



**Northern Maine
Development Commission
Annual Report 2005-2006**





Table of Contents

Letter from Chair of the Board	1
Letter from Executive Director	1
About NMDC	2
Designations	2
Empowerment Zone	3
Business Attraction/Marketing	3
Successes, Projects in Progress & Unsuccessful	4
Business Retention & Expansion	5
Tourism	5
Resort Feasibility Project	6
Tourism Regional Marketing Initiative	6
Small Business Development Center	6
Feasibility Studies/Projects	7
Planning & Special Projects	8
Business Finance	9
Statement of Activities	10
Statement of Financial Position	10
NMDC Standing Committees	11
NMDC Staff	Inside Back Cover

Letter from the Chairman of the Board

Northern Maine Development Commission's (NMDC) Board of Directors are very committed to the success of the organization and they provide a great wealth of knowledge to help guide the organization. Your Board of Directors collectively commit to over 1,000 hours of volunteer time each year by attending Board and committee meetings, special events, and other NMDC sponsored activities. Your Board is comprised of up to 29 directors and their attendance at Board meetings has been outstanding this past year, as it has been in previous years.

This past year organizations such as Northern Maine Finance Corporation, Aroostook Partnership for Progress, Leaders Encouraging Aroostook Development, and Aroostook County Tourism have made NMDC their home for management and administrative services and have contributed greatly to the overall accomplishments of NMDC. Partnering with these organizations has provided for better coordination of resources and services, greater efficiencies in providing services, leveraging each organizations strengths, and focusing on the same issues and opportunities.

I am grateful for the opportunity to serve as your Chairman, I appreciate your support and I look forward to working with all of you in the future for the benefit of the entire northern Maine region.



Charles Harris "CP"



Letter from the Executive Director

It is a pleasure to present this annual report to the Executive Board of Directors and the Member Representatives. This annual report depicts the many and varied activities and services provided to our communities and businesses in the northern Maine region.

Our focus this past year was on coordinating economic development efforts in the region with our partners: Aroostook Partnership for Progress, Leaders Encouraging Aroostook Development, Aroostook County Tourism, and Northern Maine Finance Corporation. Together these organizations have leveraged each others strengths in providing services to our constituencies and in accomplishing the goals that we set forth for ourselves.

Our experienced, dedicated, and skilled employees are always available to assist you with your needs and we are continually looking to develop new programs that will address your future needs as well.

We continue to be the pace setter in the state for effective working partnerships that allow us to move beyond geographic boundaries and concentrate on economic boundaries to achieve our goals. This is only possible because of your involvement with, and support for, NMDC's programs and services and all of us at NMDC thank you for that.



