

# MAINE STATE LEGISLATURE

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**STATE OF MAINE  
BUSINESS INCENTIVE  
BUSINESS ASSISTANCE  
AND  
BUSINESS CLIMATE  
INFORMATION**

**JUNE 1999**

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# **INTRODUCTION**



Maine is equipped with a comprehensive set of “performance-based” economic development resource and incentive tools designed to help businesses thrive and expand in the state. These tools also attract out-of-state companies to locate in Maine. Some of these economic development resources, which are further described on the following pages, include:

- an extremely well trained and hard working labor force;
- the effective elimination of property tax on new machinery and equipment;
- a drop in worker’s compensation costs on average of 41%;
- a return of a portion of a new employee’s state income tax withholdings to qualifying employers for up to ten years;
- free, customized, on-site employee training offered by the Quality Centers;
- financial assistance to train employees through the Governor’s Training Initiative; and
- grant and low interest loan programs to assist businesses.

The combined impact of these assets, along with other statewide efforts, have led to some dramatic improvements in Maine’s business climate. Maine has successfully recouped all of the jobs lost during the last recession, boosting its employment level to 550,000 -- testimony to the success, growth and investment of Maine companies. Maine’s worker’s compensation insurance costs are below the national average, and Maine’s telecommunications infrastructure remains on the leading edge nationally -- an important competitive advantage for numerous business sectors.

For Maine businesses these changes are evident. There is increased optimism and enthusiasm from the business community about Maine. Investments of more than \$1.8 billion and the creation of more than 6,000 jobs across the state have been committed to by over 40 businesses currently working with the Department of Economic and Community Development (DECD).

Building Maine’s economy is the number one priority for the state. Accordingly, our knowledgeable staff at DECD and other agencies are committed to responding quickly and accurately to your company’s needs to ensure that your company can make an informed site location or expansion decision.

# TRAINING PROGRAMS:

## *Maine Quality Centers Program*

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**Eligible Businesses:** New or expanding firms creating a minimum of eight (8) *new* full-time jobs with benefits in the state of Maine.

**Program Summary:** This program provides 100% state-financed education and training for new employees, as well as customized recruitment and guaranteed, fast-track, training designed to employer specifications. This program is offered at no cost to the company or trainees, and is delivered by the state's Technical Colleges.

**Program Example:** A leading manufacturer and builder of industrial equipment supplying the metal-forming industry needed 15 mechanical assemblers to support a company expansion. These Assemblers needed to be trained in a range of mechanical and electrical assembly operations and would have to be available to the company within nine months. With Quality Centers funding, the company worked with the local technical college to develop a 269-hour, 12-week education and training program covering mathematics, blueprint reading, basic hydraulics, pneumatics, health and safety, and more. The courses were offered four evenings per week and every Saturday. Recruitment and screening was provided through the Maine Job Service. Ultimately the training was completed, and the company hired the 15 individuals as planned.

**How to Apply:** For a packet of information and application contact:  
Jim McGowan  
Director, Maine Quality Centers  
Maine Technical College System  
323 State Street  
Augusta, ME 04330  
**Phone:** 207-767-5210  
**Fax:** 207-287-1037  
**E-mail:** [jmccgowan@ccdme.org](mailto:jmccgowan@ccdme.org)  
***www.mtcs.tec.me.us***

# TRAINING PROGRAMS: *Governor's Training Initiative*

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**Eligible Businesses:**

Private sector Maine employers:

- Incurring work force training costs related to unique circumstances such as expansion, retention, or upgrading issues.
- Paying wages equal to 85% of the average wage for that occupation in the given labor market.
- Contributing at least 50% of the premium cost of employee health insurance, except for small companies with fewer than 25 employees and in business less than 3 years.

**Program Summary:**

Partial reimbursement of training costs may be provided to employers who are hiring new employees, and/ or retaining or upgrading their existing work force. Training services eligible for reimbursement include: recruitment, assessment, job task analysis, workplace literacy, high performance skills, technical training, higher education, on-the-job training, workplace safety and competitive retooling.

**Program Example:**

A small Portland employer needed 5 new pilots in order to expand into the high-end jet market business. Also required was retraining for existing pilots to operate the new aircraft. GTI provided tuition reimbursement for simuflite training for both the new and existing employees. This assistance enabled the company to hire and train Maine residents rather than experienced pilots from out-of-state

**How to Apply:**

For an application contact:  
Maine Department of Labor  
Bureau of Employment Services  
55 State House Station  
Augusta, ME 04333-0055  
**Phone:** 207-624-6390  
**Fax:** 207-624-6499  
**E-mail:** [lil.bickford@state.me.us](mailto:lil.bickford@state.me.us)  
**[www.state.me.us/dolbes/labor.htm](http://www.state.me.us/dolbes/labor.htm)**

# TRAINING PROGRAMS: *Maine Apprenticeship Program*

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- Eligible Businesses:** Businesses that want to train their existing and/or new employees in apprenticeship positions.
- Program Summary:** The Maine Apprenticeship Program is a customized, systematic training program designed to meet the needs of Maine employers through on-the-job training (OJT) and related classroom instruction. The program pays for 50% of the registration fees for two courses a semester during the apprenticeship period. At the end of the program, an employer has a certified, skilled journeyman.
- Program Steps:** The employer signs a set of standards of apprenticeship with the state, which includes the employer's OJT training schedule. The employer registers the apprentice (who must be a full-time employee) with the Maine Apprenticeship Program (MAP). The employer will be issued a Certificate of Registration for display in their lobby. The employer assures that for each year of the program the apprentice attends a minimum of 144 hours of related classroom instruction and receives 2000 hours of OJT for the occupation they are apprenticed in. Upon the successful completion of the program, the apprentice receives a Certificate of Completion of Apprenticeship from the Maine State Apprenticeship and Training Council, and the employer receives a certified, skilled journeyman.
- How to Apply:** For more information contact:  
Kenneth L. Hardt  
Maine Apprenticeship Program  
Maine Department of Labor  
55 State House Station  
Augusta, ME 04333-0055  
**Phone:** 207-624-6390  
**Fax:** 207-624-6499  
**E-mail:** [skip.hardt@state.me.us](mailto:skip.hardt@state.me.us)

# TRAINING PROGRAMS:

## *Maine Pre-Apprenticeship Program*

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**Eligible Businesses:** Employers interested in working with Maine youth.

**Program Summary:** Two years of customized high school academics coupled with 1000 hours of on-the-job training during the junior and senior years. Upon graduating, culmination is permanent employment and matriculation into the Maine Apprenticeship Program with the possibility of progressing through an Associates Degree program or the Associates Degree in Applied Science in a Trade or Technical Occupation program (TTO Degree).

**Program Steps:** The student enters the Maine Pre-Apprentice Program as a high-school junior and works for the employer part-time during his/her junior and senior school years and either part or full-time during the summer in-between. When the pre-apprentice graduates from school, he/she also graduates from the Pre-Apprentice Program. The student receives a Certificate of Completion of Pre-Apprenticeship from the Maine State Apprenticeship and Training Council, and can then choose to enter The Maine Apprenticeship Program. If he/she does enter the Maine Apprenticeship Program, then his/her on-the-job training time in the pre-apprenticeship program will count towards the Maine Apprenticeship Program.

**How to Apply:** For more information contact:  
Kenneth L. Hardt  
Maine Apprenticeship Program  
Maine Department of Labor  
55 State House Station  
Augusta, ME 04333-0055  
**Phone:** 207-624-6390  
**Fax:** 207-624-6499  
**E-mail:** [skip.hardt@state.me.us](mailto:skip.hardt@state.me.us)

# TRAINING PROGRAMS: *Maine Career Advantage*

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- Eligible Businesses:** Employers interested in providing structured, work-based learning opportunities for Maine youth.
- Program Summary:** Coordinated by Maine's Technical Colleges, in partnership with Maine high schools and businesses, the program provides paid summer and two-year career internships for high school seniors and technical college freshmen. Interns work full time in the summer, part-time during school, earning college credits and receiving tuition-free courses at a technical college. Interested students apply and are interviewed by businesses for available positions. Businesses are assessed a fee for the intern, and program supports businesses in development of training plan, assessment and more.
- Program Example:** A small telephone systems installation firm in southern Maine wanted to expand its operations but was having trouble finding skilled employees. The company wanted to work with local schools to develop a better skilled work force and to contribute to the development of students, while at the same time adding interns to support its work force and meet customer demand. MCA worked with the company to prepare an appropriate training plan and recruited students in local high schools.
- How to Apply:**
- Contact:  
Susan Brown  
Center for Career Development  
Maine Technical College System  
SMTC, Fort Road  
South Portland, ME 04106  
**Phone:** 207-767-5210 ext. 111  
**Fax:** 207-767-2542  
**E-mail:** [susan@ccd.mtcs.tec.me.us](mailto:susan@ccd.mtcs.tec.me.us)  
**[www.mtcs.tec.me.us](http://www.mtcs.tec.me.us)**

# TRAINING PROGRAMS:

## *Workplace Safety Education and Training Program*

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- Eligible Businesses:** All businesses are eligible for service. Priority is given to small and mid-sized employers with high risk of occupational injuries and illnesses.
- Program Summary:** Safety Works! is a program of the Maine Department of Labor which provides customized occupational health and safety training, work site consultation, and technical support to reduce injuries, illnesses and workers' compensation costs. Services are offered to employers at no cost and are independent of OSHA enforcement activities.
- Customized Workplace Training:*** Training for management and employees at the worksite or at central locations statewide.
- On-site Consultation:*** Assessment of existing and potential hazards, with recommendations for correction.
- Low-Interest Loans:*** Available for equipment to improve workplace safety and health (3% up to \$50,000).
- Program Example:** A nursing home implemented the safety management techniques learned in an intensive program of training and on-site evaluation. In 5 years, the company reduce workers' compensation costs from \$1.5 million to \$770,000. Days lost from work went from 573 to 12.
- How to Apply:**
- Contact:  
Alan Hinsey  
Safety Works!  
Maine Department of Labor  
45 State House Station  
Augusta, ME 04333-0045  
**Phone:** 207-624-6400  
**Fax:** 207-624-6449  
**E-mail:** [alan.c.hinsey@state.me.us](mailto:alan.c.hinsey@state.me.us)

# **TAX PROGRAMS:**

## ***Business Equipment Property Tax Reimbursement (BETR) Program***

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### **Eligible Businesses:**

Any business (except public utilities, radio paging services, mobile communications, cable television, satellite-based direct television broadcast, multichannel, and multipoint television distribution services, certain energy facilities, most natural gas pipelines, and property used to produce or transmit energy primarily for resale) that pays property taxes on qualified business property.

### **Program Summary:**

The program reimburses, for up to 12 years (less any number of years for which an Investment Tax Credit was claimed), all local property taxes paid on eligible business property. Once the business pays its taxes, it has 60 days in which to file for BETR. Once Maine Revenue Services receives the BETR form, a check will be issued within 180 days.

