other industries that still lag in sales compared to before the recession. Likewise, the region’s share of overnight, vacationing tourists declined from a high of 15% in 2003 to 9% in 2012.
 9. From an investment perspective, Western Maine’s emphasis on nature tourism is well-suited for the type of visitors attracted to the region. More tourists come to the western lakes and mountains for outdoor recreation than any other place in Maine. Half of overnight visitors and 40% of day trippers who visit Western Maine are outdoor enthusiasts.
 10. New investment needs to elevate tourism amenities and services to transform the region’s traditional destination appeal in order also to attract families, seniors, and overnight-staying guests. This includes faster internet service, diverse cultural attractions, and top-quality public amenities to meet changing demands of visitors.

11. Funding for downtown redevelopment, especially state funding, has all but vanished. To create a diverse tourism economy, investments in downtowns are needed to attract the businesses that provide tourism services and the people that use them.
12. The region needs to capitalize on tourism investment already made. This includes investing in new and upgraded green infrastructure to make previously-conserved attractions more accessible, easier to find, and more pleasing to visit.
13. The region would benefit from a coordinated destination development strategy that sets clear investment priorities for the use of future tourism funding. Tourism planning tends to be most effective when there is a shared long-term vision and staffing capacity to sustain it.
14. Tourism investment has not yet translated into better-quality jobs; however, the region has invested heavily to preserve its distinctive mountain identity that is central to its appeal as a tourism destination. These are foundational investments that will support a robust tourism economy in Western Maine.

These findings can assist tourism planners, funders, and residents in a five ways:

- Legislators and policymakers have documentation of how public investment creates jobs and generates economic activity and how state investment in green infrastructure, art and heritage, and downtown development and other public amenities enhances tourists' experiences and entices them to stay longer, which will strengthen tourism businesses and lead to more, higher-paying jobs.
- Public funders can see how their investments can more effectively help fund tourism amenities local leaders identify as critical to economic growth. Coordinating resources can yield greater impact and leverage more federal, philanthropic, and private sector funds.
- Private foundations will recognize how their dollars support downtowns and historic and cultural assets for which there is limited public funding. Also, their investment in "soft" costs such as staffing and building local planning capacity can help the region develop a destination development strategy critical to its economic future.
- Local planners, economic developers, and municipal officials will gain insight into the need to maximize opportunities from tourism investments, and to craft a coordinated, regional investment strategy to upgrade the region's destination appeal to today's tourists.
- Local businesses and residents can see the level of investment made in their region and how that has and will continue to benefit them in the future, stimulating spending, supporting area merchants, and conserving Franklin and Oxford counties' greatest assets for the benefit of tourists and residents alike.

I. Introduction and Purpose

In this report, the Maine Center for Economic Policy (MECEP) aims to provide information for tourism planners, funders, and residents to understand the impact of investment on the region's tourism economy.

A. Background

This report complements MECEP's earlier work to realize the growth potential of tourism in rural Maine. In 2010, in a report authored by Bowdoin Professor David Vail, we made the case for public investment to reinvent rural Maine destinations for 21st Century tourists. We called on the state of Maine to underwrite \$100 million over five years to invest in infrastructure vital to tourism in Maine's most rural counties as a prime economic development strategy.^{iv} This bold plan remains unfunded.^v

MECEP recognized that state and local policymakers and funders need to understand how previous investment sustained tourism growth and job and income creation. In 2011, the Betterment Fund funded MECEP, in part, to analyze the flow of grant funds into Franklin and Oxford counties and determine the funding's effectiveness in supporting a tourism economy.

B. Definition of Tourism Investment

Tourism investment pays for improvements that help attract visitors to Western Maine.

In this report, MECEP includes not only the specific tourism amenities^{vi} that enhance visitors' quality of experience, such as well-marked trails, accessible trailheads, or clean visitor centers, but also investment that supports the development of tourism generally. This can be land conservation to protect woodlands and outdoor recreation access. It can be the enhancement of cultural and artistic attractions or upgrading public buildings and beautifying towns. It can also be the installation of broadband internet that helps tourism businesses with marketing and serving guests' WiFi needs.

This report looks at six categories of tourism investment:

1. Broadband: high-speed internet
2. Conservation: land acquisition to protect water quality, habitat, and other physical features
3. Art and heritage: museums, historic properties, and arts and cultural events
4. Economic development: public facilities and downtown development
5. Outdoor recreation lands: land acquisition to preserve public access for outdoor recreation
6. Green infrastructure: visitor amenities such as trails, parks, scenic byways

While the primary purpose of some of these funds is not specifically tourism (i.e. broadband, conservation, economic development), MECEP believes that these types of investment enhance the appeal of a tourist destination. Broadband access enables tourism businesses and visitors alike to log onto the internet and helps feature tourism attractions and services. Conservation projects protect water and land resources and habitat that bolsters hunting, recreational fishing, and wildlife viewing. Economic development funds aid in creating lively downtowns and restoring historic villages that are attractive to tourists. In combination with investment in direct tourism amenities, these funds complement an overall tourism growth strategy.

Although investment in road infrastructure is necessary for tourism, this report does not address it, because its size would distort the analysis. The report also does not examine tourism marketing dollars. Lastly, it does not include private investment in tourism businesses or products.

In MECEP's 2010 amenity investment report, Professor Vail wrote about a three-point strategy for growing tourism, including: 1) destination development, 2) product development, and 3) branding/marketing.^{vii} Destination development consists of identifying and improving tourism assets and resources (i.e. attractions, history/heritage, character/sense of place, etc.) and providing the public infrastructure, services, and facilities that support their use. Tourism-related business products and services that take advantage of the destination's attractions (e.g. inns, restaurants, shops, guiding services) result primarily from private sector investment. Finally, branding and marketing uses the destination's amenities to promote the region. This report focuses on those investments that support destination development.

MECEP also recognizes that the Oxford Casino is a draw for tourists; however the report's focus is on Western Maine's lakes and mountains.

Private Tourism Investment in Western Maine

While this report does not look at business product development, public investment in tourism infrastructure and amenities does fuel private investment. A few examples in the Western Mountains region are:

- LaFrance Hospitality invested \$8 million to build a Comfort Inn & Suites in Wilton in part to service snowmobilers. The hotel provides direct access to Maine's Interconnected Trail System.
- Otis Falls Mill's location next to the Androscoggin River coupled with a planned land and water trail network influenced new owners to buy and redevelop the old International/Verso paper mill in Jay.
- Bethel Bait, Tackle & More opened in 2013 to serve the region's many tourists who come to hunt and fish.
- Moose Alley, Rangeley's newest business, offers bowling, arcades, billiards, and live entertainment. According to its owners, they want to provide a rainy day option for campers and tourists.
- Fox Carleton Sporting Camps in Phillips opened in 2013 to provide lodging and fly fishing instruction to outdoor enthusiasts coming to the region. It is located near the new Flyrod Crosby hiking trail.

C. About this Report

This study looks at public and philanthropic resources that have been used to support tourism development over the past decade. It identifies and assesses:

- type and amount of tourism investment and how it was used;
- types of investment that most effectively support tourism development in the region;
- how well the funds have been utilized and coordinated in support of destination development; and
- impact of tourism investment on the regional economy.

We hope these findings will inform state, regional, and local development officials as they look to make the most of the economic opportunities presented by the region’s distinctive natural beauty and heritage. We also hope that it provides legislators, policymakers, and state funders the information they need to support public funding for the region’s tourism priorities.

II. Analysis of Tourism Investment

Since 2002, public agencies and private foundations have invested \$47 million to support tourism development in Franklin and Oxford counties. This investment leveraged another \$19 million in federal, local, and philanthropic funds, for a total over 10 years of \$66 million. This section looks at the amount of funds, where they came from, what they were spent on.

Since 2002, public agencies and private foundations have invested \$47 million to support tourism development in Franklin and Oxford counties.

A. Source of Funds

This report includes tourism capital investment from three funding sources –federal, state, and philanthropic –from 2002-2012^{viii}.

Over the decade, the federal government invested most in the region (62%). State funds made up 31% of the total investment. Philanthropic funds comprise 7% of the funding (see table 1).

Table 1: Tourism Investment in Franklin and Oxford Counties, 2002-2012, by Funding Source		
	Investment Total (without match)	Investment as a % of Total (without match)
Federal	\$28,973,400	62%
State	\$14,626,745	31%
Philanthropic	\$3,448,877	7%
Total	\$47,049,022	
Source: compiled by Maine Center for Economic Policy, 2012-13		

Appendix A lists the state and federal grant programs and private foundations that provided funds over the period.

B. Matching Dollars

Often, federal and state funders require matching funds to be eligible for grants.^{ix} Matching dollars make limited funding go further, foster local commitment to a project, and attract private and philanthropic contributions.

The Land for Maine’s Future (LMF) program, for example, requires at least a one-to-one match. For every dollar awarded, the applicant must match it with a dollar. Organizations receiving LMF funds match it with other state and federal grants and/or private contributions.

Tourism funds invested in Franklin and Oxford counties were matched with another \$19 million.^x The matching funds increased the value of the original tourism investment by 40% (see table 2).^{xi}

	Investment Total (without match)	Investment Total (with match)	Percent Increase with Match
Federal	\$28,973,400	\$36,222,770	25%
State	\$14,626,745	\$26,222,811	79%
Philanthropic	\$3,448,877	\$3,548,877	3%
Total	\$47,049,022	\$66,136,457	40%

Source: compiled by Maine Center for Economic Policy, 2012-13

Over the report period, state programs leveraged nearly \$0.80 for every dollar invested, reducing the overall cost to the state. The programs that brought in the most matching funds include: U.S. Fish & Wildlife (more than \$4 for every dollar invested), ConnectME Authority (\$1.61), Land for Maine’s Future (\$1.39)^{xii}, and EPA’s nonpoint source pollution program (\$1.19) (see Appendix B).

The bulk of the investment funded nature-based, outdoor tourism including green infrastructure and outdoor recreation lands.

C. Investment Priorities

This report looks at six categories of tourism investment:

1. Broadband: high-speed internet;
2. Conservation: land acquisition to protect water quality, habitat, and other physical features;
3. Art and heritage: museums, arts, historic properties, cultural events;
4. Economic development: public facilities and downtown development;
5. Outdoor recreation lands: land acquisition to preserve public access for outdoor recreation; and
6. Green infrastructure: visitor amenities such as trails, parks, scenic byways.

Table 3 shows the break down of funds among these six categories:

Investment Category	Investment Total (without match)	Investment as a % of total (without match)	Investment Total (with match)	Investment as a % of total (with match)
Broadband	\$508,833	1%	\$ 1,326,034	2%
Conservation	\$1,753,646	4%	\$ 3,936,288	6%
Art and Heritage	\$1,401,383	3%	\$ 2,068,689	3%
Economic Development	\$9,018,333	19%	\$ 11,063,166	16%
Outdoor Recreation Lands	\$16,100,015	34%	\$ 25,664,041	39%
Green Infrastructure	\$18,266,812	39%	\$ 21,978,239	33%
Total	\$47,049,022		\$ 66,036,457	

Source: compiled by Maine Center for Economic Policy, 2012-13

The bulk of the investment (73%) funded nature-based, outdoor tourism with 39% of the investment supporting green infrastructure and 34% conserving outdoor recreation lands. The next largest investment category was economic development at 19% (see figure 1).

