

Just Imagine a State Where...

**Maine Development Foundation's
27th Annual Meeting**

September 23, 2005

SLIDE 1 Introduction

As I mentioned when we opened today's program, so frequently, we focus on all that is wrong rather than all that is right about Maine's economy. We talk about

- Remember when, or
- What a shame we're losing all of our industry,
- Or, my personal favorite, why can't we be like New Hampshire?

Yes – there are a number of huge economic and demographic forces that are exerting enormous pressure on our state causing tremendous churning in our communities, our institutions, and our businesses – and it's hard.

Add to that that the pace of change is accelerating – it can be frustrating, terrifying and at times, just plain depressing.

Over the past few months, I've been struck by just how discouraged folks seem – more discouraged, in fact, than what the economic data justifies. I've also had a chance to visit many parts of Maine and see, up close, all that is going on in Maine.

Yes – we've suffered some blows

- But there is growth,
- There is excitement and
- There is ample reason to 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 most importantly, 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.

SLIDE 2 Skidder

Let's begin our journey...

Just imagine a state where...

- There's still a vibrant forest products industry
- Where the vast forests are harvested in a sustainable manner and used to produce high-value products like paper, dimension lumber and wood turning products

SLIDE 3 Construction

And in that state – there's a 150 year-old vertically integrated forest products company

- That's the largest producer of Eastern White Pine in the US
- Grows and harvests trees sustainably in one of the fastest growing regions of the state
- That operates a highly successful sawmill operation and
- That is successfully competing with such building supply giants as Home Depot and Lowe's?

SLIDE 4 Hancock Lumber

I can imagine such a place – it's Hancock Lumber – in Casco, Maine

SLIDE 5 Pride Manufacturing

Just imagine a wood turning plant which is...

- The most modern golf tee facility in the world
- And is the world leader in golf tee production

I can imagine such a place – it's Pride Manufacturing in Guilford and Burnham, Maine

In fact – contrary to popular belief - Hancock and Pride aren't the only successful forest products companies in Maine.

Over the past 18 months:

- There have been 3 major sawmill expansions totaling over \$15 million in investment announced at:
 - Stratton Lumber
 - Pleasant River in Dover-Foxcroft
 - Robin's Lumber in Searsport
- And a new \$17 million sawmill is being built in Enfield
- In addition, against great odds – 4 of the 5 paper mills that were announced to be closed in Maine over the past 3 years have been reopened and one of those locations is actually expanding with a \$65 million investment in new machinery

SLIDE 6 McCain

But remember the days when our state was a lead producer of food products?

Wouldn't it be great to still have Maine potatoes consumed around the US?

Imagine being home to one of the largest frozen potato operations on the east coast that uses locally grown potatoes to

- Supply the eastern seaboard with MacDonald's fries and
- Uses its state-of-the-art production processes to produce all of the Arby's curly fries in the northeastern US?

Folks – you don't have to look very far to find McCain's – Easton, Maine

SLIDE 7 Seabait

Remember when Maine used to be known for fishing?

Well, yes – traditional finfish harvesting has changed dramatically as fish stocks have dwindled, but Maine is a world leader in lobster harvesting and now we are using our rich maritime heritage to develop all new products.

Did you know that in the aquaculture incubator in Franklin Maine, not only are they raising

- Halibut, cod, salmon and sea urchins –
- But an English company by the name of Seabait is having great success in breeding and raising marine worms for use in aquaculture feeds, scientific research and sea angling sport fisheries??

Those worms are some pretty too!

SLIDE 8 Guilford of Maine

Remember when Maine's rivers were dotted with textile mills?

Can you imagine being the lucky place that is home to a 75-year-old textile manufacturer that has:

- Successfully transitioned from being a high-polluting, old woolen mill to a producer of specialty woven fabrics
- That has cornered the world market in office interior panels
- That produces nearly zero waste and
- Is recognized around the globe as being a world leader in sustainable business practices??

Guilford of Maine – a division of Interface Fabrics

SLIDE 9 Industrial loom - Puritan

Remember the good old days when half of Maine's people were employed in manufacturing

-And we actually made real, tangible stuff?

Well folks, while only 11% of our workforce is now directly employed in manufacturing, I'm happy to report that we still are in the business of making a LOT of stuff!

In fact, we make a lot of technologically advanced stuff for this modern economy that we serve.

In addition, the productivity advances in Maine's manufacturing sector have kept manufacturing's contribution to Gross State Product at 17-20% for decades.

As a creator of wealth – manufacturing is a cornerstone of Maine’s future.

SLIDE 10 Puritan

For example, did you know that Puritan Quality Medical Products in Guilford is North America’s largest, specialty-tip applicator manufacturer?

This is not just what we commonly refer to as Q-tips, but they produce a chemical resistant and anti-static style applicator for lint-sensitive environments. They just signed an agreement with SANYA Co, in Japan, to distribute specialty industrial swabs.

SLIDE 11 Mega Industries

And in Gorham, Maine – Mega Industries is a world leader in the manufacture of microwave transmission equipment.

