

Draft

Economic Development – What is it? One thing it isn't is magic!

There are many, many obstacles from an idea for a new industrial park in a hayfield to a development area of 7 building lots with all the necessary utilities needed to make it possible for a business to operate.

The Town of Skowhegan has been forty two years putting together all the pieces of two industrial parks as well as providing funds and expertise to help small companies and businesses grow and prosper or just survive, but in all cases it was because of the determination and dedication a big congenial unassuming man who was thrust into a job for which he had no training but with common sense and talent that has turned him into one of the more successful developer in the area.

Starting at the beginning was a group of Skowhegan citizens with the foresight to put together an organization to act on the behalf of the Town. There are times when slow deliberate pact of the town government can be hindrance in the business world so a quasi office is helpful in expediting decisions while still being controlled in the final analysis by whatever (selectmen) officials are in office at the time. Citizen Industrial Corporation of Skowhegan (later to become Skowhegan Economic Development Corporation) was formed in 1968 (members Thomas Martin, Donald Atkinson, Francis Gilblair, Philip Achorn, Bernard Knowles, Raymond McLaughlin, Sherman Lloyd, Bernard Casher, Willis Garcelon, Richard Stetson, Ralph Snow, Victor Lessard, Sr., Aldo Debe) In 1970 a piece of land on the McCellan street was purchased but for whatever reason never became the first industrial park but was sold and turned into a trailer park.

In 1973 the town bought 78 acres from Lethia White and economic development in Skowhegan was set on course. The price of the land was \$53,000 which SEDC assumed responsibility for an the following year the town raised about \$25,000 that was used to get grant money that was used to put in the infrastructure of water, roads, septic. Now the question of setting prices for the lots to recover investment by the town. The land was divided into nine lots and the committee started trying to sell them.

At this point we were operating with a committee and no real expertise regarding economic development Joy Rea was the closed we had to a knowledgeable economic person and she kept lines of communications open with various agency and when Laurel Textile and Terry Bowditch wanted to move from Madison the SEDC had enough knowledge to put together a successful proposal to float a bond of \$200,000 to build a 10,000 sq.ft. building in the North Ave site. The Town approved the proposition and in 1981, thirteen years from the first time the first group thought of it an industrial park was in place. Laurel textile operated in the new facilities for a few years but ran into financial trouble and economic development ran into a setback. Still working with no professional developer in place but with business people like Bill Philbrick, and Alton Whittemore on the committee SEDC was able to contact Ed Harmon who built the second building in 1986. In the meantime MacDonald Shoe with Bon and Bruce leading the effort a replacement business was put into the first building and economic development took a step forward. Even without a professional SEDC was still creating jobs for people in and

around Skowhegan and those in turn paid taxes and contributed to the overall economy. Slowly but surely the seed planted in 1968 was growing to an economic development plant that still lacked professional _____ but was viable enough to survive. In 1990 the man who really has built the economic development office for Skowhegan was hired to take over the Community Development office. A year later a very forward looking Town manager Pat Dickey asked him to take over SEDC executive duties. Jeff Hewett stepped into a completely unknown position and started to make it work. So as we said economic development is neither easy nor quick, we are now 23 years from the beginning. Of course Skowhegan could have hired a professional years before but chose not to. So given the decision made the choice of Jeff Hewett twenty years ago, has turned in to being very beneficial to Skowhegan.

Consider what has happened in the last 20 years that Jeff has directed this ship; Northgate Industrial Park is full. Seven companies now call this home. Over 180 people go to work here everyday. Skowhegan realizes annual receipts of \$ 200,000 in property taxes, excise, and personal property taxes. In addition to this the \$53,000 piece of property has appreciated to \$2,940,000 in 2010. Not a bad return!!

Now in 2010 a second six lot Southgate Industrial Park sits poised to duplicate these figures at a time when the overall economy is at a point where “up” is the most likely direction and Skowhegan is prepared to take advantage of any opportunity.

Economic development is not just big projects. Many Skowhegan residents who have dream of their own business have benefited from help received from small loan programs developed by SEDC under Jeff Hewett. Mostly so called “ gap loans” or money needed to entice banks to finance a project have been made so that places like West Front Market, 201 Service Center, blueberry Cupboard to name a few are employing people and paying taxes. Less than 10% of these loans have defaulted and SEDC works with business people to keep them solvent if possible.

Money for downtown improvements has come from grant applications and Tif programs, local banks have worked with SEDC to provide additional funds.

A new sewer line on 201 was extended a mile to the business development on that road. With one more tif payment from the State there will be money enough to retire that cost. More than six million dollars has been infused into the economy to supplement the private investment of companies involved. None of this would have happened without SEDC.

So the question was what is economic Development? The answer is it is a plan to create jobs by making it possible for business to operate at a profit. To make it happen requires a plan, a willing electorate, time and most of all a dedicated knowledgeable professional who knows how to overcome all the obstacles and objection presented and can plow through all the regulations and requirements that make Skowhegan worthy of investment by businesses and State and Fed Lending agencies.