Just Imagine a State Where…

Investing in People, Places and Productivity

Maine Development Foundation’s
32nd Annual Meeting

September 24, 2010

SLIDE 1  Introduction

For those of you who have been in attendance in the past five years, you know that we begin this day with the “Just Imagine” theme.

My goal is very simple - I just want people to have pride in this state and hope for the future. If I could elicit just one “Wow, I didn’t know we did that in Maine”, I figure that I’ve been successful.

So frequently, we’re bombarded with messages about all that is wrong with Maine and these are particularly difficult economic times so it is easy to get caught up in the pessimism.

As I look around Maine, however, I see so much opportunity. I see a longstanding ethic of perseverance, a “can do” attitude, a spirit of innovation and a hope in Maine’s future that can not be destroyed by any particular event or series of events – no matter how daunting.

For the past several months, MDF has been working with the Maine State Chamber of Commerce to determine what we could do as a state to create an environment in which businesses and organizations will choose to invest in Maine – and unleash the potential of this great state and her people.
Yes we’ve found challenges that need to be addressed, but we’ve also found investment happening across this state, despite the economic conditions.

Wise leaders know that now is the time to prepare for the next wave of economic activity and they are carefully investing their precious resources in Maine’s people, Maine’s places and in the productivity of their enterprise.

SLIDE 2  Sunrise on Sebec Lake

So this morning, I invite you, once again, to let your mind go to your happy place – where the start of each new day in Maine, whether on the shore, in the woods or in the comfort of your home, brings possibility and hope.

Someone once said – we are only limited by our imagination.

Today – I ask you to take a journey with me – to imagine all that Maine is and all that it could be.

And, once again, I ask every single one of you to take some personal responsibility for moving Maine forward – so that the Maine that we envision is not just a figment of our imagination – but a reality.

Let’s begin our journey…

Just imagine a state where

- We invest in our people - bringing each to their highest potential
- We invest in our special places - protecting, preserving and enhancing the natural and built treasures that are uniquely Maine
• We create an environment where the private sector will choose to invest in people, technology and equipment, ensuring that they are competitive and viable for the long run, and
• Where the culture honors the past, celebrates the present, and engages in shaping the future

SLIDE 3  Alfond College Challenge

Before his passing, businessman and philanthropist Harold Alfond set forth a very bold vision for Maine’s newborn residents. Mr. Alfond believed every child deserved the opportunity to pursue a higher education.

To that end, his foundation made $500 available to every Maine baby to start saving for college. His dream was to create a new culture of saving for college, and to change the story of Maine from students who want to go to college but don’t because of finances, to a generation of students who are prepared to take on the challenge of a higher education.

Since the pilot year 2008:

• Almost 6,000 babies have enrolled in the program
• 28% of families who have opened an account have also made contributions
• All babies who come into state care (DHS) are signed up
• Every quarter the foundation and FAME mail quarterly summaries that are easy to read and accompany it with messages about four important building blocks for education success: Literacy, Math and Science (STEM), Health and Financial Literacy

Just imagine how this could change the face of Maine for generations to come if we start investing in our children at birth!

SLIDE 4  Educare
But only investing at birth isn’t quite enough.

We’ve grown to understand the critical importance on investing in the quality care and education of our very youngest children as 90% of a child’s brain develops in the first 5 years of life.

And yet, as a state, only 4% of our educational dollars go into these foundational years.

Led by philanthropist Doris Buffett (Warren’s sister who has a home in Maine) and a number of other Maine philanthropists and organizations, over $8 million were raised to build this world class center of early childhood care and education – Educare Central Maine.

In September, the center opened in Waterville and is serving 200 children.

**SLIDE 5  KinderKollege - UMFK**

At the University of Maine at Fort Kent, they run KinderKollege – where all kindergarteners receive packages of fun materials about a career – and they learn the type of education necessary if they want to pursue that career.

In fact, UMFK runs the College Community Project that is a collection of six programs that represent a lifespan of college readiness and learning options.

UMFK is actively working to bring each person to their highest potential.