Robert P. Clark





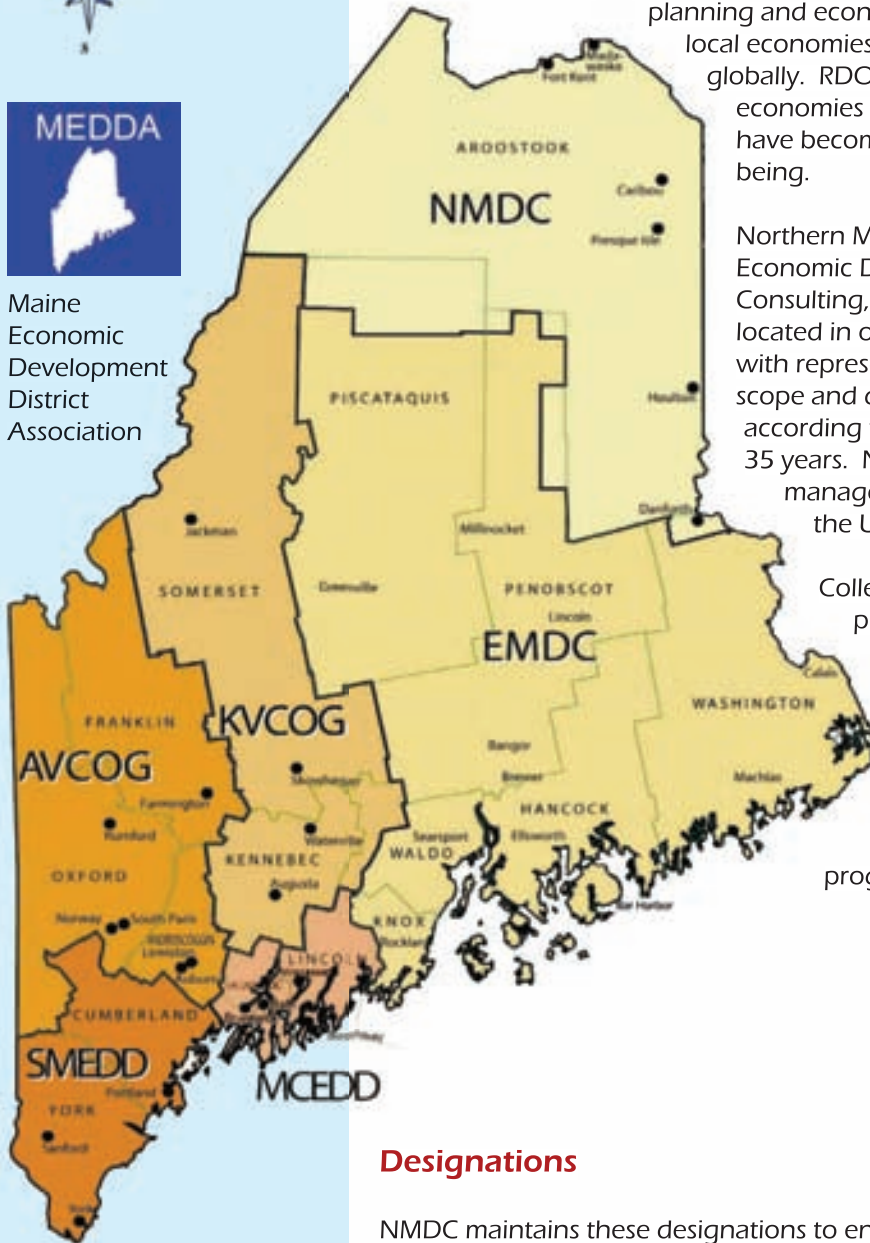
Maine Economic Development District Association

Northern Maine Development Commission

Northern Maine Development Commission is one of five economic development districts in the State of Maine, and one of 320 nationwide. Initially created in the 1960's, regional development organizations (RDOs) provide rural America with professional planning and economic development services, thereby helping local economies remain competitive both domestically and globally. RDOs play a significant role in making these rural economies more diversified and vibrant, and therefore have become important for the nation's economic well being.

Northern Maine Development Commission offers Economic Development, Business Finance, Small Business Consulting, and Planning services to all 71 communities located in our service area. As a regional organization with representation from member communities, NMDC's scope and direction have evolved with the times and according to the needs of the region over the last 35 years. NMDC is the regional EDA planning and management entity and serves as the lead agency for the USDA Aroostook County Empowerment Zone.

Collectively, the member communities and the private sector work together with NMDC to accomplish a wide range of objectives because all understand that together they can accomplish what any one entity would find impossible. Much of this work is accomplished through inter-agency partnerships and the coordination of business assistance efforts of state and federal programs, targeted to assist small business.



- Northern Maine Development Commission
- Eastern Maine Development Commission
- Androscoggin Valley Council of Governments
- Kennebec Valley Council of Governments
- Mid-Coast Economic Development District
- Southern Maine Economic Development District

Designations

NMDC maintains these designations to ensure the northern Maine region is eligible to participate in the many federal and state programs designed to benefit the region's businesses and communities.

- » Rural Empowerment Zone (US Department of Agriculture)
- » Economic Development District (US Department of Commerce Economic Development Administration)
- » Regional Planning Commission (State of Maine)
- » Small Business Development Center (Maine SBDC and Small Business Administration)
- » Manufacturing Extension Partnership Field Office - MEP
(Maine Manufacturing Extension Partnership, National Institute of Standards and Technology)
- » US Census Data Center Affiliate (US Census Bureau)
- » Intermediary Lender (Rural Development and Small Business Administration)

Empowerment Zone

Governance - NMDC staff, with guidance from the Northern Maine Empowerment Council (NMEC), continues to work at combining the Comprehensive Economic Development Strategy (CEDS) and the Aroostook County Empowerment Zone (ACEZ) Strategic Plan into one plan. This document, which will be known as the Comprehensive Regional Economic Strategies and Tactics (CREST) plan, will provide consistent regional strategies for reversing the continuing trend of out-migration. The CREST Plan will be completed in October of 2006.

