

Just Imagine a State Where...

**Maine Development Foundation's
28th Annual Meeting**

September 8, 2006

SLIDE 1 Introduction

Over the past few weeks, many have commented on the theme of today's conference –“Getting Past the Pessimism: Engaging in Maine's Future”.

So frequently, we're bombarded with messages about all that is wrong with Maine – and those messages reach fever pitch during election years.

Please don't think for a moment that MDF is ignorant of Maine's challenges. In fact, later today Mike Reopel will share a very candid assessment of the major issues facing both Maine and the New England economy. After lunch, the candidates will be grilled on all things gloom and doom, including taxes, Healthcare, affordable housing and TABOR.

But for now – for 20 short minutes – we're going to celebrate some of the many good things that are happening here. You see, it's my belief that we can and indeed we must get past this pessimism if we truly want to move Maine forward.

But getting past the pessimism means first –

- understanding the distinct challenges we face,
- recognizing that not all is bad,

- celebrating those areas where we are making progress, and, finally,
- engaging in a course of action to address the challenges and seize the opportunities.

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.

Let's begin our journey...

Just imagine a state where

- The people are creative and practical
- The companies are innovative and resourceful
- The culture honors the past, celebrates the present, and engages in shaping the future

SLIDE 2 Chester Greenwood

Maine's history is full of innovative characters.

Chester Greenwood, born in Farmington in 1858, is one of those characters – whose practical invention gave aid to those suffering from cold ears.

Innovation and practicality – it's in our heritage! And we celebrate Chester today!

SLIDE 3 LL Bean

Then another practical idea gave birth to an empire. Leon Leonwood Bean developed a hunting boot that kept your feet dry.

His golden rule:

"Sell good merchandise at a reasonable profit, treat your customers like human beings, and they will always come back for more." has served his company well and grown to be a driving force in Maine's economy today.

Our heritage is based on quality and integrity.

Maine people are practical, hardworking, honest and...

SLIDE 4 Maine Genius Award

Brilliant!

We've always known Maine people are brilliant – but this year – Maine has a genuine, certified genius!

Ted Ames received the MacArthur Foundation's Genius Award for his extraordinary creativity, originality and dedication to his field.

Ted's unique and innovative research into the historic habitats, spawning and fishing patterns will help to re-create and manage sustainable fisheries off the coast of Maine.

SLIDE 5 Raye's Mustard

You know – we spend a lot of time bemoaning the loss of our traditional industries – but if you take a hard look within each of these mature sectors – you’ll find companies – old and new that have created niches for themselves and are finding success.

In food products, for example, Raye’s Mustard in Eastport – has been in operation since 1903 – and is now the last American stone mill.

Raye’s has preserved the heritage of the cold slow grind – winning more than 40 prestigious awards for the quality of their unique product.

SLIDE 6 Stonewall Kitchen

And 13 years ago, a couple of friends set up a display of vinegars and jams on a card table at a farmer’s market...

And now Stonewall Kitchen based in York, Maine has over

- 6,000 wholesale customers,
- nationwide catalogue and internet sales, and
- 6 company stores.

Creativity, tenacity and a focus on quality.

SLIDE 7 Thomas Moser

Remember when Maine used to be known for making furniture?

Well, while the mass markets have turned to cheaper imported furniture, some Maine firms have carved a niche with quality craftsmanship and unique design.

Thomas Moser Cabinetmakers, founded 30 years ago, has emerged as a national leader whose design and craftsmanship has lifted furniture to an art form.

SLIDE 8 Guilford of Maine – Interface Fabrics

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 and
- That is recognized around the globe as being a world leader in sustainable business practices??

Guilford of Maine – a division of Interface Fabrics

SLIDE 9 Tex Tech Industries

And speaking of fabric, Tex Tech Industries in Monmouth is an international leader in advanced textile engineering technologies – making

- mattress fire blocking,
- fire and flame protection, and
- safety and composite fabrics

They are also the top manufacturer of tennis ball felts – for all playing surfaces!