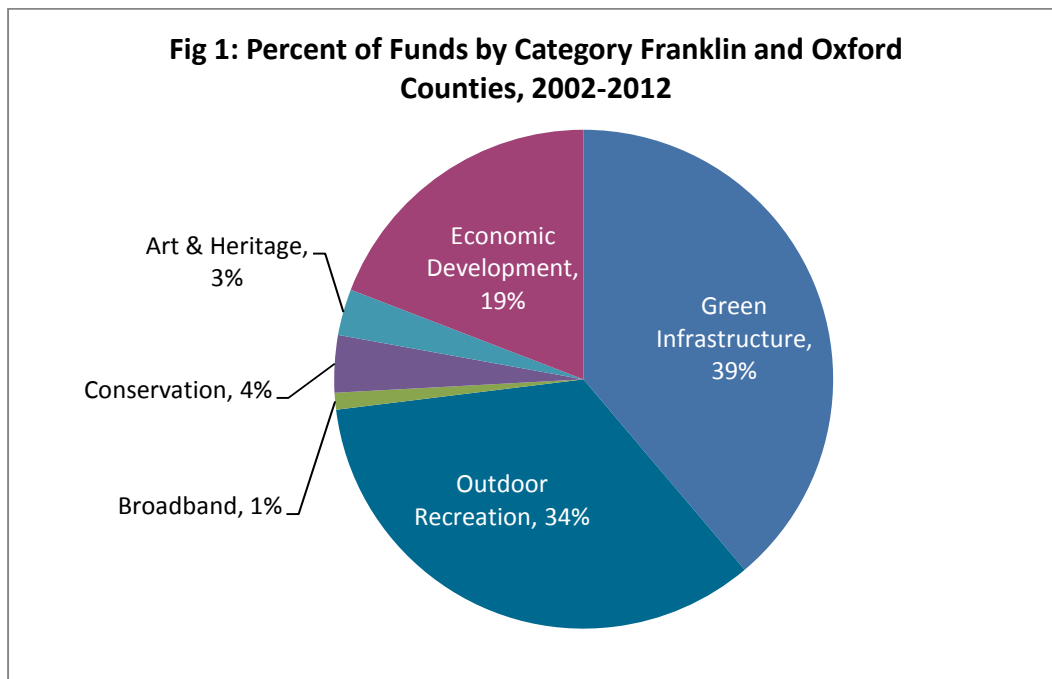


Figure 1: Source: compiled by Maine Center for Economic Policy, 2013

The bulk of federal funds supported economic development, outdoor recreation land, and green infrastructure. State funds went largely to outdoor recreation land and green infrastructure (see table 4).

Investment Category	Federal Funding as a % of Total Federal Funding	State Funding as a % of Total State Funding	Philanthropic Funding as a % of Total Philanthropic Funding
Broadband	0	3%	0
Conservation	2%	7%	6%
Art and Heritage	1%	4%	11%
Economic Development	29%	0 ^{xiii}	19%
Outdoor Recreation Land	34%	52%	27%
Green Infrastructure	34%	33%	38%

Source: compiled by Maine Center for Economic Policy, 2012-13

While private foundations also funded recreation land and green infrastructure, 11% of philanthropic dollars went toward cultural amenities, considerably more percentage-wise than either state (4%) or federal (1%) funds. In addition, nearly 30% of all art and heritage funding over the period was from philanthropy (see table 5).

Investment Category	Total Funding	Percent Federal	Percent State	Percent Philanthropic
Broadband	\$508,833	0%	100%	0%
Conservation	\$1,753,646	23%	61%	12%
Art & Heritage	\$1,401,383	29%	43%	28%
Economic Development	\$9,018,333	93%	0%	7%
Outdoor Recreation Land	\$16,100,015	62%	30%	8%
Green Infrastructure	\$18,266,812	54%	41%	5%

Source: compiled by Maine Center for Economic Policy, 2012-13

The kinds of projects funded within each investment category are:

1. Broadband

All of the broadband investment examined in this report was from one source –Maine’s ConnectME Authority. The ConnectME Authority provides grants to expand affordable high-speed internet (broadband) to unserved areas of Maine. Public and private entities, partnered with an internet service provider, are eligible for grants. Types of projects funded include the town of Rangeley (\$42,750) and the town of Hiram (\$233,000) to expand high speed internet to unserved parts of the town.

2. Conservation

Conservation dollars largely funded land protection (70%), but also water quality restoration, habitat restoration, ladders for fish passage, and road safety improvements for wildlife crossings. The bulk of the investment came from the state (61%) from the Maine Natural Resource Conservation and Land for Maine’s Future programs and the Maine Outdoor Heritage Fund.

3. Art and Heritage

Art and heritage investment largely funded cultural amenities and historic buildings, with most funds (43%) coming from three state sources: the Communities for Maine's Future and New Century Community programs and the Maine Arts Commission. Private foundations' impact on the region's arts and heritage over the 10 years was significant, often targeting beloved local landmarks or distinctive community heritage projects.

Examples of Tourism Conservation Projects:

- Restoration of water quality of Toothaker Pond in Phillips for recreational use (\$3,000 from the Davis Family Foundation)
- Land protection on South Pond, a landlocked salmon fishing pond in Greenwood (\$82,000 from the Land for Maine's Future Program)
- Wildlife habitat preservation on the West Shore of Sucker Brook in Lovell (\$95,000 from the Maine Natural Resource Conservation Program)

4. Economic Development

Economic development projects were predominantly (93%) for upgrading public facilities and downtown development from federal Community Development Block Grants (CDBGs) funded by the U.S. Housing and Urban Development (HUD). These projects range from streetscaping in downtown Farmington, to business facades in Wilton, to a downtown market analysis in Norway.

Examples of Tourism Art and Heritage Projects:

- Bethel Historical Society
- Kingfield POPs orchestra
- Norway Opera House
- Rangeley Outdoor Sporting Heritage Museum
- Denmark music and art festival
- Western Maine storytelling projects

Economic development funds also supported tourism development such as: Keeping Maine's Forest (\$61,000 from the Environmental Funders Network) and Maine Woods Tourism Investment Program (\$150,000 from the Betterment Fund). In 2003, the region received \$400,000 for the Western Maine Sustainable Development Collaboration to identify and build on regional development opportunities with a special focus on craft and heritage-based industries.

5. Outdoor Recreation Land

Funding for outdoor recreation land comprises 39% of tourism investment in Western Maine by federal, state, and private foundations over the 10 years. The bulk of these funds paid for acquisition of lands or easements that would preserve mountain and woods lands for trails and other outdoor recreational activities.

The two largest funders of outdoor recreation land were: U.S. Forest Service (\$9.8 million) and Land for Maine's Future (\$4.9 million).

Table 6: Outdoor Recreation Mountain Projects, 2002-2012, by Project	
Project/Mountain	Funding
Mahoosuc:	\$ 816,000
Grafton Notch	\$ 2,040,132
Rumford WhiteCap	\$ 311,750
Stowe Mountain	\$ 157,864
High Peaks Initiative:	\$ 402,033
Crocker Mountain	\$ 7,000,000
Mt Abrahams	\$ 186,701
Tumbledown	\$ 2,147,500
Total	\$13,061,980
Compiled by Maine Center for Economic Policy, 2013	

The largest investment helped preserve Western Maine’s numerous mountains. Nearly 30% of all funding over the decade was spent to acquire mountain land (\$13 million). One project alone — Crocker Mountain—accounts for \$7 million or 15% of total funds. Mountain areas acquired for preservation with outdoor recreation funds during this period include: Grafton Notch, WhiteCap, Stowe, Crocker, Mt Abrahams, and Tumbledown (see table 6).

The bulk of the funding for the mountain projects came from the federal government (62%). The state invested 28%. Significant philanthropic dollars went into preserving Western Maine’s mountain heritage (\$1.28 million) but the percentage (9%) is dwarfed by the considerable federal and state dollars.

Land for trails was a large part of this investment. Funders helped acquire land or easements for new trails, to link trail networks, and to preserve access to existing trails.^{xiv} Orbeton Stream, for example, conserved with \$1.7 million in U.S. Forest Legacy funds, comprises 6,000 acres of working forests. It also includes 6.4 miles of important snowmobile trail on Maine’s Interconnected Trail System that intersects the Appalachian Trail.

6. Green Infrastructure

In this report MECEP defines green infrastructure as public tourist amenities that enhance visitors’ enjoyment of the outdoors. In Franklin and Oxford counties over the period, most of the tourism investment for green infrastructure was for trail development and maintenance (70%). The remaining green infrastructure dollars funded scenic byways (22%), water access sites (5%), and parks and playgrounds (3%).

Trails

Twenty-seven percent (\$12.5 million) of all investors’ funds for this report period was for trail development and maintenance including pedestrian, hiking, biking, ski, snowmobile, and ATV trails.

The largest funders include: Maine Department of Conservation for

Examples of Tourism Trail Projects:

- Huts and Trails (\$780,000)
- Appalachian Trail (\$452,000)
- Jay-Farmington Rail Trail (\$267,000)
- International Friendship Trail, Eustis (\$100,000)
- Conservation Walk at the Height of Land (\$65,000)
- Wright Trail, Newry (\$50,000)
- Oxford Hills ATV Trail (\$29,689)
- Flyrod Crosby Trail, Madrid (\$11,700)

snowmobile and ATV trails (\$6 million) and the Federal Highway Administration’s recreational trails (\$2.5 million) and transportation enhancement (\$2.1 million) programs for trail construction.

Scenic Byways

Two scenic byways traverse the area. Byways are scenic routes with historical or cultural significance that are often tourist destinations themselves. The Rangeley Lakes Scenic Byway follows Rte 17 from Roxbury to Oquossoc then Rte 4 to Madrid. The Maine High Peaks Scenic Byway starts on Rte 27 in Kingfield and ends at the Canadian border. Together, they brought in \$4.4 million or 9.4% of all funds over the 10-year period, almost all of which during this time was for the Rangeley Lakes byway. The federal government contributed 96% of the funds.^{xv} Federal scenic byway funds paid for staffing to develop and implement the corridor management plan for the byway for over the life of the project. Federal Highway Administration funds paid for the road construction.

D. Funding Trends

Investment in tourism in the region averaged \$4.3 million per year, and has increased over time (see figure 2).^{xvi} Given its consistency over time, public and philanthropic tourism investment is a standing part of the region’s economy. It creates jobs and ongoing spending that sustains the local economy (see section III below for an analysis of this spending).



Figure 2: Source: compiled by Maine Center for Economic Policy, 2012-13

Investment from individual funding programs, particularly state programs, varied. Policymakers have sustained funding for snowmobile trails and land conservation (Maine Department of Conservation, Land for Maine’s Future) over the decade, for example. Yet, these same policymakers have defunded all of the state programs that support downtown development (Communities for Maine’s Future, New Century Communities, and Riverfront Community Development). Federal Community Development Block grant funds for community revitalization have also declined over the period.

E. Region's Share of State Funds

Grant writers have been successful in attracting funds to the Western Mountain region. In this report, we looked at three grant programs—one federal and two state—and examined the funds awarded to Franklin and Oxford counties compared to the rest of the state.

Since 2006, the U.S. Forest Service, Forest Legacy Program, awarded 32% of its Maine funding to Franklin and Oxford counties, more than any other county in Maine. The two counties together also garnered 8.2% of Land for Maine's Future funding, 1987-2008, placing them in the top third of all counties. Franklin and Oxford received 18% of snowmobile trail funds, 2002-2012, ranking third among 16 counties over this period (see Appendix C).

Franklin and Oxford counties have received a greater share of grant funds than other counties as a result of efforts to conserve and maintain its numerous unique natural and built features.

III. Funding Use and Coordination

This section assesses how well the funds have been utilized and coordinated in support of tourism destination development.

A. Coordination

Government, nonprofit organizations, and businesses in Franklin and Oxford counties have invested considerable time and resources in tourism economic development. Several groups are working to enhance the region's economy through planning and information, project management, marketing, and advocacy.^{xvii} (See Appendix D for a list of planning and economic development organizations in the region.) This analysis focuses on how the region coordinated to identify, seek out, and spend tourism funds with a shared purpose of expanding the region's tourism economy.

Regional land trusts such as the High Peaks Alliance, Mahoosuc Land Trust, and Appalachian Trail Land Trust are working to coordinate landscape-style conservation projects within their areas. This work has been well-coordinated as the groups identified their conservation areas and purposefully sought funds to acquire them, parcel by parcel.

Large, individual projects, like the Rangeley Lakes Scenic Byway and Maine Huts and Trails, are also sufficiently well-coordinated to sustain planning and coordination over the long term. Local citizens, funders, and organization members came together with a clear vision in mind. They planned, raised funds, and sought out grant funding towards their end goal. These kinds of projects are successful because they tend to be well-funded and have staff to keep up momentum.

In 2010, Franklin County tourism businesses, nonprofits, and economic development organizations launched the Franklin County Tourism Network to establish Franklin County as a visitor destination by supporting tourism business development and growth. The effort is notable because it brings land trusts into the traditionally business-oriented economic development community.

Most recently the Greater Franklin Development Corporation (GFDC) pulled together its key networks, including the tourism network, community college network, and another network interested in building the region's brand, to collaborate on a strategic plan that will link the county's arts, cultural, and outdoor recreation assets with deliberate actions to yield increased economic growth for the county.

Three initiatives stand out for their multi-county focus and their attempts to prioritize tourism investment needs. First, in 2005, the state department of economic and community development hired a nationally-renowned consultant to develop a nature tourism strategic plan for the region, which included an assessment of key nature-based tourism assets and a list of infrastructure needs to enhance those assets for greater use.^{xviii} The state and region have been working to fund and to make the improvements identified in the nature tourism plan. The Androscoggin Valley Council of Governments (AVCOG) develops a regional capital investment plan that prioritizes investments that are important to implement regional economic development goals, including tourism. This plan is updated every five years. AVCOG has also led a Mobilize Maine initiative through which residents of Franklin and Oxford counties in conjunction with Androscoggin County identified their distinctive tourism assets, with the goal of capitalizing on them.

