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Accomplishments FY2010: Department of Economic and Community Development

Maine Department of Economic and Community Development

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Accomplishments FY2010

Department of Economic and Community Development

July 1, 2009 – June 30, 2010

Thaxter R. Trafton, Commissioner

www.maine.gov/decd



DECD Statutory Mission

- Encourage *economic and community* planning and *development policies and programs* of the State and to coordinate these programs and policies within the context of a state economic development strategy.
- Work with municipalities and regional planning and economic development organizations to *build strong local and regional economies* and to implement programs and services through these local and regional organizations.
- Encourage the *creation and retention of quality jobs* through increased private sector investment.
- *Enhance the quality of life* for all by assisting local governments to plan and implement comprehensive community planning and development strategies.



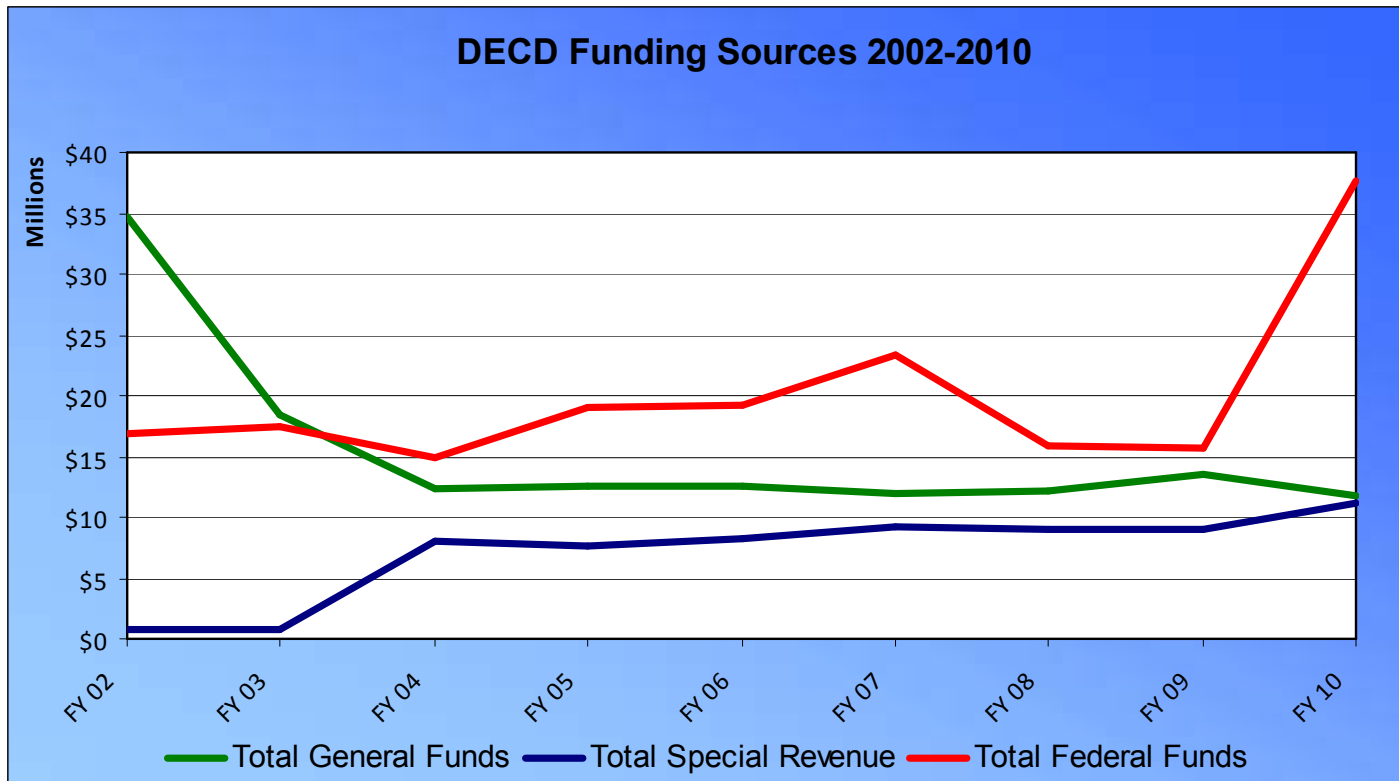
The Role of Economic and Community Development

