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Accomplishments FY2009: Department of Economic and Community Development

Maine Department of Economic and Community Development

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Accomplishments FY2009

Department of Economic and Community Development

July 1, 2008 – June 30, 2009

John Richardson, Commissioner

www.maine.gov/decd



Key Points

- Economic and community development is the most important investment that a state can make to ensure future economic prosperity.
- At 42 employees and \$12.5 million general funds, DECD is the smallest cabinet-level department.
- DECD general funds leverage over \$35 million in federal funds, and \$825 million in matching funds from our investments.
- Companies and communities that work with DECD grow faster and are more successful than the average.



The Role of Economic and Community Development

- Help Maine companies start, expand or relocate in order to add good jobs for Mainers 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



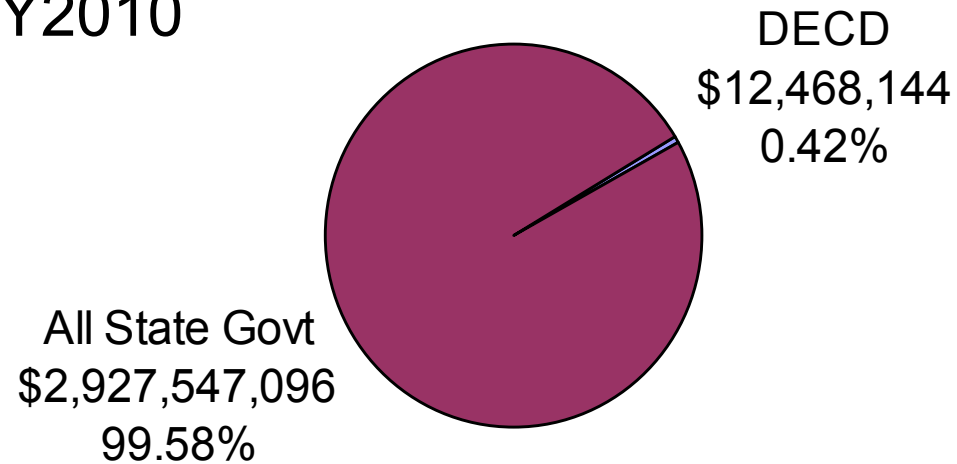
DECD Statutory Mission

- 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.



DECD Budget in Context

- DECD General Fund appropriation as a percent of total General Fund for FY2010





Office of the Commissioner staff

Accomplishments FY09

- Approved and certified
 - ✓ 22 TIF districts, total planned investment exceeding \$598 million
 - ✓ 87 companies under the Employment Tax Increment Financing program for 4,741 quality jobs created; average cost per quality job created = \$1,254
 - ✓ 30 PTDZ businesses with 890 anticipated jobs and planned investment exceeding \$129 million
 - Since 2004, 221 businesses certified with 6,851 anticipated jobs and over \$700 million in planned investment
- Provided hands-on, direct assistance with drafting language for the statewide Pine Tree Development Zone initiative LD 1473. Assembled and distributed briefing materials to full legislature.
- Planned and coordinated the first ever TIF appreciation day to recognize municipalities and elected officials for their efforts.
- Provided testimony and educated interested parties on legislation having a direct impact on economic development



Office of Business Development

Accomplishments FY09

- Each OBD field staff helped create an average of 592 quality jobs
- There were 4741 quality jobs created throughout the state
- For every \$1 DECD spends administering the ETIF program, at least \$161 is generated in payroll
- Proactively contacted and assisted over 500 companies and economic development organizations via Business Development Specialist network
- On average, each OBD staff helped create training opportunities for 383 employees
- For every \$1 awarded by GTI, the company on average matches an additional \$10
- Fielded 13,000 requests for information on starting and operating a business via Business Answers service
- Administered over \$2.5M in contracts and grants to various economic development organizations, partner agencies and vendors



Office of Community Development

Accomplishments FY09

- Distributing and administering:
 - ✓ \$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
- Providing, with regional partners, technical assistance and capacity building to more than 100 Maine communities



Office of Innovation

Accomplishments – FY09

- R&D community contributed more than \$2 billion in economic impact to the state, leverages state investment 1:12
 - Maine will receive \$20 million NSF EPSCoR award July 2009
 - \$50 million Maine Technology Asset Fund awards made
 - Technology Center clients experienced 4.7% increase in employment; 21% increase in revenues; \$16.5 million in debt, equity and federal grants, 31 patents awarded or pending.
 - Catalyzed Specialty Food and Ocean Energy Clusters
- Managing \$2 million BRAC-IT grant to identify target LCD in-sourcing opportunities for BNAS, link displaced workers with IT firms
- Serve on Governor's Task Force on Ocean Energy and staff Economic Development subcommittee
- Evaluations (Received Award from Council for Community and Economic Research):
 - 2008 Evaluation of Maine's Public Investment in R&D
 - 2008 Comprehensive Economic Development Evaluation
 - 2009 Innovation Index