Despite the good work of these groups, MECEP concludes that tourism investment—with the exception of byway planning and some landscape-style conservation efforts—has occurred without a deliberate investment strategy. Planning has been done along project or sector lines (land conservation, arts, economic development, etc.), largely separately in the two counties, and without a well-developed plan of priorities.

To be effective and improve efficiency, state funders need to be responsive to the region's tourism investment needs and coordinate among themselves.

The region needs to identify gaps in tourism infrastructure in order to prioritize future investment. This type of coordination will be especially important as it relates to disbursement of future tourism investment. Should significant public funds become available for tourism development as called for in the MECEP/David Vail report, it will be necessary to have an understanding of where the funds are most needed to revamp the region's destination appeal. The region should consider creating a joint county or lakes and mountains destination development strategy that includes a broad range of tourism enterprises such as broadband and the arts.

State funders must also be aware of and responsive to the region's tourism investment needs and coordinate among themselves. State agencies such as MaineDOT, Inland Fisheries and Wildlife, Agriculture, Conservation and Forestry, Maine Arts Commission, Maine Historic Preservation Commission, and Maine Office of Tourism could improve the efficiency and impact of limited state resources by coordinating investment around high priority regional needs. Destination planning requires coordination at all levels to be effective.

B. Use of Funds

Tourism, economic development, and land trust planners in Franklin and Oxford counties have made a concerted effort to seek out grants for outdoor recreation to build on their natural landscape and attract a particular brand of nature tourist. In addition, they pursued funding to enhance downtowns, restore historic buildings, develop parks and playgrounds, and build bike and pedestrian paths to create vibrant communities that people want to visit while supporting growth and business location within these built, serviced areas. Strengthening downtowns and village centers prevents the conversion of rural lands and conserves open space and natural landscapes valued by residents, visitors, and tourists. Any coordinated investment effort must include strategies to enhance both rural lands and built-up areas.

1. Capitalizing on Current Investment

The inland mountains and lakes are especially appealing to younger visitors seeking outdoor recreation activities. In 2012, half of overnight leisure visitors and 40% of day trippers came to the lakes and mountains to enjoy nature and outdoor recreation. This is markedly different than other areas of Maine where shopping and touring are primary reasons for visiting.^{xix} The Western Mountains have the amenities that these visitors are looking for and public and nonprofit organizations are doing well preserving and enhancing them.

The region needs to capitalize on the investment made in its natural assets.

The region needs to capitalize on the investment made in its natural assets. This includes making them easy-to-find, improving accessibility, and upgrading public amenities. It also combines and packages them in new ways to attract families and overnight visitors.

2. Meeting Changing Tourist Needs

Tourism is changing. The demand for diversity, service, and quality require upgrading facilities and experiences. Tourists today want customized and guided experiences, green lodgings, boutique hotels, and restaurant variety. Seventeen percent of overnight visitors to Maine in 2012 said their primary purpose for coming to the state was to experience great cuisine and service. Once here, 30% said they sought out local cuisine or popular dining spots.^{xx} Great restaurants themselves can be a draw.

At the same time, as America ages, older visitors need easy-to-access recreational places, special meals to meet dietary restrictions, and tourism conveniences (from bathrooms to medical assistance). These visitors also carry nostalgia for the past, when life was simple and authentic, and for re-creating one's youth or sharing childhood experiences with children and grandchildren. Summer camp reunions, festivals, heritage days, and historic sites can attract aging baby boomers and their families.

Farm tourism or agritourism is popular. Agritourists look for experiences like harvest festivals, tasting experiences, or shopping for local foods or handcrafted gifts. Farmers in many areas now attract visitors with cheese- or wine-making classes or overnight accommodations targeting hunters or skiers in the farm's off-season.

There is more emphasis on the internet and social media both to learn about tourism opportunities and to service customers. According to the Maine Office of Tourism, 63% of visitors to Maine use the internet for trip planning.^{xxi} Then when tourists arrive in Maine, they expect to have web access to get email, use social media, and locate services. This means tourism businesses need high-speed internet for web access. (See Appendix E for grant opportunities in these areas.)

While half of the region’s visitors come to enjoy outdoor recreation, there is the other half to consider. These visitors are attracted by shopping, dining, and lodging options. In addition, cultural and heritage attractions are an important part of the overall tourism package. To keep visitors returning and staying longer, the region needs diverse destination products and experiences like historic inns, local food and wine, and cultural and heritage museums and events.

Fulfilling the Region’s Investment Priorities

MECEP’s 2010 amenity investment report includes survey results from Franklin County community leaders’ identifying their priorities for state investment in tourism. Those priorities in order of importance included:

1. green infrastructure;
2. transportation infrastructure (including byways);
3. improved cell phone and internet links; and
4. land and water conservation.^{xxii}

MECEP compared these priorities with the investments identified in this report (see table 7).

Table 7: Tourism Investment in Franklin and Oxford Counties Compared to Community Priorities, by Investment Category		
Investment Category	2002-2012 Investment as a % of total	2010 Community Priorities
Broadband	1%	3
Conservation	4%	4
Art and Heritage	3%	
Economic Development	19%	
Green Infrastructure	39%	1 and 2
Outdoor Recreation Lands	34%	4
Total		

Source: compiled by Maine Center for Economic Policy, 2012-13

The investments match community leaders’ priorities in green infrastructure (including scenic byways) and additional land conservation. The region has begun to diversify its art and heritage offerings with storytelling and music. The new \$1 million Outdoor Sporting Heritage Museum in Oquossoc, which was largely paid for from donations from local residents, attracted 3,000 visitors in its first year in 2010.^{xxiii} This year, the University of Maine at Farmington opened a new privately-funded \$5 million community arts center.^{xxiv} Art and heritage amenities are newly recognized for their tourism appeal but little public money is being invested. Investment also lags in broadband.

To create a diverse tourism economy, the region needs continued investment in conservation and outdoor recreation land, but also for broadband, arts and heritage, and downtown development. It also must use its conserved natural assets as anchors to support other tourism activities that enhance its destination appeal to today’s tourists.

III. Impact of Tourism Investment on Western Maine’s Economy

This section assesses the impact of tourism investment on the region’s economy. MECEP looked at four economic measures:

1. Investment Spending
2. Jobs and Wages
3. Retail Sales
4. Tourism Visitors

A. Investment Spending

Direct tourism investment generates jobs and spending as well as economic spinoff that benefit local residents and businesses.

Jobs result from grant funds being used to build roads and trails, renovate historic buildings, buy land, install cable, lay water pipes, or other projects. To implement the grant project, grant managers hire construction workers, building tradespeople, realtors, and line workers. These comprise the direct jobs, and their salaries, taxes, supplies, equipment, direct spending. In turn, these workers pay rent, buy food, make car payments or house repairs, buy televisions and kitchen appliances, and take their families to the movies. They pay taxes, medical bills and insurance premiums. This is indirect spending.

It is possible to calculate this direct and indirect spending. MECEP uses IMPLAN, a model commonly used by economic development professionals to assess the impact of investment. For purposes of this analysis, MECEP included matching funds in the total. We also took out several usually large investments that would have distorted the average.

MECEP’s analysis shows that the one year of tourism investment in 2012 supported 50-75 jobs and generated an additional \$8 million of spending. On average^{xxv}, over the 10-year period, the investment generated or retained 40-65 jobs and \$6 million in additional spending per year. It also yielded approximately \$250,000 in additional state and local tax revenue each year (see table 8).

Table 8: Economic Output for Franklin and Oxford Counties from Tourism Investment, With Match		
	2012 Investment	Avg Annual Investment
Investment	\$5.9 million	\$4.7 million
Jobs	50-75	40-65
Spending	\$7.8 - \$8.1 million	\$6.1 - \$6.4 million
Tax Revenue	\$220,000-375,000	\$200,000-300,000

Source: Analysis by Maine Center for Economic Policy, July 2013

We can make a rough calculation that over the 10-year period the tourism investment examined in this report generated or retained 525 jobs and \$62 million in economic activity for the region. Some of these jobs are temporary while others are permanent.

B. Jobs and Wages

Tourism employment comprises nearly 4,000 jobs and 15% of total employment in Franklin and Oxford counties. This is the number of people employed in the leisure and hospitality sector.^{xxvi} Tourism is the fifth largest employment sector following government, health services, transportation, and manufacturing. More residents in Western Maine are employed in tourism than in construction and professional and business services (see figure 3).

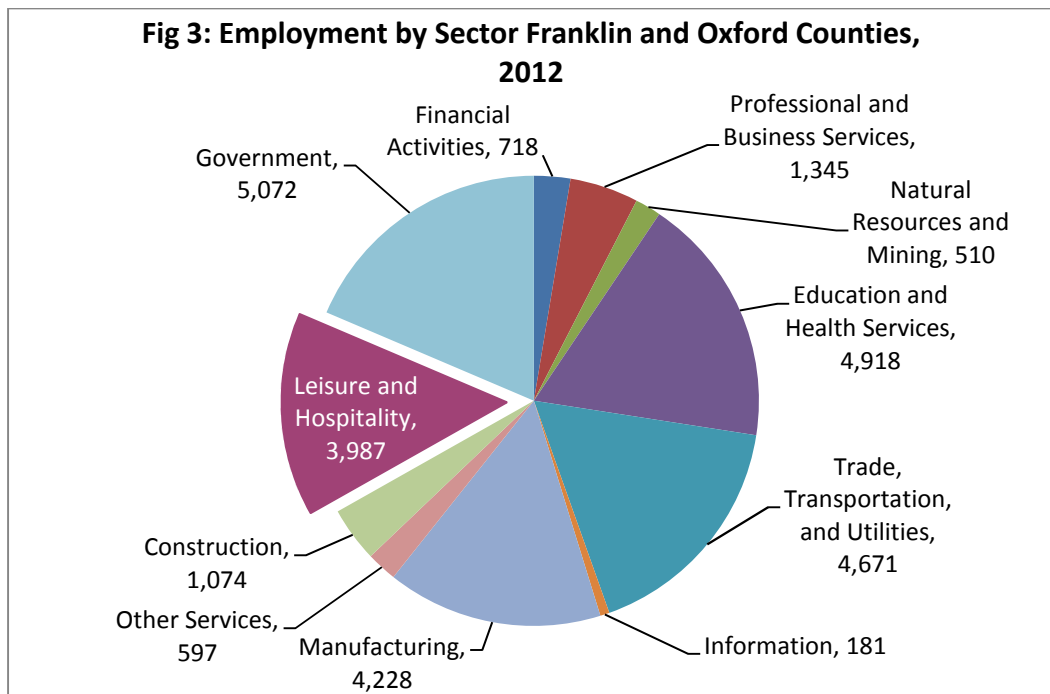


Figure 3: Source: ME Dept of Labor, Center for Workforce Research and Information

Employment^{xxvii} in the tourism sector declined in 2009-2011 following the recession. However, in 2012, the number of workers employed in tourism was very nearly back at pre-recession levels. In addition, while the absolute numbers have been flat over the decade, the number of tourism jobs as a percent of total jobs is growing and has been growing slowly for the past decade (see figure 4).^{xxviii}

The number of tourism jobs as a percent of total jobs is growing and has been growing slowly for the past decade, in part because of declines in other industries.