DECD helps *Maine companies start, expand or relocate* in order to add good jobs for Maine people and *build sustainable communities* that can host these companies

- Provide technical assistance so companies and entrepreneurs can be more productive, innovative and competitive
- Provide financial assistance and tax incentives so companies can invest in new products, processes, equipment and communities can invest in infrastructure
- Market Maine to build demand for Maine products and destinations



DECD Funding Sources



2010 Federal Fund Increases were part of a 1-time boost provided by the American Recovery and Reinvestment Act (ARRA). Office of Community Development Staff managed the ARRA funds with existing staff resources, maximizing the impact on Maine communities.



Responsibilities and Funding

- Management of the federal CDBG Program for Maine
(\$37 Million in FY 10 Federal Funds)
- Marketing the State's tourism and film resources
(\$9.0 million of FY 10 Special Revenues)
- Coordinating and providing business assistance, grants and marketing to support and grow Maine businesses, and administering several business incentives.
(\$11.8 million of FY 10 General Funds)

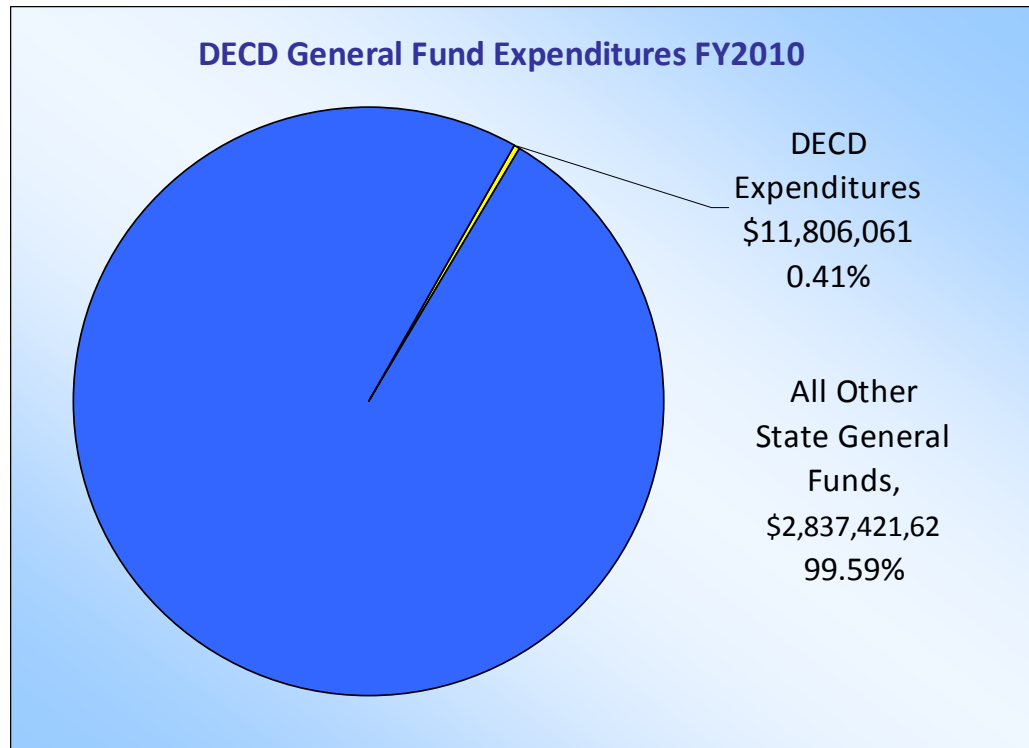


Impact on Maine's Economy

- DECD \$11.8 million in general funds leverage:
 - √ over \$37 million in federal funds, and
 - √ \$1.4 billion in matching funds that are invested in Maine as a result of the state's commitments.
- An independent evaluation found that companies and communities that work with DECD grow faster and are more successful than the average.