**SLIDE 6  Jobs for Maine’s Graduates**
Just Imagine a place …

- Where young people who face economic, social or academic barriers are given the supports they need to overcome those barriers and they achieve a high school graduation rate of 92%
- Where 50% go on to college and within 6 years are making 15% more in earnings than others in their age group
- Where employers, government and schools work together with students to give them real world skills and to help lift them to their full potential

I can imagine this – because it is here in Maine – in the Jobs for Maine’s Graduates program!

**SLIDE 7  JMG - Graduation**

JMG has been investing in Maine people since 1993 and now works with about 4,000 high school students a year in 64 schools around the state.

JMG has been honored as the best program of its kind in the nation for the past 16 years running because of the outcomes it has produced!

We are extremely fortunate to have some JMG students from Freeport High School with us today along with some of the staff and Board members of this nationally acclaimed Maine program. I would ask that they please stand and be recognized. These are Maine’s future leaders!

**SLIDE 8  MELMAC**

The MELMAC Education Foundation has invested $3.4 million since 2003 in helping 28,000 of Maine’s high school students from 54 high schools plan for and successfully transition to college.
Melmac has invested an additional $3.4 million in Maine colleges to increase the number of students actually staying in college and completing their degree.

You see, sometimes kids fall through the cracks in those difficult high school years. Melmac and JMG are helping them transition successfully.

SLIDE 9 YCCC/PNSY

Maine’s Community Colleges are investing in our people and in our economy by working directly with industry leaders to tailor education to the needs of the marketplace.

York County Community College is working with the Portsmouth Naval Shipyard to help plumbers, painters, pipe fitters, and electricians earn their associates degree.

SLIDE 10 KVCC/Verso

Kennebec Valley Community College is working with Verso Paper company to train pulp and paper workers to replace retiring employees

SLIDE 11 CMCC/BIW

And Central Maine Community College is providing Bath Iron Works employees with a one year supervisory development certificate program that also counts for college credit

SLIDE 12 USM

The University system is working hard to re-align curriculum and programming to meet the specific needs of the region they serve as well.
USM has developed programming specifically for the semi-conductor industry and the insurance industry.

**SLIDE 13 UMF**

The University of Maine at Farmington is the state’s leader in preparing our educational leaders and also serves the educational needs of the 4-season outdoor recreation industry so important to the western mountain region.

**SLIDE 14 UMM**

UMaine Machias offers environmental sustainability and entrepreneurial business skills in a region dominated by extremely small businesses.

**SLIDE 15 UMA**

And UMA is serving the needs of non-traditional students through a wide-array of flexible course offerings, including distance learning options.

UMA has also been nationally recognized for serving our veterans with post secondary opportunities. GI Magazine selected UMA as a Military Friendly School – a designation that puts our capital city campus in the top 15% nationally for embracing America’s veterans as students.

**SLIDE 16 UMO**

And our flagship campus at Orono is leading statewide collaborations in biomedical science, engineering and a number of other fields

**SLIDE 17 Foster Innovation Center**
UMaine’s Foster Innovation Center is driving business development and is the new home of the newly developed Innovation engineering curriculum – a unique program that is becoming the national model for innovation education

**SLIDE 18 Doug Hall**

For those of you who were here last year, you may recall UMaine grad and nationally known innovation guru Doug Hall stood on this stage (in his bare feet of course) and committed, on the spot, to run 3 Innovation Engineering Leadership Institutes to try to catalyze Maine business growth.

**SLIDE 19 Innovation institute**

Doug made good on his promise, delivering 3 major institutes that were very well attended by hundreds of Maine business leaders.

Given Doug’s passion for Maine, he has agreed to speak with our Legislators at our Policy Leaders Academy forum this December.

**SLIDE 20 AEWC**

And, with the possible exception of downtown Dover-Foxcroft, the Advanced Engineered Wood Composites Center is absolutely the most exciting place in Maine.

I believe I have mentioned the center in every Just Imagine I’ve ever done – because it captures the spirit of wonder and possibility!

The AEWC is currently constructing a 37,000 square foot expansion that will enable the design, manufacture and testing of structural hybrid composite and nanocomposite components for deepwater, offshore wind structures – AKA massive floating wind mills!
This investment in this lab totals $25.4 million.

And the lab will be the first in the world to enable design, manufacture and testing of these composite offshore structures.

We are only limited by Habib’s imagination!