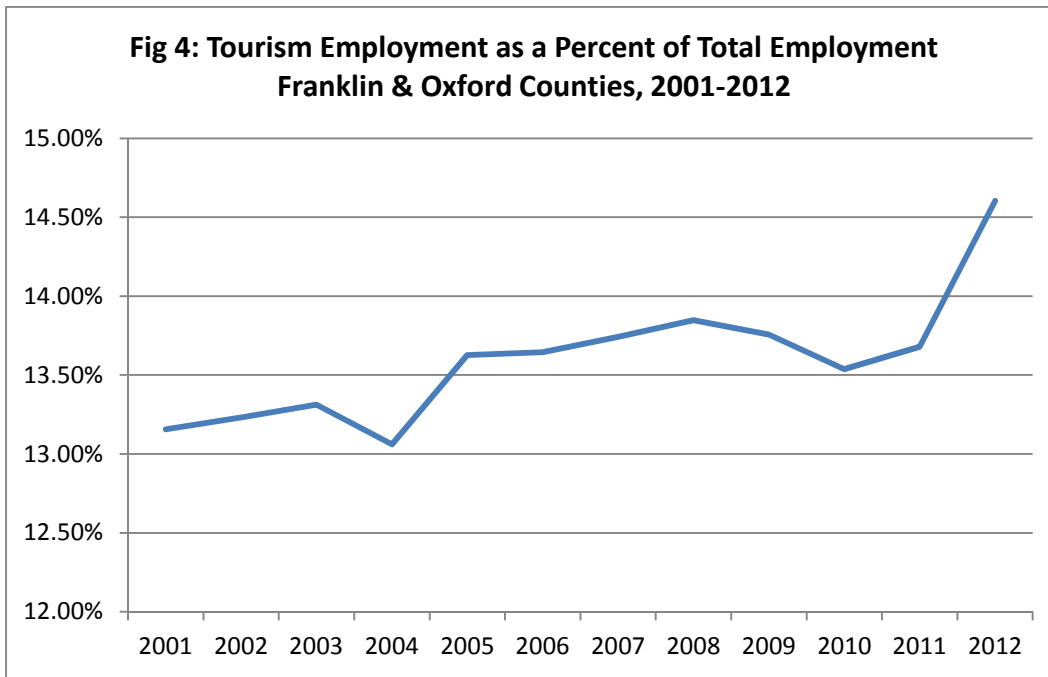


Figure 4: Source: ME Dept of Labor, Center for Workforce Research and Information (Leisure and Hospitality)

As a percentage of total employment, tourism employment appears to have rebounded following the recession better than some of the other industry sectors, including government, health services, and transportation, which are flat or still declining in post-recession years (see figure 5).

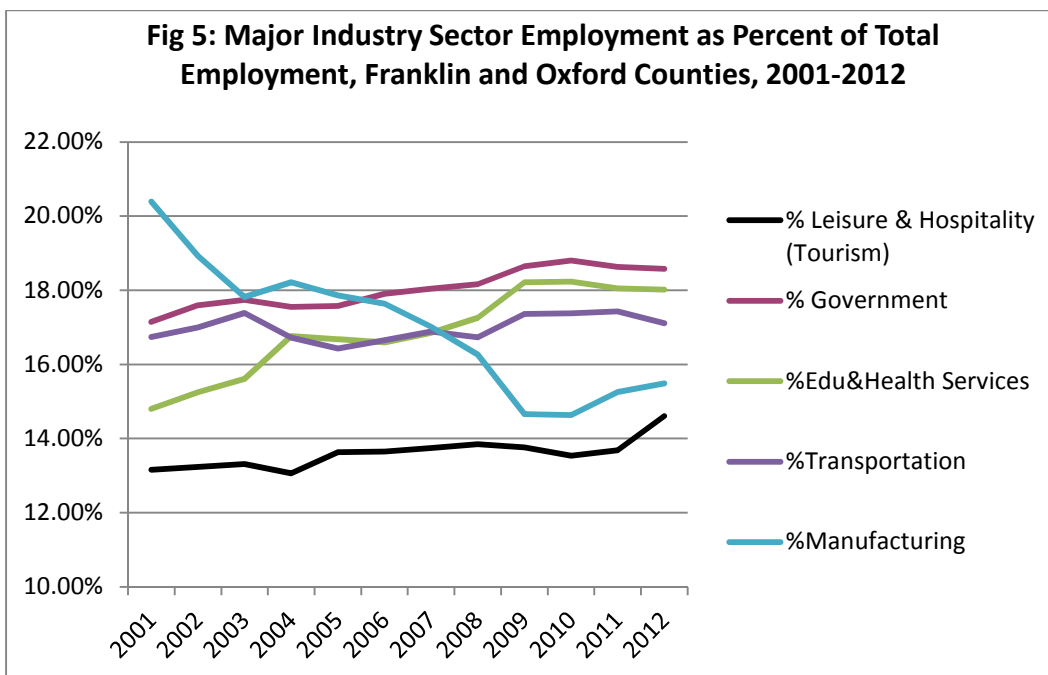


Figure 5: ME Dept of Labor, Center for Workforce Research and Information. Tourism numbers are derived from the Leisure and Hospitality sector.

Tourism employment, when compared to other sectors, has fared slightly better over the period, especially following the recession. However, the employment numbers include both part-time and full-time workers and tourism jobs tend to be part-time more often than other sectors.

Tourism, unlike manufacturing and financial or information technology services relies on indigenous natural assets and could be more stable over the long-term than sectors influenced by globalization of the economy and the portability of equipment and resources. The challenge is developing the sector's potential by building the quality support services tourists' need, which will translate into higher employment for the region's residents.

While accounting for 15% of the region's jobs, tourism employment accounts for only 7.6% of the wages in Franklin and Oxford counties, a clear indicator of the prevalence within the sector of low-wage jobs.

In the region, the annual average wage for the leisure and hospitality sector^{xxix} in 2012 was \$17,183, compared to the average annual wage of all industry sectors of \$33,000 per year. This is in part because many workers' compensations are supplemented by tips, which are sometimes understated in wage data. In addition, the data are not perfect. The quarterly census that provides this data counts all jobs when averaging annual wages. A single worker with two part-time jobs will appear to have an income that is halved. Nevertheless, in general tourism wages are not strong. Jobs tend to be seasonal or part-time and low-skilled and thus low-wage.

Tourism wages are lower than other industries and have been stagnant.

Over the report period, tourism wages were stagnant (see figure 6). In comparison with other industry sectors, wages elsewhere are higher, but, like tourism, they have also experienced slow or no growth, especially following the recession (see figure 7).

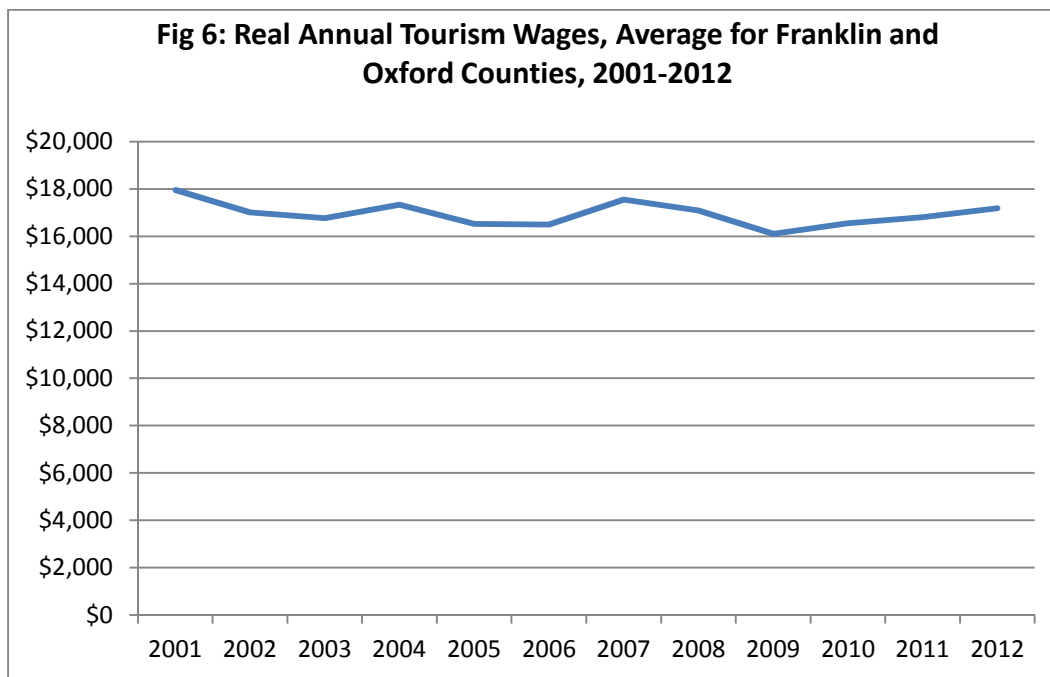


Figure 6: Source: ME Dept of Labor, Center for Workforce Research and Information, Leisure and Hospitality sector, adjusted for inflation

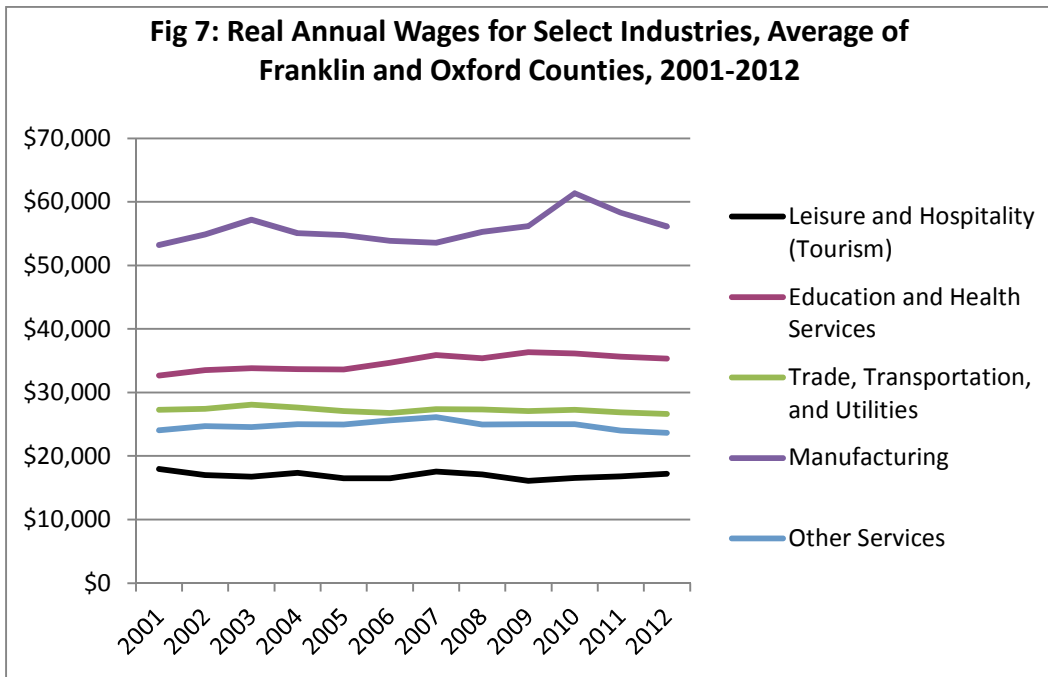


Figure 7: Source: ME Dept of Labor, Center for Workforce Research and Information, Select industry sectors, adjusted for inflation

We cannot yet say that the tourism investment identified in this report has translated into better quality jobs for the region’s residents. In order to achieve this objective, the region needs to transform its destination appeal to attract a new brand of tourist.

The case has been made by researchers^{xxx} that to grow salaries in the tourism sector, the industry needs to attract more overnight visitors, who spend 300% more per day than day visitors.^{xxxi} This will, in turn, support full-time employment, pay higher wages, and enhance employee benefits.

Unless the region upgrades some tourism services (lodging, restaurants, etc.) to increase tourists’ spending, the region could face the undesirable prospect of tourism growing on the backs of low-wage workers. Further the region will be unable to compete for the tourists looking for these comforts.

Nevertheless, the region has put into place the base on which to build a tourism destination economy. Cultural and heritage tourism initiatives, trails and scenic byways, landscape-style land conservation preserving the area’s mountains and woods lands all offer “breakthrough opportunities” to help the region compete for overnight tourists that will improve the quality of tourism jobs.^{xxxii}

C. Lodging Sales

Lodging sales represented 5.12% of total retail sales in Oxford and Franklin counties in 2012.^{xxxiii}

Lodging sales saw steady growth until the recession in 2009. They started to climb again in 2010 and 2011, but experienced a slight dip in 2012. Lodging sales have not returned to their pre-recession peak (see figure 8). The trend for lodging sales is slightly better than building supplies and general merchandise, which continue to be flat or decline. Only food store and restaurant sales are growing post-recession (see figure 9).

