



STATE OF MAINE  
DEPARTMENT OF ECONOMIC  
AND COMMUNITY DEVELOPMENT



JANET T. MILLS  
GOVERNOR

HEATHER JOHNSON  
COMMISSIONER

March 5, 2021

Commissioner Melanie Loyzim  
Maine Department of Environmental Protection  
17 State House Station  
28 Tyson Drive  
Augusta, ME 04333-0017

Dear Commissioner Loyzim:

This letter provides a Determination of Economic or Social Necessity of the Kingfish project in Jonesport, Maine. This determination is required per Maine DEP's Water Discharge Program Guidance (6/13/2001) re: Antidegradation (item 10C under Antidegradation Procedures and Consideration).

The Maine Department of Economic & Community Development (DECD) relied on the following documents and data to perform our determination:

1. Economic and Fiscal Impacts of a Proposed Recirculating Aquaculture Facility in Jonesport, Maine prepared by the Margaret Chase Smith Policy Center at the University of Maine (July 2020);
2. The Kingfish Company & Kingfish Maine's But For Letter submitted to Maine DECD on December 22, 2020 (required for Kingfish to participate in Maine's Pine Tree Development Zone tax incentive program);
3. Economic conditions in Washington County, ME – specifically, federal economic distress criteria as measured by county per capita income.



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4. University of Southern Maine's Center for Business and Economic Research letter dated March 2, 2021 re: economic impact estimates of capital investment and operations of a new aquaculture facility in coastal Maine.

The following describes the specific information used from these documents and data to inform our determination:

1. The University of Maine's Economic Impact Study for the Kingfish Jonesport project indicates that the planning and construction of the RAS facility (based on the investment of \$108 million) will have an annual statewide economic impact of \$44 million and 366 full- and part-time jobs across Maine totaling \$19 million in labor income (over two years of construction). During annual operations, the facility will have a statewide economic impact of \$28 million per year and 129 full- and part-time jobs across Maine with \$8.4 million in labor income in 2023. The economic impact is projected to increase annually. By 2026, the annual statewide economic impact from facility operations is expected to be \$52 million with 155 full- and part-time jobs totaling \$9.4 million in labor income.
2. Kingfish's "But For" Letter of December 2020 submitted to Maine DECD indicates that the project will result in 100+ new full-time positions at the facility with an average annual wage of \$60,000.
3. DECD performed an economic distress analysis for Washington County, Maine using the StatsAmerica website. The analysis was performed using the methods suggested by the U.S. Department of Commerce's Economic Development Administration. The data gathered from StatsAmerica indicates that Washington County, ME meets the federal economic distress criteria per 13 CFR § 301.3. Specifically, Washington County, ME has a per capita income that is 80% or less than the national average. The most recent data from StatsAmerica indicates that Washington County's per capita income is \$41,094,



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which is 72.7% of the national per capita income of \$56,490.<sup>1</sup> The per capita income data from StatsAmerica is based on the 2019 U.S. Bureau of Economic Analysis figures. As such, Washington County, ME meets the federal criteria for economic distress.

4. USM CBER's March 2, 2021 letter to Maine DECD found that the capital investment and operations of the Kingfish Jonesport facility will provide economic benefits throughout the Maine economy, through indirect and induced spending. CBER's analysis relied on data from the *Maine Aquaculture Economic Impact Report* produced by the University of Maine's Aquaculture Research Institute in 2017. The economic impact estimates of CBER's letter included a total economic output of \$64.4 million during the development and construction period and an annual economic output of \$25.7 million associated with facility operations.

Based on the information above, Maine DECD believes that the jobs created by the Kingfish project will be jobs that are well above the average per capita income for Washington County. This job creation will help to address the economic distress of Washington County, ME.

Maine DECD also finds that the economic and social benefits associated with the Kingfish project include increases in employment, increases in local/regional income, increases in the community tax base, and improved community resiliency. These benefits are directly related to the creation of jobs with higher per capita income than the County average as well as economic impacts during construction and annual facility operations.

In summary, it is Maine DECD's determination that the economic benefits to Washington County and to the State of Maine are significant and will create needed jobs and investment in rural Maine.

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<sup>1</sup> StatsAmerica accessed 3/2/21. <https://www.statsamerica.org/distress/distress.aspx>  
59 STATE HOUSE STATION • AUGUSTA • MAINE • 04333-0059  
PHONE: (207) 624-9800 • FACSIMILE: (207) 287-2681  
[WWW.MAINE.GOV/DECD](http://WWW.MAINE.GOV/DECD)



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I trust that this letter and its contents satisfy Maine DEP's Antidegradation requirements specific to the Kingfish Jonesport project. Please do not hesitate to reach out to me directly if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Heather Johnson'.

Heather Johnson  
Commissioner

Cc: Denise Garland, Deputy Commissioner, Maine DECD  
Cindy Dionne, DEP