

AROOSTOOK

Partnership for Progress
Annual Report 2014-15



*“Coming together is a beginning.
Keeping together is progress.
Working together is success.”*
-Henry Ford

APP and LEAD Merger

The Aroostook Partnership for Progress and LEADers Encouraging Aroostook Development are joining together to better serve the economic development needs of Aroostook County.

For the past six months, the executive boards of the organizations have been meeting to work out the details of how the merged organization would operate.

Chris Anderson has served on the executive boards of both APP and LEAD and has a unique perspective on the merger.

“Both organizations have done tremendous work over the years in the effort to enhance our economy,” he said. “The slate of current activities is impressive. The leadership of both organizations does not want to lose those specific things until the time comes that an activity is seen as unnecessary or ineffective to reaching our goals. As budgets tighten and most importantly, as our volunteers become tired from the continuous, arduous task of economic development, we seek fresh ideas and new energy to keep the vision alive and mission on task. Expanding leadership to give voice to all those interested in a better tomorrow for Aroostook is a key element to combining forces. In addition, the business investor/member need not be confused by having too many organizations with multiple or redundant missions pushing a seemingly uncoordinated approach to economic development. One voice, one vision, one mission will streamline all efforts.”

Events such as Entrepreneur of the Year, Aroostook Day at the Legislature and advocacy are still a focus of the new organization, along with the APP focus on Education to Industry, the forest products industry, diversified agriculture, renewable energy and manufacturing.

The name of the combined organization will be the Aroostook Partnership.



Basis For Discussion

- Members Universally **Want More Talent, Younger Leaders & More Companies Engaged!**
- Members Want **Greater Efficiency** (One BoD)
- Pay ONCE for Economic Development Efforts
- Easier To Keep One Collaborative Effort Funded
- Sam Collins & Ray Gauvin Like One Team Concept
- Major Investors Support One Team Rationale
- **Simpler Concept May Help Recruit New Members**

2015 has been another productive year for the Partnership and the collaboration among County agencies continues to grow. We have continued to make progress and seen definite growth in all four of our Mobilize Northern Maine focus areas: Education to Industry, Energy, Forestry/Manufacturing and Diversified Agriculture.



Larry Shaw

This year has seen the completion of SunEdison's \$370M wind project in Oakfield, the \$2.5M grant funding of Acme Monaco's manufacturing expansion in Presque Isle, the completion and job increase at Porvair's manufacturing plant in Caribou, the completion and expansion of operations and jobs at Pineland Farms potato processing plant in Mars Hill, the continuing growth of MMG Insurance, a new "Maine Malt" operation in Mapleton, the significant job expansion of Sitel operations in Caribou, the emergence of a new Solar energy company "County Energy Solutions" in Fort Fairfield, and increased operational capacity at Irving's new sawmill in Ashland. Collectively, these efforts represent the investment of hundreds of millions of dollars and over 150 new jobs created this year.

2015 was also significant in that we had the most successful "Aroostook Day at the Legislature" in the history of this event as we hosted 35 total legislators from across the state, our Northern Forest Products Industry Cluster effort was featured in MaineBiz and received a National Association of Development Organizations (NADO) Innovation Award, and APP membership continued to grow with the addition of Star City IGA, Cianbro and Greenline Devco in state, and SunEdison and EDP Renewables from Boston. The Forest Industry Cluster completed a comprehensive action plan, were instrumental in gaining a new multimillion-dollar Community College training program and are now recognized across the state for their efforts to grow this key sector of our economy.

A major focus of APP remains our Education to Industry initiative. Educating our region on existing and emerging jobs in order to secure our future workforce is our top priority. In that effort, the Aroostook Aspirations Initiative (AAI) continues to build momentum after a very successful first year and has just selected their second contingent of students for their program to inspire more students to attain college degrees. APP has been working with multiple school districts to encourage Job Shadow program expansion, greater discussion of Aroostook careers, and requesting time to work with our teachers to inform them of regional job trends. We have also encouraged and seen expansion in college internship programs around the County to expose students to regional business sectors and encourage them to seek employment in Aroostook. Our website, "Opportunities Aroostook" also gained excellent momentum and has featured as many as 160 job postings and ~30 resumes from job seekers. We are excited with the next step of this site, as AAI will be taking over the site, promoting more internship opportunities, and employing greater social media utilization to spread greater interest.

The Aroostook Partnership is truly a special team and again, I would like to thank all of our private sector investors, our colleges, NMDC and LEAD for all their hard work in support of our important efforts. I'd also like to thank our President, Bob Dorsey, for his continued leadership and passion in leading the charge to grow our economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Shaw". The signature is fluid and cursive, written over a white background.