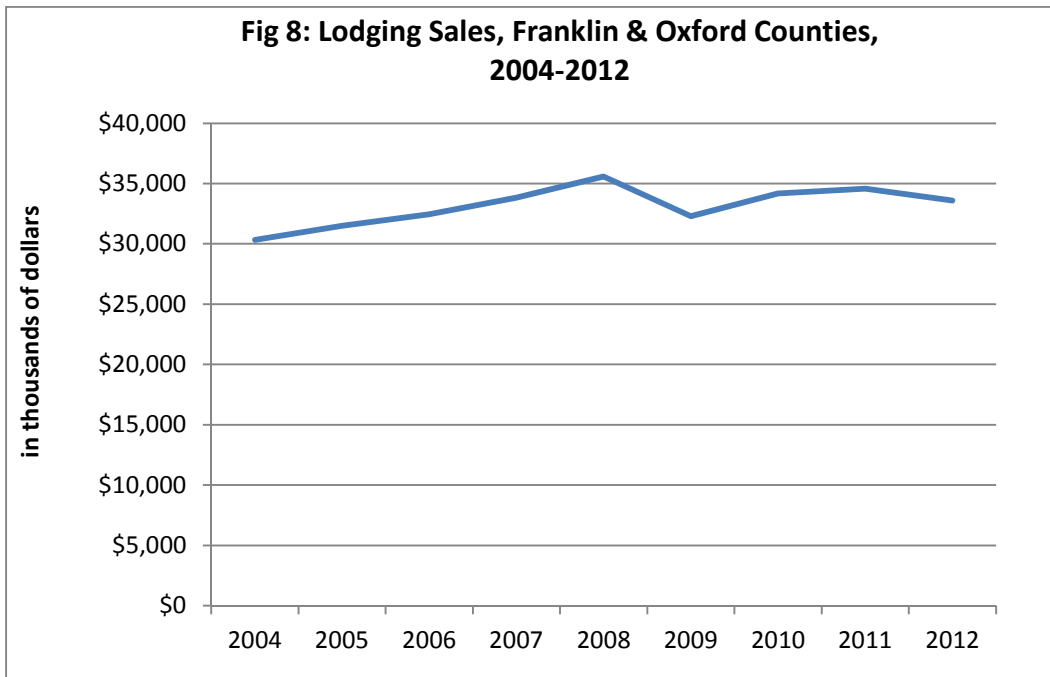


Figure 8: Source: Maine Office of Policy and Management, Maine retail sales based on data from Maine Revenue Services

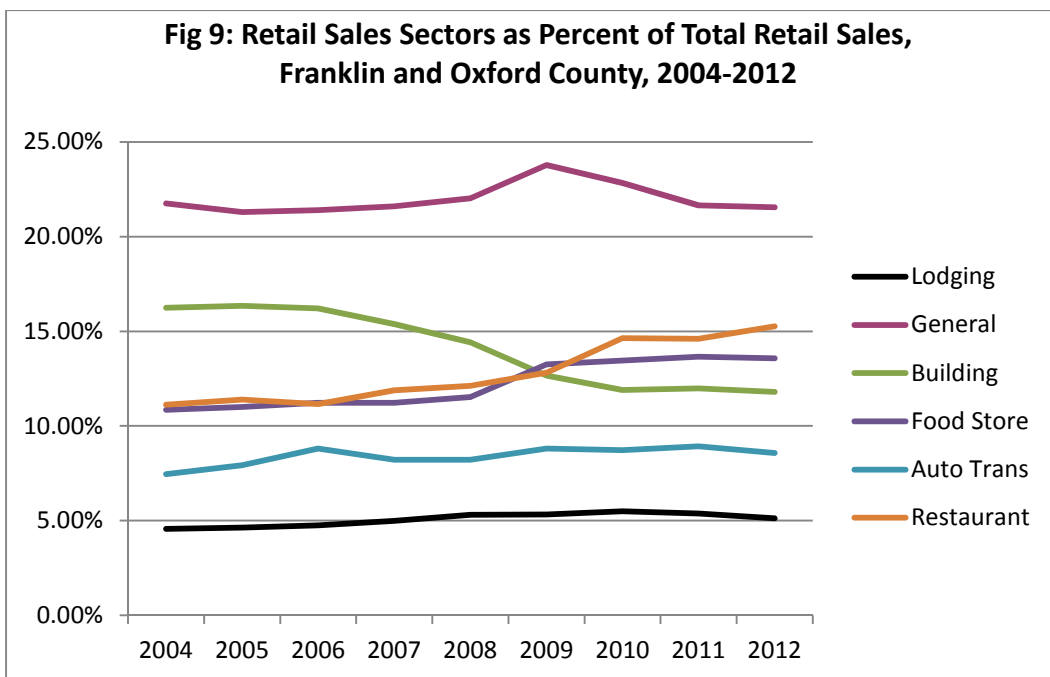


Figure 9: Source: Maine Office of Policy and Management, Maine retail sales based on data from Maine Revenue Services

One major factor affecting low lodging sales in Western Maine is that almost half of visitors come to the region to visit friends and relatives. According to the Maine Office of Tourism, overnight visitors to the region often use unpaid accommodations; staying with relatives or in their own or a friend’s cabin/cottage.^{xxxiv} In addition, the region as a whole lacks higher-priced hotels or B&Bs, which would increase dollars spent on lodging.^{xxxv}

D. Tourism Visitors

The western Maine lakes and mountains region attracted one of every ten visitors to Maine on average over the decade. Western Maine has experienced a steady decline from a high of 15% in 2002-2003 in Maine overnight visitors coming to the region over the decade and the number of visitors dipped further following the recession. Overnight visitors are nearly back to their pre-recession level, but are a long way from their 2002 peak (see figure 10).^{xxxvi}

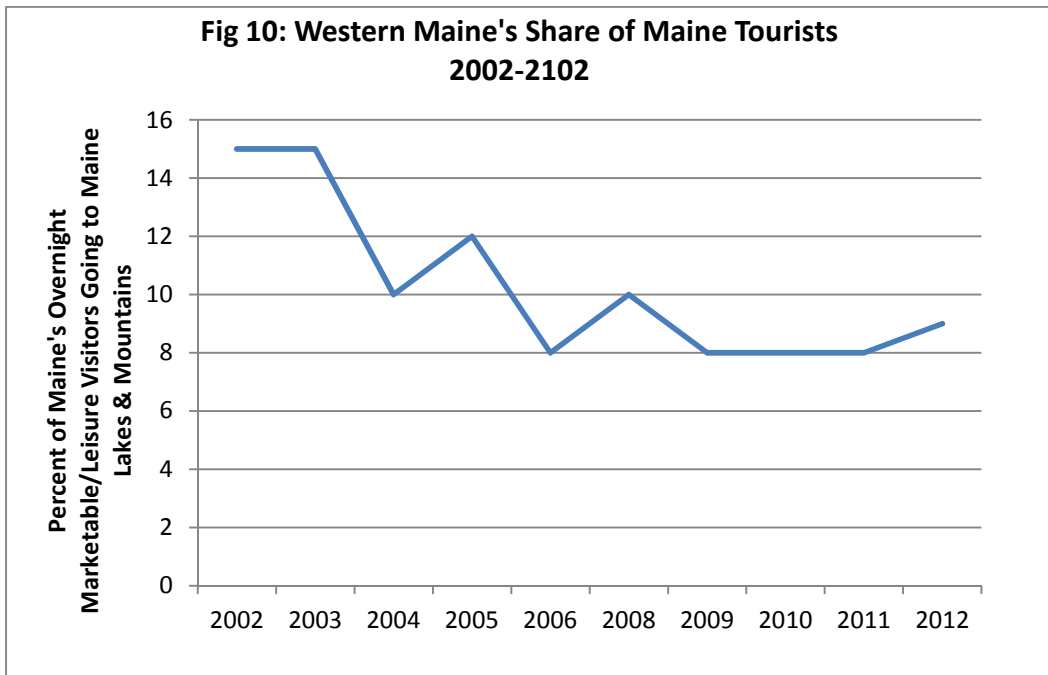


Figure 10: Source: Maine Office of Tourism, Maine Visitor Research, 2002-2012. No survey was conducted in 2007.

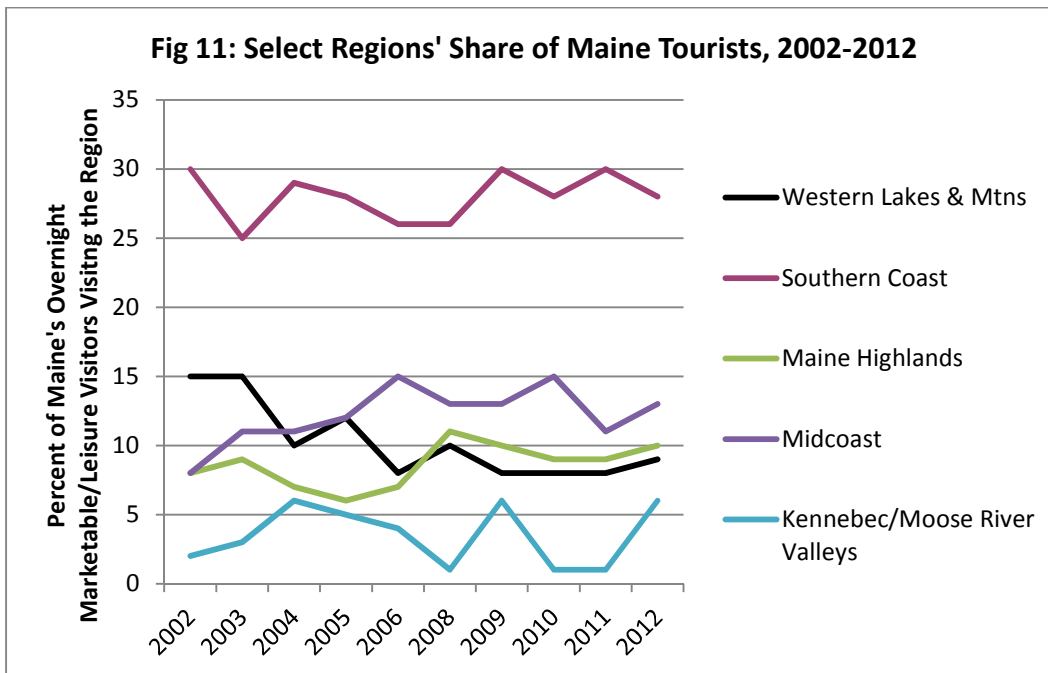


Figure 11: Maine Office of Tourism, Maine Visitor Research, 2002-2012. No survey was conducted in 2007.

Comparing the western lakes and mountains region with other select regions, the declines in Western Maine’s share of the state’s tourists are similar to other inland areas, while coastal regions have grown slightly (see figure 11).

Data show that the tourism investments the region has made are well-suited for the types of visitors it attracts, namely outdoor enthusiasts. Of the people coming to Western Maine to vacation,^{xxxvii} more say that outdoor recreation is the purpose for this visit than in any other region in the state (see figure 12).

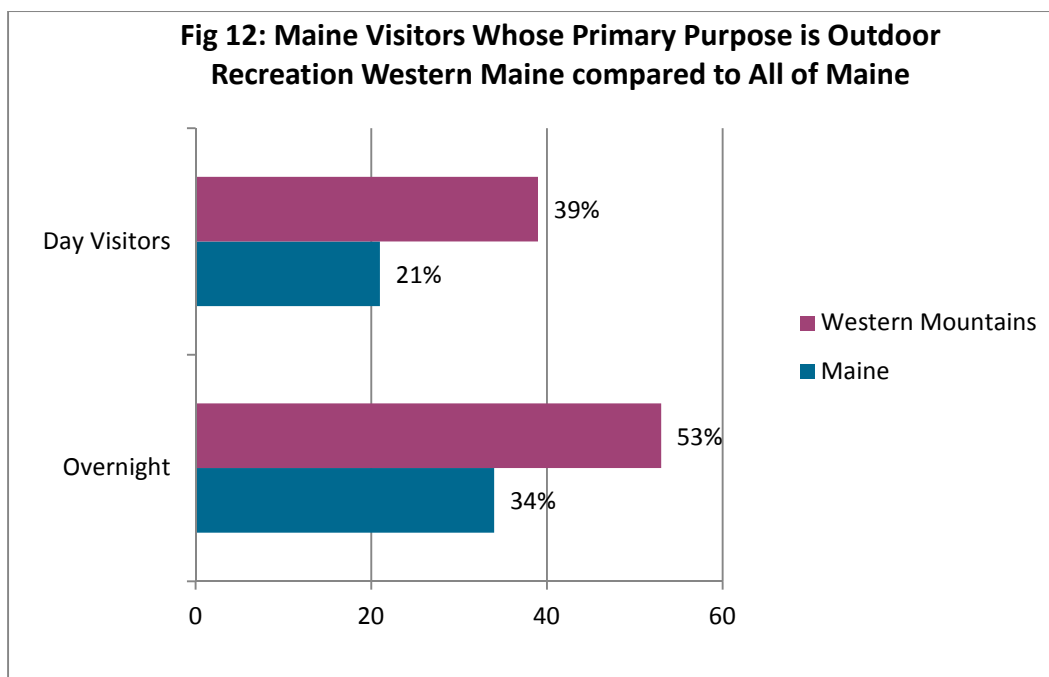


Figure 12: Source: Maine Office of Tourism, Visitor Tracking Research: Regional Insights, Maine Lakes and Mountains, April 2012. Leisure visitors only.

