

AROOSTOOK *Partnership*

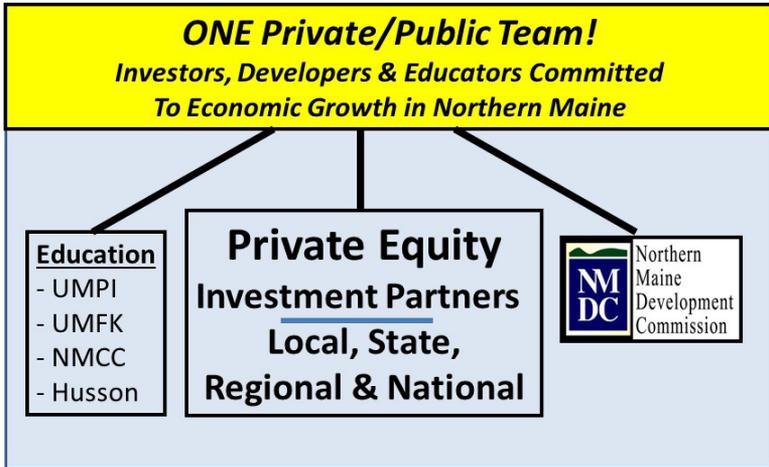
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2015-2016

“The Aroostook Partnership”



AP 2016 Priorities

1. Lead efforts to grow Aroostook's 20- to 44-year-old workforce.
2. Promote forest sector industry growth potential.
3. Maximize manufacturing growth potential.
4. Promote energy investment efforts.
5. Expand diversified agriculture production.
6. Promote broadband expansion in rural Maine.

2016 has been a positive yet challenging year for The Partnership with the successful merger of the former Leaders Encouraging Aroostook Development (LEAD) and the Aroostook Partnership for Progress (APP). Working together with similar missions and for common goals was the impetus and drive toward our consolidation efforts. Creating one voice from many advocating on Aroostook's behalf will result in greater collaboration, coordination and engagement to achieve our goals. Employment development, industry working groups, business recruitment and public advocacy are the cornerstone activities to help our economy thrive and our businesses prosper.



Chris Anderson

We conducted a study of our major County businesses future labor needs and it revealed a 5-year demand of approximately 3,000 new workers! And this is just with existing businesses. With a high school graduation rate of around 750 students per year we quickly realize that we cannot afford to lose our students to other areas of the state or country. We initiated an Education to Industry working group to combat this potential labor shortage. Thus, The Partnership, with the guidance from our working group, purchased the very effective Virtual Job Shadow program for all 17 Aroostook high schools and saved over \$6,000 using a block purchase. As part of our retention strategy, we also held three 'business/teacher socials' throughout the County to enable business leaders and educators to meet so that our education community understands our businesses future workforce needs and our desire to retain graduates and give them a path to employment in their home territory. We also began a 'Did You Know' email series to all County teachers to highlight County trends such as employment opportunities in forestry or healthcare. In addition, we continue to encourage local companies to increase internships throughout the County to expose college students to their operations and provide a recruitment opportunity at the same time.

I'm also very proud of the Partnerships' Forest Products Industry Cluster and their leadership efforts that are making a difference both here in the County and across the State. This group has reached out to multiple agencies and appealed to our legislature to make positive things happen for this vital sector of the County and state's economy. This year, in addition to getting the approval for biomass electricity sales to the state that will greatly help ReEnergy in Ashland and Fort Fairfield, our cluster group testified in Augusta and wrote letters of support that ultimately resulted in the elimination of off-road diesel taxes to help loggers and contractors stay in business through these turbulent times.

We will soon be reviewing the Partnership's mission and goals for 2017 and beyond. Our County remains challenged regarding population growth and labor force availability which will make setting realistic, achievable & timely goals most imperative.

The Aroostook Partnership is a great team and comprised of many folks that care deeply about the County and ensuring our future success. I'd like to thank all our private sector investors, our colleges, NMDC and Jon Gulliver for all their hard work in support of our important efforts. I'd also like to thank our President, Bob Dorsey, for his leadership skills, passion, and tireless efforts in leading the charge to promote the County and advance our economy.