SLIDE 12 Mega Industries - products

In addition, Mega Industries is one of approximately 400 metal machining and fabrication companies that produce numerous industrial components.

In fact, Lisa Martin of Maine Metal Products Association reported just last week that she knew of at least 100 openings for machinists at just 2 southern-Maine companies – hundreds of opportunities industry-wide.

She’s with us today if anyone is looking for employment in Maine or if anyone doubts that there is growth and promise in Maine’s manufacturing sector.

SLIDE 13 Decking

Just imagine being the home of the first and most experienced manufacturer of polypropylene based composite decking products?

Translation – deck materials that don't splinter, dent, rot, fade, or require scraping and staining every few years!!!

SLIDE 14 Correct Deck

I can imagine it – Correct Deck – Biddeford, ME.

SLIDE 15 Sailboat

Can you imagine a place where

- They've been building boats for 189 years
- They transformed from building schooners
- To sleek 98 ft sailing yachts
- To rapid deployment 82 ft vessels for the US Navy SEALs?

SLIDE 16 Hodgdon Yachts

Ahhhh – Hodgdon Yachts in East Boothbay

SLIDE 17 AEWCC

OK – so we do manufacture some amazing products in Maine – but I've heard that the real money and our future lies in research and development and technology.

Can you imagine that the Advanced Engineered Wood Composites Center at the University of Maine strengthens and supports such companies as Correct Deck and Hodgdon Yachts by testing and strengthening composite building materials?

Right after Hurricane Katrina hit, I heard on public radio that the Composites Center had developed building materials that could sustain 160-180 miles per hour winds without breaking. Imagine what that could do for re-building the gulf?

SLIDE 18 People in Lab

Can you imagine your state

- Being home to the world's largest mammalian genetic research facility
- Where research is done on seeking cures and treatments for a variety of cancers, birth defects, diabetes, obesity, and blindness?
- Where scientists come from around the world to study and train?

SLIDE 19 Person in Lab with Mouse

Can you imagine that same lab

- Supplies the world's research community with 2,500 varieties of research mice?
- And shipped over 2 million mice last year?

SLIDE 20 Jackson Laboratory

Can you believe for a moment that this lab is Jackson Lab – in Maine?

SLIDE 21 IST Hand-held

And as amazing as that is – it's only the tip of the iceberg.

Just up the road in Orono, a young man graduated from the University and started his own company to create a hand-held device that allows you to point at a building or a spot and read all about it – it's history, architecture, etc.

SLIDE 22 Intelligent Spatial Technologies

Intelligent Spatial Technologies uses location-based services – which is a dynamic GIS-based system driven by location sensors that run on mobile computing devices - to give you information about the world around you – anyplace you are.

SLIDE 23 Delorme

And how about being home to other technological giants like DeLorme in Yarmouth?

- A world leader in paper and digital mapping products

SLIDE 24 Fairchild Semiconductor

Fairchild Semi-Conductor in South Portland

SLIDE 25 National Semiconductor

National Semi-conductor in South Portland

SLIDE 26 Safe Handling, Inc.

Technological innovation is not just limited to Maine's manufacturing sector

- Maine offers state of the art services as well
- One example is Safe Handling Inc in Auburn
 - o Safe Handling provides vital transportation services to move hazardous and quality sensitive bulk materials in the Maine market

- Safe handling is recognized by all of the prominent chemical companies in the northeast as providing the best service in the country

SLIDE 27 Telford Aviation

The Telford Group, based in Bangor with facilities at Loring, provides high quality technical support and repair services to the aviation sector.

Telford also is assembling blimps to be used for unmanned reconnaissance missions for homeland security

- Called eyeballs in the sky!

SLIDE 28 Maine Mutual Group

And can you imagine a small insurance company out of Presque Isle Maine that has

- Grown to having over \$76 million in premiums
- Has 1,300 licensed agents
- 270 agency locations around Maine
- And was voted, I believe, best insurance company in New Hampshire!!

That's Maine Mutual Group!

SLIDE 29 Maine Winter Sports Center

But the business sector is not the only area where success and innovation can be found.

Many Maine non-profits are starting to really think big!

The Libra Foundation's development of the Maine Winter Sports Center is bringing world-class skiers and bi-athletes from all around the globe to train and compete in northern Maine

SLIDE 30 Gulf of Maine Research Institute

The Gulf of Maine Research Institute is bringing scientists from around the world to study in one of the richest marine environments in the world – the Gulf of Maine

SLIDE 31 Maine Biomedical Research Coalition

And Maine's premier research labs are joining forces with the University of Maine and the University of New England to create a presence in the research world – building on synergies and increasing opportunities for all.

SLIDE 32 FirstPark

And most encouraging of all – Maine's fiercely independent communities are coming together to define a new way of delivering public services and enhancing regional economic development.

First Park is a tremendous example of how 23 communities jointly investing can pay off big for the region and the state.

SLIDE 33 Young, Working-age People

OK – we've got manufacturing, R&D, High-level service providers, big ideas and new culture of working together...