The most often reported outdoor activity in the lakes and mountains in 2012 was hiking and climbing (26%). Day trippers reported they came to kayak (11%), ski (10%), hike/climb/swim (10%).^{xxxviii} In addition to beautiful scenery and outdoor recreation options, tourists coming to Maine say they want: good roads and accessible attractions, good food and accommodations, a variety of activities, interesting attractions, and interesting history/culture at affordable prices.^{xxxix}

The number of overnight, vacationing visitors has declined. The region needs amenities and indoor activities to entice visitors to stay longer.

The number of people vacationing in Western Maine is cyclical and dependent on outdoor enthusiasts. The western counties of Franklin and Oxford have scenery and natural places to attract visitors. But the region also needs to provide the amenities and other activities needed to make them want to stay longer.

Additional Research Needed

During its analysis for this report, MECEP identified areas where additional research would improve the region's understanding of the value of tourism investment. These include:

1. An analysis of the impact of public investment in tourism amenities on private sector tourism product and service development, including the kinds of public investment that stimulate private investment.
2. A gap analysis of what tourism amenities are needed and where to locate them in order for tourism investment to enhance the region's destination appeal. This might include a survey of what tourists need for amenities in Western Maine.
3. An analysis of the economic impact of two recent, large projects, totaling \$14 million in investment in the region. The Rangeley Lakes Scenic Byway and Height of Land scenic turnout were completed in summer 2012. Crocker Mountain funding, approved by the U.S. Forest Service in 2012, will be expended this year.
4. An assessment of road infrastructure needs to support tourism growth.

IV. Conclusion

MECEP's research shows that tourism investment in Franklin and Oxford counties has been substantial, drawing the interest of private and public donors alike, and in some cases garnering more resources from grant programs than other counties. This is not coincidental. The region's many natural amenities are unique within and outside of Maine.

Investment in Western Maine needs to continue in order to support jobs and local businesses. Research shows that the initial investment creates 40-65 jobs annually and sustains jobs and business sales over time. With Oxford and Franklin counties still struggling with high unemployment rates, 8.4% and 9.4% respectively, increased investment is a way to help bolster Western Maine's economy.

Public and philanthropic tourism investment in Franklin and Oxford counties has conserved the region's natural heritage in a way that benefits both residents and visitors. Much of the investment was designed to stimulate the region's tourism economy.

To truly capitalize on its destination appeal and to attract overnight tourists, the region needs to transform its tourism offerings. Upgrading tourism amenities is part of the answer, along with product development and marketing. It is a proven way of preserving Western Maine's unique beauty and maintaining its appeal for the future. The region's vast mountains, trails, and other outdoor recreational assets serviced by top-quality public amenities and combined with an array of cultural attractions and meals and lodging options, can attract tourists' interest and spending that will result in greater economic gains.

About MECEP

The Maine Center for Economic Policy (MECEP) advances public policies that help Maine people prosper in a strong, fair, and sustainable economy. MECEP advances this mission through high-quality research, analysis, citizen education, and coalition building. MECEP is an independent, nonpartisan organization founded in 1994.

Acknowledgements

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Cover Photo: The Horn, seen from Saddleback Mountain, is a public domain photo from: http://commons.wikimedia.org/wiki/File:The_Horn_%28R%29_from_Saddleback_Mt_Maine.jpg

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This version has minor corrections to the text, October 23, 2013.

Appendices

A. State and Federal Grant Programs and Private Foundations

Table A1 lists the state and federal grant programs that provided funds over the period.

Table A1: Grant Programs Supporting Tourism, Franklin and Oxford Counties, 2002-2012, Without Match	
Federal	
American Recovery Act	\$ 25,000
EPA, Brownfields	\$ 200,000
EPA, Nonpoint Source Pollution	\$ 77,379
Federal Highway Administration, Bike/Pedestrian trails	\$311,212
Federal Highway Administration, Scenic Byways	\$ 4,042,562
Federal Highway Administration, Transportation Enhancement	\$ 2,550,084
Federal Highway Administration, Recreational Trails	\$2,453,863
National Park Service, Land & Water Conservation Fund	371,216
National Science Foundation	\$ 66,000
Northern Border Regional Development Commission	\$ 216,150
U.S. Department of Agriculture	\$ 47,600
U.S. Fish & Wildlife	\$ 260,000
U.S. Forest Service	\$ 9,843,000
U.S. Housing and Urban Development, Community Development Block Grants	\$ 8,509,333
Total Federal Funds	\$28,973,399
State	
ConnectME Authority, Broadband	\$ 508,833
Communities for Maine's Future	\$ 400,000
ME Dept of Conservation, ATV trails	\$ 807,856
ME Dept of Conservation, Boating Facilities	\$ 278,957
ME Dept of Conservation, Snowmobile Trails	\$ 5,062,208
Land for Maine's Future	\$ 6,374,521
ME Arts Commission	\$ 113,000
ME Natural Resource Conservation Program	\$ 632,851
ME Outdoor Heritage Fund	\$ 364,864
New Century Community	\$ 83,656
Total State Funds	\$14,626,746
Source: compiled by Maine Center for Economic Policy, 2012-13	

Private foundations are shown in table A2:

Table A2: Private Foundations Supporting Tourism, Franklin and Oxford Counties, 2002-2012	
Betterment Fund	\$ 1,603,500
Davis Family Foundation	\$ 362,850
Elmina B. Sewall Foundation	\$ 785,000
Environmental Funders' Network	\$ 95,500
Maine Community Foundation	\$ 70,527
Misc Small Donors	\$ 31,500
National Fish & Wildlife Foundation	\$ 100,000
Western Maine Sustainable Development Collaboration	\$ 400,000
Total Philanthropic	\$3,448,877
Source: compiled by Maine Center for Economic Policy, 2012-13	

B. Amount of Match Leverage by Grant Program

Table B1 shows the amount of match leveraged by the state and federal grant programs.

Table B1: Amount of Match Leveraged, 2002-2012, by Grant Program^{xi}				
Grant Program	Grant Funds Awarded	Match Leveraged	Total	Dollar of Match for Every Grant Dollar
Federal				
American Recovery Act	\$ 25,000	\$ 12,500	\$ 37,500	\$ 0.50
EPA, Nonpt Source Pollution	\$ 77,379	\$ 52,086	\$ 129,465	\$ 1.19
FHA, Recreational Trails	\$ 2,453,863	\$ 490,773	\$ 2,944,636	\$ 0.20
FHA, Scenic Byways	\$ 4,042,562	\$ 168,512	\$ 4,211,074	\$ 0.04
FHA, Transp Enhancement	\$ 2,550,084	\$ 205,758	\$ 2,755,842	\$ 0.08
National Park Service, LWCF	\$ 371,216	\$ 185,608	\$ 556,824	0.50
Northern Border Regional Development Commission	\$ 216,150	\$ 145,750	\$ 361,900	\$ 0.67
U.S. Fish & Wildlife	\$ 260,000	\$ 1,154,800	\$ 1,414,800	\$ 4.44
U.S. Forest Service	\$ 9,843,000	\$ 2,748,250	\$12,591,250	\$ 0.28
HUD, CDBG	\$ 8,509,333	\$ 2,127,333	\$10,636,666	\$ 0.25
State				
ConnectME	\$ 508,833	\$ 817,201	\$ 1,326,034	\$ 1.61
Communities for ME Future	\$ 400,000	\$ 400,000	\$ 800,000	\$ 1.00
DOC, ATV trails (Municipal)	\$ 308,053	\$ 92,416	\$ 400,469	\$ 0.30
DOC, Snowmobile Trails (Municipal)	\$ 3,727,408	\$ 1,118,222	\$ 4,845,630	\$ 0.30
Land for Maine's Future	\$ 6,374,521	\$8,874,665 ^{xii}	\$15,249,186	\$ 1.39
ME Arts Commission	\$ 113,000	\$ 113,000	\$ 226,000	\$ 1.00
ME Outdoor Heritage Fund	\$ 364,864	\$ 120,405	\$ 485,269	\$ 0.33
New Century Community	\$ 83,656	\$ 56,006	\$ 139,662	\$ 0.67
Source: compiled by Maine Center for Economic Policy, 2012-13				

C. Region's Share of State Funds

MECEP looked at three grant programs to determine the share of funds awarded to Franklin and Oxford counties combined: U.S. Forest Legacy program, Land for Maine's Future, and state snowmobile grants.

1. Forest Legacy

The Forest Legacy Program (FLP), in partnership with states, provides grants to purchase easements that protect forest lands without removing the property from private ownership. Most FLP conservation easements restrict development, require sustainable forestry practices, and protect wildlife, habitat, water quality, and public access for recreation.

Over the history of the program, the U.S. Forest Service has awarded \$37 million to Maine. Thirty-two percent of those funds went to Franklin and Oxford counties for Grafton Notch, Crocker Mountain, and Orbeton Stream. FLP awarded more funding to Franklin and Oxford counties together than any other county in Maine.

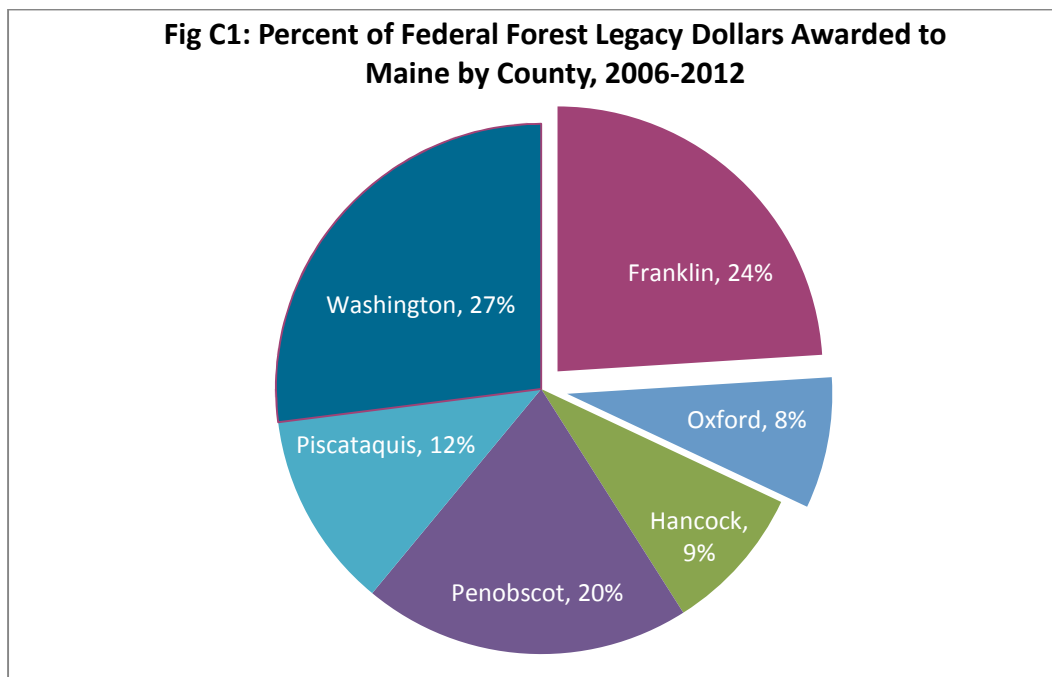


Figure C1: Source: U.S. Forest Service, Forest Legacy Program

2. Land for Maine's Future

The Land for Maine's Future Program provides funds to conserve land for its natural and recreational value. Between 1987-2008, LMF administered \$112 million in voter-approved bonds. Franklin and Oxford Counties combined received 8.2% of funds expended on conservation and recreation land acquisition, placing them in the top third of all counties..^{xlii}

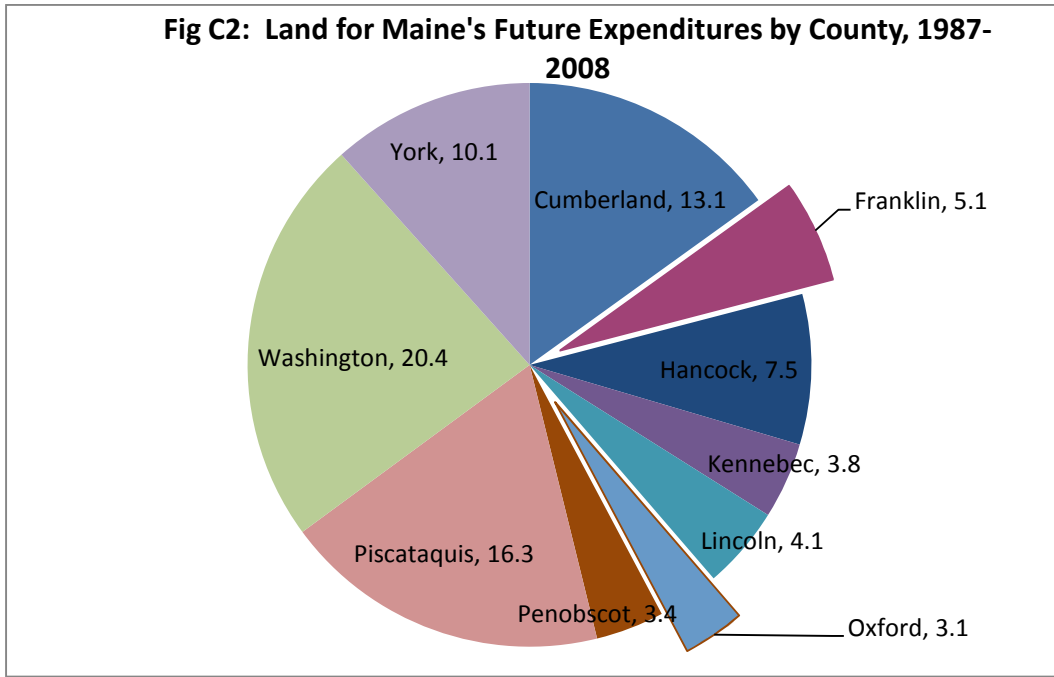


Figure C2: Source: Land for Maine's Future Program. This chart shows the top 10 counties. The remaining counties received less than 3% of funding.