Larry Shaw
2014-15 Chairperson

APP Officers and Board Members



Larry Shaw, Chair
CEO and President
MMG Insurance



Jon Prescott, Vice -Chair
President & CEO
Katahdin Trust Company



Robert P. Clark,
Vice-Chair (Public)
Executive Director
NMDC



Kris Doody, Secretary
CEO
Cary Medical Center



Chris Anderson, Treasurer
President
F.A. Peabody Company



Alan Richardson
Pres. and CEO
Emera Maine



Richard Daigle
President
Daigle Oil Company



Jim Davis
LEAD President



Sylvia Getman
President & CEO
The Aroostook Medical Center



David Desjardins
President & CEO
Acadia Federal Credit Union



Cal Deschene
Sr. Vice President
United Insurance



Cheri Doak
Senior Vice President
KeyBank



Timothy Crowley
President
NMCC



Linda Schott
President
UMPI



Wilson Hess
President
UMFK

2014-2015 Investors

Acadia Federal Credit Union
Aroostook Aspirations Initiative
Cary Medical Center
County Federal Credit Union
Cianbro
Daigle Oil Company
Dead River Company
EDP Renewables
Emera Maine
F.A. Peabody Company
Greenline Devco
Griffeth Ford/Griffeth Honda
Hillside/Mars Hill/Star City IGA
Husson University
Katahdin Trust Company
Key Bank
K-Pel Industrial Services
Lynox Welding Supply
MMG Insurance
Northern Maine Community College
Northern Maine Development
Commission
Soderberg Construction
S.W. Collins
SunEdison
The Aroostook Medical Center
United Insurance
University of Maine at Presque Isle
WAGM-TV
York's of Houlton

Ex-Officio Members

Forest Products Industry Cluster receives NADO Innovation Award

The forest products industry is responsible for more than a billion dollars to the gross domestic product of Aroostook County. More than 6,700 County residents work in the industry in some fashion. It is big business, but faces challenges, which are being tackled by the Aroostook Partnership for Progress.

This past year the APP Northern Maine Forest Products Industry Cluster formed to look at opportunities and challenges.

The group, which represents industry officials, loggers, educators, economic development officials, bankers and others, met for the first time in January to discuss opportunities and challenges and has since met four more times.

The cluster, organized by APP and supported by Northern Maine Development Commission through grants from the Maine Technology Institute and USDA Rural Development, developed a formal action plan, which addresses workforce development/education, transportation, energy, access to capital/insurance, state bureaucratic barriers, research and development and long-term economic plan for Maine.

APP President Bob Dorsey commented, "I'm very pleased with the participation, engagement and frank dialogue within this group and I think the networking, sharing of

information and increased collaboration among the members will really pay off for the growth of this entire sector."

The cluster was formed with the goals of increasing value added processing (current and potential), create jobs

and grow the forest economy of Aroostook and Maine.

The cluster work received a National Association of Development Organization (NADO) Innovation Award. For 29 years, NADO's annual Innovation Award program has honored those who have made significant impacts on their regions through innovative approaches to problem solving and program delivery.

"The Forest Products Cluster is an energetic and dedicated group and their effort was just featured in the June 1st edition of MaineBiz," commented Dorsey. "It is clear from state agencies and emails I get that folks all over the State are following our efforts and are very supportive of the actions we are undertaking."



Members of the Forest Products Industry Cluster toured R and D facilities at the University of Maine in Sept. of 2015. Research and Development are a big component of the cluster work.

Letter From the President & CEO

2015 has been another productive year for economic development in Aroostook County. Although major project investment in the County has diminished from the tremendous levels observed in 2014, several initiatives have gained traction and the amount of collaboration among agencies and businesses has grown significantly. We have observed expansion in manufacturing (Acme Monaco & Porvair), further growth in diversified agriculture (Maine Malt, Pineland Farms & Lajoie Growers LLC) and continued growth in forest related products (Twin Rivers & the new J.D. Irving mill).

Significant energy has been focused on establishing the Northern Forest Products Industry Cluster. This working group consists of major landowners, mill owners, value added production companies, transportation firms, financial institutions, insurance agencies, educators, and multiple other supporting companies and agencies across the state. They spent considerable time and energy identifying County challenges & opportunities which then led to their drafting an action plan to address our challenges and pave the way for future growth in this key sector of our economy. This effort has received recognition on both a state and federal level as we have received a 2015 NADO Innovation award for this effort.

In the “Education To Industry” initiative, focus has been on encouraging greater growth in job and career awareness in Aroostook, to increase opportunities for job shadow programs in our high schools and in creating more paid internship positions in the County to help students realize the potential for employment in our area. The “Opportunities Aroostook” website effort has gained a lot of momentum and now features between 125 to 150 jobs and double digit resumes. Opportunities Aroostook will get even more attention and traction going forward now that the Aroostook Aspirations Initiative has picked up responsibility for managing the site as they will add more robust internship information and provide much more social media engagement and attention.