The definition of eligible business property is defined by law, but generally means personal property first placed in service in Maine after April 1, 1995. Eligible property includes certain property affixed or attached to a building or other real estate if it is used to further a particular trade or business on that site and so may include property which would be classified as real property for other purposes. Starting with property tax year April 1, 1997, office furniture, lamps and lighting fixtures are not eligible for reimbursement and are excluded from the program.

### **Program Example:**

Cote's Cookie Co. purchased a \$100,000 dough-mixing machine on July 7, 1997. When the town assessed the new machinery on April 1, 1998 they valued the property at \$95,000. Based on the town's mil rate of 15, the company paid an equipment property tax of \$1425 on the eligible equipment. The company then filed an application with the Maine Revenue Service for the BETR program within 60 days of paying the equipment property tax. The company received full reimbursement of the \$1425 it paid in equipment property tax.

### **How to Apply:**

Complete Form 800, and 801, send a copy of the tax bill and receipt within 60 days of paying the equipment property tax. An automatic 60 day extension may be obtained by writing a letter to the Maine Revenue Services. Application forms can be obtained by calling (207)624-7894.

For more information about the program contact:

Anthony Gould

Maine Revenue Services

24 State House Station

Augusta, ME 04332-0024

**Phone:** 207-626-8460

**Fax:** 207-624-9694

**E-mail:** [anthony.gould@state.me.us](mailto:anthony.gould@state.me.us)

[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Employee-Assisted Day Care Credit*

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**Eligible Businesses:** Employers that on behalf of their employees provide day care services through direct capital and personnel expenditures or subsidizing a licensed day care center.

**Program Summary:** The program provides an income tax credit of up to \$5,000. The credit is limited to the lesser of \$5,000, 20% of the cost incurred or \$100 for each child of an employee enrolled on a full-time basis or for each full-time equivalent throughout the tax year. The usable credit cannot be greater than the income tax otherwise due in any tax year. The credit may be carried forward 15 years or back 3 years. For the first year the taxpayer provides day care services, enrollment is determined as of the last day of the year.

**Program Example:** Rupert's Auto Sales employs 15 people full time. Rupert started doing business in Maine on July 1, 1998 and decided to include in his benefit package to his employees free day care on site. Rupert renovated a large room in the back of his business, and hired Daisy, who became a licensed day care professional, to provide day care for eight children belonging to five full time employees. Rupert's cost incurred included the cost of renovations, Daisy's salary and operating expenses for a total of \$18,000 in the first six month's. Rupert's tax due for 1998 before taking the credit was \$500. Rupert's credit would be the lesser of \$5,000, \$3,600 (\$18,000 daycare costs X 20%) or \$800 (8 children X \$100 for each full time child in day care). Rupert may take a credit of \$500, the remaining \$300 may be carried forward for up to 15 years or back for 3 years.

**How to Apply:** The taxpayer applies for the credit when completing their income tax form.

For more information about the program contact:

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**Fax:** 207-624-9694

**E-mail:** [anthony.gould@state.me.us](mailto:anthony.gould@state.me.us)

[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Employer Provided Long-term Care Benefits Credit*

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**Eligible Businesses:** Employers that provide long-term care policy coverage as part of a benefits package. Long-term care is defined by Title 24-A, Section 5051. It does not include regular health insurance coverage.

**Program Summary:** The program provides an income tax credit equal to the lesser of \$5,000, 20% of the cost incurred or \$100 per employee covered. Application of this credit is limited to the tax otherwise due. The unused portion of the credit may be carried forward up to 15 years.

**Program Example:** Senior Solutions and Services opens a branch office to serve the in home nursing and general care needs of elderly people in Southern and Central Maine. They decide to offer long-term care insurance in addition to health insurance coverage as part of their benefits package. Five employees will be covered by the insurance at a cost of \$4,500. The credit is the lesser of \$5,000, \$900 ( $\$4,500 \text{ insurance cost} \times 20\%$ ) or \$500 (5 employees covered  $\times \$100$ ). In this case, \$500 may be used as credit against the current years tax due and any unused portion may be carried forward up to 15 years.

**How to Apply:** The taxpayer applies for the credit when completing their income tax form.

For more information about the program contact:

Anthony Gould

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**Phone:** 207-626-8460

**Fax:** 207-624-9694

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[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Employment Tax Increment Financing (ETIF)*

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### **Eligible Businesses:**

Any business that hires a minimum of 15 net new employees within a two year period, where those employees are: 1) paid an income that exceeds the average per capita income in the county of employment; 2) provided with group health insurance, and; 3) provided with an ERISA qualified retirement program. The business must also be able to demonstrate that its expansion project will not go forward without ETIF funds.

### **Program Summary:**

ETIF is available to assist in the financing of business investment projects that create at least 15 net new, high quality jobs in Maine. An ETIF-approved business would receive either 30, 50 or 75 percent of the state income tax withholdings paid by qualified employees for up to ten years. (Qualifying jobs created in labor market area where unemployment is at or below the state average earn a 30 percent reimbursement, while those with higher than average unemployment earn 50 percent. In areas where unemployment exceeds 150 percent of the state average, the reimbursement is 75 percent.) The percentage of reimbursement is established for a five year period based upon the unemployment rate at the time of initial application, and again at the beginning of the sixth year. The amount of annual payment is based upon the actual number of qualified employees above the company's base level of employment. The company may not accrue ETIF benefits for any period of time wherein employment, wages and/or employee benefits fail to meet the minimum qualification criteria. **(Also, please note that ETIF cannot be taken concurrently with the Jobs & Investment Tax Credit).**

### **Program Example:**

A company is considering adding 30 jobs and investing \$1 million in Androscoggin County. The new jobs will be equally divided in pay at \$8, \$9.50 and \$11 per hour. Group health insurance and a retirement program are available to all employees. The company is looking at other states also, and will base its location decision upon the projected return on investment. Androscoggin County's average annual per capita income is \$19,012 (\$9.14/hr), and the labor market area unemployment rate is above the state average. In this scenario, 20 of the 30 new employees would be considered "qualified" by virtue of their wages (those above \$9.14/hr) and benefits, entitling the company to seek ETIF approval. When the company demonstrates that ETIF provides a return that will result in the investment being made in Maine, the application will be approved. Assuming an average state income tax withholding rate of 3.5%, that employment levels and wages do not change, and that the company remains qualified, the company would be eligible for an annual reimbursement of \$7,480 for ten years -- a total of \$74,800.

### **How to Apply:**

**Contact:** Alan Brigham, Director of Policy and Planning  
Department of Economic and Community Development  
59 State House Station  
Augusta, Maine 04333-0059  
**Phone:** 207-287-2656  
**Fax:** 207-287-5701  
**E-mail:** [alan.brigham@state.me.us](mailto:alan.brigham@state.me.us)

# TAX PROGRAMS:

## *High-Technology Investment Tax Credit*

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### **Eligible Businesses:**

Businesses primarily engaged in high-tech activities that purchase and use eligible equipment. Businesses that lease eligible equipment to lessees that are primarily engaged in high-tech activities and the lessee waives its entitlement to the credit. Lessees of eligible equipment primarily engaged in high-tech activities. High-tech activities include the design, creation, and production of computer software, computer equipment, supporting communications components and other accessories that are directly associated with computer software and equipment. It also includes the provision of internet or electronic communications access services or support access to electronic media, data and associated communications support or certain advanced telecommunications capabilities. Eligible equipment can include computer equipment, electronics components and accessories, certain communications equipment, and computer software placed in service in the state during the tax year that the credit is being claimed.

### **Program Summary:**

The credit amount is equal to the adjusted basis of equipment placed in service in Maine less any lease payments received during the taxable year. This tax credit cannot reduce the tax liability to less than the tax liability of the preceding tax year after the allowance of any credits and it cannot reduce the tax liability in the current year below zero. The unused portion of the credit may be carried forward five years. **(This credit cannot be taken in tandem with BETR.)**

### **Program Example:**

A World of Connections, a new internet access company specializing in producing software to help users interactively connect to the internet via their cable tv connection purchased \$5,000,000 in computer components and software. In 1997 their tax liability after credits taken was \$200,000. During 1998 following a break through in internet access, their tax liability after all other credits is \$4,000,000. Although the allowable credit is \$5,000,000, only \$3,800,000 can be used in 1998 because the credit may not reduce the current year tax liability to less than the prior year's tax liability after credits. The unused portion (\$1,200,000) may be carried forward up to five years.

### **How to Apply:**

The taxpayer applies for the credit when completing their income tax form.

For more information about the program contact:

Anthony Gould

Maine Revenue Services

24 State House Station

Augusta, Maine 04332-0024

**Phone:** 207-626-8460

**Fax:** 207-624-9694

**E-mail:** [anthony.gould@state.me.us](mailto:anthony.gould@state.me.us)

[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Jobs and Investment Tax Credit*

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### **Eligible Businesses:**

Any business, other than a public utility, that invests at least \$5 million in a taxable year in most types of personal property in Maine and creates 100 new jobs over the ensuing two-year period.

### **Program Summary:**

This program provides a credit against Maine income taxes equal to 10% of investment in most types of personal property. The investment must total at least \$5 million in any taxable year and generate at least 100 new qualifying jobs within two years of the date the investment is placed in service. Qualifying jobs must provide wages greater than the average per capita income in the labor market area where the jobs are located, and be covered by retirement and group health insurance programs. The credit amount is limited to the lesser of \$500,000 per year or the tax otherwise due. Unused credit amounts may be carried forward up to 6 years. Thus, the total credit can be up to \$3,500,000 for an investment of \$35 million or greater. Special rules apply to members of affiliated groups. Recapture provisions apply if the property is disposed of or otherwise ceases to qualify under the Code.

**(This credit cannot be taken in tandem with the Employment Tax Increment Financing Program.)**

### **Program Example:**

Metalmania Corp. is a medium-sized metal manufacturer that is in growth mode. The company invested \$35,000,000 during 1996 in new and used machinery and equipment and added 100 new qualifying jobs by the end of 1997. The company is eligible for a \$3,500,000 (10% x \$35,000,000) tax credit under Maine's Jobs and Investment Tax Program. Metalmania Corp. can take advantage of the credit by reducing its income tax liability by a maximum of \$500,000 each year for 7 years.

### **How to Apply:**

The taxpayer applies for the credit when completing their income tax return.

For more information about the program contact:

Anthony Gould

Maine Revenue Services

24 State House Station

Augusta, ME 04332-0024

**Phone:** 207-626-8460

**Fax:** 207-624-9694

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[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)



# TAX PROGRAMS:

## *Research Expense Credit*

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### **Eligible Businesses:**

Any business that engages in research and development activities in Maine that meet the definition in Section 41 of the Internal Revenue Code. Such expenses include certain in-house and contract research expenses if they relate to discovering information that is technological in nature and intended for use in developing a new or improved business component.

### **Program Summary:**

The program provides an income tax credit to companies that incur qualifying research expenses in Maine in excess of the base period amount. The base amount is the average research expenses incurred over the prior three years. The credit equals 5% of the qualified research expenses that exceed the average research expenses, plus 7.5% of basic research payments to educational institutions and certain qualified research organizations. The credit is limited to the first \$25,000 of tax plus 75% of the tax over \$25,000 per year. The credit can be carried forward 15 years.