**SLIDE 21  UNE**

And our public universities are not the only higher ed institutions that are investing in Maine.

Under Dr. Danielle Ripich’s visionary leadership, the University of New England has expanded at an awe-inspiring rate! UNE has built 5 new state-of-the-art buildings in the past 5 years including the new college of Pharmacy shown here.

UNE’s most recent $26 million expansion includes a new residence hall (which is the first of four planned), turf field and wildlife habitat protection and is one of the largest construction projects underway in Maine today.

In addition to the economic impact of the construction projects, UNE is the major provider of health professionals in Maine – supplying 10% of the state’s physicians and 25% of physicians in rural areas.

**SLIDE 22  Husson**

Husson University has also been experiencing rapid growth – most recently opening the new $13.1 million Husson Meeting House, home of the Gracie Theater.
This stunning building was designed by WBRC Architects and built by Nickerson & O’Day.

**SLIDE 23  Bowdoin**

And Bowdoin invested $20 million in the Sidney J. Watson Arena – the only new ice arena in the US to earn LEED certification

By the way, not only is Bowdoin ranked as the 7\textsuperscript{th} best liberal arts college in the nation, it is ranked #1 for food.

**SLIDE 24**

And the last entity investing huge amounts of time and money in higher education might surprise you – its Maine employers investing in the education of their employees.

For the past couple of years, the Maine Development Foundation has been feverishly working with employers around the state to inventory their current supports for their employees educational advancement, providing technical assistance, and encouraging employers to commit to taking one more step to increase post-secondary education and training.

I’m happy to report that the effort has really begun to take off under the leadership of Senior Program Director Pat Hart and her able and energetic assistant Barry MacMillan – we now have:

- 111 committed employers
- Representing over 53,000 employees
- And the independent evaluation prepared by the Mitchell Institute shows that in the companies who have committed to this program, college going has increased 25% over previous levels
Over 30 companies represented in this room today have signed up and are offering such supports as:

- Tuition reimbursements
- Flexible work schedules
- On-site classes

These employers are investing in Maine’s people and in Maine’s future and I can’t thank them enough.

Just to name a few…

SLIDE 25  Cianbro

Last year’s Champion for Employee Education, Cianbro, is a huge supporter

SLIDE 26  Bangor Savings Bank

Bangor Savings Bank is committed to the education of its employees and has expanded its benefits for this

SLIDE 27  Disability RMS

Disability RMS offers a financial literacy course for saving for college

SLIDE 28  Eastern Maine Medical Center

Eastern Maine Medical Center is committed – featuring educational supports at their annual benefit fair

SLIDE 29  Kennebec Savings Bank

Kennebec Savings Bank is committed
SLIDE 30  Geiger Brothers

Geiger Brothers is committed

SLIDE 31  Saco and Biddeford Savings

Saco and Biddeford Savings Institution - committed

SLIDE 32  The Jackson Lab

As in the Jackson Lab

SLIDE 33  USM

And the University of Southern Maine and Lewiston Auburn College

SLIDE 34  Goodwill Industries

And, of course, this year’s Champion for Employee Education – Goodwill industries of Northern New England, who you will hear about shortly

So – if you are not in the 111 – join in today and show take steps to support your most precious asset. Pat and Barry are right down front!

SLIDE 35  Baxter

Let’s turn for a few moments to investing in Maine Places. In the research that we did with the Chamber, we found that the other major positive asset that Maine has in addition to its people, is its Quality of Place.

No one seemed to grasp this like Percival Baxter.
When he was governor in the 1920s, he tried desperately to talk the Maine Legislature into purchasing Katahdin.

Since they didn’t bite, he purchased it himself and gave it as a gift to the State to be left forever wild.

Over the next several years, he purchased a total of 201,000 acres around the Mountain to protect and preserve this stunning place.

He was quoted as saying:

“Man is born to die. His works are short-lived. Buildings crumble, monuments decay, and wealth vanishes, but Katahdin in all its glory forever shall remain the mountain of the people of Maine”

SLIDE 36  New England Outdoor Center

Others have the vision to invest in this place called Maine.

Matt and Wendy Polstien have a vision and are investing in their favorite place, the New England Outdoor Center, located in the shadow of Baxter’s mountain.