SLIDE 10 Old Town Canoe

Did you realize that Old Town Canoe has successfully “merged tradition and technology” over the past century to launch over one million canoes and kayaks – sold all over the globe?

SLIDE 11 Hinckley and Sabre Yachts

Not only is Maine known worldwide for canoes – but the Pine Tree State is gaining a solid reputation for the production of fine Yachts – with the names of Hinckley, Hodgdon and Sabre gaining national and international standing for fine craftsmanship and technologically advanced engineering.

SLIDE 12 BIW

And, of course, Maine shipbuilders build the finest destroyers in the world!

SLIDE 13 WIRED

Our rich history of boatbuilding combined with our innovative and successful research and development of composites positioned Maine well in competing for the first ever WIRED grant.

Earlier this year, The North Star Alliance, an industry-driven collaborative of three major industry associations, Maine’s University and Community College Systems, and a host of State Agencies and other organizations, successfully landed a \$15 million Workforce Innovation and Regional Economic Development grant to lift the economy of coastal Maine.

SLIDE 14 Dearborn Precision Tubular Products

Another one of Maine manufacturing's shining stars – is our metal products industry.

Currently, over 7,000 are employed in 340 machine and metal-working firms across the state.

Can you imagine for a moment being home to companies that make things like components for oil rigs, jets and spaceships?

Well, Dearborn Precision Tubular Products in Fryeburg makes a wide-variety of products for a number of industries.

SLIDE 15 Acme Monaco

Not only do Maine metalworkers manufacture massive industrial equipment, they also make itty-bitty metal products – like braces!

Acme Monaco made over 2 million brackets last year alone!!

Who would have imagined that my favorite 11-year old might be sporting Maine-made orthodonture!

SLIDE 16 McCann Fabrication

McCann Fabrication is nationally known in the brewery industry and has fabricated the brew tanks for Gritty's and the distillery tanks for Cold River Vodka. Maine companies supporting the success of other Maine companies. Just imagine!

SLIDE 17 Baker Company

And the Baker Company in Sanford is the recognized world leader in the design and manufacture of biological safety cabinets, clean benches and fume hoods.

SLIDE 18 Jackson Lab

Last year, I shared with you that The Jackson Laboratory in Bar Harbor is

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

SLIDE 19 Idexx Labs

But did you know that Maine is also home to a worldwide leader in the development of veterinary, food and water testing applications?

Idexx Labs produces, among other things, quick tests for Lyme disease and heartworm.

SLIDE 20 University of New England

Can you imagine being the oldest state in the nation and being home to a University where cutting-edge research is being conducted on the treatment of chronic pain and the medical care of the elderly?

Well, the University of New England's College of Osteopathic Medicine in Biddeford is working to manufacture a safer pain drug!

SLIDE 21 Stillwater Scientific Instruments

A few years ago, the Maine Technology Institute was created to provide grants to promising technology-based companies.

MTI's success to date is remarkable and is providing Maine with a host of new, innovative companies.

Stillwater Scientific, for example, develops and manufactures advanced analytical instrumentation.

SLIDE 22 Fluid Imaging

Fluid Imaging in Edgecomb developed a submersible camera used to study microscopic particles under the ocean.

SLIDE 23 Fluid Imaging

I mean – did you have any idea about the little critters in Wells Harbor??? Amazing.

SLIDE 24 Hodgdon Yachts

MTI has funded the development of composites which has helped our boat building industry.

SLIDE 25 Frontier Energy

Funding has been given to firms like Frontier Energy to develop biofuels.

SLIDE 26 University of Maine

The University of Maine is a leader in researching the development of fuels from one of our most abundant resources—trees.

SLIDE 27 MTI Investment

In fact MTI and the Dept. of Energy are funding several entities to research and develop fuel alternatives.