### **Program Example:**

ABC Co. incurred \$4,000,000 in research costs during the year. In the prior 3 years the company's average research expense amounted to \$3,000,000. The company is eligible for an income tax credit of 5% of the \$1,000,000 excess (\$4,000,000 minus \$3,000,000 ) or \$50,000. In addition, ABC Co. made \$2,500,000 in basic research payments to the local university. The company is eligible for an income tax credit of 7.5% of \$2,500,000 or \$187,500. The company is eligible for a total credit of \$237,500 (\$50,000 plus \$187,500). The company can carry forward any portion of the unused credit for 15 years.

### **How to Apply:**

The taxpayer applies for the credit when completing their income tax form.

For more information about the program contact:

Anthony Gould

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24 State House Station

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**Phone:** 207-626-8460

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[janus.state.me/revenue/homepage.htm](http://janus.state.me/revenue/homepage.htm)

# TAX PROGRAMS:

## *Super R&D Credit*

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- Eligible Businesses:** Businesses that qualify for the research expense credit and whose qualified research expenses conducted in Maine for the taxable year exceed 150% of the average research expenses for the three taxable years prior to September 1997.
- Program Summary:** The credit is equal to the amount of qualified research expenses conducted in Maine for the taxable year that exceed 150% of the average research expenses for the three taxable years prior to September 1997. The credit is limited to 50% of the net tax due (tax due after the allowance of all other credits) and cannot reduce the taxpayer's tax due to less than the net tax due in the preceding taxable year. Any unused portion of the credit may be carried forward up to five years.
- Program Example:** Big Company had qualifying research expenses of 5,000,000 in 1998. Average research expenses for the three taxable years prior to September 1997 were \$1,000,000. The Maine net tax due for 1997 was \$2,000,000. 50% of the 1998 net tax due is \$1,500,000 before this credit. The credit amount is \$3,500,000 ( $\$5,000,000 - (\$1,000,000 \times 150\%)$ ). However, since the credit cannot reduce the tax liability of the taxpayer (\$3,000,000) to less than the net tax liability of the preceding tax year (\$2,000,000), the credit that may be taken in 1998 is \$1,000,000 (2,000,000 1997 net tax due - \$3,000,000 1998 net tax due before the credit). The remaining unused credit (\$2,500,000) may be carried forward up to five years.
- How to Apply:** The taxpayer applies for the credit when completing their income tax form. For more information about the program contact:  
Anthony Gould  
Maine Revenue Services  
24 State House Station  
Augusta, Maine 04332-0024  
**Phone:** 207-626-8460  
**Fax:** 207-624-9694  
**E-mail:** [anthony.gould@state.me.us](mailto:anthony.gould@state.me.us)  
[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Custom Computer Programming Sales Tax Exemption*

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- Eligible Businesses:** Any business that purchases custom computer programming.
- Program Summary:** This program exempts from sales tax the purchase of custom computer programming effective October 1, 1997. If a standard program is purchased then customized, the cost of the standard program would be taxable and the customizing, if separately stated, would be nontaxable.
- Program Example:** LTD is a new manufacturing company. The company purchased a custom computer accounting software program for \$100,000. The company is exempt from paying Maine's 5½% sales tax -- a value of \$5,500.
- How to Apply:** For more information about the program contact:  
Anthony Gould  
Maine Revenue Services  
24 State House Station  
Augusta, Maine 04332-0024  
**Phone:** 207-626-8460  
**Fax:** 207-621-9694  
**E-mail:** [anthony.gould@state.me.us](mailto:anthony.gould@state.me.us)  
[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Biotechnology*

### *Sales Tax Exemption*

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- Eligible Businesses:** Any biotechnology company.
- Program Summary:** Sales of machinery, equipment, instruments and supplies used by the purchaser **directly** and **primarily** in a biotechnology application are eligible for a sales tax exemption.
- Program Example:** Reagents Plus is a biotechnology company that purchased a \$1,000,000 piece of equipment that will be used directly and primarily in research and development. The company is exempt from paying Maine's 5½% sales tax -- a \$55,000 value.
- How to Apply:** Obtain an Industrial Blanket Certification of Exemption form by contacting:
- Sales Tax Division  
Maine Revenue Services  
24 State House Station  
Augusta, ME 04333-0024  
**Phone:** 207-287-2336  
**Fax:** 207-287-6628  
**[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)**

# TAX PROGRAMS:

## *Manufacturing Sales Tax Exemption*

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**Eligible Businesses:** Any manufacturing company.

**Program Summary:** Sales of machinery and equipment used by the purchaser **directly** and **primarily** in the production of tangible personal property is eligible for a sales tax exemption. In addition, items consumed or destroyed directly or primarily in production, and repair and replacement parts for qualified production equipment are exempt from sale tax.

**Program Example:** Strummin is a guitar strings manufacturer. The company purchased a piece of string winding equipment for \$50,000. In addition, the company also purchased \$2,000,000 of inventory. The company is exempt from paying Maine's 5½% sales tax on the machinery and inventory -- a value of \$112,750.

**How to Apply:** Obtain an Industrial Blanket Certificate of Exemption form by contacting:

Sales Tax Division  
Maine Revenue Services  
24 State House Station  
Augusta, ME 04333-0024  
**Phone:** 207-287-2336  
**Fax:** 207-287-6628  
**[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)**



# TAX PROGRAMS:

## *Partial Clean Fuel Vehicle Sales Tax Exemption*

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### **Eligible Businesses:**

Businesses that sell clean fuel vehicles to the general public. Clean fuels include any product or energy source other than conventional gasoline, diesel, or reformulated gasoline, that lowers emissions of certain pollutants. Clean fuel includes but is not limited to compressed natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, hythane (a combination of compressed natural gas and hydrogen), dynamic flywheels, solar energy, alcohol fuels containing at least 85% alcohol by volume and electricity. Clean fuel vehicles are vehicles that may be propelled by a clean fuel or a fuel-cell electric vehicle that uses any fuel.

### **Program Summary:**

The exemption amount is based on a portion of the sale or lease price of a clean fuel vehicle. The exemption is that portion of the sale or lease price of a clean fuel vehicle sold by an original equipment manufacturer that exceeds the price of an identical vehicle powered by gasoline. When there is no identical vehicle powered by gasoline the exemption equals 30% of the sale or lease price of an internal combustion engine clean fuel vehicle or 50% of the sale or lease price of a clean fuel vehicle either fully or partly powered by electricity stored in batteries, generated by a dynamic flywheel or generated by a fuel cell on board the vehicle.

### **Program Example:**

To Breathe Easier, a company specializing in sales, service and the fuel needs of clean fuel vehicles sells a clean fuel vehicle to Mr. Jones. The vehicle Mr. Jones purchases has no identical vehicle powered by gasoline. Mr. Jones vehicle is powered by electricity stored in batteries. The sales price of Mr. Jones' vehicle is \$18,000. The partial sales tax exemption excludes 50% of this sale from sales tax so \$9,000 will be taxable for state sales tax purposes.

### **How to Apply:**

The business received an exemption on their state sales tax form.

For more information about the program contact:

Anthony Gould

Maine Revenue Services

24 State House Station

Augusta, Maine 04332-0024

**Phone:** 207-626-8460

**Fax:** 207-621-9694

**E-mail:** [anthony.gould@state.me.us](mailto:anthony.gould@state.me.us)

[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Research and Development Sales Tax Exemption*

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- Eligible Businesses:** Any business engaged in Research and Development.
- Program Summary:** Sales of machinery and equipment used by the purchaser **directly** and **exclusively** in research and development is eligible for a sales tax exemption.
- Program Example:** R & D Inc. purchased a \$100,000 piece of equipment that will be used directly and exclusively in research and development in the experimental and laboratory sense. The company is exempt from paying Maine's 5½% sales tax -- a \$5,500 value.
- How to Apply:** Obtain an Industrial Blanket Certificate of Exemption form by contacting:
- Sales Tax Division  
Maine Revenue Services  
24 State House Station  
Augusta, ME 04333-0024  
**Phone:** 207-287-2336  
**Fax:** 207-287-6628  
[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# TAX PROGRAMS:

## *Fuel and Electricity Sales Tax Exemption*

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- Eligible Businesses:** Any business that purchases fuel and/or electricity for use at its manufacturing facility.
- Program Summary:** This program exempts from sales tax 95% of the sales price of all fuel and electricity purchased for use at the manufacturing facility.
- Program Example:** During the month of July, Giordano & Co., a guitar manufacturer, purchased \$20,000 in electricity. The company is exempt from paying Maine's 5½% sales tax on \$19,000 ( $\$20,000 \times 95\%$ ) of the electricity cost -- a \$1,045 value. Instead the company will only need to pay \$55 in sales tax ( $5\frac{1}{2}\% \times \$1,000$ ).
- How to Apply:** Obtain an Industrial Blanket Certificate of Exemption form by contacting:
- Sales Tax Division  
Maine Revenue Services  
24 State House Station  
Augusta, ME 04333-0024  
**Phone:** 207-287-2336  
**Fax:** 207-287-6628  
[janus.state.me.us/revenue/homepage.htm](http://janus.state.me.us/revenue/homepage.htm)

# STATE FINANCIAL PROGRAMS:

## *Tax-Exempt Bond (SMART-E)*

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### **Eligible Businesses:**

Any person or business proposing to use loan proceeds to acquire hard assets using a manufacturing operation. Borrowers must be able to demonstrate commercial viability with bond financing in place, exhibit a debt to net worth leverage of no greater than 3:1, provide debt service coverage of 1.25x, and demonstrate a current ratio of no less than 1.25x coverage and must meet a combination of the Internal Revenue Code criteria.

### **Program Summary:**

Program provides bond financing that may be used to purchase and/or construct a manufacturing facility, and/or purchase new machinery and equipment. Fifteen percent of the building related purchase price must be put back into the "four wall" renovation of an existing structure, and at least seventy-five percent of the building must be used for the prime manufacturing function. Bonds may be structured to finance up to 90% of an eligible loan based on collateral value. The maximum bond amount is \$10 million. The maximum bond amount with a FAME Credit Enhancement is \$7 million.

### **Program Example:**

A \$1 million loan for real estate could be eligible for a \$900,000 tax-exempt bond.

### **How to Apply:**

Contact:  
Dave Markovchick  
Finance Authority of Maine  
83 Western Avenue  
P.O. Box 949  
Augusta, ME 04332  
**Phone:** 207-623-3263  
**Fax:** 207-623-0095  
**E-mail:** [dave@famemaine.com](mailto:dave@famemaine.com)  
**[www.famemaine.com](http://www.famemaine.com)**

# STATE FINANCIAL PROGRAMS: *Taxable Bond (SMART)*

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## **Eligible Businesses:**

Any person or business proposing to use loan proceeds for hard asset acquisitions. Borrowers must be able to demonstrate commercial viability with bond financing in place, exhibit a debt to net worth leverage of no greater than 3:1, provide debt service coverage of 1.25x, and demonstrate a current ratio of no less than 1.25x coverage and must meet a combination of the Internal Revenue Code.