Now we just need young people!

Well – we do have young people.

Last census data showed we actually had a net in-migration of 20-29 year olds!

SLIDE 34 FusionBangor

And more importantly – young working aged adults are coming together around the state

Like Fusion Bangor – where the numbers involved have doubled with each successive meeting

SLIDE 35 Midcoast Magnet

And the Mid-Coast Magnet is bringing folks together around the opportunities of the Creative Economy.

And there's an active Realize Maine group in Portland.

This all bodes well for Maine's future

SLIDE 36 Leadership Maine

The Maine Development Foundation believes that if you bring together 1,000 Maine leaders,

- Equip them with leadership skills,
- Immerse them in the Maine economy,
- Excite them about the future and
- Empower them to take action – they can move mountains.

That's why we run Leadership Maine. We've now graduated 480 and have just launched the Nu Class.

SLIDE 37 Maine Economic Growth Council

MDF believes that if you provide Maine people

- With objective, non-partisan information about the performance of Maine's economy,
- The level of debate will rise and sounder policies will be developed.

That's why we staff the Maine Economic Growth Council and publish the annual Measures of Growth report card.

SLIDE 38 Maine Downtown Center

MDF believes that vibrant downtowns

- Can be an economic engine of growth,
- Can serve as an attractant to young people, creative economic ventures, retirees and diverse populations, and
- Can mitigate costly sprawling land use development patterns

That's why we run the Maine Downtown Center so we can focus investment dollars from such partners as the Betterment Fund, and the USDA into Main Street Maine communities.

SLIDE 39 Policy Leaders Academy

MDF believes that taking new Legislators

- On an intensive economic bus tour of Maine,
- Introducing them to business people around the state
- And letting them see, first hand, how their public investments in transportation, education and other public systems drives economic development –
- Grounds and enriches the policy making process.

That's why we run Policy Leaders Academy.

And to further the educational experience, we've joined forces with the Muskie School of Public Service at USM and the Margaret Chase Smith Policy Center in offering policy forums.

SLIDE 40 Compact for Higher Education

MDF believes that the single greatest hope for raising incomes, spurring economic development and supporting the high quality of life that we seek lies in raising the post-secondary attainment of all Maine people.

That is why the Maine Development Foundation and the Maine Community Foundation founded the Compact for Higher Education.

I am happy to announce today, that the Maine Community Foundation, under the bold leadership of its President, Hank Schmelzer,

- Has secured a grant from the Ford Foundation to begin the Employers Initiative –
 - o An effort to identify best practices in employer-supported college-going
 - o And to support businesses statewide as they encourage their employees to pursue post-secondary degrees.

SLIDE 41 Realize!Maine

MDF believes that organizing and empowering Maine's young working-age adults will increase excitement and encourage young people to stay and work in Maine.

That's why we have agreed to champion the statewide Realize!Maine initiative launched by the Baldacci Administration 2 years ago.

SLIDE 42 Regionalization Services

MDF believes that one key to relieving Maine's tax burden is to find a new, more cost-effective way to deliver public services.

That's why MDF is administering State Government's \$1 million grant fund to encourage the efficient delivery of local services.

That is also why MDF is working with the Dept. of Labor to create a Workforce Investment Map.

SLIDE 43 Capital Riverfront Improvement District

MDF believes that Maine's Capital City is on its way to becoming a true hub of cultural and heritage-based tourism and will be a source of great pride for all Maine people.

This is why MDF is providing

- Administrative and technical support to the Capital Riverfront Improvement District and
- Is working to aid in the development of Edwards Mill Park and the national historic Arsenal.

SLIDE 44 MCEE, MRP

And MDF believes that formal working relationships and shared services with other organizations strengthens all and makes us more efficient and effective.

That's why we provide administrative support to such organizations as the Maine Coalition for Excellence in Education and Maine Rural Partners.

SLIDE 45 Growth Council Vision

At MDF – we can imagine a future for Maine where the economy is strong, the communities are vital, the environment is healthy and all Maine people do enjoy a high quality of life. It is within our reach.

SLIDE 46 Farmhouse

Just imagine if we take the steps necessary now to nurture and sustain Maine's natural resource based economy and it grows once more?

SLIDE 47 Beach

Just imagine if Maine continues to attract young people, early retirees and migrant populations to settle in our vibrant downtown centers?

SLIDE 48 Portland Waterfront

Just imagine if others discover...

What Inc. magazine did when they named Portland and Lewiston-Auburn among the best places to do business in the US?

...Or what Direct Foreign Investment Magazine did when they named Maine as having the Best Quality of Life in the US?

SLIDE 49 River/Mountain

Just imagine all the possibilities for Maine if Richard Florida, and Thomas Friedman, and Michael Porter are right –

- That with technology, people can live anywhere in the world
- That the most important determinant of a region's prosperity is its capacity for innovation
- And that a key factor in attracting young, talented workers is the Quality of Place

Just imagine all that Maine can be!