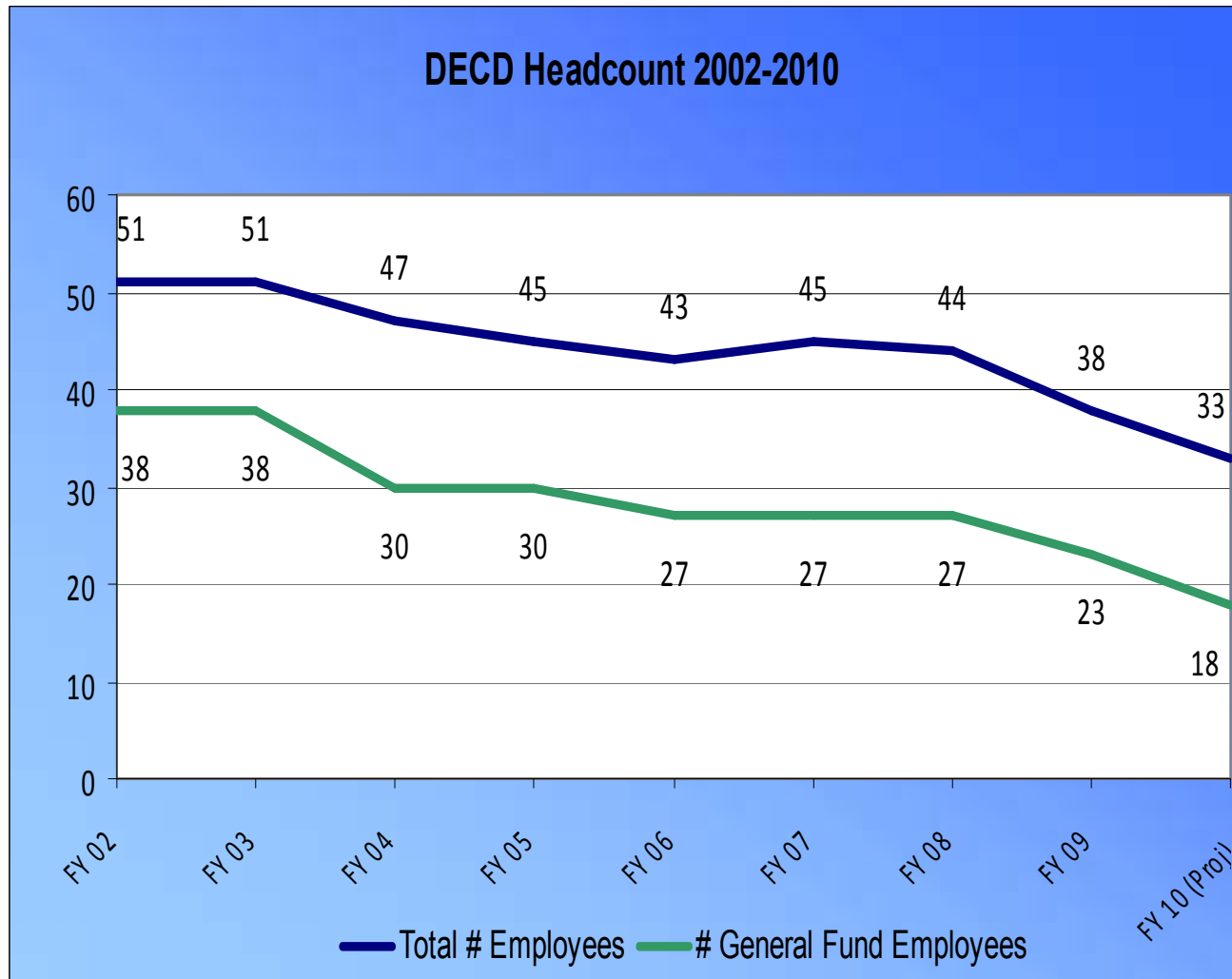
DECD General Fund Budget in Context



DECD receives 41¢ of every \$100 of state general fund outlays.