## **Program Summary:**

Program provides credit enhanced taxable bond financing for permanent financing or the construction or acquisition of real estate and the purchase of new or used machinery and equipment. The assets do not need to be related to a manufacturing function. The maximum bond amount is \$7 million.

## **Program Example:**

A \$1 million loan for real estate could be eligible for a \$900,000 taxable bond.

## **How to Apply:**

Contact:  
Dave Markovchick  
Finance Authority of Maine  
83 Western Avenue  
P.O. Box 949  
Augusta, ME 04332  
**Phone:** 207-623-3263  
**Fax:** 207-623-0095  
**E-mail:** [dave@famemaine.com](mailto:dave@famemaine.com)  
**[www.famemaine.com](http://www.famemaine.com)**

# STATE FINANCIAL PROGRAMS: *Commercial Loan Insurance*

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## **Eligible Businesses:**

Businesses that meet the general lending criteria of the institution seeking an Authority guaranty. A borrower must exhibit the ability to repay debt out of normal cash flow from business operations. Borrowers that do not qualify for one of the Authority bond programs may qualify for loan insurance.

## **Program Summary:**

Program provides a business borrower the opportunity to secure credit for an eligible project by providing a commercial lender with loan insurance. The Authority may offer up to 90% insurance on an eligible loan for real estate and machinery and equipment. The maximum insurance varies by the loan application. The maximum bond amount is \$7 million.

## **Program Example:**

A bank may seek FAME insurance to cover certain lending risk. For example, a lender may be willing to make a \$1 million commercial real estate loan if it could obtain a 90% loan guarantee.

## **How to Apply:**

Contact:  
Dave Markovchick  
Finance Authority of Maine  
83 Western Avenue  
P.O. Box 949  
Augusta, ME 04332  
**Phone:** 207-623-3263  
**Fax:** 207-623-0095  
**E-mail:** [dave@famemaine.com](mailto:dave@famemaine.com)  
***www.famemaine.com***

# STATE FINANCIAL PROGRAMS:

## *Major Business Expansion Program*

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### **Eligible Businesses:**

Any business proposing to expand or locate in Maine and whose borrowing needs fall in the \$5,000,000 to \$25,000,000 range. A borrower must commit to retaining or creating at least 100 jobs.

### **Program Summary:**

The program provides tax-exempt or taxable bond financing for up to 100% of a project's cost. Bonds may be issued as either tax exempt (subject to the limits of the Internal Revenue Code) or taxable. Business borrowers must use Bond proceeds to permanently fund the construction, acquisition or renovation of a facility used in the borrower's operation, or to acquire machinery and equipment. The Bond proceeds may also be used for the take out financing of hard assets. The financing is structured to match the useful life of the assets being financed.

### **Program Example:**

An eligible borrower could qualify for a \$5 million Major Business Expansion Bond for permanent financing of a distribution facility expansion.

### **How to Apply:**

Contact:  
Dave Markovchick  
Finance Authority of Maine  
83 Western Avenue  
P.O. Box 949  
Augusta, ME 04332  
**Phone:** 207-623-3263  
**Fax:** 207-623-0095  
**E-mail:** [dave@famemaine.com](mailto:dave@famemaine.com)  
**[www.famemaine.com](http://www.famemaine.com)**

# STATE FINANCIAL PROGRAMS: *Economic Recovery Loan Program*

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## **Eligible Businesses:**

Small Maine businesses seeking last-resort financial assistance. Business must show that all other financial options have been denied or exhausted. Borrowers must demonstrate that the loan will be repaid.

## **Program Summary:**

The Economic Recovery Loan Program is a lending program designed as a **supplemental** financial resource to help Maine small businesses access the capital required to become more productive and more competitive. The maximum request for funding is \$200,000. In cases where there exists substantial public benefit, larger loans may be considered.

## **Candidate Example:**

A business has just found out that its payroll service has not paid employment taxes for a year. The IRS is demanding immediate payment of \$140,000, the owner has depleted all capital, and no lender will make a loan.

## **How to Apply:**

Contact:  
Dave Markovchick  
Finance Authority of Maine  
83 Western Avenue  
P.O. Box 949  
Augusta, ME 04332  
**Phone:** 207-623-3263  
**Fax:** 207-623-0095  
**E-mail:** [dave@famemaine.com](mailto:dave@famemaine.com)  
**[www.famemaine.com](http://www.famemaine.com)**

# STATE FINANCIAL PROGRAMS:

## *Agricultural Marketing Loan Fund Program*

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### **Eligible Businesses:**

Any person or organization in the business of growing or harvesting of plants, raising animals, growing or obtaining plant or animal byproducts, aquaculture or engaged in the producing, processing, storing, packaging or marketing of a product from such businesses.

### **Program Summary:**

This program helps natural resource based industries by providing a source of subordinated debt for eligible projects and borrowers. The maximum loan size under this program is \$250,000. Proceeds may be used for the design, construction or improvement of commodity and storage buildings and packing and marketing facilities, or for the construction, renovation or acquisition of land, buildings, equipment, docks, wharves, piers, or vessels, located in the State of Maine and used in connection with an agricultural enterprise. AMLF does not finance the construction phase of any project, usually the lead lender provides the construction loan. Funds are targeted at projects which improve productivity through state-of-the-art technology or innovative processes.

### **Candidate Example:**

A dairy farm is installing a state-of-the-art milking system.

### **How to Apply:**

Contact:  
Mark Butterfield  
Finance Authority of Maine  
83 Western Avenue  
P.O. Box 949  
Augusta, ME 04332  
**Phone:** 207-623-3263  
**Fax:** 207-623-0095  
**E-mail:** [mark@famemaine.com](mailto:mark@famemaine.com)  
**[www.famemaine.com](http://www.famemaine.com)**

# STATE FINANCIAL PROGRAMS: *Small Enterprise Growth Program*

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## **Eligible Businesses:**

Businesses with a distinct competitive advantage in a strong marketplace. The business must employ 25 or fewer *or* have gross sales of \$2,000,000 or less within the past 12 months. Borrower must be engaged or involved in at least one of the following: Marine Science, Biotechnology, Manufacturing, Exporting, Software Development, Environmental Sciences, Value Added Natural Resources and/ or other enterprises that the Board determines will further the purposes and intent of the program.

## **Program Summary:**

This program provides financing for small Maine companies that demonstrate a potential for high growth and public benefit. The program will seek adequate risk adjusted returns on investment. Financing is limited to a maximum of \$150,000 per loan and must be matched with other financing sources. The SEGP may also charge the borrower for its out-of-pocket expenses associated with closing and administering this loan in excess of \$1,500.

## **Candidate Example:**

A company is developing immunoassay test kits for herbicides and is seeking \$100,000 to commercialize the product which has already completed prototype testing. There is a strong market for the product and the company has an excellent management team in place.

## **How to Apply:**

Contact:  
Charlie Spies  
Small Enterprise Growth Fund  
P.O. Box 670  
Augusta, ME 04332  
**Phone:** 207-623-3263  
**Fax:** 207-623-0095  
**E-mail:** [charlies@famemaine.com](mailto:charlies@famemaine.com)  
**[www.famemaine.com](http://www.famemaine.com)**

# STATE FINANCIAL PROGRAMS:



## *Maine Technology Investment Fund*

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**Eligible Businesses:** Maine private, for profit companies with fewer than 50 employees and with gross sales less than \$5,000,000 and whose research and development efforts are in the target technology areas of marine science, biotechnology, software, precision manufacturing, environmental, and composite materials.

**Program Summary:** The overall objective of the Maine Technology Investment Fund is to strengthen employment opportunities in Maine by stimulating commercialization of good technology ideas in small companies. The MTIF can invest in companies that demonstrate use of technologies with a competitive advantage in the marketplace. MTIF will seek risk-adjusted return on its investment over a period not to exceed ten years. Investments will be considered within a range of \$25,000 to 4100,000 and must be matched by the company with case investment of at least 1:1.

**Program Example:** A for-profit company has developed a new technological device that will open up a new market area allowing the company to expand its operations, triple its revenues, and has the potential to add an additional 100 employees within 5 years. The company requires \$500,000 to develop a production project from a prototype that was developed under the federal Small Business Innovation Research program. A \$100,000 MTIF investment is required with \$400,000 of private capital being invested to complete the financial requirements.

**How to Apply:**

Contact:  
Claire Collins, Chief Operating Officer  
Maine Science and Technology Foundation  
77 Sewall Street  
Augusta, ME 04333  
**Phone:** 207-621-6350  
**Fax:** 207-621-6369  
**E-Mail:** [collins@mstf.org](mailto:collins@mstf.org)  
**www.mstf.org**

# STATE FINANCIAL PROGRAMS:



## *Maine Small Business Innovation Research Assistance Program Phase 0 Grant Program*

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### **Eligible Businesses:**

Maine small businesses as defined by the federal Small Business Innovation Research (SBIR) program (generally any company with less than 500 employees).

### **Program Summary:**

A Maine small business that has identified a federal agency that has a SBIR research topic in an area that is of interest. The SBIR program is conducted in three phases; Phase I is a 6 month effort to determine the projects feasibility with grants typically between \$50,000 and \$100,000; Phase II is a 2 year effort to develop a prototype with grants typically between \$250,000 and \$750,000; Phase III commercializes the product, has no specific time limitations and there are no SBIR funds available. The program is highly competitive and all projects must initiate with Phase I. This grant does not require a match and the small business retains the intellectual propriety that results from this project. The MSAP Phase 0 grant provides \$5,000 to assist small businesses in preparing a competitive SBIR Phase I proposal.

### **Program Example:**

A Maine small business develops software for training devices. The company has identified that the Department of Defense has an SBIR research topic that states the need for the development of an augmented reality weapons training system. Having never competed in the SBIR program before, the small business requires \$5,000 to fund a software consultant with defense experience to ensure the SBIR Phase I proposal is written to meet the specific needs of the Defense Department.

### **How to Apply:**

Contact:  
David Patch  
Maine Science and Technology Foundation  
77 Sewall Street  
Augusta, ME 04333  
**Phone:** 207-621-6350  
**Fax:** 207-621-6369  
**E-Mail:** [dpatch@mstf.org](mailto:dpatch@mstf.org)  
**www.mstf.org**

# LOCAL FINANCIAL PROGRAMS:

## *Tax Increment Financing (TIF)*

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**Eligible Businesses:** Any business making significant capital investments within their municipality, where the municipality is willing to provide financial support through the use of the revenue stream of new property taxes resulting from these investments.

**Program Summary:** TIF is strictly a local financing tool wherein a municipality may use all, or a portion of, the new property taxes that result from an investment project within a designated district to assist in that project's financing. The municipality has the option of issuing bonds (which are retired using the tax increment), or paying the tax increment directly to the investing business to cover project costs. Tax Increment Financing districts may be designated for a period of up to 30 years. Bonds may be issued under this program for up to 20 years. The designation of a TIF district requires a public hearing and the majority vote of the municipal legislative body.