3. Snowmobile Trail Maintenance

The State provides grants to municipalities and snowmobile clubs for grooming and maintaining snowmobile trails. During the period 2002-2012, the state invested over \$28 million statewide in trail maintenance. Franklin and Oxford counties received 18% of this funding, the third highest region funded behind Aroostook and Penobscot.

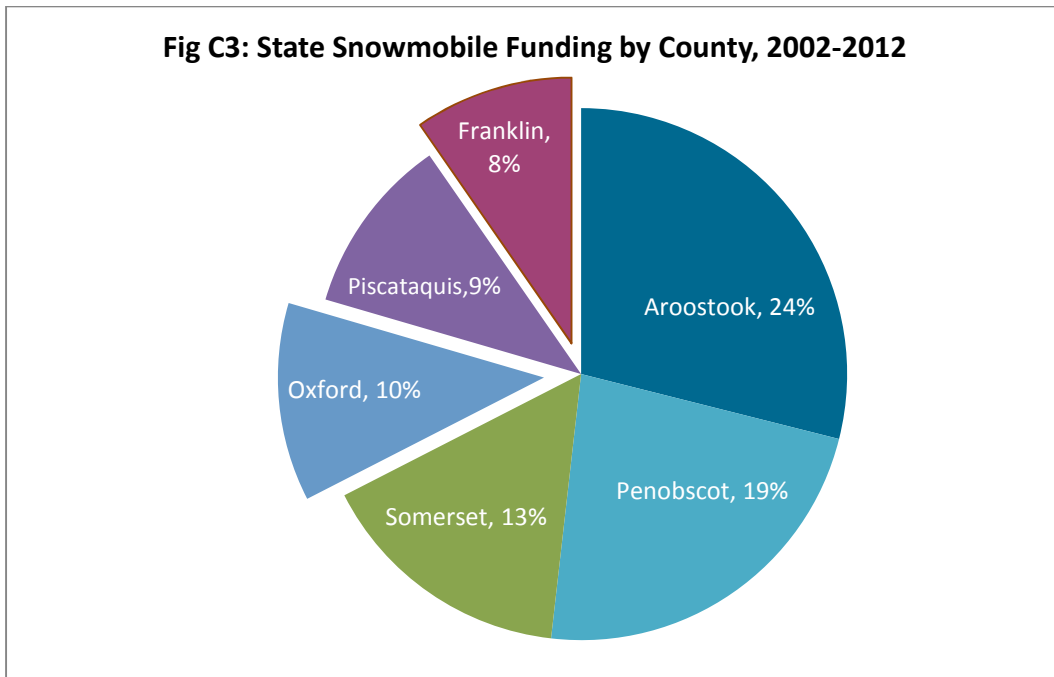


Figure C3: Source: Maine Department of Agriculture, Forestry, and Conservation. This shows the six highest funded counties. The remaining counties received 3% or less of the total state funding.

D. Tourism Planning and Development Organizations

Maine's Lakes & Mountains Tourism Council

Established in 1992, Maine's Lakes and Mountains Tourism Council (MLMTC) is a non-profit Maine corporation that promotes and advertises the state's lakes and mountains region. The council plans for tourism growth, promotes the region, coordinates with other tourism partners and provides assistance to their members throughout Western Maine. Current MLMTC members include the chambers of commerce for Androscoggin County, Bethel Area, Greater Bridgton Lakes Region, Franklin County, Jay-Livermore-Livermore Falls, Oxford Hills, Rangeley Lakes Region, River Valley Area, Sebago Lakes Region, as well as the Flagstaff Area Business Association and Androscoggin Valley Council of Governments.

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Mobilize Western Maine

Mobilize Maine is a citizen-led initiative that establishes goals and strategies to enhance the region's economy based on its indigenous assets and opportunities. It identifies regional priorities that will become the basis for private, public, and philanthropic investment in each economic region, with a focus on measurable outcomes, firm timeframes, benchmarks for action, and assigned responsibility for getting things done. The effort is facilitated by the Androscoggin Valley Council of Governments.

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Androscoggin Valley Council of Governments

AVCOG is a regional planning and economic development organization comprised of and governed by its member municipalities in Androscoggin, Franklin, and Oxford counties. It serves as the region's economic development district and manages federal funds directed at the region through its Comprehensive Economic Development Strategy (CEDS). Through the CEDS planning process, member towns also develop a regional investment plan that identifies and prioritizes capital infrastructure needs. This plan allows the region to focus on and respond to regional development efforts.

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Western Mountains Alliance

In 1988, a group of civic-minded individuals from across western Maine formed the Western Mountains Alliance (WMA) to seek a sustainable development strategy for a region struggling with long-term economic decline. Today, the organization serves as an advocate for change by promoting innovative and cooperative ways of solving problems, and partnering with dozens of other organizations to implement vital education, business, finance, environment, community development, public policy, and health-related projects spanning the region.

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Greater Franklin Development Organization

In 1998, a group of local business people established the Greater Franklin Development Corporation (GFDC) to strengthen economic development in the greater Franklin County area. Its goal is to create and retain quality employment opportunities in Franklin County by attracting new businesses, assisting local employers, and encouraging entrepreneurship. GFDC is a nonprofit organization that receives funding annually through multiple sources: Franklin County government, grants, and private businesses.

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Franklin County Tourism Network

The Franklin County Tourism Network aims to establish Franklin County as a visitor destination. The Tourism Network works to increase business revenue for both businesses and nonprofits, as well as encourage business development and growth.

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Franklin County Network of Networks

The Network of Networks is an association of committed people with a new way of doing business. The group formed a network with the intention of creating a “brand” for Franklin County. This brand will give the county an identity that can attract new visitors and businesses and give the county a personality that differentiates it from other destinations around the world.

Members of the network come from the University of Maine at Farmington, Franklin Community Health Network, Bangor Savings Bank, Franklin Savings Bank, the Greater Franklin Development Corporation, Western Mountains Alliance, Franklin County Chamber of Commerce, Rangeley Lakes Region Chamber of Commerce, Mt. Blue Regional School District, and many towns. Interested citizens and business leaders have also participated.

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Web: <http://www.franklincountymaine.com/>

Maine Woods Consortium

The Maine Woods Consortium (MWC), formed in 2008, is an open association of non-profit organizations, businesses and government agencies dedicated to advancing a “triple bottom line” approach (economy, environment, community) to development and conservation in the Maine Woods region. The MWC includes many of the economic and community development organizations in the Maine Woods and is closely aligned with the opportunities and challenges facing the region’s people, businesses and communities. It operates a website and publishes a periodic newsletter (circulation:

1,200) intended to inform Maine Woods stakeholders of significant initiatives and trends and to encourage coordinated action across a number of sectors.

The Maine Woods Consortium aims for a collaborative approach to experiential destination tourism development. Current MWC tourism development activities include: 1) Maine Woods Tourism Training Initiative; 2) Maine Woods Tourism Quality Labeling Research; and 3) Maine Woods Discovery.

CONTACT:

Mike Wilson, MWC Network Coordinator
Maine Woods Consortium
Tel: (207) 767-9952
Email: mwilson@northernforest.org
Web: <http://www.mainewoodsconsortium.org/>

The Mahoosuc Initiative

The Mahoosuc Initiative was formed by three local partners—the Mahoosuc Land Trust, Androscoggin River Watershed Council, and Northern White Mountain Chamber of Commerce—and the Northern Forest Alliance, led by its member groups the Appalachian Mountain Club, Appalachian Trail Conservancy, and The Wilderness Society. More recently, the Tri-County Community Action Program has joined this team. The Mahoosuc Initiative’s advisory board of more than 30 local stakeholders from Mahoosuc communities includes local officials, business owners, and outdoor enthusiasts.

The Mahoosuc Initiative seeks to spur visioning efforts for the region’s future by identifying the region’s most valuable natural assets, tracking the trends that are changing the region’s lands and communities, and providing a toolbox of ideas for communities to direct future changes. The Mahoosuc Initiative partners also support land conservation projects in the Mahoosuc region.

CONTACT:

Jim Mitchell
Mahoosuc Land Trust
Tel: (207) 824-3806
Email: jm@mahoosuc.org
Web: <http://www.mahoosucinfo.org/index.html>

Western Maine Economic Development Council

The Western Maine Economic Development Council (WMEDC) provides business assistance to create economic opportunity in Western Maine.

CONTACT:

Glen Holmes, Director
Email: GHolmes@community-concepts.org
Web: <http://wmedc.org/>

E. Funding Opportunities

The following are suggested grant opportunities for expanding tourism investment in Franklin and Oxford counties.

1. Broadband

Broadband funding not only leverages the most match funding, but money continues to be available and it meets a specific tourism demand for more social media and web-based trip planning and information.

Funding for broadband expansion comes from a 0.25% surcharge on instate communications services. This surcharge is managed by the ConnectME Authority, that provides grants to local municipalities, counties, local government authorities, or private broadband companies in unserved areas. Applicants must have an internet service provider (ISPs) as a partner who is willing to provide broadband service to the area. Applicants must match 50% of the project cost.

By 2012, following seven rounds of grants, ConnectME had awarded \$8 million to projects in Maine.^{xiii} The Authority awarded a new, eighth round of grants in May 2013. A new grant cycle begins every 10 months.

For more information:

David W. Maxwell, Program Director

ConnectME Authority

TEL: 624-9970 or 592-0668

Email: David.W.Maxwell@maine.gov

Web: <http://www.maine.gov/connectme/grants/index.shtml>

2. Transportation Enhancement

Federal transportation enhancement grants can assist the region with providing green infrastructure, improving scenic views, building trails, or acquiring scenic easements or historic sites.

Projects must be proximate to a highway or a pedestrian/bicycle corridor and enhance the aesthetic, cultural, or historic aspects of the travel experience. A 20% local match is required.

Eligible projects include:

1. Provision of facilities for pedestrians and bicycles.
2. Provision of safety and educational activities for pedestrians and bicyclists.
3. Acquisition of scenic easements and scenic or historic sites (including historic battlefields).
4. Scenic or historic highway programs (including tourist and welcome center facilities).
5. Landscaping and other scenic beautification.
6. Historic preservation.
7. Rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals).
8. Preservation of abandoned railway corridors (including the conversion and use of the corridors for pedestrian or bicycle trails).
9. Inventory, control, and removal of outdoor advertising.

10. Archaeological planning and research.
11. Environmental mitigation to address water pollution due to highway runoff; or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity.
12. Establishment of transportation museums.^{xliv}

MaineDOT manages the application process. Grant cycles typically run every two years.

For more information:

Dan Stewart, Quality Community Program Manager

Maine Department of Transportation

TEL: 624-3252

Email: dan.stewart@maine.gov.

