



JANET T. MILLS  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF ECONOMIC  
AND COMMUNITY DEVELOPMENT



HEATHER JOHNSON  
COMMISSIONER

**To:** Committee on Innovation, Development, Economic Advancement and Business

**From:** Department of Economic and Community Development

**Date:** May 5, 2021

**Re:** Salesforce implementation and Pine Tree Development Zone policy review

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## **Salesforce**

The Department of Economic and Community Development has recently begun implementing Salesforce as our primary customer relationship and program management system.

The Department is currently working with MTX Group, Inc. to get Salesforce up and running in a way that effectively supports the Pine Tree Development Zone (PTDZ) program and other tax incentive programs. We anticipate that Salesforce will be implemented by September 2021. This schedule would allow for improved data and reporting availability by the end of the year. We expect that minor tweaks and revisions may be necessary after implementation to ensure successful operation in the long term.

We will continue to keep the Committee informed regarding the status of the system's implementation and resulting improvements in PTDZ data availability.

## **Business incentive policy development**

The publication of the Economic Development Strategy, as well as the onset of economic changes due to the COVID-19 pandemic, warrants a review of Maine's business incentive programs. DECD has begun reviewing PTDZ to consider if policy changes could be made to improve its alignment with the State's economic development goals. While the PTDZ program already speaks to some of the goals in the Economic Development Strategy, we believe the best approach is to review the State's incentive programs with the strategic plan as the starting point.

The Department has convened a working group to spearhead this effort. The group currently consists of DECD staff and representatives from organizations involved in investment attraction in Maine. Building on ongoing research by DECD staff, advice from national experts, and public input, the group will consider how Maine's business incentives, particularly the PTDZ and ETIF programs, could be improved to match the state's present economic needs. Input from legislators, particularly members of the IDEAB Committee, will be a valuable component of this process.

The working group will also solicit input from other organizations as part of the process—casting a wide net for ideas will ensure a more robust policy proposal. For example, an economics class



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at the University of Maine Farmington focused their semester-long final project on researching other states' business incentive policies and drawing out potential lessons for Maine. The class recently presented their findings to DECD staff, which were shared with the working group.

Our goal is to have a policy proposal for any changes to the PTDZ program prepared ahead of the cloture deadline for the second session of the 130<sup>th</sup> Legislature. Extending the PTDZ program now, as LD 730 does, will create needed stability for the business community as we consider possible changes to the program. Attempting to revise the program on the verge of, or just after, its expiration would create excessive uncertainty for current and potential Maine businesses. With the expiration date of PTDZ extended, there will be sufficient room to thoughtfully and thoroughly pursue improvements to Maine's business incentives.