**Program Example:** A business expects to invest \$500,000 in buildings and site improvements on vacant land (currently valued at \$100,000), and install \$400,000 in manufacturing machinery and equipment. The municipality's property tax mil rate is \$20 per \$1,000 of valuation, and the business will have a tax obligation of \$20,000 per year once the investments are recorded on the tax rolls. Of this tax obligation, \$18,000 is incremental, and thus eligible for TIF.

Scenario 1 (Credit Enhancement Agreement): The municipality agrees to "capture" 75% of the incremental tax revenues for a period of fifteen years and return them to the business to assist in financing the new building. The business would receive \$13,500 in the first year of the TIF, though subsequent payments might be adjusted for equipment depreciation, real estate appreciation, and future capital investments. All things being equal, however, the business would receive approximately \$202,500 over the life of the TIF.

Scenario 2 (Municipal Bond Financing): The business needs a road and utilities installed for \$150,000. The municipality agrees to pay this cost, issuing a 20 year TIF bond in the amount of \$150,000. Annual debt service on the bond will be \$12,338, which the municipality will "capture" out of the incremental taxes.

**How to Apply:** The tax increment financing statutes are found in 30-A M.R.S.A. §§ 5251-5261. By virtue of its complexity and the public process required, most businesses desiring tax increment financing find it advantageous to secure the services of an experienced TIF consultant.

For more information and/or to obtain a copy of the administrative rule contact:  
Alan Brigham, Director of Policy and Planning  
Department of Economic and Community Development  
59 State House Station, Augusta, Maine 04333-0059  
**Phone:** 207-287-2656  
**Fax:** 207-287-5701  
**E-mail:** [alan.brigham@state.me.us](mailto:alan.brigham@state.me.us)

# LOCAL FINANCIAL PROGRAMS:

## *Business Assistance Program*

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### **Eligible Businesses:**

Businesses that have a significant impact on their local or regional economy that require financing to carry out an economic development project leading to the creation or retention of jobs principally for low and moderate income persons. Because this program uses Community Development Block Grant Funds (CDBG), businesses located in Auburn, Bangor, Lewiston or Portland are not eligible, as they receive their own CDBG allotments.

### **Program Summary:**

The program provides a grant to a local government to either loan or grant up to \$400,000 to businesses to finance fixed assets including capital equipment, commercial or industrial buildings, fixtures or property improvements. This financing must represent a critical component of a business' development or expansion and must lead to the creation or retention of jobs for low and moderate income persons. Program applicants must demonstrate that all other financing opportunities have been exhausted. Financing terms are determined by DECD in accordance with the needs of the business.

### **Program Example:**

When Gerber Childrenswear announced its intention to cease operations in Fort Kent, the town worked with its regional development corporation and the state to identify ownership capable of restarting the facility. A new company, Kent Textiles, Inc., formed to purchase and restart operations at the children's clothing manufacturing plant. The town, in conjunction with the new company, applied for and received a Business Assistance grant of \$300,000 to enable the company to purchase the factory and rehire 150 former Gerber employees. The company is the largest private employer in the community and one of the largest in Aroostook County.

### **How to Apply:**

Contact:  
Christina Revell  
Office of Business Development  
Department of Economic and Community Development  
59 State House Station  
Augusta, ME 04333-0059  
**Phone:** 207-287-2707  
**Fax:** 207-287-5701  
**E-mail:** [christina.revell@state.me.us](mailto:christina.revell@state.me.us)

# LOCAL FINANCIAL PROGRAMS:

## *Economic Development Infrastructure Grant*

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### **Eligible Businesses:**

New and expanding businesses that require the development, expansion or rehabilitation of **public** infrastructure to meet their requirements.

### **Program Summary:**

The program provides grants to **municipalities** of up to \$400,000 for the construction of public infrastructure projects such as; water lines, roads, utilities, publicly owned buildings, waste water treatments, and rail spurs. This infrastructure must represent a critical component of a business' development or expansion and must lead to the creation or retention of jobs for low and moderate income persons.

### **Program Examples:**

The Town of Machiasport received a grant for \$400,000 to construct a public fish pier adjacent to a new, state-of-the-art, \$2 million fish processing facility developed by Atlantic Salmon of Maine, Inc. The company is a leader in the burgeoning salmon aquaculture industry in Washington County. The expansion will create 30 new, natural resource-based jobs.

The Town of Farmington received a grant for \$260,000 to expand and renovate a publicly owned manufacturing facility. The project represents an excellent example of the adaptive reuse of an historic school building. M.T.E., Inc., a manufacturer of electronic wiring harnesses and electric sub-assemblies, will be creating 32 new jobs.

### **How to Apply:**

Applications are accepted three times a year during the winter, spring and summer for a funding competition.

#### Contact:

Aaron Shapiro  
Office of Community Development  
Department of Economic and Community Development  
59 State House Station  
Augusta, ME 04333-0059

**Phone:** 207-287-8476

**Fax:** 207-287-8070

**E-mail:** [aaron.shapiro@state.me.us](mailto:aaron.shapiro@state.me.us)

# LOCAL FINANCIAL PROGRAMS:

## *Development Fund Loan Program*

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### **Eligible Businesses:**

A business creating or retaining jobs for low and moderate income persons that requires "gap" financing that cannot be obtained from other public sources.

### **Program Summary:**

The Development Fund Program can provide up to \$200,000 of "gap" financing for up to 40% of a business' development activities. The financing can be used for either fixed asset investments or working capital. Loans are provided at favorable terms and conditions as determined by DECD in accordance with the business' needs. Businesses receiving Development Fund support must create or retain jobs, principally for persons of low to moderate income.

### **Program Examples:**

EchoVision is a new software duplication company that copies and packages software for retail sales in Damariscotta. Their \$50,000 Development Fund Loan allowed them to hire five new employees with a goal of 10 new employees by the end of 1998.

Humpty Dumpty Potato Chip Company, located in Scarborough, had been purchased in the 1980's by an out-of-state concern that neglected its assets. As market share and quality declined the company was sold to new owners who sought to revitalize the business. The Development Fund was combined with other sources of public and private financing to purchase new equipment and provide working capital. Humpty Dumpty now employs over 100 workers.

### **How to Apply:**

Contact:  
Christina Revell  
Office of Business Development  
Department of Economic and Community Development  
59 State House Station  
Augusta, ME 04333-0059  
**Phone:** 207-287-2707  
**Fax:** 207-287-5701  
**E-mail:** [christina.revell@state.me.us](mailto:christina.revell@state.me.us)

# ENVIRONMENTAL PROGRAMS:

## *Office of Innovation and Assistance*

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- Eligible Businesses:** Any business interested in evaluating or changing its processes to reduce or eliminate environmental impacts.
- Program Summary:** What processes, practices and products can a business use to reduce or eliminate pollution and save money in the bargain? Using a wealth of technical expertise and international information networking, the Office of Innovation and Assistance can help answer that question. It provides on-site technical pollution prevention assistance; manages innovative programs like *CLEAN P2* and *Environmental Leadership*; conducts literature searches and financial analysis of pollution prevention projects; and assists in technology transfer.
- Program Example:** A large manufacturing firm contacted the Maine Department of Environmental Protection (DEP) with interest in developing an Environmental Management System (EMS) to better manage their many environmental compliance and pollution prevention activities, and to market their products to countries and companies requiring ISO EMS certification. The Office of Innovation and Assistance worked with the company to identify key DEP staff and other technical resources who could assist in the process. The company conducted the EMS work and DEP provided technical assistance and review throughout the process. The company received ISO 14000 and can now market their product as environmentally friendly throughout the world.
- How to Apply:**
- Contact:  
Ron E. Dyer  
Office of Innovation and Assistance  
Department of Environmental Protection  
17 State House Station  
Augusta, ME 04333-0017  
**Phone:** 207-287-4152  
**Fax:** 207-287-2814  
**E-mail:** [ron.e.dyer@state.me.us](mailto:ron.e.dyer@state.me.us)  
[www.state.me.us/dep.htm](http://www.state.me.us/dep.htm)

# ENVIRONMENTAL PROGRAMS:

## *Small Business Technical Assistance Program*

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### **Eligible Businesses:**

Any business with fewer than 100 employees.

### **Program Summary:**

Small businesses sometimes have difficulty complying with environmental regulations because they do not have the environmental staff that larger businesses do. The Small Business Technical Assistance Program (SBTAP) helps small businesses comply with these regulations through education, on-site assistance, and pollution prevention techniques. It also advises businesses on ways to reduce waste, and administers the Small Business Compliance Incentive Policy which provides enforcement relief for small businesses requesting assistance from the Department.

### **Program Example:**

A small manufacturer contacted the SBTAP with questions on a new air-emissions-control regulation for their solvent-based cleaning process. The SBTAP visited the company to explain the regulation in detail, view the process, and make suggestions on alternatives to the company's current system. The company investigated the SBTAP recommendations and decided to switch to a more environmentally-friendly cleaning process that was exempt from regulation. By working with the SBTAP the company was able to reduce their regulatory burden, reduce pollution, and save money.

### **How to Apply:**

#### Contact:

Brian W. Kavanah

Department of Environmental Protection

17 State House Station

Augusta, Maine 04333-0017

**Phone:** 1-800-789-9802; or, 207-287-6188

**Fax:** 207-287-2814

**E-mail:** [brian.w.kavanah@state.me.us](mailto:brian.w.kavanah@state.me.us)

***[www.state.me.us/dep.htm](http://www.state.me.us/dep.htm)***

# ENVIRONMENTAL PROGRAMS:

## *Coordinated Environmental Permitting Program*

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- Eligible Businesses:** Any business planning to locate or expand in Maine.
- Program Summary:** The number and variety of environmental requirements can present a challenge to new or expanding facilities. This program serves as a pointer and facilitator for projects needing a single environmental approval, and as a coordinator and manager for projects requiring multiple approvals. Through early identification of requirements and resolution of issues **before** applications are filed, this program provides assurance of thorough, predictable and timely environmental review.
- Program Example:** When a paper mill wanted to invest \$460 million to install a new paper machine and boilers, a timely and predictable permitting process was critical. The project required five approvals by two different entities for water, air and solid waste discharges. Commitment by the applicant and an intensive team effort by the Maine Department of Environmental Protection resulted in all applications being processed in less than 90 days, well exceeding the applicant's expectations.
- How to Apply:** Request assistance by contacting:  
Brooke E. Barnes  
Department of Environmental Protection  
17 State House Station  
Augusta, Maine 04333-0017  
**Phone:** 207-287-7887  
**Fax:** 207-287-2814  
**E-mail:** [brooke.e.barnes@state.me.us](mailto:brooke.e.barnes@state.me.us)  
***www.state.me.us/dep.htm***

# INTERNATIONAL TRADE ASSISTANCE

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## **Eligible Businesses:**

Businesses or organizations either currently involved in international trade or desiring to enter international trade in the future.