In the Diversified Agriculture effort, Buck Farms has had a very successful launch of their Maine Malt business, now supplying malt to many of Maine’s microbreweries and demand is growing, NMDC is busy inventorying our diversified products, markets and transportation methodology, and outside agencies are looking at Aroostook County as the source for increased grain and farm product production. Thus our efforts to increase awareness of County potential to various demand markets are slowly paying off.

A significant amount of energy has been spent coordinating with LEAD on forming a “one team” approach to the private sector’s economic development engagement going forward. Both APP & LEAD realized that a single team with one expanded board of directors and committees to spearhead our efforts was both a simpler story to explain as well as a more effective and efficient way to operate. Our boards therefore refined the name for our combined effort for the future to be “The Aroostook Partnership” – a bit abbreviated but still carrying the brand that is known both statewide and on a national level.

Again, I’d like to thank my board of directors, our executive committee and all of our partners/investors for their valuable support and guidance this year in our efforts to advance our region’s economy. And a special thanks to all the Forest Cluster and working group members for their time and energy in our pursuit of progress.



Bob Dorsey

Robert D. Dorsey

Robert D. Dorsey
Pres. and CEO APP

For more than a decade the Aroostook Partnership for Progress has been a champion for economic development in the region.

Several new investors have signed onto the Partnership, which leverages the financial resources and expertise of the private sector with the in-kind services provided by Northern Maine Development Commission to generate business opportunities and grow the economy. New investors to the Partnership include Hillside/Mars Hill and Star City IGAs, Cianbro, EDP Renewables and Greenline Devco.

Marketing Activities and Initiatives have included:

1. Addressed numerous civic organizations and briefed town and city managers
2. Personal contact with dozens of business developers and CEO's
3. Participated in trade fairs and other events to spread APP message and highlight investors in APP
4. Increased newsletter frequency and distribution, on any given week total reach of more than 1,000
5. Secured news coverage in local and statewide media, including two articles in *MaineBiz* magazine.

Diversified Agriculture

Promoting Value-Added Agriculture the Buck way



Samples of malt from the Maine Malt House in Mapleton is bagged and ready to be sent for testing. The Buck family grows the barley and then processes the malt to feed the growing craft beer industry.

“I’m getting calls from folks outside of New England seeking acreage to grow organic produce and grains,” he says. “There’s more than just potatoes growing up here.” -- APP President Bob Dorsey to MaineBiz on the potential to grow the diversified agriculture economy of Aroostook County. MaineBiz Oct. 5, 2015

APP Efforts

Much of the work done by the Partnership in the past 12 months involves four sectors identified for growth by the Mobilize Northern Maine asset-based economic development initiative. APP focuses, but is not limited to, sector work in forest products, manufacturing, renewable energy and diversified agriculture.

Highlights from each sector include:

Renewable Energy



The past 12 months have been exciting with more investment in renewable energy. The \$330-million Oakfield wind power project of Sun Edison, formerly First Wind, became operational. EDP Renewables continues in hopes of establishing a wind farm on Number Nine Mountain west

of Bridgewater. That project represents a \$600-million investment. Solar power is also gaining traction with big projects at the Loring Commerce Centre and Smith Farms. Demand for locally produced wood pellets remains strong, even with increased competition from more advanced and energy efficient heat pumps.

Forest Products

Northern Maine Community College, along with two other community colleges, received funding to begin a mechanical harvester training program, which should help with workforce challenges. The Northern Maine Forest Products Industry Cluster was lauded for being a template for statewide cooperation. The lumber industry is facing some market challenges, but long-term forecasts call for sales growth.

Manufacturing

Porvair in Caribou recently completed an expansion to continue growth at the facility, which develops, designs and manufactures specialist filtration and separation equipment. Pineland Farms in Mars Hill continues to grow and add employees. Smith and Wesson has added nearly \$20-million in new equipment and Norinco still is interested in locating a rail car manufacturing facility at the Loring Commerce Centre.

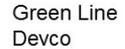
Diversified Agriculture

APP helped Northern Maine Development Commission secure grant funding to link growers and producers from Aroostook, Washington and Piscataquis counties with markets downstate. Co-ops in Fort Kent and Houlton are reporting slow growth, but energy for both projects remains high. The Maine Malt House in Mapleton has slowly grown their business to provide malted barley to those in the craft beer industry.