The Polstien’s just completed a $2.1 million totally green expansion at Twin Pines, but have future plans for a $65 million ecotourism development.

SLIDE 37  Maine Huts and Trails

Bob Peixotto has a vision for developing a world class huts and trails system through western Maine and is acting on that vision

SLIDE 38  Land for Maine’s Future
Over the past 2 years, the Land for Maine’s future has assisted in the conservation of an additional 54,000 acres, bringing the acreage up to 498,000, making Maine’s natural treasures accessible forever.

**SLIDE 39  West Point Stevens Mill**

Some people, like Doug Sanford, are investing their resources in restoring Maine’s historic buildings – like the West Point Stevens mill in Biddeford.

Doug has transformed this old mill into stunningly beautiful offices, apartments, studios, retail and even light industrial spaces.

**SLIDE 40  Toebee Parkhurst**

Toebee Parkhurst, who makes custom skate and snowboards in Augusta, is creating his own special place in the capital city – building a 15,000 square foot skate park

**SLIDE 41  The Bankery**

Downtown Skowhegan is now home to a very happenin’ place, called the Bankery.

The Bankery is a wonderfully unique bakery located in a restored old bank building. Known for its exquisite wedding cakes and themed cookies, this is a place you won’t want to miss.

**SLIDE 42  The Sausage Kitchen**

And the old Lisbon Falls Post Office has become the new home of the Sausage Kitchen – a manufacturer of certified all natural sausage!

**SLIDE 43  Barrels**
For many, that very special quality of place is found in a favorite shop or restaurant. Main Street Waterville is home to Barrels Community Market – a non-profit market that sells locally produced goods at affordable prices,

**SLIDE 44  Madawaska 4 corners park**

And sometimes you come across a place that is unique and a bit quirky.

For example, in 2005, the Four Corners Park was built in Madawaska. $170,000 has been donated to the construction of a 12 foot blue pearl granite monument, a fountain, and surroundings, and an estimated 2,000 visitors tour the park each year – most on motorcycles.

And if you are anything like me, you may be wondering what draws 2,000 people to a monument in Madawaska each year? Well – Madawaska is the most northeastern town in the US and motorcyclists tour the four corners of the nation and celebrate their feat in…beautiful Madawaska at the Four Corners park!

**SLIDE 45  Idexx**

Finally, let’s take a quick look at investment in productivity. If you have been reading the papers over the last 12-24 months, you might assume that there is absolutely no investment going on in Maine.

Well – hold on to your hats for I am about to share a laundry list of recent investment in new and old, traditional and technology – all improving productivity and competitiveness.

First the labs in Maine:
Idexx in Westbrook – in April announced a new corporate facility for $50 million supporting 500 new jobs

**SLIDE 46  MDI Biological**

MDI Biological Lab – announced a $1.6 million grant award in April and expecting an additional $3.9 million from the National Institute of Health in American Reinvestment and Recovery Act funds for a new building

**SLIDE 47  Bigelow Lab**

Bigelow Lab just broke ground for the $4.45 million Bigelow Center for Blue Biotechnology

**SLIDE 48  Jackson Lab**

The Jackson Lab was awarded $2.1 million in June for construction and renovation.

**SLIDE 49  JAX**

Another piece of good news – retired Jackson Laboratory Professor Douglas Coleman just won the Albert Lasker Basic Medical Research Award for his pioneering research on obesity – considered the Nobel Prize of America.

**SLIDE 50  Backyard Farms**

Backyard Farms in Madison completed its second greenhouse and hired 75 new workers
SLIDE 51  Poland Spring

Poland Spring’s new $60 million plant opened in Kingfield in 2008 – a state-of-the-art LEED certified facility

SLIDE 52  Ultrahall

And our older, traditional businesses are also investing in their productivity and competitiveness.

Since 2001, Bath Iron Works has invested $320 million in modernization – including the 77,000 square foot Ultrahall facility in 2008.

This climate controlled facility can be used to assemble 5,000 ton hulls!

SLIDE 53  Jasper Wyman & Son

In business since 1874, Jasper Wyman and son has recently invested $8.4 million in harvesting, processing and storage facilities for his blueberry operations in Washington County.