Sincerely,

Chris Anderson
2015-16 Chairperson

AP Board Members

Officers

Chris Anderson - President - FA Peabody
Gina LeBlanc-Eggert - Vice President - Emera Maine
Robert Clark - Public V.P.- Northern Maine Development Commission
Cheri Doak - Secretary - KeyBank
Jennifer Curran - Treasurer - Tempo Employment

Jason Parent - ACAP
Jon McLaughlin - SADC
Jon Prescott - Katahdin Trust Co.
Joy Barresi-Saucier - TAMC
Kris Doody - Cary Medical Center
Larry Shaw - MMG
Mark Wilcox - Dead River Co.
Matt McHatten - Empower Aroostook
Ryan Bushey - Louisiana Pacific
Sue Bernard - NMCC
Timothy Doak - RSU 39

Board Members

Cal Deschene - UIG
Carl Flora - Loring Development Authority
Dave Desjardins - Acadia Federal Credit Union
Jason House - TD Bank

Ex-Officio

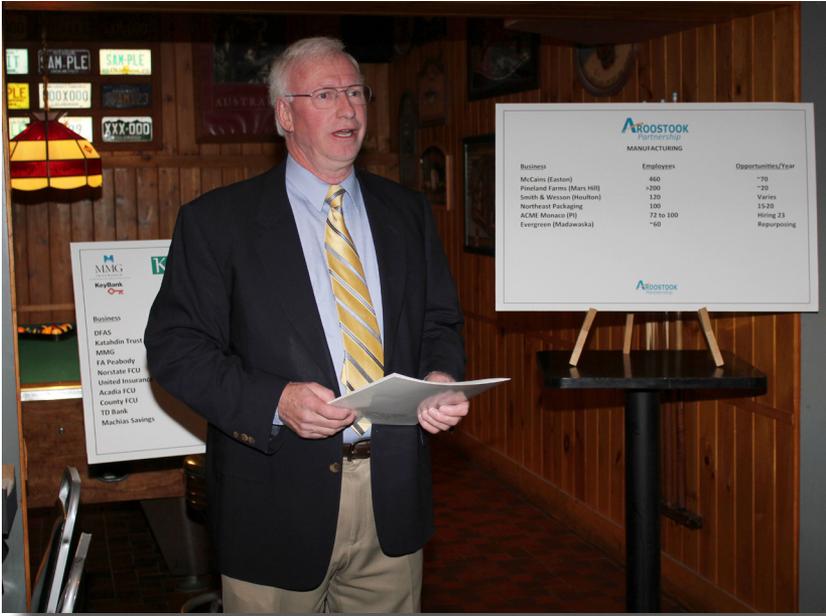
John Short - UMFK
Tim Crowley - NMCC
Debbie Rourke - UMPI
Jennifer Flynn - Husson University



Thank You Major Investors



“Education to Industry” efforts high priority for Aroostook Partnership



AP President and CEO Bob Dorsey addresses educators and business leaders in southern Aroostook on job trends in the region. AP has held three teacher/business socials in the past year as part of its “Education to Industry” efforts.



2016 Highlights

1. “Education To Industry” Initiative:

- Purchased **\$9K Virtual Job Shadow Program** For 17 County High Schools
- Held 3 **Business/Teacher Socials** Promoting **County Career/Job Awareness**
- Started ‘**Did You Know**’ Email Series to >800 County Educators

Letter From the President & CEO

2016 has been slower but still a productive year for economic development in Aroostook County. We observed a more modest level of investment and new job creation compared to the last few years. Much progress was made in our education initiative, collaboration among County agencies and we observed growth in the forest sector, manufacturing, and in diversified agriculture sectors.