Thank You Investors



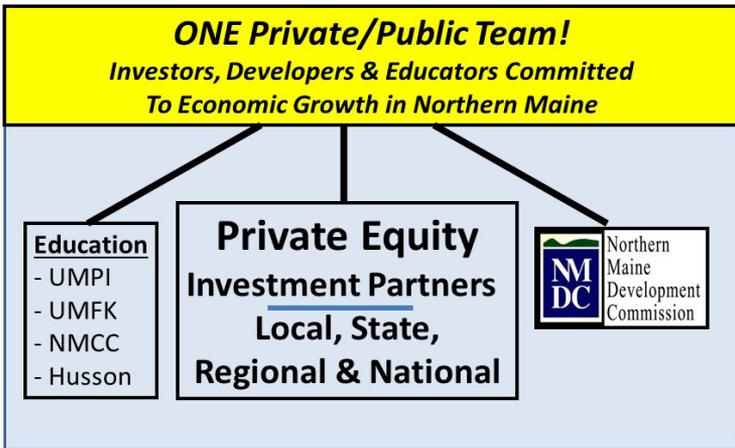


STARTING CLUSTER WORK — APP President and CEO Bob Dorsey addresses participants in the very first Northern Maine Forest Products Industry Cluster meeting.



AROOSTOOK DAY — LEAD member Gina LeBlanc-Eggert speaks with Representative Peter Edgecomb at Aroostook Day at the Legislature. A record number of Maine lawmakers attended this year's event.

“The Aroostook Partnership”



WORKFORCE DISCUSSION — The workforce/education subcommittee of the Forest Products Industry Cluster meets to discuss opportunities and challenges. Workforce issues rapidly became one of the most significant challenges facing the industry. Training programs have been developed to address some of those challenges.



PARTNER PLAQUE — APP Chair Larry Shaw and APP President Bob Dorsey presents Jennifer Flynn of Husson University an investor plaque at the annual meeting last year.

Message from LEADers Encouraging Aroostook Development

LEAD was created nearly 30 years ago to provide business and economic development advocacy for our member businesses. Throughout the years, the projects may have changed, but the core mission has remained always to increase opportunity and prosperity for Aroostook County business interests.

Highlights in 2014-15 include:

Aroostook Day at the Legislature

Another successful Aroostook Day at the Legislature was held, with a record number of legislators in attendance for the evening meal and presentation. Aroostook Day, held Wednesday, Feb. 11, at the Senator Inn in Augusta, is a signature event for LEADers Encouraging Aroostook Development. “We sponsor Aroostook Day as an opportunity for members of the private, public and nonprofit sectors in Aroostook County to interact directly with our elected state representatives on issues of importance to The County,” said Jim Davis, LEAD president. This year more than 25 state lawmakers attended the event, along with about 60 County residents.

Entrepreneur of the Year

LEAD continues to sponsor the Entrepreneur of the Year event, held in May to recognize and celebrate a business owner in Aroostook County. A panel of judges receives nominations and selects one winner that is recognized at an evening gala event. This event is to promote the entrepreneurial spirit in Aroostook County and recognize all small business interests. Joshua McLaughlin of Houlton was the award winner this past May.

Legislative Advocacy

Throughout the legislative session, LEAD members frequently provide testimony before committees on legislation that would impact our business climate and members.

Legislative Conference Calls

Also during the legislative session, LEAD engages closely with the Maine State Chamber of Commerce and hold monthly teleconference calls with the Maine Chamber’s Director of Legislative Services. The organization in turn, hosts a weekly legislative conference call with our Aroostook County delegation. This call typically happens at noontime every Wednesday. Our County delegation commits to gathering in a room at the State House and we provide five locations in Aroostook County where our members can go and call in to discuss bills, hear about issues, etc. It gives our delegation an opportunity to hear about what is happening “back home” in the County and also gives members a time to let us know where we can be effective on certain advocacy issues.

LEADERS

Encouraging Aroostook Development

APP Goals

- **Champion** effort to connect students & former County members with an awareness of projected and emerging **County jobs**
- **Champion** new business opportunities!
- **Champion** substantial and meaningful **reductions in business energy costs** by promoting/educating the benefits of alternative energy approaches
- **Grow 3000** job opportunities and inject **\$500M** into Aroostook economy by promoting Mining & Mobilize Maine Focused Industry Sector Efforts
- **Facilitate** forums for in-depth dialogue on key development issues in the region
- **Facilitate** forums for Small Business Growth, Business Development Education & Business Acumen Awareness
- **Increase Aroostook County awareness** *throughout the state* among decision-makers involved with business expansion, relocation, and investment
- **Maintain** excellent working relationships with Chambers of Commerce, Aroostook County Delegation, and other key State-level constituents

APP 2015 Goals

1. Lead Efforts To **Grow Aroostook's 18 – 44 YO Workforce**
 - Continue/Grow “Retention Focus” Efforts
 - Focus “Attraction Campaign”/Jobs Awareness
 - Promote & Grow “**Opportunities Aroostook**” Website
2. Advance **Forestry Sector** Potential & Value-Added Products
3. Spearhead Efforts To **Advance Mining** in Aroostook
4. Maximize **Manufacturing** Growth/Success
5. Advance **Diversified Agriculture** Projects & Potential
6. Monitor/Promote **Renewable Energy Growth**

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