Administration – NMDC staff, with the endorsement of the Northern Maine Empowerment Council (NMEC), continues to work toward accomplishing the goals and strategies of the Aroostook County Empowerment Zone (ACEZ) Strategic Plan through grant funding from USDA Rural Development and other sources. Much of the work has been involved in providing information and analysis on economic opportunities and resources in the region.

Outreach – NMDC staff are taking a more proactive role in facilitating connections among different agencies and organizations in order that more consistent, ongoing communication can be achieved. This has resulted in several joint ventures over the past year with groups of municipalities joining together to support:

- the Regional Financial Accounting Center;
- a partnership between NMDC, the Local Workforce Investment Board and the Maine Department of Labor, on a recent grant application for a labor force assessment study.

Empowerment Zone funds allow for more staff to be involved in the very successful Business Retention and Expansion program initiated this year at NMDC. NMDC's continuing involvement with the Agriculture sector led to the formation of the Canola Working Group; an affiliation of local growers, the Agricultural Bargaining Council, the Maine Potato Board and Maine Potato Growers, Inc., which spearheaded the effort to look at canola as a possible cash rotation crop in the region.

Business Attraction/Marketing

» Aroostook Partnership for Progress -

The Aroostook Partnership for Progress (APP) is a public-private partnership dedicated to aggressive and effective results-oriented economic development actions that leverage the financial commitments and talents of the private sector in close partnership with the public sector. Dedicated staff is provided through NMDC; effectively providing close coordination between APP economic activities and resources from other NMDC divisions.

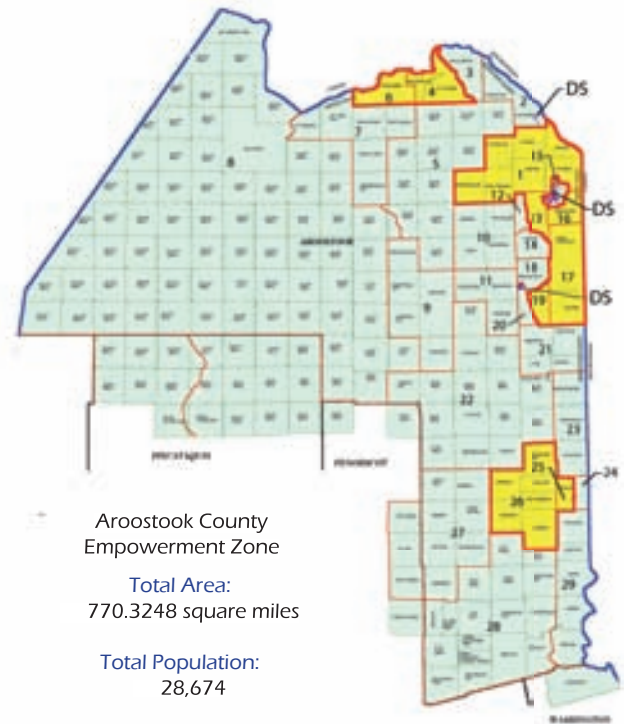
Marketing Activities and Initiatives in FY 2005 included:

1. Targeted industry and business influencers initiative:
 - Placed ad in US Airways Magazine, which is an in-flight magazine that is viewed by approximately 2.2 million people;
 - 2,000 direct mail pieces to targeted industries;
 - Hosted events (Showcase Aroostook) for site location consultants during the CanAm Sled Dog Race;
 - Secured news articles and editorial placements in local media
 - Enhanced the APP web site.
2. Significant Projects Identified and Pursued by the APP team included:

- The attraction and development of an oil refinery;
- The designation of the Loring Commerce Centre as an air cargo emergency landing site by the Department of Homeland Security;
- The attraction and development of a value added wood products business;
- The attraction of a resort development;
- Retaining and expanding DFAS Limestone.