Given the challenges of our declining population and workforce shortage issues, the top priority this year was to take more aggressive efforts to increase high school educators and student awareness of major businesses in the County, the number of jobs and opportunities here, the skills that these companies are looking for, and the importance of student exposure to this information. As a result, the Partnership purchased \$9,000 for the Virtual Job Shadow Program for 17 Aroostook high schools, held three coordinated Business/Teacher socials in north, central and southern Aroostook featuring eight to ten local businesses, and started a 'Did You Know' email series featuring career/job information to over 800 educators in the County. In addition, we increased collaboration with the GEAR UP and MELMAC grant efforts, the Junior Achievement program and the Jobs for Maine Grads programs across County schools. We also transitioned the Opportunities Aroostook website to Aroostook Aspirations Initiative, where they have added an 'Internship Hub' increasing the emphasis and assistance to businesses hoping to start their program.

The Northern Forest Products Industry Cluster had a very successful year and reduced their focus to three primary areas – workforce and training, transportation, and energy. At quarterly business meetings they prioritized legislative efforts that would help their industry, strategized on maximizing the potential to get the legislation passed, and took action that resulted in the passing of two key bills, one that established a \$500,000 harvester training program at three community colleges and the other that led to the elimination of off road diesel taxes which will greatly help contractors and loggers stay in business. We also briefed the national level Economic Development Assistance Team on suggestions to help Maine's forest economy and were recognized at the annual Maine Forest Products Council for our leadership and collaboration fostering efforts across Maine.

In manufacturing, Porvair completed their initial expansion efforts doubling their business, Twin Rivers began a \$12M expansion effort, Pineland Farms continued to expand their production capacity to include a cheese processing addition, and Smith & Wesson is working on plans for potential additional production.

In Diversified Agriculture effort, the Maine Malt House had a very successful first full year in operation, won the Entrepreneur of the Year award, expanded market penetration and now have plans to quadruple production. Organic food demand has increased from Whole Foods and Nature's Circle Farm has now expanded to work with five Amish families to meet demand. Also, the Northern Girl company in Van Buren has been successful receiving grants, expanding business, and focused on a project to provide students with healthy carrot snacks.

I'd like to thank my board chair Chris Anderson, our board of directors, the Forest Cluster and various working group members, and all of our partners for their valuable support this year in our efforts to address our challenges and advance our economy.



Bob Dorsey

Robert D. Dorsey

Robert D. Dorsey
Pres. and CEO AP



Members of the Northern Maine Forest Products Industry Cluster meet at the Northern Maine Development Commission in Caribou. The Cluster represents all aspects of the forest products value chain, including land owners, manufacturing, transportation, education, banking, loggers and others.

More than 6,700 Aroostook County people are employed in the forest industry in some manner, whether mill worker, logger, in the transportation industry, etc. The forest economy represents roughly one third of the region's GDP.



2016 Highlights

2. Forest Cluster Engagement:

- Supported Several Legislative Bills
 - **\$13.4M 80 Megawatts** Approved for State Biomass Electric Contracts
 - **Eliminated Off road Diesel Fuel Tax!**
- Briefed National **Economic Development Assistance Team** on Suggested Approaches
- Assisted **Statewide Forestry Collaboration**
 - Recognized at MFPC Annual Meeting for Leadership & Collaboration Efforts



2016 Highlights

3. Manufacturing:

- **Twin Rivers** Spending **\$12M** on Machine Upgrades
- **Smith & Wesson** Pursuing More CNC Machines
- **Porvair Expanding Again** – Doubled Business!
- **Pineland Farms Expanding Employment**



Mobilize Northern Maine (MNM) is the asset-based strategic planning process the Aroostook Partnership utilizes to determine goals and priorities. More information on MNM can be found at www.aroostookpartnership.com.

Diversified Agriculture



2016 Highlights

4. Diversified Agriculture:

- **Pineland Farms Continues To Grow**
- **Maine Malt House To Quadruple Business**
- **New 'Aroostook Beef' Company in SJV**
- **Nature Circle Farms Continues to Grow as Demand for Organic Vegetables Grows**
- **Northern Girl Receiving Support for "Carrots For Maine School Kids' Project"**



2016 Highlights

5. Energy:

- **MREI** project was not chosen by RI/Conn/Mass
- **EDP R \$600M #9 Mtn.** Project looking for PPA
- Pattern Development's **King Pine** project & **Horse Mountain** 250 MWatt also affected
- Two Major Farm Solar Projects Completed
- **LDA** Leasing 600 Acres For Major Solar Farm

Advocacy

For more than twelve years the Partnership has been a champion for economic development in the region.