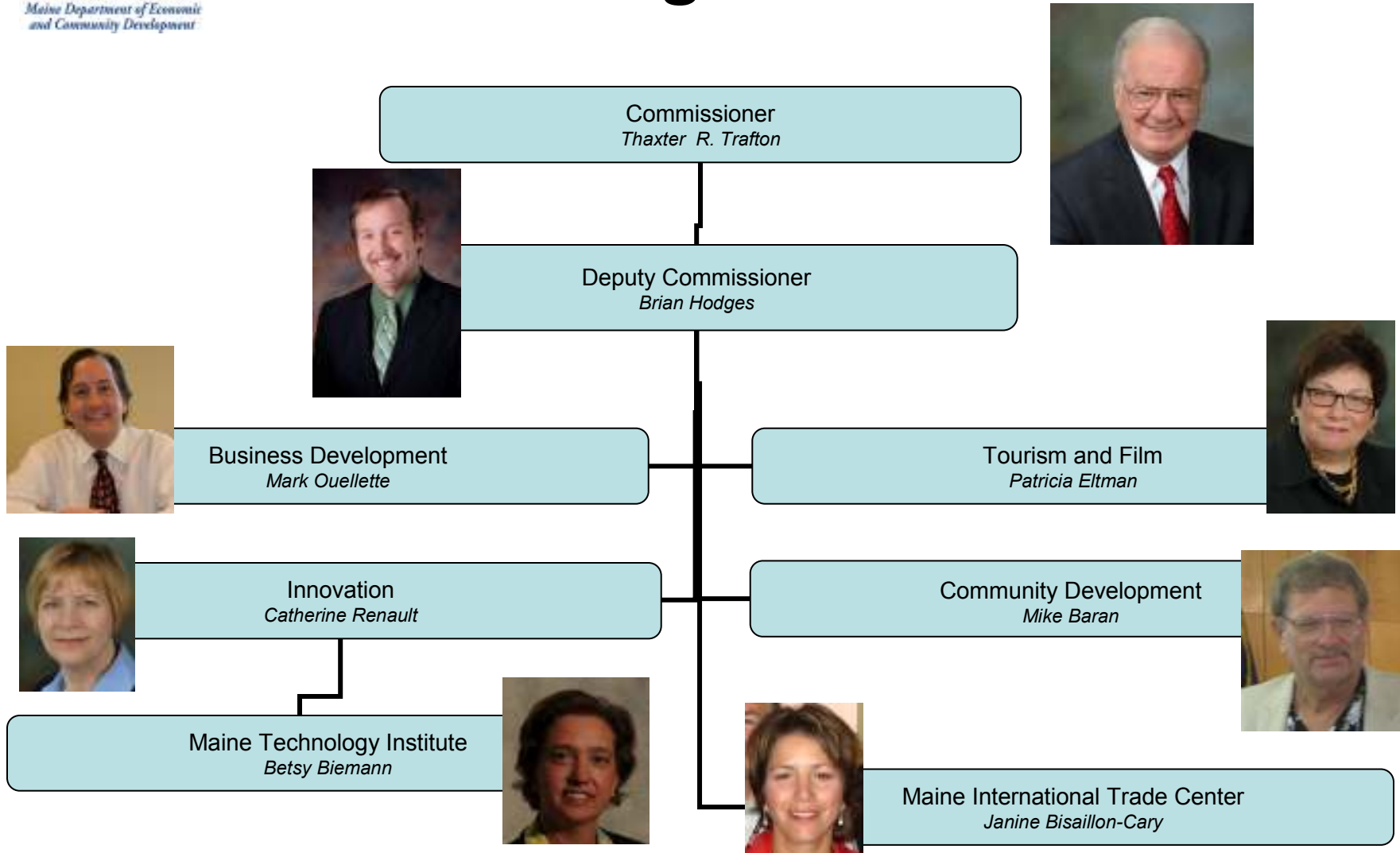


Smallest Cabinet-Level Department





DECD Management Team





Major Department Initiatives in FY10

- Reorganized Office of Business Development
 - ✓ *5 State Business Development Field Staff Positions Eliminated*
 - ✓ *State will now contract with regional Economic Development Districts for field services.*
 - ✓ *Office of Business Development will assume an enhanced role in statewide economic development training, coordination, and support to regional/local development staff.*
 - ✓ *Incentives Director moves from Commissioner's Office to Office of Business Development to streamline services*
- Statewide Pine Tree Zone expansion is undertaken within existing staff resources
- Collaborated with the Governor's Office and Maine State Chamber of Commerce to plan and conduct 2010 Governor's Jobs Summit
- Community Development stimulus money is allocated within existing staff resources
- Maine Film Office becomes part of the Maine Office of Tourism, funded through special revenues
- Provided testimony and educated interested parties on legislation having a direct impact on economic development



Office of Business Development

Accomplishments FY10

- Approved and certified
 - ✓ *48 Tax Increment Financing (TIF) districts, total planned investment exceeding \$296 million*
 - ✓ *82 companies under the Employment Tax Increment Financing program with 5,561 quality jobs created. The average cost per quality job created = \$1,129 (17% increase in jobs over 2009, and a 10% lower cost per job created)*
 - ✓ *71 Pine Tree Development Zone businesses with 1,112 anticipated jobs and planned investment exceeding \$126 million*
 - *Since 2004, 308 businesses certified with over 8,000 anticipated jobs and over \$870 million in planned investment*
- For every \$1 awarded by Governor's Training Initiative, the company on average matches an additional \$10
- Business Answers Program fielded 12,793 requests for information on starting and operating a business