SLIDE 54  LL Bean

LL Bean’s new Hunting and Fishing Store became the first LEED certified retail project in Maine in 2007,

The Freeport Village Station opened in 2009, with 30 stores including a new Bean outlet,

And plans are underway to develop a 700-acre outdoor adventure center in Freeport.

SLIDE 55  FairPoint
And our technology companies are investing heavily in Maine.

FairPoint Communications has invested over $100 million in Maine, New Hampshire and Vermont since 2008

And they have received a $25.8 million contract to support the Maine Schools and Libraries Network

**SLIDE 56 Kepware Technologies**

Portland based Kepware Technologies, a premier developer of interoperability and connectivity software, grew 35% this year and plans to hire 8 new employees

**SLIDE 57 Power Pay**

And Portland-based Power Pay has grown 900% in 3 years and recently moved into their newly renovated space in the former Portland Public Market.

The $10 million renovation qualified the building for Gold LEED certification.

**SLIDE 58 HealthInfoNet**

With strong support from the Maine Health Access Foundation, a new statewide health information exchange, HealthInfoNet, in now on-line

These technology enhancements are expected to lead to reduced errors, increased quality of health care services, AND savings of $50 million per year in healthcare costs by avoiding duplicative services and medications.
SLIDE 59  Harold Alfond Center for Cancer Care

MaineGeneral opened the Harold Alfond Center for Cancer Care in Augusta in 2007.

This center contains state-of-the-art technology and building design focused on the comfort and healing of the patients.

SLIDE 60  MaineGeneral

And now MaineGeneral is awaiting approval for the construction of a new $322 million regional hospital on the same site. If approved, the project would begin in 2011.

SLIDE 61  CMP

And a record amount of energy-related investment is taking place in Maine.

Central Maine Power in investing $1.6 billion in smart grid technology and systems upgrades to enhance reliability, service and customer features.

SLIDE 62  Reed & Reed

Last December, Reed & Reed construction erected its 100th Wind Turbine and is the region’s leading wind power contractor.

SLIDE 63  First Wind

Over the past 5 years, First Wind has invested over $340 million in wind projects – primarily in rural Maine, bringing huge economic benefits to the local economies.
First Wind is planning another $60 million investment in the Lincoln area.

**SLIDE 64 Ocean Renewable**

Ocean Renewable Power Company is one of the few companies in the world to generate electricity from tidal energy without using dams.

In Maine, this company has invested $5 million and created 70 jobs – with a huge investment planned for the future.

**SLIDE 65 Eastport Port Authority**

The port of Eastport is one of the most rapidly growing ports in the nation.

The Port is scheduled to receive a shipment of wind mill blades from Brazil in April and in July of 2010, the Port was approved as the only port in New England licensed to export livestock.

Windmill blades and cows – an interesting diversification strategy!

**SLIDE 66 notifyMD**

And contrary to popular belief, there are a number of new companies that have opened in Maine over the last 2-3 years including:

notifyMD – in Farmington and Winthrop

**SLIDE 67 T4G**

Canadian-based T4G, an IT company, opened a new 7,000 square foot facility in Saco
The reasons it cited for choosing Saco?

- It’s a place where smart people want to live
- Access to talented people and
- Access to the Amtrak DownEaster!

SLIDE 68  DownEaster

And speaking of the DownEaster – the $2.2 million station in Saco opened in February and a $20 million Maine Street Station complex has been constructed in Brunswick to prepare for the Downeaster Expansion Project.

This is very exciting for Maine tourism and economic activity!

SLIDE 69  Bolduc

Bolduc Technology Group, a worldwide leader in advanced adaptive mobility controls, relocated from Louisiana to Augusta in August.

SLIDE 70  Kestral

And Kestral Aircraft Company has signed a lease option for Hanger #6 in the former Brunswick Naval Air Station to manufacture their 7-seat airplanes.

Why Maine?

- Access to the composite technology cluster in the mid-coast
- The outstanding work ethic of our people and
- Land in Greenville – ah – quality of place

SLIDE 71  MITC
The Maine International Trade Center is one of Maine’s greatest assets in identifying and opening trade opportunities for Maine companies

- Maine exports increased 67% since 2000
- We exported to 167 countries in 2009
- International trade supports 143,000 jobs in Maine

But the best part is – we have only just scratched the surface! Our opportunities are limitless if we open our mind to the potential and take advantage of the technical assistance and supports that the trade center and others have to offer!