This year with the merger between Aroostook Partnership for Progress and LEADers Encouraging Development, economic development efforts have been more focused, and now the Aroostook Partnership represents more than 100 local, regional and national businesses. Traditional LEAD projects like political debates and forums continued this fall and Aroostook Day at the Legislature is already tentatively planned for the end of January in Augusta.

Marketing activities and initiatives have included:

1. Addressed numerous civic organizations and briefed town and city managers.
2. Personal contact with business developers and CEO's.
3. Brainstorming activities with Loring Development Authority.
4. Continued newsletter mass e-mailings.
5. Secured news coverage in local and statewide media.
6. Participated in statewide business gatherings.
7. Recruited new investors like Twin Rivers and Maibec.

Aroostook Partnership



ED TO INDUSTRY — *The first teacher/business social sponsored by AP was held in Fort Fairfield last spring. Educators from Fort Fairfield, Easton and Caribou attended, as did business leaders from the region.*



PARTNERSHIP BOARD OF DIRECTORS — *The newly expanded board meets for the first time in January 2016 following the LEAD and Aroostook Partnership for Progress merger.*



OPEN HOUSE — *ReEnergy in Ashland hosted an open house as part of National Bioenergy Day on Oct. 19. ReEnergy also has a facility in Fort Fairfield.*



ADDRESSING EDUCATORS — *AP Chair Chris Anderson welcomes educators and business people to a teacher/business social in Houlton. He also stressed the importance of internships and mentoring as a way of retaining Aroostook's youth.*



NMDC Highlights

- Received **\$124K grant** to develop a **Community Development Financial Institution (CDFI)** Program
- Business Finance Division loaned **>\$1.7M** in total, (**50 Microloans**— **2nd Largest** in the state); led to 28 jobs created and 128 more retained
- Led Community Guided Planning and Zoning effort for new UT business development zone; received Maine Association of Planners '**Project of the Year**' award
- Brownfield program cleaned up 14 compromised sites, **increased property tax revenue by \$250,000** & created or retained 10 jobs

Entrepreneur of the Year/Buck Family of Mapleton

AROOSTOOK COUNTY
– A Mapleton farm family bringing value added production to a rotation crop is the 2016 Aroostook Entrepreneur of the Year.

The Buck family, Jacob, Joshua, Jared, Bruce, Brent and Barry Buck of Maine Malt House, were honored at an awards banquet at

Northern Maine Community College in May as Aroostook

Entrepreneurs of the Year for 2016.

The long-time LEADers Encouraging Aroostook Development competition is now sponsored by the Aroostook Partnership, which was formed in November of 2015, by combining LEAD and Aroostook Partnership for Progress.

A panel of judges, representing Husson University, Northern Maine Community College, the University of Maine at Fort Kent, the University of Maine at Presque Isle and last year's winner Josh McLaughlin, reviewed the nominees in early May, but the second and first runners up and

winner were a closely guarded secret until the award ceremony.

According to the selection committee, the Buck nomination showed innovation and how

to seize an opportunity.

“The concept to make Maine made malt was to diversify beyond growing potatoes and do something unique as the next generation of Buck family farmers,”

said Aroostook Partnership President Bob Dorsey.

The first runner up was Roger Larson of Stairs Welding in Hodgdon.

The second runner up was Patrick Vaillancourt of Northern Turf Management. Vaillancourt was a nominee last year and this year takes home an award.

Others nominees were Alete Salon and Spa owner Jenney Dionne; Rodney McCrum of Pineland Farms Potato Company; Steve Adams of Boondocks Grille; North Country Auto owner Randy Norsworthy; Justin and Alicia Burby of Reliant Repair; Leisure Gardens owner Albert Cyr; and Tristan and Jonathan Noyes of GroMaine.



Jacob Buck, right, accepts the 2016 Entrepreneur of the Year award from 2015 winner Josh McLaughlin.



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