Investment is critical to our future, and we have to take some calculated risks since we don't know exactly who will come up with the next great discovery.

SLIDE 28 Microsoft 1978

A nice reminder of that is this photo. Would you have invested in this group in 1978?

SLIDE 29 Aegis

For sports and leisure enthusiasts – did you know that technologically-advanced composite bikes are made in Van Buren?

SLIDE 30 Pride Golf Tee

Or a majority of the world's golf tees in Guilford and Burnham?

SLIDE 31 Instruments - Musical

Did you know that several hand-crafted instruments are made in Maine – like: guitars, violins and cellos?

SLIDE 32 Game Software

Did you ever wonder who developed game software for systems like XBOX or Play Station?

Did you know a testing lab for software is being developed in Westbrook?

And, did you know 33,000 people in Maine are employed in software development?

SLIDE 33 Frogger

Some popular video games, like Frogger, were developed by Chuck Benton in Maine.

SLIDE 34 DeLorme

But MESDA's software testing lab is for more than games. Firms such as DeLorme – a world leader in mapping and GIS products – use software that is highly related to the gaming industry.

SLIDE 35 Go Moos

As does the Gulf of Maine Ocean Observing System

SLIDE 36 Skowhegan

The creativity of Maine is known around the world and we are passing our knowledge on to future generations.

Did you know that for the past 60 summers the Skowhegan School of Painting and Sculpture has hosted retreats for young artists?

It is a once in a lifetime experience, as so many people apply to attend, and it is international in scope.

SLIDE 37 Haystack

or that Haystack Mountain School of Crafts in Deer Isle has national and international standing in fine craft education and R & D?

SLIDE 38 Gulf of Maine Research Institute

The Gulf of Maine Research Institute in Portland is teaching Maine students about the marine world,

SLIDE 39 Challenger Learning Center

while the Challenger Learning Center in Bangor teaches them about other worlds!

SLIDE 40 MLTI

And, Maine is the go-to for technology educators from around the globe for our Learning Technology Initiative otherwise known as the Laptop Program.

SLIDE 41 Center Theater

Around the state we are honoring and celebrating our creative past and bringing our cultural gems back to their former brilliance. In Dover-Foxcroft, the Center Theater, closed for three decades, has been re-furbished – offering cultural opportunities and economic life!

SLIDE 42 Stonington Opera House

The Stonington Opera House has been brought back to life and is now a great community center and asset!

SLIDE 43 Maine International Film

Maine's International Film Festival features nearly 100 films in a 10-day period representing the best of American independent and international cinema.

SLIDE 44 Transformit

Maine's creativity is regularly featured in the window displays of New York City's finest retailers such as Macy's, Nordstrom and Sephora.

SLIDE 45 Tanks - Plain

Art can be found in the mundane.

Maine's Center for Creativity is running an international design competition to imagine how these Sprague Tanks

SLIDE 46 Tanks as Art

might be brought to life as works of art of grand proportion!

SLIDE 47 Waldo-Hancock Bridge

And who could have imagined that our very own Waldo-Hancock bridge

SLIDE 48 Roads & Bridges Cover

would be transformed into both a work of art and a tourist attraction?

Imagine - our humble bridge is now a cover girl for Roads and Bridges magazine!

It adds a new meaning to the phrase – when the world gives you lemons, make lemonade.

SLIDE 49 Leadership Maine

At MDF, we believe in Maine's future.

And, we believe 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 530 and have launched the Xi class.

SLIDE 50 Leadership Maine - Healthcare

As we enter our 14th year – we continue to innovate to meet the needs of today's leaders. Today, we are very proud to announce a new initiative.

Thanks to the generosity and leadership of the Maine Healthcare Access Foundation, MDF will work with a newly formed advisory council of Leadership Maine Alumni and other experts to integrate the importance of healthcare as an economic driver into the core curriculum of

Leadership Maine.