Web: <http://www.maine.gov/mdot/pqa/qcp/enhancement/>

3. Farmers Market Promotion Program

The USDA annually provides \$9-10 million in grants nationally to expand agri-tourism and farmers' markets and community-supported agriculture. These funds can help the region expand tourism opportunities and promote local food. A wide array of activities is eligible for funding. See: <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELPRDC5097741&acct=fmpp>

Eligible entities include: agricultural cooperatives, producer networks, producer associations, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers market authorities, and Tribal governments. Grant awards may not exceed \$100,000. Matching funds are not required.

The Farmers Market Promotion Program (FMPP) is administered by the Marketing Grants and Technical Services Branch of the Marketing Services Division within the Agricultural Marketing Service (AMS).

For more information:

Agricultural Marketing Service

U.S. Department of Agriculture

TEL: 202-720-0933

WEB: <http://www.ams.usda.gov/AMSV1.0/FMPP>

The Maine Department of Agriculture also has grant and loan programs to assist farmers. For more information: <http://www.maine.gov/agriculture/mpd/business/>

4. Art and Heritage Grants

The region has many traditions to celebrate. Grant funds can help establish heritage events, preserve historic sites, and launch new cultural events that appeal to tourists' growing demand for authenticity and connections with local people. Philanthropic funds are a good source for these kinds of investments, including:

Maine Community Foundation

The Maine Community Foundation has several applicable funds:

- The [Oxford County Fund](#) supports nonprofits in Oxford County.
- The [Maine Expansion Arts Fund](#) supports indigenous, ethnic, or rural arts programs or projects.
- The [Maine Steeples Project](#) funds the preservation of church steeples of historic, cultural, and community significance.
- The [Maine Theater Fund](#) supports professional and community theaters in the production and presentation of live theater.

The Betterment Fund

The Betterment Fund was created for charitable purposes by the will of the late William Bingham, 2nd, a resident of Bethel, Maine, who died in 1955. The fund has made significant contributions to Franklin and Oxford counties. Funding priorities include: tourism, conservation, and arts and cultural assets. For more information: <http://www.megrants.org/betterment/currentpriorities.html>.

Stephen and Tabitha King Foundation

The Kings provide support for Maine communities. They often fund libraries and the arts. For more information: <http://www.stkfoundation.org/Guidelines.aspx>.

Data Notes

Investment Data. This report looked at tourism investment for capital and infrastructure. It does not include tourism marketing and promotion.

Partial Data. There is not 10 years of data for all grants. Some grants were new during the period. Some grants were awarded sporadically, not annually. Some grants ran out of money and were halted after a period of time. Some grant data not available as far back as needed. In addition, some philanthropic groups do not publish grant awards or only started doing so recently and so a full 10-year dataset for philanthropic funds is not complete.

Match Data. Where actual match data were available, they were used. Where grant guidelines indicated a percentage match was required, we calculated the match by applying the specified percentage to the grant award. There was little to no published data about amount of match for philanthropic grants.

Categorizing Funds. We made our best determinations about assigning investment to a source or funding category. For example, CDBG because the source of funds is U.S. Department of Housing and Urban Development, were classified as federal. For Land for Maine's Future, we classified grants as conservation if they were mainly conservation-type projects. We erred on the side of outdoor recreation. If projects contained outdoor recreation components, we classified the whole project as outdoor recreation.

Employment and Wage Data: CWRI keeps wage and employment data confidential for small sectors to protect individual employer's confidential information. MECEP was able to look at this data but signed a confidentiality agreement not to release it publicly. For this reason, this report provides only aggregate data for the Leisure and Hospitality super sector and does not break down smaller sectors within it such as accommodations and arts and entertainment.

Tourism Data. The Maine Lakes & Mountains region covers Franklin and Oxford counties, but also includes parts of Cumberland and Androscoggin counties. The Maine Office of Tourism does not break out tourists by region annually because the data sample is too small to be statistically significant. In 2008, the Office conducted a more robust survey with a larger sampling for each of Maine's tourism regions. The data in this report uses the 2008 visitor research for the number of visitors in 2008. It uses the percentage of tourists choosing the lakes & mountains regions as their primary destination when visiting Maine, as reported in Maine Visitor Research reports, 2002-2012. There may be slight variations in the methodology between two different research companies before 2007 and after 2007. No survey research was conducted in 2007.

Endnotes

ⁱ Maine Office of Tourism. 2008 Maine Lakes and Mountains Visitation Report: Executive Summary, October 5, 2009. See: <http://www.visitmaine.com/tourism/info/research/>. This number includes day trippers and overnight visitors in three categories: leisure, business, and visiting friends and relatives. For this study, MECEP is mostly interested in the overnight, leisure tourists as those are the “marketable” visitors. In 2008, the Western Maine Lakes and Mountain’s region had 1.25 million overnight, leisure visitors.

ⁱⁱ Maine Dept of Labor, Center for Workforce Research and Information (CWRI).

ⁱⁱⁱ Including matching dollars.

^{iv} Vail, David. Amenity Investments & Tourism Destination Development. Maine Center for Economic Policy: Augusta, ME, August, 2010.

^v In 2012, MECEP helped craft LD 829, An Act to Authorize a General Fund Bond Issue to Invest in Transportation, and Other Tourism-related Infrastructure, which would have provided \$100,000 for transportation, broadband, downtown revitalization, land conservation, and employee training facilities to support tourism in rural Maine. The bill failed in committee.

^{vi} In MECEP’s 2010 report, *Amenity Investments & Tourist Destination Development*, Professor David Vail defines tourism amenities as, “human-created, place-based attributes that enhance visitors’ quality of experience.”

^{vii} Vail, David. Amenity Investments & Tourism Destination Development. Maine Center for Economic Policy: Augusta, ME, August, 2010.

^{viii} See data notes elsewhere in this report for an explanation of the data limitations and assumptions.

^{ix} Many philanthropic organizations consider match when awarding funds, but it is frequently not listed or made public. While, philanthropic funds garner match, it is not included in this analysis because of the data was not available. Nevertheless, philanthropic funding in turn provides needed match that often makes applicants eligible for federal or state grants.

^x The matching funds identified in this report are cash match.

^{xi} To avoid double counting, MECEP deleted the amount of the federal grant award from the match total for several LMF projects where the same federal funds were used for LMF match as were reported as federal grant awards. There may be some small inadvertent double counting of match where other projects relied on multiple funding sources that MECEP was not able to discern.

^{xii} To avoid double counting, MECEP deleted the amount of the federal grant award from the match total for several LMF projects where the same federal funds were used for LMF match as were reported as federal grant awards. There may be some small inadvertent double counting of match where other projects relied on multiple funding sources that MECEP was not able to discern.

^{xiii} The State administers the federal Community Development Block Grant (CDBG) program, whose funding comes from the U.S. Dept of Housing and Urban Development. In this report CDBG dollars show up under federal funds.

^{xiv} This section includes only funds for land acquisition for trails. Construction and maintenance of trails is separate and included in green infrastructure.

^{xv} Federal agencies granted additional scenic byway funds for the Maine High Peaks scenic byway earlier than 2002 so that investment preceded the time horizon of this report.

^{xvi} The spike in 2009 is from the Rangeley Lake Scenic Byway; and in 2012, the Crocker Mountain project.

^{xvii} The Mahoosuc Initiative provides planning tools to help the region envision its future. The Maine Woods Consortium provides training and education to expand Maine’s rural economy through the responsible and creative use of natural, historical, and cultural resources. The Western Mountains Alliance and the region’s two economic development corporations help with planning, problem-solving, and business attraction. The Maine’s Lakes & Mountains Tourism Council, whose membership includes chambers of commerce from both counties, develops and implements a regional marketing program for tourism and business attraction.

^{xviii} FERMATA, Inc. Strategic Plan for Implementing the Maine Nature Tourism Initiative, September 2005.

^{xix} Maine Office of Tourism. Visitor Tracking Research: Regional Insights, Maine Lakes and Mountains, April 2013. See: <http://www.visitmaine.com/tourism/info/research/>.

^{xx} Ibid.

^{xxi} Maine Office of Tourism. 2012 Visitor Tracking Research, April 2013. See: www.visitmaine.com/tourism/info/research/.

^{xxii} Vail, David. Amenity Investments & Tourism Destination Development. Maine Center for Economic Policy: Augusta, ME, August, 2010. The survey respondents also rated tourism promotion and small business support as priorities, but they are not the types of investments analyzed in this report.

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- ^{xxiii} Moore, Joshua. Downeast. "Fly Rods & Fish Tales," June 2011.
- ^{xxiv} The university received an anonymous donation for this project in 2001, just prior to the 10 years covered by this report.
- ^{xxv} For purposes of computing the average funds per year, MECEP took out the 2007 match for Grafton Notch (\$2 million), 2009 Rangeley Lake scenic byway (\$3.2 million) and the 2012 Crocker Mountain (\$7 million) investments as outlying, singular investments that would distort the average. This average also includes match.
- ^{xxvi} MECEP used the leisure and hospitality super sector as its proxy for tourism employment. This employment data include accommodations and food services as well as arts, entertainment, and recreation. This is not a perfect measure of tourism-related employment. Many residents eat in local restaurants in addition to tourists. Further tourists use other businesses such as gasoline stations, retail stores, charter bus services, etc. Nevertheless, MECEP chose this sector as it is the most closely representative of tourism businesses of all the sectors.
- ^{xxvii} Employment is the total number of persons on establishment payrolls employed full- or part-time who received pay for any part of the pay period that includes the 12th day of the month.
- ^{xxviii} Per Chris Boudreau of CWRI, the 2011-2012 spikes in employment of 8.8% are due to the mid-year Oxford Casino opening. The 2013 average number of jobs is likely to be higher, but growth after that is likely to be lower. August 5, 2013.
- ^{xxix} MECEP used the leisure and hospitality super sector as its proxy for tourism wages. Again we recognize that it is not a perfect measure because workers that serve tourists are also found in other sectors and these workers also serve residents in addition to tourists. MECEP chose this sector as it is the most closely representative of tourism businesses of all the sectors.
- ^{xxx} Vail, David. Sustaining Nature-based Tourism in Vacationland. Prepared for the Blaine House Conference on Maine's Natural Resource-based Industry, November 2003.
- ^{xxxi} Maine Office of Tourism. Visitor Tracking Research: Regional Insights, Maine Lakes and Mountains, April 2013. See: <http://www.visitmaine.com/tourism/info/research/>.
- ^{xxxii} Barringer, Richard. Changing Maine: 1960-2010. Tilbury House Publishers, Gardiner, ME, 2004, Chapter 22 by David Vail, *Tourism in Maine's Expanding Service Economy*.
- ^{xxxiii} MECEP selected lodging sales as its proxy measure for tourism sales. Although they represent only a portion of overall tourism sales (which would also include restaurant meals, automobile rental, and other retail), their origin is almost exclusively out-of-town visitors. This data include both leisure and business travelers.
- ^{xxxiv} Davidson-Peterson Associates. 2008 Maine Lakes and Mountains Visitation Executive Summary. Prepared for the Maine Office of Tourism, October 5, 2009.
- ^{xxxv} Vail, David. Amenity Investments & Tourism Destination Development. Maine Center for Economic Policy: Augusta, ME, August, 2010.
- ^{xxxvi} These numbers include only Leisure and Primary visitors. If we include business travelers, family visits, and secondary visitors, the total number of visitors to the Lakes & Mountains region is: 2.9 overnight visitors and 1.78 day visitors totaling 5 million visitors in 2008, the only year for which this dataset is available in this way.
- ^{xxxvii} As opposed to business trips or family visits.
- ^{xxxviii} Maine Office of Tourism. Visitor Tracking Research: Regional Insights, Maine Lakes and Mountains, April 2013. See: www.visitmaine.com/tourism/info/research/.
- ^{xxxix} Maine Office of Tourism. 2012 Visitor Tracking Research, April 2013. See: www.visitmaine.com/tourism/info/research/.
- ^{xl} If a program or agency does not appear here, there is no match requirement or the matching dollars are unknown.
- ^{xli} To avoid double counting, MECEP deleted the amount of the federal grant award from the match total for several LMF projects where the same federal funds were used for LMF match as were reported as federal grant awards. There may be some small inadvertent double counting of match where other projects relied on multiple funding sources that MECEP was not able to discern.
- ^{xlii} The dollar amount of LMF expenditures for Franklin and Oxford counties is not 8.2% of \$112 million because 8.2% represents funds expended and \$112 million represents funds awarded. Not all funds awarded had been expended at the time this data was released.
- ^{xliii} ConnectME Authority Web site. See: <http://www.maine.gov/connectme/grants/index.shtm>
- ^{xliv} National Transportation Enhancement Clearinghouse. Communities Benefit. See: <http://atfiles.org/files/pdf/enhbenefit05.pdf>, undated.