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Reports Show Economic Potential of New Maine National Park

PORTLAND – Elliotsville Plantation, which is considering a donation of land to create a national park and recreation area in Maine, today released two new reports that examine the impact of parks on similar communities around the country and the potential impact in Penobscot and Piscataquis counties.

“By looking at regions that are similar to Penobscot and Piscataquis counties, we see strong evidence that a national park or a combination of a national park and a recreation area can help the economy to grow faster,” said Lucas St. Clair, the president of the board for Elliotsville Plantation. “The economy and the population of the two counties have shifted dramatically over time. A regional approach that builds on the area’s strengths, paired with investments in things such as education, could lead to new jobs, new industries and new opportunities for the more rural parts of Penobscot and Piscataquis.”

The two reports released today review the regional economy of Penobscot and Piscataquis counties and conduct a comparison of 16 similar communities elsewhere in the U.S. with a national park, a national park and recreation area or recreation area only.

Charles Colgan, Maine economist and associate director of the Maine Center for Business and Economic Research, reviewed the reports and described them as well-done and well-presented.

“Together the reports provide strong evidence that an economic development strategy for north-central Maine based on the development of a national park and/or recreation area could successfully halt or reverse the increasingly distressed conditions in this regional economy,” Colgan said.

The reports found that communities adjacent to national parks or national parks and recreation areas outpaced the U.S. average and Penobscot and Piscataquis counties for economic growth, including population, employment and real personal income. Regions with only a recreation area showed mixed performance.

“A national park and recreation area has the potential to stimulate tourism and attract new people, including a younger population,” said Ben Alexander, associate director for Headwaters Economics. “There’s the potential to create, directly and indirectly, more than a thousand jobs over time. A more conservative estimate suggests that attracting just 15 percent of the visitors to Acadia National Park would create about 450 jobs.”

Headwaters Economics is an independent, nonprofit research group with a mission of improving community development and land management decisions. Headwaters’ work was reviewed by prominent Maine economists and public policy experts, who helped to inform the way the research was conducted and to ensure that it is accurate.

The reports are available online at: <http://headwaterseconomics.org/land/reports/katahdin>

To create the report, the researchers worked on the assumption that there would be up to 150,000 acres of land donated to the National Park Service, of which 75,000 acres would be a national park and 75,000 would be a national recreation area.

There is no specific plan concerning the creation of a national park, St. Clair said. Any park would be contained within discrete and finite boundaries, which have not been developed, and the assumptions used in the report are not a statement of position or a prejudgment of any forthcoming plan. Instead, it is a broad generality to allow for comparisons.

“We have a lot more work to do, more conversations to have and a lot more to learn to help shape a possible plan for a national park. But providing Headwaters Economics with a broad concept was necessary to develop the analysis,” St. Clair said. “Elliotsville Plantation is committed to helping protect the special places in our state and preserving access to recreational activities including hunting, fishing, hiking, camping and snowmobiling. We are continuing to explore how these goals might be advanced through the creation of a national park and a recreational area.”

The potential national park and recreation area would be on land owned by Elliotsville Plantation east of Baxter State Park along the East Branch of the Penobscot River.

Video of the area, which can be used by the media, can be found at:
<http://www.youtube.com/watch?v=U22Jn7yR8Ok&feature=youtu.be>

Elliotsville Plantation was established in 2002 as a private operating foundation for the acquisition and conservation of land and the preservation of open space for the benefit of the public and the conduct of educational and stewardship programs. The foundation now manages more than 100,000 acres of wild forest and coastal lands in northern, north-central, and mid-coast Maine.

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Key Findings:

“A Comparative Analysis of the Economies of Peer Counties with National Parks and Recreation Areas to Penobscot and Piscataquis Counties, Maine”

The data in this report support a number of conclusions about the economies associated with peer national parks and national recreation areas to the Katahdin Region.

Growth Performance:

Peer regions with *only* a national park in every case outpaced the United States and Penobscot and Piscataquis counties in standard measures of economic growth—population, employment, and real personal income—from 1970 to 2010.

Peer national park *and* national recreation area regions in every case outpaced the United States and Penobscot and Piscataquis counties in standard measures of economic growth. This peer grouping consistently posted higher growth rates across the range of socioeconomic measures.

Regions with national recreation areas *only* show mixed performance compared to the United States and Penobscot and Piscataquis counties in standard measures of economic growth. Half came out ahead of and half behind the U.S.; just over half outperformed Penobscot County; and all but one national recreation peer grew more quickly than Piscataquis County.

Shift in Economic Structure:

Peer national park and national recreation area regions generally have seen their economies diversify into predominately services-oriented economies, paralleling broader industry trends and growth opportunities at the state and national level.

Peer national park and national recreation area regions have been successful competing for relatively higher-wage services industries such as health care, finance and insurance, and professional and technical services.

Across the country, as in most peer regions, manufacturing (often with a forest products emphasis) and construction account for most job losses from 2001 to 2010.

National recreation area regions without associated national parks generally have been less successful at making a transition to a modern services economy, which may explain their greater difficulty sustaining growth over time.

General Economic Impacts:

Recreational visitation and visitor spending make important economic contributions to national park and national recreation area region economies. These benefits include non-local spending that supports local jobs and businesses, and National Park Service jobs and payrolls.

National parks are generally considered the gold standard for protected areas. They have the highest visibility and arguably the best brand with domestic and international visitors.

When combined with national parks, peer national recreation areas draw more visits and spending as well as support greater employment benefits.