Ad in US Airways Magazine



» **Successes**

Louisiana Pacific Corporation - New Limerick

Jobs Created: 39 Jobs Retained: 111
Investment: \$104,000,000
Project Type: Retention/Expansion
Public Sector Investment: \$16,000,000
Public Partners: NMDC, APP, SADC, DECD

Appalachian Engineered Floors - Patten

Jobs Created: 29 Jobs Retained: 0
Investment: \$1,200,000
Project Type: Attraction
Public Sector Investment: \$775,000
Public Partners: NMDC, APP

DFAS Limestone

Jobs Created: 310 Jobs Retained: 350
Investment: \$660,000
Project Type: Retention/Expansion
Public Sector Investment: \$0
Public Partners: NMDC, APP, LDA, Delegation

Katahdin Forest Products - Oakfield

Jobs Created: 4 Jobs Retained: 0
Investment: \$1,000,000
Project Type: Retention/Expansion
Public Sector Investment: \$408,000
Public Partners: NMDC, APP, SADC

Maine Military Authority - Caribou

Jobs Created: 30 Jobs Retained: 40
Investment: \$1,100,000
Project Type: Retention/Expansion
Public Sector Investment: \$750,000
Public Partners: NMDC, APP, City of Caribou

Tate and Lyle - Houlton

Jobs Created: 0 Jobs Retained: 37
Investment: \$2,000,000
Project Type: Retention/Expansion
Public Sector Investment: TIF
Public Partners: NMDC, APP, Town of Houlton, SADC

Smith & Wesson - Houlton

Jobs Created: 10 Jobs Retained: 96
Investment: \$1,000,000
Project Type: Retention/Expansion
Public Sector Investment: TIF
Public Partners: NMDC, APP, Town of Houlton, SADC

Sitel - Limestone

Jobs Created: 25-50 Jobs Retained: 0
Investment: \$23,000
Project Type: Retention/Expansion
Public Sector Investment: \$65,000
Public Partners: NMDC, APP, LDA

Northeast Pellets LLC - Ashland

Jobs Created: 14 Jobs Retained: 0
Investment: \$300,000
Project Type: Retention/Expansion
Public Sector Investment: \$500,000
Public Partners: NMDC, APP, Town of Ashland

Successes Total

Jobs Created: 471 Jobs Retained: 634
Private Investment: \$111,283,000
Public Investment: \$18,498,000

» **Projects in Progress**

Biodiesel

Jobs Created: 23 Jobs Retained: 0
Investment: \$15,000
Project Type: Attraction
Public Sector Investment: \$4,100,000
Public Partners: NMDC, APP, City of Caribou

Service Center Business

Jobs Created: 100 Jobs Retained: 0
Investment: \$204,000
Project Type: Attraction
Public Sector Investment: \$2,300,000
Public Partners: NMDC, APP

Service Center Business

Jobs Created: 100 Jobs Retained: 0
Investment: \$500,000
Project Type: Attraction
Public Sector Investment: \$2,200,000
Public Partners: NMDC, APP, Town of FtKent, UMFK

Service Center Business

Jobs Created: 100 Jobs Retained: 0
Investment: \$1,500,000
Project Type: Attraction
Public Sector Investment: \$3,100,000
Public Partners: NMDC, APP, City of Presque Isle

Projects In Process Total

Jobs Created: 323 Jobs Retained: 0
Private Investment: \$17,204,000
Public Investment: \$11,700,000



» **Unsuccessful**

Food Processing

Projected Jobs Retained: 0
Jobs Created: 65
Investment: \$61,000,000
Project Type: Attraction
Public Sector Investment: \$47,000,000
Public Partners: NMDC, APP

Food Processing

Projected Jobs Retained: 0
Jobs Created: 200
Investment: \$80,000,000
Project Type: Attraction
Public Sector Investment: \$25,600,000
Public Partners: NMDC, APP