Office of Tourism

Accomplishments FY09

- Assisted 76 U.S. and international media and travel trade familiarization tours
- New research methodology includes real-time tracking and prospect data
- Distributed a total of \$950,000 in dedicated marketing funds in regional and events grants through the Maine Tourism Marketing Partnership Program.
- Hosted 65 international tour and receptive operators along with close to 300 suppliers and destination marketing organizations from around New England at the Discover New England Summit in Bethel. International tour operators represented the United Kingdom, Germany, France, The Netherlands, Italy and Japan.
- Increased the number of visits to the award winning web site www.visitmaine.com, by 30%
- More strategic approach to participation in trade & travel shows including improved exposure with new state-of-the-art exhibit
- Launched a new advertising campaign, logo and tagline, "There's More to Maine..."



Maine Film Office

Accomplishments FY09

- Commissioned a detailed study that proved Maine's visual-media industry brings \$371 million annually to the state and is a significant force in Maine's Creative Economy
- Managed the Maine Attraction Film Incentives program
 - \$312,000 in incentives leveraged \$8.3 million of media-production spending
 - ✓ Resulted in \$2.6 million of wages for Maine residents.
- Worked with 70 media productions including feature films, film commercials, catalogs and commercial photography projects
 - Worked with 34 media productions from 1/09-6/09
- Created a new online service that allows producers and location scouts to search for information and photographs on hundreds of Maine locations
- Planned and organized a unique educational program that will match veteran film, TV and photographic professionals with accomplished Maine students (program curtailed due to lack of funds and staff)



Maine Technology Institute

Accomplishments FY09

- Funded 113 technology & cluster development projects in 13 counties totaling more than \$6.6 million, leveraging an additional \$8.9 million in matching funds.
- Completed competition for the Maine Technology Asset Fund, the State's \$50 million research and economic development bond program.
- Launched \$2.5 million Cluster Initiative Program to boost Maine's high-potential technology clusters.
- Launched Small Business Innovation Research matching grant program, increasing the incentive for Maine companies to apply for and succeed with their Federally funded R&D projects.
- Expanded Seed Grant and Development Award programs to include technology transfer activity, creating a greater incentive for Maine universities and research institutions to spin out technologies for commercial sale.
- Each \$1 of MTI funding leverages more than \$14 in private & public funds.

Maine International Trade Center

Accomplishments -

- Expanded state exports by 9.5% (record \$3.01 billion exported from Maine in 2008)
- Hosted 16 statewide trade education programs with 686 attendees participating including Maine International Trade Day at the University of Maine
- Responded to over 1,100 individual Maine inquiries for international market research and trade assistance
- Led 3 overseas trade events in the Middle East, Europe, and Canada with 31 Maine participants resulting in a \$9.9 million in export sales
- Coordinated the State of Maine Trade Mission to Canada including:
 - Participation of 20 Maine businesses and educational institutions
 - 75+ business matchmaking meetings resulting in \$6.5 mil. in sales
 - A successful Executive Briefing for potential Canadian investors



Maine MEP

Maine MEP helps manufacturers create and save jobs, increase their sales, save money and make investments. As a direct result of the work completed, in the past year surveyed clients reported they:

- Created and retained 481 jobs that otherwise would not have existed
- Increased and retained \$44.8 million in sales
- Spent \$10.1 million on new investment
- Experienced \$5.9 million in cost savings

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

- Creating/retaining 1,129 jobs that paid \$45.4 million in wages and benefits
- Contributing/retaining \$72.9 million of gross state product
- Every State dollar invested in MEP returned \$80.45 in client sales, \$18.14 in investments made by clients and \$10.59 in cost savings. These direct impacts also created an indirect return in state and local taxes of \$11.67 for every State dollar invested.



Maine PTAC

Accomplishments FY09

The Maine Procurement Technical Assistance Center is a specialized business technical assistance program to assist 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
- Statewide program –Total active clients – 738
- New clients since 1/1/2009 – 177
- Counseling follow up sessions last 12 months – 2,161
- Sponsored Training Events last 12 months – 17
- Client reported contracts during last 12 months - \$206.4 million
- Jobs created or retained based on contracts above – 4,170 (*DLA economic model*)



Maine SBDC

2006/2007 Economic Impact Highlights

The focus of the Maine SBDC/SBTDC is to assist in the creation and maintenance of viable micro, small and technology-based businesses and the jobs these businesses provide.

- 1,056 jobs created
- 1,224 jobs retained
- \$3.71 returned in tax revenues (Federal and State) for each \$1.00 invested
- \$1,886 – cost of creating a new job
- \$18,889,932 in capital raised
- 92% of clients would recommend Maine SBDC



Economic Development Districts

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

| | AVCOG | KVCOG | NMDC | SMEDD | MCBDP | EMDC | Total |
|--------------------|-----------|-------------|-------------|--------------|-------|-------------|--------------|
| # 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