

Email statement from David Farmer on behalf of former Gov. John Baldacci. Farmer is Baldacci's former deputy chief of staff.

Maine's Pine Tree Zone program is based on a successful program in Pennsylvania called Keystone Opportunity Zones with the goal of attracting new investment and job creation to struggle communities.

The program has been successful in Maine, helping our state to compete with others to attract new jobs and helping companies that have closed to reopen.

Measuring the effectiveness of economic development programs is difficult, but it's much easier to see what happens when a state, competing for new jobs, can't offer an aggressive policy. The jobs go elsewhere.

Pine Tree Zones have helped to create thousands of good-paying jobs with benefits and led to hundreds of millions of dollars worth of investment in our state. It's better to invest resources to create good jobs, which Pine Tree Zones require, than it is to spend that money to address the consequences of more people being out of work.

Consistently during the Baldacci administration, and despite the worst economic downturn since the Great Depression, Maine's unemployment rate was better than the national average. That continues today.

In November 2010, the Baldacci administration presented the Legislature with a report based on Chapter 199, Resolve, To Increase Transparency and Accountability and Assess the Impact of the Tax Expenditure Programs.

The Legislature passed the resolve in an attempt to better understand tax expenditure programs in Maine. I served on the team that researched and wrote the report.

That report found that there is "little in the literature, for example, to suggest that many of the more popular business development tax expenditure provisions are the deciding factor in a business' decision to locate to a certain area, or to add jobs to its employee base. However, the ability to attract businesses into Maine or into particular regions of the state is enhanced by having such programs available in the economic development 'toolbox.'"

A number of companies have been very clear that Pine Tree Zones helped attract them to Maine. One example is athenahealth in Belfast. When the company started looking to expand in 2007, they were looking within 200 miles of their Watertown, Mass., headquarters. Maine was competing with Massachusetts, Rhode Island, Vermont and New York. The Pine Tree Zone helped Maine to be more competitive and to win those new jobs.

Other examples include the mills in Old Town, Woodland and East Millinocket. Without the tax incentive program to create those jobs, it would have been much more difficult to find new investors. Those jobs exist, in part, because of Pine Tree Zones.

The Revenue Forecasting Committee deals with numbers on a sheet of paper. The work they do is important. But what matters to working families are the jobs in Belfast, Old Town and communities all around the state that exist because we created an aggressive set of business recruitment tools.

While there might be some people who are critical of job creation incentives, there are just as many who say we don't do enough. The goal is to find the right balance.

I believe Pine Tree Zones are effective, especially when paired with other state economic development tools, and that they make Maine more competitive.

Last year, Ernst & Young and the Council on State Taxation in Washington ranked Maine No. 1 on the competitiveness of state and local business taxes on new investment.

The ranking specifically cites the BETR and BETE programs, Pine Tree Zones and TIF programs.

It's appropriate to question how resources are being used, especially when budgets are tight and there are many competing needs. But job creation has to be high on the priority list. By helping businesses to grow and expand in Maine, Pine Tree Zones make sure more people have access to good jobs with benefits.

While any program can be improved, I think that Pine Tree Zones strike a good balance between incentivizing job creation and expansion, and guaranteeing that the jobs created pay above average and provide good benefits.