Reproduction Materials

Projected Jobs Retained: 0
Jobs Created: 5
Investment: \$200,000
Project Type: Retention/Expansion
Public Sector Investment: \$1,000,000
Public Partners: NMDC, APP

Financial Services

Projected Jobs Retained: 0
Jobs Created: 30
Investment: \$5,200,000
Project Type: Attraction
Public Sector Investment: \$606,000
Public Partners: NMDC, APP

Transport Packaging

Projected Jobs Retained: 0
Jobs Created: 250
Investment: \$35,000,000
Project Type: Attraction
Public Sector Investment: \$20,819,000
Public Partners: NMDC, APP

Unsuccessful Total

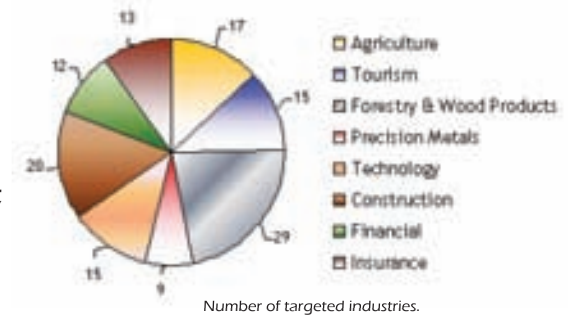
Jobs Created: 550 Jobs Retained: 0
Private Investment: \$181,400,000
Public Investment: \$95,025,000

Business Retention & Expansion

» Northern Maine BR&E -

The Business Retention and Expansion Program (BR&E) assists in the retention and expansion of local business sectors and firms with the goal of maintaining and creating employment opportunities.

- Scope of BR&E program:
 - Focus on 9 separate Industry Sectors;
 - Interviews with 130 individual companies;
 - Total dedicated staff time of more than 330 hours.
- Direct impact to the Aroostook county region includes:
 - Identification of issues and obstacles facing companies within the region;
 - A forum for businesses to convey their concerns to regional economic developers and policy makers;
 - Influence in regional transportation policies.



» Tax Increment Financing (TIF) -

- Airport Industrial Park – Houlton: In support of \$1 million new investment in machinery/ equipment and job creation for Smith & Wesson, as well as infrastructure and park enhancement activities for business attraction.
- Tate & Lyle – Houlton: In support of \$2 million new investment in machinery/equipment and job retention, as well as environmental improvements.
- North Street – Houlton: In support of economic and community development, access management, new ventures, and business attraction and expansion.
- Downtown – Caribou: In support of \$1.5 million in new investment for job retention and creation, and economic/ community development activities in the downtown district.
- Flat Mountain Road Sewer Extension Project and Tax Increment Financing District - St. Agatha: In support of tourism based business development and new commercial investment.

Tourism

This year Northern Maine Development Commission's commitment to tourism resulted in a total investment in excess of \$471,500.00.