- Maine chosen to host ENERGY OCEAN in June 2011, the premiere global ocean energy event attracting global investors, financiers, technologists and policy makers, based on success of 2009 event in Rockport.



Office of Community Development

Accomplishments FY10

- Distributed and administered:
 - √ *\$12,852,382 of CDBG funds in 10 programs to over 50 communities leveraging in excess of \$25,000,000 in local and private resources*
 - √ *\$5,000,000 in Riverfront Community Development Bond funds to 15 communities leveraging \$41,988,839*
 - √ *\$1,500,000 in Municipal Investment Trust Funds to 8 communities leveraging \$ 6,513,034*
 - √ *\$3,434,000 in Community Development Block Grant Recovery Funds (CDBG-R) leveraging \$11,198,668*
 - √ *\$2,200,000 in Disaster Recovery funds leveraging \$1,250,000*
 - √ *\$19,600,000 in CDBG funds under HUD's Neighborhood Stabilization Program*
- Provided, with regional partners, technical assistance and capacity building to more than 100 Maine communities



Office of Innovation

Accomplishments FY10

- R&D community contributed more than \$1.6 billion in economic impact to the state in 2009, State investments including Maine Technology Institute, Technology Centers, leveraged state investment 1:12
 - √ *Completed 2009 Evaluation of Maine's Public Investment in R&D; 2010 Innovation Index; Economic Impact Analysis by Cluster*
 - √ *Won award for Excellence in Evaluation from Council for Community and Economic Research*
- Completed Science and Technology Action Plan for 2010 with Maine Innovation Economy Advisory Board
 - √ *Maine Innovation Economy Summit, May 2010*
 - √ *Policy Analysis of Maine R&D Tax Credits*
 - √ *\$20 million Fund of Funds enacted*
- Marketed Maine Information Technology cluster initiative on Low-cost Domestic Sourcing across the country
- Focused on Ocean Energy supply chain build-out
 - √ *Ocean Energy Task Force report completed; follow-on legislation enacted; led state marketing efforts*
- Leveraged \$26.8 million award for Maine broadband projects from ARRA funds including "Three Ring Binder" through Broadband Strategy Council