Peer national park and national recreation area regions stimulate more than travel and tourism activity; they also are strongly associated with diversifying economies that support relatively rapid rates of economic growth.

Potential Job Impacts:

To estimate jobs that could potentially be created by a new national park and national recreation area, Headwaters Economics evaluated National Park Service data for nine of the 10 national park peers examined in the report, including four that also have national recreation areas nearby. Spending by visitors in the local economy resulted, on average, in 839 local private sector jobs. These park units also directly employed, on average, 216 National Park Service workers and contractors. The combined average private and public sector employment related to these parks was 1,055 jobs.

Another way to estimate the potential jobs impact is to assume that a new national park in the Katahdin Region would capture a percentage of the 2.5 million annual visitors to nearby Acadia National Park. If a new park captures 15 percent of the visitation to Acadia National Park (375,600 visitors) and visitor spending is typical of what it is in similar national parks (\$56/day), a new park could potentially create 451 new private sector jobs. The National Park Service also would create additional public sector jobs.

The above estimates reflect potential jobs directly tied to visitation, tourism, and National Park Service employment. In addition, there are other potential job benefits associated with the region's ability to attract people and business in other economics sectors based on national park branding, improved quality of life, and travel stimulated business migration.

What Maine Economists Say:

Charles S. Colgan, Ph.D.

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

“In general, I thought that the reports were well done and well presented. The reports used standard economic data and analysis techniques and present a strong picture of a regional economy in north-central Maine that has been significantly stressed due primarily to the decline in the forest products industry. The analysis also shows that regional economies in which a national park or recreation area are located are able, despite relatively rural locations, to develop and maintain fairly diverse and vibrant economies. Together the reports provide strong evidence that an economic development strategy for north-central Maine based on development of a national park and/or recreation area could successfully halt or reverse the increasingly distressed conditions in this regional economy.”

Headwaters concludes that a much more vibrant and diverse regional economy can be built in north central Maine using the amenities and recreation opportunities of a national park/recreation area as an additional anchor for the economy. The report notes that a development strategy is also needed to address education, transportation, and telecommunications to achieve this result.

I agree with this, but I also believe that the economic development strategy will have to include or be accompanied by a significant effort to plan for new and expanded communities in the region, to identify development locations and establish standards for development to assure that the region grows in a way that is capable of attracting the visitors to the region and new permanent residents in ways that are consistent with good land use planning practice and with visions of the built and natural environments that are consistent with Maine values.

The development of a national park/recreation area combined with the existing resources of areas such as Baxter State Park and the 100 mile wilderness offers a significant opportunity to offer a new and highly valued tourism and recreation opportunity in Maine and also to reinvigorate an area of Maine that has been struggling with the aftermath of adverse changes beyond the control of the region or state. Headwaters Economics shows what is possible. Whether this possibility is turned into reality will take a lot of additional planning and work.

David Vail, Ph.D.

Adams-Catlin Professor of Economics Emeritus, Bowdoin College

Headwaters Economics has done a thorough – and in my view persuasive – job of answering key questions about the probable economic benefits and costs of a proposed national park and recreation area east of Baxter State Park.

Using two credible methods, Headwaters predicts significant net employment creation and growth in economic activity for chronically distressed parts of Penobscot and Piscataquis Counties. They predict 500 to 1000 additional full time jobs, as well as a significant increase in revenues to county and local governments, stemming from Federal payments in lieu of taxes and from increased economic activity.

These benefits would far exceed any “opportunity costs” resulting from reduced forest products employment and state tree growth taxes. A careful analysis of 16 “peer” parks and recreation areas across the U.S. suggests that enhanced quality of life in “gateway communities” such as Millinocket and Patten would also help diversify local economies by attracting mobile entrepreneurs, highly educated younger people, affluent retirees, and seasonal home owners.

The lands and waters included in the proposed national park lack the iconic status of Mt. Katahdin, Moosehead Lake or the Appalachian Trail. However, they have their own special appeal to outdoor recreation enthusiasts. More importantly, in my view, the park and recreation area would complement many exciting destination development initiatives that are already underway in the Katahdin region and, indeed, all across the Maine Woods.

Perhaps most importantly, there is powerful evidence that the National Park Service brand captures the public’s attention and sparks its imagination as nothing else can.

It has long been my conviction that, to become a truly world class tourist destination and a source of more quality career opportunities, the Maine Woods must become part of a highly visible “twin parks network.” The twin parks would pair Acadia – and its 2.5 million annual visitors – with interior Maine’s outstanding conservation lands, improving tourism infrastructure, and top quality commercial tourism “products.” The proposed national park and recreation area would be a key catalyst in transforming that promise into reality.

Rob Lillieholm, Ph.D

E.L. Giddings Associate Professor of Forest Policy, School of Forest Resources, University of Maine

Over the last 30 years, rural communities across the U.S. and here in Maine have struggled with unemployment, stagnant wages and steady losses in population – especially among younger age groups. Increasingly, these communities recognize the need to diversify their economies and expand their tax bases in order to maintain schools, provide basic services and create the types of communities that can attract and retain new jobs, investment and residents.

Many communities in the Western U.S. have successfully met these challenges by taking advantage of nearby public lands and natural amenities – successes well-documented in the Headwaters Economics study. A similar strategy should be explored for Maine, a state already recognized for its vast forests, abundant lakes and rugged coastline. In fact, Maine has a unique opportunity to capitalize on its natural amenities and leverage these assets in such a way as to diversify rural economies and attract new businesses and investment, residents and tourists.

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