SLIDE 72  Foxcroft Academy

We all know that we export paper products and microchips – but have you considered the opportunity, for a moment, that our fine educational institutions offer us?

Last year I shared with you that my high school, foxcroft Academy, adopted a strategy of attracting foreign students. They now have over 100 foreign students from 9 countries injecting over $35,000 each into that rural economy. AND many of their parents are potential investors in our great state IF we seize the opportunity before us.

In 2009, 1,300 foreign students were studying in Maine colleges, bringing $31 million to Maine – and there are hundreds of high school students as well.

The Trade Center is working with our private academies and our colleges to further capitalize on this tremendous potential and has launched Study Maine – to collaboratively market our schools abroad.

SLIDE 73  Hussey
Before I wrap this up, I would like to take a moment and recognize a company that has been investing in our great state for 175 years – Hussey Seating.

Founded in 1835, Hussey has one of America’s longest histories of uninterrupted family ownership.

Tim Hussey, the current CEO, has been an active member of MDF for decades – serving as board chair a few years ago, chairing the Maine Economic Growth Council now, and is a recent graduate of our Leadership Maine program.

I’d like to ask Tim to join me on stage so that we can thank him for his 175 years of investment in Maine!

**SLIDE 74  MEGC Vision**

MDF believes in Maine and Maine’s future.

Through every program we run, we strive to move Maine towards the vision of “A High Quality of Life for all Maine People” – recognizing that to attain that vision requires:

- A vibrant economy
- Vital communities
- And a healthy environment

**SLIDE 75  Leadership Maine**

MDF invests in people…through Leadership Maine.

With a network of 684 graduates engaged in shaping the future of Maine.
SLIDE 76 Policy Leaders Academy

MDF invests in people through Policy Leaders Academy…taking Maine’s legislators on economic bus tours to ground and enrich their policymaking.

SLIDE 77 MEI

MDF invests in people through the Maine Employers’ Initiative

Providing technical assistance to hundreds of employers to support their employees in their pursuit of higher education and training

SLIDE 78 Realize

MDF invests in people through the REALIZEMaine network.

Connecting and engaging thousands of young adults across the state.

SLIDE 79 Downtown Center

MDF invests in unique historic places through the Maine Downtown Center.

Investing in the redevelopment of downtowns in all 16 counties

SLIDE 80 Growth Council

MDF invests in productivity through the Maine Economic Growth Council and the research and publication of numerous economic reports

Guiding economic development policy with trusted, non-partisan information.
SLIDE 81  Gold Star Awards

Over the past year, 11 companies and organizations adopted one or more of the 24 key indicators and agreed to focus, through their work, on taking action to help move Maine towards the benchmark, and have actually documented their actions and progress.

For their commitment, they are receiving a Gold Star Award which can be picked up at the display table following today’s events.

SLIDE 82  Cloudy Katahdin

At some point, the economic clouds will part and the sun will shine on Maine and her people once more

SLIDE 83  Just Imagine…sunrise on Monhegan

Just Imagine if each time that the sun rose over Maine, we awakened to the possibilities of the day rather than the struggles…

SLIDE 84  Just Imagine…Alfond babies

Just Imagine if today, we committed to invest in Maine’s people and begin nurturing, inspiring and investing in the human potential from day one – and gave every Mainer the opportunity to meet their full potential…

SLIDE 85  Strand Theater

Just Imagine if we succeed in restoring our authentic, historic assets to their former glory…

And bring vitality back to Main Street once more
SLIDE 86 Just imagine…lake

Just Imagine if we invest in preserving and protecting our lakes, rivers and rugged coast…

SLIDE 86 Just imagine…hiking

And we steward our bountiful forests, preserving access for generations to come and protecting the treasure that is Maine

SLIDE 88 Boats

Just Imagine if we are able to make the hard decisions and take the bold actions necessary to create an environment in which our businesses will invest fully in Maine and in our future, strengthening our traditional industries and welcoming the industries of the future

SLIDE 89 Katahdin

Just imagine the heights we can scale if we work together…

“Ah Katahdin, in all its glory forever shall remain the mountain of the people of Maine”