Office of Tourism

Accomplishments FY10

- Assisted 68 U.S. and international media and travel trade familiarization tours
 - √ *Resulted in nearly \$20 million in advertising equivalency (the amount the state would have had to pay for advertising for that amount of coverage).*
- Organized informational meetings in each of the eight tourism regions
 - √ *Presentations were given by MOT and its contractors on advertising, web development, public relations and research program.*
- Distributed a total of \$949,000 in dedicated marketing funds to the 8 tourism regions, and 3 special events supporting tourism promotional efforts.
- Refreshed and enhanced the “Maine Getaways” program
 - √ *Focused more on multiple components that appeal to Maine’s market while better integrating the program into the full marketing strategy. Packages submitted increased 3-fold.*
- Launched “Shop, Dine and Stay” campaign targeting visitors for late fall and early winter
 - √ *The campaign highlighted “Maine Getaways” packages across the state.*
- Increased the number of visitors via search engine to visitmaine.com by 14% in FY10.
- Received the 2010 American Business Awards’ Best Overall Web Design.
- Collaborated with other agencies
 - √ *IFW and industry partners for a refreshed website Fishing Feature; DOC on Maine State Parks 75th Anniversary; and, DOC and industry partners on enhancing the Maine Birding Trail.*
- Enhanced web with rich media-video content for shopping, skiing, snowboarding, snowmobiling, maple sugaring and fishing.



Maine Film Office

Accomplishments FY10

- Managed the Maine Attraction Film Incentives program
 - ✓ *\$113,723 in incentives leveraged \$3.4 million of media-production spending resulted in \$948,000 of wages for Maine residents.*
- Worked with 78 media productions including feature films, film commercials, catalogs and commercial photography projects.
 - ✓ *51 projects worked in Maine, spending over \$8 million*
 - ✓ *ROI for these projects is \$67 for every \$1 spent*
- Updated the listings and expanded the location library in the Maine Production Guide
 - ✓ *www.filminmaine.com is the State's main marketing and assistance tool for productions working in Maine*
- Assisted with rewriting and presenting the Maine Media Production Incentives
 - ✓ *Made the program more accessible to small Maine companies by lowering qualifying expenditure requirements*
 - ✓ *Allowed application for single projects, which helps small producers get a head start.*



Maine Technology Institute

Accomplishments FY10

- 130 Total MTI Projects Funded Totaling \$6,156,711
 - ✓ *Business Innovation Program Grants and Loans – 100*
 - ✓ *Cluster Initiative Program – 5*
 - ✓ *SBIR Program Grants – 25*
- Matching Funds Leveraged by New Awards: \$9,890,747
- MTI Disbursements: \$17,914,679
- 2010 MTI Funding Sources:
 - ✓ State Appropriation and Bond Funds - \$17,588,742
 - ✓ Development Award Repayments: \$220,754
 - ✓ North Star Alliance - \$142,638
- Greater connection of MTI awardees with commercialization resources and cluster initiative best practices
- Stepped up outreach via workshops, webinars, new website and social media tools





Maine International Trade Center

Accomplishments FY10

- Provided trade assistance to nearly 1300 individual Maine business inquiries. Over 580 individuals participated in MITC's statewide trade education seminars, including Maine International Trade Day in Rockport.
- Maine companies reported a record \$24 million in projected sales as a result of 3 MITC-coordinated overseas trade events in the Middle East, Europe and Southeast Asia.
- Coordinated the State of Maine Gubernatorial Trade Mission to Spain and Germany, the most successful to date, resulting in over \$21 million of contracts and sales projected by Maine businesses.
- MITC launched the "Invest in Maine" foreign investment initiative. Executed two Investment Seminars for potential European investors in renewable energy, and hosted several follow-up delegations.
- Launched "Study Maine" foreign student attraction program helping Maine colleges and secondary schools get connected internationally including a trade mission to Turkey.