## **Program Summary:**

The mission of the Maine International Trade Center (MITC) is to expand Maine's economy through increased international trade in goods and services and related activities. MITC program efforts to meet that mission include:

- Trade Missions
- Various types of training programs in international trade
- Intermittent conferences throughout the year including a major Trade Day event
- Monthly publications including a President letter and organization newsletter
- Special member-only programs throughout the year
- One-on-one individual counseling and technical service assistance
- Comprehensive International Library
- International Trade Data Network access

## **Program Example:**

Trade Center staff first visited a specialty foods producer located in eastern Maine to learn about the unique history and market "cache" of the company's products. The Trade Center then compiled a list of potential distributors using its extensive database and personal contacts in the United Kingdom. The company then joined Governor King and Trade Center staff on a Trade Mission, organized by the Trade Center, to the UK, where face-to-face meetings took place that culminated in the company successfully agreeing to terms with European distributors.

## **How to Apply:**

For trade assistance or for information on becoming a MITC member, contact:

Perry Newman, President  
Maine International Trade Center  
511 Congress Street  
Portland, Maine 04101

**Phone:** 207-541-7400

**Fax:** 207-541-7420

**E-mail:** [newman@mitc.com](mailto:newman@mitc.com)

**[www.mitc.com](http://www.mitc.com)**



# SITE ASSISTANCE

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- Eligible Businesses:** Any business either locating, expanding operations, or relocating within Maine.
- Program Summary:** The Department of Economic & Community Development (DECD) will work confidentially with company management to best qualify the type of site necessary and will present the company with site options based on this criteria.
- Program Example:** Fisherman's Exclusive Ltd., a sea cucumber processor, was relocating from Massachusetts to Maine. They needed a processing facility directly on the water with a 150 ft. pier to handle their ships. They also needed a T1 line due to their frequent communications overseas with their Japanese clients. DECD conducted a confidential site search and found three sites that could be adapted to meet the company's needs. DECD packaged the information and forwarded it to their client within a week. Upon reviewing the site information, the company chose to look at one facility in particular; DECD facilitated that visit, at which point the process was turned over to the company and the real estate broker. Fisherman's Exclusive Ltd. ultimately purchased the facility.
- How to Apply:**
- Contact:  
Jeanne St. Pierre  
Office of Business Development  
Department of Economic Development  
59 State House Station  
Augusta, Maine 04333-0059  
**Phone:** 207-287-3190  
**Fax:** 207-287-5701  
**E-mail:** [jeanne.stpierre@state.me.us](mailto:jeanne.stpierre@state.me.us)



# WORK FORCE QUALITY

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Maine people have a great work ethic and labor disputes are rare; in fact, only one Maine firm experienced a work stoppage over the past three years. Maine workers are loyal, dependable, and committed to delivering quality performance every workday. Here is a sampling of what Maine employers say about their workers:

*Maine employees have a work ethic second to none.  
J.M. Huber Corporation, Easton, Maine*

*...turnover at this plant was one-third that of some  
other sites we were considering...  
National Semiconductor, South Portland, Maine*

*There is a real sense of ownership here among workers,  
not the disenfranchisement you see elsewhere.  
Blue Cross/Blue Shield, Portland, Maine*

*Our success in Maine is due primarily to the work ethic  
of our employees.  
Gates Formed-Fibre Products, Auburn, Maine*

*We are a company that depends on the ability of our employees to be  
responsible, self-directed and accountable at all levels. We find our  
employees meet or exceed those standards.  
Idexx, Westbrook, Maine*

*We have found that the work ethic is outstanding and the quality of the  
people of Maine is outstanding.  
Medaphis Physician Services, Lewiston, Maine*

*We are very proud of our employees. They are conscientious and give full  
attention to their jobs.  
Northern Utilities, Portland, Maine*

*Loyalty and dedication are trademarks of the Maine worker.  
Pioneer Plastics, Auburn, Maine*

*Maine's paper industry has a long and proud history. Paper companies were  
drawn ... to Maine because of ... the work ethic and skills of the workforce.  
Boise-Cascade, Rumford, Maine*

*Hardworking. Reliable. Loyal. Productive. These are words  
that describe our people.  
MBNA, Camden, Maine*



# TELECOMMUNICATIONS INFRASTRUCTURE

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Telecommunications is the modern mode of transporting goods and services and Maine's telecommunications infrastructure has placed Maine in the center of the global marketplace. In fact, the number of companies conducting business across the U.S. and around the world from Maine continues to grow at an impressive rate.

The following facts explain why Maine's business climate and telecommunications network are able to support the needs of business, educational, and residential customers.

**FACT: MAINE IS ONE OF THE MOST "NEXUS-FRIENDLY" STATES IN THE U.S.**

Nexus law defines corporate presence and the tax burdens that come with it. By being "nexus-friendly," Maine creates a safe haven in which call centers and their clients can avoid collecting and remitting sales tax. While other states are actually looking for ways to collect more taxes from nonresident companies, Maine recently revised its laws to save call centers and their clients time and money. This friendly climate is benefiting world-class call centers in Maine including L.L. Bean, Sitel Corporation, ICT Group, Talk America, and Auto Europe.

**FACT: 100 PERCENT OF MAINE'S TELECOMMUNICATIONS NETWORK IS SWITCHED USING DIGITAL TECHNOLOGY—MAKING IT ONE OF THE FIRST STATES IN THE NATION WITH THIS DISTINCTION.**

Telecommunications technologies are rated in terms of the speed in which they transmit signals. Digital networks can support advanced, higher bandwidth technologies at higher speeds. Because Maine's system is 100 percent digitally switched, businesses locating here have access to the best available technology and the advanced services supported by this technology.

Digital switching is significant in that it provides enhanced functionality and reliability as well as the platform for the delivery of new services. This and other telecommunications infrastructure improvements across the state are positioning Maine as an attractive environment where companies can benefit from utilizing state-of-the-art telecommunications technology. Additionally, this modern network is capable of supporting exciting innovative applications, such as distance learning and telemedicine.

**FACT: MAINE IS THE FIRST STATE IN THE U.S. TO HAVE A STATEWIDE ATM (ASYNCHRONOUS TRANSFER MODE) FIBER OPTIC BASED NETWORK, THE MOST TECHNOLOGICALLY ADVANCED NETWORK AVAILABLE TODAY.**

With multiple ATM switch locations located throughout the state, this advanced network makes fiber optic technology available to all communities in Maine, giving businesses the freedom to select the most desirable location with the confidence that the best in telecommunications technology will be there.

ATM technology provides large bandwidth connections to speeds of 155 Mbps and higher for transmitting switched voice, data, and full-motion video to multiple locations across Maine and throughout the world. One of the key benefits of ATM is its flexibility. With ATM, the amount of bandwidth needed for an application can be precisely assigned when you need it and for as long as required.

A high-speed broadband technology, ATM supports today's applications and has the strength to meet the emerging requirements of the future. In Maine, the initial application for ATM is to facilitate real time interactive distance learning in over 30 secondary schools throughout the state.

**FACT: MAINE HAS BECOME THE FIRST STATE IN THE COUNTRY TO HAVE EVERY SCHOOL AND LIBRARY, NEARLY 1200 SITES THROUGHOUT THE STATE, LINKED VIA FRAME RELAY SERVICE.**

The Maine School and Library Network is a high-speed telecommunications system that links computers in all schools and public libraries to one another, as well as to worldwide databases and the Internet. Maine is clearly at the forefront of distance learning with the Maine School and Library Network delivering the educational and reference resources of the world literally to all of Maine. The network also provides a baseline infrastructure throughout the state from which advanced applications for business customers can grow.

In addition, Maine students have training and experience with computer technology starting from their earliest years in school. Students will be well prepared to meet the demands which Maine businesses will have for computer literate workers.

**FACT: MAINE'S TELECOMMUNICATIONS SYSTEM IS ONE OF THE MOST RELIABLE IN THE COUNTRY.**

Based on FCC service quality data, Maine has some of the best service and reliability ratings in the country. Also, Bell Atlantic-Maine, which provides service to 80 percent of the state's population, has one of the lowest trouble report rates in the country and recently produced a nationally-unprecedented trouble report rate of less than one trouble per 100 lines.

Bell Atlantic is aggressively building redundancy and reliability in its network statewide using SONET technology. This technological architecture provides a custom, intelligent network for interconnecting multiple locations. SONET rings provide a self-healing capability in the event of a transmission failure in that network. For example, if digital traffic is traveling over an existing SONET ring between Augusta and Bangor and a fiber optic cable is dug up by a backhoe, the dedicated fiber ring will instantly reroute the traffic to an alternate cable, resulting in virtually 100 percent survivability without reducing bandwidth.

Multiple SONET rings are already in place from Bangor south. In 1998, a ring between Bangor and Calais in eastern Maine will be completed and the following year a ring between eastern Maine and Presque Isle will complete the major routes for the entire state.

*"My experiences when I was vice president at UNUM was that the network was more reliable in Maine than in the other Bell Operating Company regions. Based on discussions at the Maine Telecommunications Users Group meetings over the past few years, I would say that the network is extremely reliable."*

***Dick Curry, President, Maine  
Telecommunications Users Group***

**FACT: THERE ARE OVER 75,000 MILES OF FIBER OPTIC CABLE THROUGHOUT MAINE.**

Fiber optic technology is efficient and provides superior performance both in terms of speed and quality. It is needed for the highest quality provision of the most advanced, high bandwidth services.

*Interoffice connectivity:* Bell Atlantic and Maine's independent local exchange carriers are essentially fully digital in interconnectivity through digital carrier on copper and fiber optic facilities. All new interoffice facilities are built using fiber optic cables.

*Customer Loops:* Maine is one of the only states in the country to have an entirely redundant fiber optic loop. Maine's independent local carriers have deployed a significant amount of digital loop carrier and digital switch remote technology, placing greater capacity in loop facilities, and frequently using fiber optic cables in feeder portions of the loop (between central offices and digital loop carriers or remotes).

**FACT: MAINE TELEPHONE COMPANIES OFFER THE MOST ADVANCED SERVICES AVAILABLE.**

Because of the investment Maine's local telephone companies have made in infrastructure, the most advanced voice, data, and video transmission services are possible in Maine.

Among those available services is ISDN (Integrated Services Digital Network). It offers relatively inexpensive dialed, fully digital access to the worldwide telecommunications network—all through standard copper telephone lines. It's no longer necessary to lease costly dedicated lines for high-speed digital transmission, or to limit data speeds to the plodding modems of dialed analog technology.

ISDN is one of the most rapidly growing telecommunications technologies in the world and it's here today, available throughout Maine.

Other advanced services available include Frame Relay Service; Voice Messaging Service; 45 Megabit (MBPS) Service; Infopath Packet Switching Service; Switchway Switched 56 Kilobit (KB) Service; Superpath 1.544 Megabit (MBPS) Service; Flexpath Digital PBX Service; Digital Centrex Service; Digital Data Services 2.4 KB - 56KB; Caller Identification; and Call Trace.

**Other important facts related to Maine's telecommunications network include:**

**ADVANCED SERVICES AVAILABLE**

Because of the investment Maine's local telephone companies have made in infrastructure, the most advanced voice, data, and video transmission services are possible in Maine.