Leadership Maine, a program of MDF, received a five-year grant totaling \$123,949 from MEHAF. This funding will be used to offer scholarships to leaders from small, non-profit organizations focused on health, and to expose leaders across all sectors of Maine's economy to the connection between health care and the economic viability of Maine.

I would like to thank Dr. Wendy Wolf, President and CEO of MEHAF and Leslie Goode, Director of Communications and Public Policy, for their support and commitment to Maine Development Foundation and the Leadership Maine program.

SLIDE 51 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 drive 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, the Margaret Chase Smith Policy Center, and the Maine Community College System in offering policy forums.

SLIDE 52 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.

And today, we are extremely excited to announce that Bangor Savings Bank has selected MDF as one of its three major partners in its Strategic Philanthropy Initiative.

To catalyze the Realize!Maine effort, Bangor Savings is investing \$50,000 annually over the next 3-5 years. I would like to thank Bruce Nickerson and Yellow Light Breen for their leadership in this effort.

SLIDE 53 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 54 Downtown – Legislative Appropriation

And, today – thanks to the leadership of Speaker John Richardson – the Downtown Center is receiving an additional \$75,000 which is enabling us to:

- add a ninth Main Street Maine community – Biddeford
- and launch a new initiative – Square One – to guide redevelopment of small communities like Livermore Falls.

In addition, Bank of America brought retailing expert Jon Schallert to Maine to work with our Main Street programs.

SLIDE 55 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 56 Adopt-a-Benchmark

Under the leadership of Senator Lynn Bromley, the Growth Council received some funding that allowed us to re-launch the Adopt-a-Benchmark Program.

Today, I'd like to honor the 12 organizations that have adopted one or more of the Growth Council's benchmarks. Would the following organizations please stand:

- Bath Iron Works
- County of Cumberland
- Franklin Community Health Network
- Greater Waterville Patch
- Maine Coast Heritage Trust
- Maine Job's Council
- Maine Small Business Development Centers

- Northeast Bank
- Richardson Hollow Associates
- UnumProvident
- WBRC Architects
- York County Community College

Your certificates are at the MDF display.

Thank you all for engaging in our future!

SLIDE 57 Workforce Map

With funding from the John Merck Fund and working closely with the Dept. of Labor, on September 21st, Maine's first Workforce Development System Map will be released – guiding critical investments in Maine's workforce.

SLIDE 58 Employer Initiative

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.

Last year, the Maine Community Foundation, under the bold leadership of its president, Hank Schmelzer, secured a grant from the Ford Foundation to begin the Employer Initiative –

- an effort to identify best practices in employer-supported college-going,

- and to support businesses statewide as they encourage their employees to pursue post-secondary degrees.

This pilot was led by Steve Howe of Pratt & Whitney and Barbara Woodlee of the Kennebec Valley Community College.

SLIDE 59 DOT & Maine Better Transportation

Finally, MDF has recently taken on two distinctly separate but related projects in transportation as MDF believes transportation investment is key to our long-term viability.

SLIDE 60 Waldo Bridge

I'd like to wrap-up with this stunning picture and share a brief story.

When engineers discovered that the Waldo-Hancock Bridge was not safe, Cianbro Corporation earned the opportunity to try to figure out how to reinforce the old bridge to ensure that traffic could continue to pass and how to build a new bridge without fully using the old bridge to work from.

To do this, they chose to partner with Reed and Reed Construction. Together they figured out how to get to the other side.

And that's exactly what we need to do – work together to figure out how to get to the other side of our economic challenges.

SLIDE 61 Boats

Just imagine if we figure out how to grow our economy without harming our natural beauty.

SLIDE 66 Town

Just imagine if we revitalize our authentic, historic downtowns and draw young people, entrepreneurs, and commerce to Main Street.

SLIDE 63

Just imagine all that Maine can be if we unleash our creativity and work together.

Just Imagine!