Manufacturing Extension Partnership

Accomplishments FY10*

Provides assistance to manufacturers create and save jobs, increase their sales, save money and make investments. As a direct result of the work completed, in FY10 surveyed clients reported they:

- √ *Created 116 jobs that otherwise would not have existed*
- √ *Retained 377 jobs that otherwise would not have existed*
- √ *Increased and retained \$58 million in sales*
- √ *Spent \$8.1 million on new investment*
- √ *Experienced \$8.2 million in cost savings*



These impacts have a broader effect because the jobs, sales and investments support other Maine businesses.

- √ *Creating or retaining 1,103 jobs that paid a total of \$50.2 million in employee wages and benefits*
- √ *Increasing or retaining economic output worth \$171.1 million*
- √ *Contributing or retaining \$72 million of gross state product*
- √ *Generating or retaining \$17.1 million in additional tax and non-tax revenues at the*
- √ *Federal, state, and local government levels, including \$6.2 million at the state and local level*

*Data represents July 09 to May 2010, the latest data available at report time. Data for June 2010 will not be available until October 2010.



Procurement Technical Assistance Center

Accomplishments FY10

Assists businesses actively seeking prime contracting or subcontracting opportunities with the Department of Defense, other Federal agencies, and local governments.

- ✓ *Dept. of Defense share \$570,352 - DECD cash \$119,650*
- ✓ *786 Active Clients in the Statewide Program*
- ✓ *198 New Clients*
- ✓ *2,690 Counseling follow up sessions*
- ✓ *21 Sponsored Training Events*
- ✓ *\$320.7 million of Client reported contracts*
- ✓ *6,414 Jobs created or retained based on contracts above
(DLA economic model)*



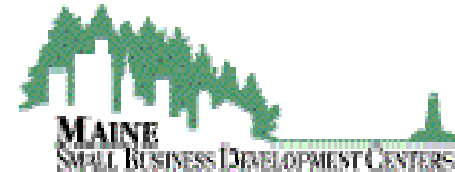


Maine Small Business Development Centers

Accomplishments CY09*

Assist in the creation and maintenance of viable micro, small and technology-based businesses and the jobs these businesses provide.

- √ *5,384 Counseling & Training Clients in 2009*
- √ *12,530 Counseling Hours*
- √ *5,011 Training Hours*
- √ *531 jobs created*
- √ *500 jobs retained*
- √ *193 business starts supported*
- √ *\$34,724,917 in capital formation*
- √ *93% of clients would recommend Maine SBDC*



* Latest data reported in 2009 Maine SBDC Annual Report



Economic Development Districts

	<u>AVCOG</u>	<u>KVCOG</u>	<u>NMDC</u>	<u>SMEDD</u>	<u>MCBDP</u>	<u>EMDC</u>	<u>Total</u>
# of loans made	14	4	28	4	*	8	58
\$ amount of loans	\$456,500	\$403,000	\$3,184,373	\$900,000	*	\$706,365	\$5,650,238
\$ leveraged	\$840,000	\$3,825,000	\$2,753,072	\$20,000,000	*	\$8,635,310	\$36,053,382
Jobs created	20	20	125	20	*	19	204
Jobs retained	38	0	707	20	*	16	781

* No loans made due to \$ being used towards IRP match requirement; resulted in \$950,000 going forward
 Data provided for CY 2009 (January – December 2009)

- Androscoggin Valley Council of Governments – AVCOG
- Kennebec Valley Council of Governments – KVCOG
- Northern Maine Development Commission – NMDC
- Southern Maine Economic Development District – SMEDD
- Mid-coast Council for Business Development - MCBDP
- Eastern Maine Development Corporation - EMDC