Available advanced services include Frame Relay Service; Integrated Service Digital Network (ISDN) - both basic and primary; Voice Messaging Service; 45 Megabit (MBPS) Service; Infopath Packet Switching Service 56 Kilobit (KB) Service; Superpath 1.544 Megabit (MBPS) Service; Flexpath Digital PBX Service; Digital Centrex Service; Digital Data Services 2.4 KB- 56 KB; Caller Identification; and Call Trace.

**INCENTIVE RATE REGULATION**

An incentive rate regulation was passed in 1995 giving local telephone companies in Maine the flexibility to offer customer-specific contracts with specially negotiated, discounted rates that package services tailored to the specific needs of individual companies.

**COMPETITIVE LONG DISTANCE SERVICE**

All major long distance carriers including AT&T, Sprint, and MCI have point-of -presence locations in the state. 100 other inter-exchange carriers are authorized to operate within the state giving businesses in Maine a wide selection and diversity of service providers. In addition, Maine does not tax interstate calls.

**PUBLIC POLICY**

Maine's current public policy on telecommunications is one of the most supportive for economic development in the nation. Maine statutes define the state's priorities as encouraging economic development, encouraging the development and deployment of new technologies, and encouraging acceptable service applications that support economic development initiatives or otherwise improve the well-being of Maine citizens.

**PREPARED FOR THE FUTURE**

A report on Maine's telecommunications infrastructure recently concluded in June 1996 that *"The State of Maine, based on past and planned public and private investments in the state's telecommunications infrastructure, is well positioned to meet future demand on the system. This assertion is based on the fact that because of market demand, regulatory policies, and state government initiatives, key technologies have already been deployed in Maine."*

# WORKERS' COMPENSATION RATES

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Maine is gaining national recognition for its dramatically reformed workers' compensation system. Since 1994, overall rates and other employer surcharges have decreased by 41 percent.

## RATE DECREASES ACROSS INDUSTRIES

- By division, the rate changes from 1994 to 1998 are:

<i>Manufacturing</i>	- 58%
<i>Contracting</i>	- 40%
<i>Goods &amp; Services</i>	- 45%
<i>Miscellaneous</i>	- 30%

- The estimated premium savings for businesses since 1994 exceeds \$100 million.

## TRENDS

- The number of **disabling first reports filed** with the Workers' Compensation Board has **declined by 48%** since 1990.
- The number of disabling first reports received in 1995 was the **lowest since 1977**.
- The **loss ratio for 1995**, as reported in insurers annual statements, was the **lowest in over 30 years**. The loss ratio for 1996 was the second lowest in over 20 years.
- Insurance **advisory filings have declined** for 5 consecutive years.

## OPTIONS FOR EMPLOYERS

Businesses in Maine have several options in today's workers' compensation market.

- Over 130 insurers have rates approved by the Bureau of Insurance representing over 60 groups.
- Several insurers offer schedule rating and dividend plans which can reduce the price of workers' compensation insurance.
- Maine Employers Mutual Insurance Company, which replaced the residual market in 1992, has been very successful in reducing cost and promoting workplace safety throughout the state.

- Active self-insurance market for both individual and group self-insurance:
  - ⇒ 150 individual self-insurers.
  - ⇒ 21 groups, heterogeneous and homogenous.

### **1992 REFORMS:**

- Reduced attorney involvement by requiring attorney fees be paid out of the award instead of in addition to the award;
- Reduced benefits for permanent partials for all but the more seriously injured;
- Allowed the employer to direct injured worker to medical provider for the first ten days of injury;
- Limited doctor shopping;
- Revamped the workers compensation commission;
- Allowed for more expedited reduction in benefits in some instances;
- Provided alternative methods of dispute resolution;
- Set maximum benefit, currently at \$441.

If you would like more information about Maine's Workers' Compensation Rates, visit their web page -- ***[www.state.me.us/pfr/ins/inshome2.htm](http://www.state.me.us/pfr/ins/inshome2.htm)***.

# ENVIRONMENTAL PERMITTING

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One of the greatest attractions for any business considering coming to Maine is the tremendous quality of life provided by our environment: the crashing beauty of our rockbound coast, the soaring magnitude of Mount Katahdin, the peaceful solitude of our deep forests. These resources are what bring many to Maine, and are the resources the Department of Environmental Protection (DEP) is charged with protecting.

Many environmental agencies still emphasize the traditional command and control methods of environmental protection. Maine's DEP, however, has achieved national recognition by working in partnership with the regulated community to voluntarily go beyond the baseline of compliance. In particular, our innovative efforts with the metal products and pulp and paper industries have reaped substantial benefits, both for the environment and the bottom line.

Here's what some Maine businesses have to say about the Maine DEP:

*"With the approval of the [bark mulch and railroad tie processing] permit, ABR will continue to grow in Mattawamkeag. I cannot stress enough what a pleasant experience working with [the Maine DEP] on this project was. Since our purchase of the Mattawamkeag facility in 1994, we have found [the Maine DEP] to be very user friendly..."*

**David A. Fink, President  
Aroostook & Bangor Reload Company, Mattawamkeag, Maine**

*"... I would like to take an opportunity to express thanks to [the Maine DEP] for a job well done! ... we believe that obtaining the required environmental permits -- in record time -- is a major accomplishment! ... the business climate in Maine continues to improve thanks to the visionary leadership demonstrated by Governor King ... and others within the current administration."*

**Kevin J. Kuliga, Director of Pulp and Technical Operations  
Madison Paper Industries, Madison, Maine**

*"Having been involved with residential and commercial real estate development over the past twenty-two years, I have dealt with state environmental regulators throughout New England. Of all the states I have dealt with, the staff of [the Maine DEP] has consistently shown the highest level of professionalism and fairness."*

**Frank M. Stewart, President  
Northland Residential Corporation, Newton,  
Massachusetts**

*"[Our] entire [DEP] licensing process has been both efficient and expedient.*

*Two months before the expected start-up of the new facility we are ready to implement our testing, monitoring and utilization program for the residual.... We at BFI Organics sense a new "can do" spirit and cooperative attitude with the Department...."*

**Peter M. Coleman, Senior Project Manager  
Browning-Ferris Industries Organics, Portsmouth, New Hampshire**

*"... the entire staff of the Air Bureau have cooperated in every way possible to accommodate the unique characteristics of our industry in developing an alternative RACT amendment to [our] license in accordance with Chapter 134. The resulting agreement serves to completely meet all objectives of Chapter 134 without placing undue hardship on our company, extinguishing the necessity of cumbersome monitoring or expensive end of pipe treatment requirements."*

**Richard C. Larochelle, President & CEO  
Irving Tanning Company, Hartland, Maine**



# TRANSPORTATION INFRASTRUCTURE

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## ***THE HIGHWAY SYSTEM***

- According to a 1998 transportation survey by the University of North Carolina, Maine's roads and bridges are ranked 8th best in the country.
- Maine has 32,000 miles (51,488 KM) of roads.
- Maine has 1,161 miles of well-maintained National Highway System (NHS) roads and bridges.
- Interstate 95 is a major north-south route connecting Kittery in Southern Maine to Houlton in Northern Maine.
- US Route 1 is a major connecting artery for communities along the coast.
- There are more than 7,000 licensed carriers that have the authority to provide interstate/overland service to points in New England and the Atlantic seaboard.
- There are over 450 trucking firms that provide service within the state of Maine.
- All of Maine -- including major cities such as Portland, Lewiston, and Bangor -- is relatively congestion-free; business in Maine is not slowed down by traffic jams.
- The State of Maine does not engage in economic regulation of the trucking industry.
- Maine has a 20 year maintenance and improvement plan to keep the highways as safe and efficient as possible.

## ***SEAPORTS***

- The State of Maine has focused its cargo port development in three main geographic areas: Eastport, Portland, and Searsport.
- Maine's three ports have grown on average of 7.6% annually over the last 10 years. This growth is reflective of Maine's significant investment in ports during this time period as well as the high productivity and low labor costs of Maine's ports. Two examples of these kinds of investments are the newly completed Port of Eastport \$16 million terminal and the scheduled \$19 million renovation of the Port of Searsport.

Maine's three ports can handle almost any type of cargo including: containers, dry bulk, petroleum, heavy lift, break bulk, and roll-on/roll-off products.

Both Portland and Searsport provide direct rail transfer at dockside.

- All of Maine's ports provide regular service to various markets such as Europe, Asia, and Canada.
- Eastport, Portland, and Searsport are all year-round, ice-free, deep-water ports.

## ***RAIL SERVICE***

- Maine is serviced by 6 private, short-line railroad companies operating over 1,400 miles of track.
- Businesses can take advantage of Maine's rail connections to major rail carriers in the United States and Canada. Connecting service is available from Canadian National, Canadian Pacific, CSX, and Norfolk Southern rail systems.
- The Maine Department of Transportation owns 260 miles of railroad right-of-way providing opportunities for freight to move over these lines easily.
- Railroads serving the state include Springfield Terminal Railroad, Bangor & Aroostook, Railroad, Maine Coast Railroad, Belfast and Moosehead Lake Railroad, N.H. North Coast Railroad, and St. Lawrence and Atlantic Railroad. Three companies -- Bangor & Aroostook, Springfield Terminals Railroad, and the St. Lawrence & Atlantic -- operate approximately 75% of the network.
- Two rail-truck intermodal facilities in Auburn and Waterville have been successful in bringing efficient and timely service to U.S. and Canadian markets for Maine's businesses; For example, it takes just 2 days for containers to reach Chicago from the Auburn facility.

## ***AIRPORT FACILITIES***

- Maine has 46 commercial airports, 15 of which accommodate corporate jets.
- Overnight air express delivery is available across Maine from companies such as Fed Ex, Airborne Express, and UPS with terminals in Portland and Bangor. Fed Ex just recently expanded their facilities in Portland and Bangor.
- The six major airports providing commercial passenger service including Augusta, Portland, Bangor, Presque Isle, and Rockland. Bangor and Portland are international airports, as detailed below:

### **Portland International Jetport:**

- ⇒ 30 min. from Boston's Logan Airport and 60 min. from New York's LaGuardia and Kennedy airports
- ⇒ Direct passenger and cargo service to Boston, New York, Washington DC, Philadelphia, Newark, Cincinnati and other airline hubs
- ⇒ Regular daily service by Continental, Delta, United, US Air, plus numerous regional carriers

### **Bangor International Airport:**

- ⇒ Largest port-of-entry on the eastern seaboard
- ⇒ 11,439' x 300' runway is one of the longest in the Northeast Corridor
- ⇒ Offers a 33-acre foreign trade zone and has transatlantic cargo to many European destinations
- ⇒ Direct ocean container service to and from the UK and Netherlands
- ⇒ Offers full Customs clearance
- ⇒ Regular daily service is provided by Continental, Delta, US Air and Business Express

If you would like more information about the Maine Department of Transportation, visit their web page -- [\*\*\*www.state.me.us/mdot\*\*\*](http://www.state.me.us/mdot).

# MAINE'S QUALITY OF LIFE

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There is a rare sense of community found throughout Maine, genuine friendliness and respect for others, and the existence of high family values and morals. These things can't be measured scientifically but they permeate Maine, from the more urban areas of the state to the most rural. This feeling is resonated by lifelong Mainers and transplanted CEOs alike.

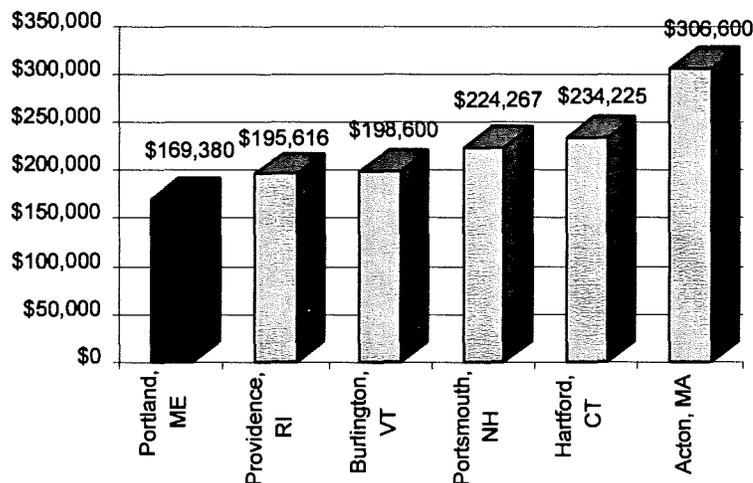
Maine's exceptional quality of life not only makes Maine a great place to live but it also has a positive affect on business. Maine employers testify over and over again to a uniquely strong work ethic, high productivity, and low absenteeism and turnover rates.

Due to Maine's tremendous diversity, the state is considered the 7th best in the nation in which to raise children and the 16th most livable in the nation (*State Rankings 1997*). On the pages that follow are facts about the remarkable quality of life that people in Maine enjoy.

## **COST OF LIVING**

Maine has the lowest average home price in New England and among the lowest nationwide. The chart below compares average home costs for a standard 2,200 sq. ft., 4 bedroom, 2.5 bath, 2 car garage home.

**Average Home Price Comparison**



## **EDUCATION**

Maine is proud of its progressive system of elementary, secondary and higher education. Maine schools are among the best in the country, with a record of high standards and success.

- **Maine's education system is ranked among the top ten in the country.** It is ranked 2nd in the US in the "school climate" category which includes class size (Maine's average is 14 students per teacher), school safety, and parental involvement. (Education Week, 1/97)
- Maine's 4th & 8th graders scored among the highest in the nation in math, reading, and science.
- **Maine has become the first state in the country to install Internet access in every school and every public library, nearly 1,200 sites.**
- Over 30 secondary schools in Maine will be connected via an Asynchronous Transfer Mode (ATM) fiber optic based network, the most technologically advanced network available today, by September 1998. This equipment allows classrooms to interconnect and facilitates real time distance learning.
- Maine exceeds the national average in **educational investment -- 12th nationwide.**
- Maine is ranked **13<sup>th</sup> in the nation for high school graduation rate.**
- 80% of the adult population has a high school education plus at least some post-secondary education.
- Maine was one of only eight states to receive a five-year, \$12 million grant to launch a **model educational reform agenda.**
- In addition to the University of Maine's seven campuses there are seven technical colleges and numerous private colleges. Three Maine colleges -- Bates, Bowdoin, Colby - are among the top 25 liberal arts schools in the nation.

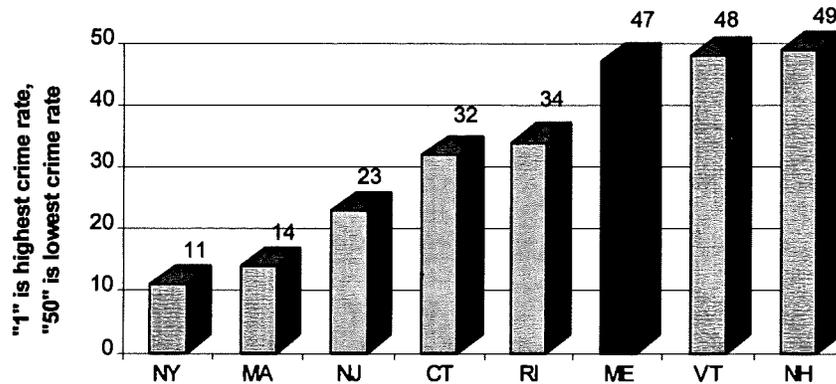
## **SAFETY**

People in Maine live in one of the safest, most crime-free states in the nation. According to 1998 State Rankings:

- Maine has the 4th lowest violent crime rate in the nation. (See chart)
- Maine has the 9th lowest property crime rate in the country.
- Maine's overall crime rate is the 8th lowest in the nation.

## MOST DANGEROUS / SAFEST STATE RANKINGS FOR 1998

*Maine is the 3rd safest state in the Northeast and 4th in the nation.*

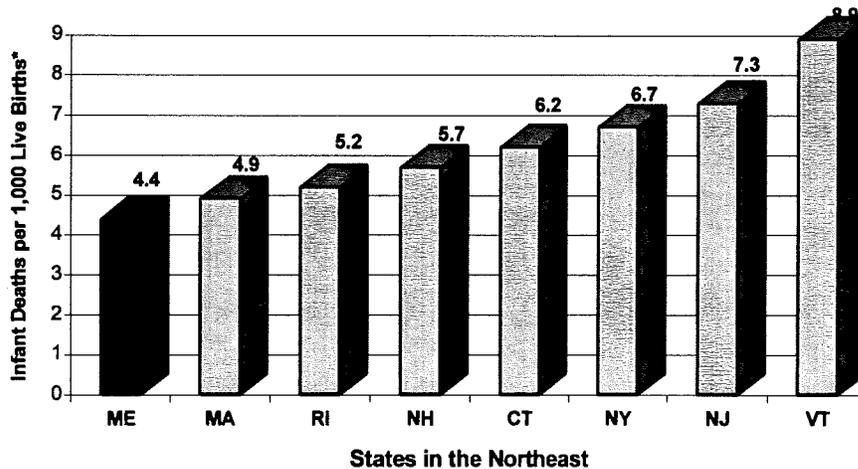


Source: Quitno Press, 1998 State Rankings

## HEALTH SERVICES

Maine has one of the most progressive medical systems in the country, where even the most rural hospitals offer 1st class healthcare. The facts are:

- Maine's infant mortality rate is the lowest in the Northeast and the 2nd lowest in the nation.



Source: Quitno Press, 1998 State Rankings

- Maine has 39 acute care community hospitals, exceeding the national average (ranking 13th in the nation) in number of community hospitals per capita.

- Maine healthcare providers are utilizing ISDN and Video Conferencing technology to support a telemedicine application. This is bringing medical expertise from urban areas to distant and rural areas of the state.
- Maine has two tertiary care (highest level) medical centers, providing state-of-the-art open heart surgery, cardiac intensive care, head injury treatment, advanced cancer treatment, and neonatal intensive care.
- Maine people have access to advanced technology, such as MRI and CAT-scan, in fixed sites and in mobile units for smaller communities.
- Maine provides intrastate transportation for patient movement, including fixed-wing aircraft.
- Board-certified emergency physicians can be found even in remote communities.
- The Maine Medical Assessment Foundation is a national model for advancing the quality of statewide health care.

## **OUTDOOR RECREATION**

Maine people enjoy one of the greatest natural playgrounds in the world. Maine's tremendous geographic diversity offers sandy and rugged beaches, majestic mountains, and scenic lakes and ponds, all within a few hours of each other. Whatever a person's interest -- a relaxing canoe ride or wild white water rapids, a gentle hike or extreme rock climbing, relaxing Nordic skiing or challenging downhill skiing -- the opportunities are endless. Maine boasts:

- **An outstanding reputation for outdoor recreation** because of its easy access to large expanses of undeveloped working forest and coastal areas.
- **Recreational facilities** that have grown at a faster pace than conservation lands including hiking trails, snowmobile trails, nature walking trails, ski touring trails, downhill ski area capacity, and parking spaces for boat launches.
- **Acadia National Park**, one of America's "12 crown jewels" (Backpacker 6/92), with 17 peaks, 120 miles and 50 miles of carriage roads reserved for biking and skiing.
- **The first water trail in the nation**, encompassing 325 ocean miles and over 70 islands.
- **1214 miles of wilderness canoe trekking**, including the Allagash Wilderness Waterway.
- **Three spectacular rafting rivers**, including the West Branch of the Penobscot with a vertical drop (70 ft./mile) equal to any in the nation.
- **66 Nordic ski touring areas**, from 12 developed centers to remote back-country trails.
- **20 licensed downhill ski centers**, including Sunday River and Sugarloaf USA, national & international destinations with the most challenging runs in the East.
- **796 miles of trails, 200 accessible peaks, and 276 miles of Appalachian Trail Wilderness** to the summit of Mt. Katahdin, the "Mountain of the People of Maine."
- **28 state beaches and parks; 5 national parks & wildlife areas; 17 million acres of forested land; 11 public wilderness areas.**

- **983,000 acres of conservation land intended for public use** and which have maintained roads and/or trails, campsites, vehicle parking, and publicized as recreation sites.

## **CULTURE & THE ARTS**

Maine's natural beauty and tranquillity and low population density have attracted world-renowned poets, authors, actors, and other artists. The state is rich in cultural and artistic organizations and facilities. In addition, Maine's proximity to Boston (30 minute flight or 2 hour drive from southern Maine) allows easy access to even more cultural enrichment. Maine's own cultural environment includes:

- 56 museums, historical sites and societies including:

-Carnegie Art Museum, University of Maine	-Maine Maritime Museum
-Portland Museum of Art	-Children's Museum of Maine
-Bowdoin College Museum of Art	-Maine State Museum
-Colby College Museum of Art	-Maine Historical Society

- 44 cultural centers and organizations including:

-Maine Center for the Arts	-Portland Concert Association
-Bangor Symphony Orchestra	-Portland Performing Arts Center
-Children's Theater of Maine	-Portland Stage Company
-Maine State Music Theater	-Portland Opera Company
-Portland Symphony Orchestra	

Maine people work hard to ensure that their communities are fine places to live, and good places for their businesses to prosper. That is why Maine works -- it's **smart for your business and good for your lifestyle.**



# POINTS OF CONTACT:

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## **All Economic Development Issues**

### ***Department of Economic and Community Development***

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## **Work Force Issues**

### ***Department of Labor***

Valerie R. Landry, Commissioner, 207-287-3788

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### ***Maine Quality Centers***

James McGowan, Director, 207-767-5210 Ext. 107

## **Taxation Issues**

### ***Department of Administrative & Financial Services***

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## **State Financing Issues**

### ***Finance Authority of Maine (FAME)***

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### ***Maine Science and Technology Foundation***

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## **Environmental Permitting Issues**

### ***Department of Environmental Protection***

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## **International Trade Issues**

### ***Maine International Trade Center (MITC)***

Perry Newman, President, 207-541-7400

## **Insurance Issues**

### ***Department of Professional and Financial Regulations***

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## **Transportation Issues**

### ***Department of Transportation***

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