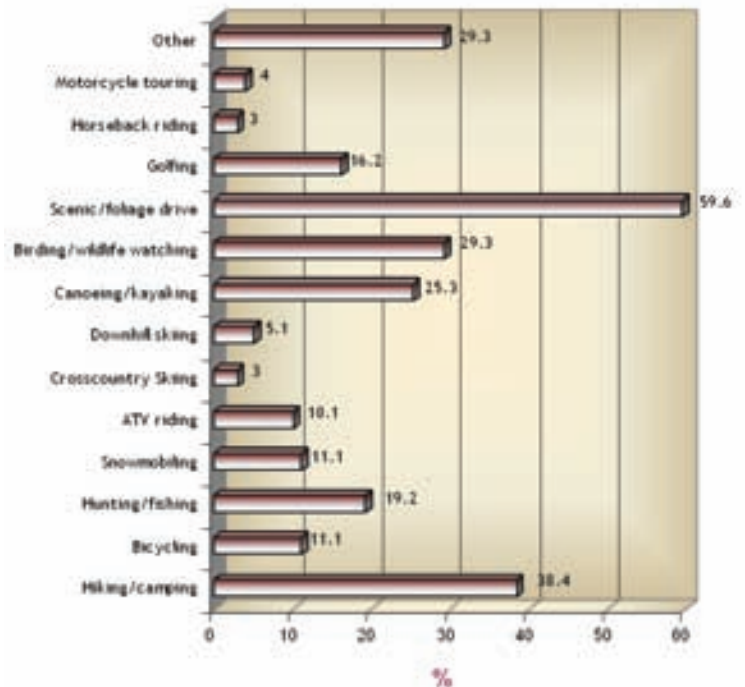
» Tourism Management -

- Development of a Five Year Tourism Business Plan that:
 - Identifies how tourism will impact the region now and in the future;
 - Establishes the strategies, tasks, and goals for success;
 - Held three open public forums held as part of the research;
 - Compared the tourism efforts of several similar regions in the US and Canada.
- Online Tourism Study:
 - 79% of respondents last visited region between June and October.
 - 67% utilized the State or Regional websites to educate themselves about the region.
 - 60% identified scenic drives as an outdoor attraction.
 - 95% indicated that they were likely to return.

» Events & Attractions -

- 2006 Junior World Biathlon Competition which brought to the region:
 - 450 National and International team members representing 30 countries;
 - International recognition and goodwill.
- St. John Valley International Cultural Route:
 - In supporting the Maine Acadian Heritage Council, and the Quebec Labrador Foundation, NMDC is helping to develop an international cultural and natural heritage route that celebrates art, traditions, cultural sites and landscape of the Upper St. John Valley of northern Maine and New Brunswick.

What outdoor activities are done by visitors in Aroostook County?



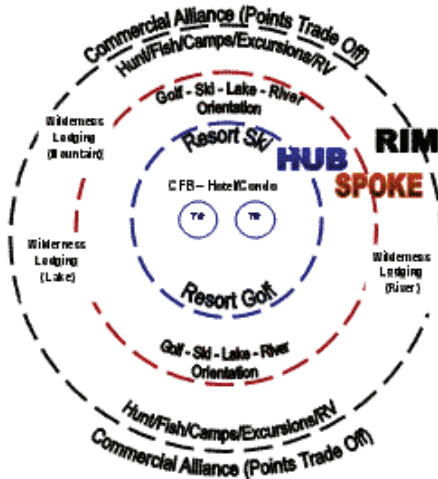
Resort Feasibility Project

NMDC celebrates yet another success with a project that will have significant impact upon the northern Maine region. Approximately 2 years ago, NMDC met the challenge offered by the Aroostook Partnership for Progress to secure over \$200,000 in funding for the development of a resort feasibility analysis. The activities and objectives that were conducted as a result of this important initiative included:

- To create a visually attractive concept plan for the resort(s), depicting what is initially envisioned for the region;
- Perform a Market/Feasibility assessment to determine the viability of constructing and operating resort(s) in Aroostook County, Maine; and, if feasibility is proven;
- Develop and carry out a recruitment program for the resort(s), which will include recruiting developers and investors to the project;



Proposed sketch of inside resort.



- Develop a separate “best case” business scenario for the creation of at least an additional 150 rooms in the Fort Kent, ME area. Under the leadership and coordination of Global Resorts, the team of GRI, Ragatz Associates, and the Hulbert Group, presented NMDC and the APP the final report and feasibility analysis which concludes that a resort is in fact most feasible and that the consultant team is now in the final recruitment phase of the effort. Investors at the national and regional levels will be assembled soon where the final decision on scope and size of the “Hub, Scope, and Rim” effort will begin to take final shape.

This effort is indicative of the new direction with NMDC’s partnership with APP in promoting economic development by laying the fundamental but necessary groundwork for true sustainable growth to occur in the region. Stay tuned...

Tourism Regional Marketing Initiative

» Redesign and Development of a new Regional Guide -

- Complete redesign of existing product
- 30,000 – 45,000 copies in print
- Digital version for website development
- Distribution throughout State at visitor centers
- Mailed out in all Tourism Fulfillment Packages

» Tourism Fulfillment Packages -

- 2,880 in total distribution from Website and Toll free tourism hotline inquiries

» Representation at National Tourism Based Trade Shows -

- Pennsylvania Snowmobile & ATV Show
- New England Snowmobile Expo
- Maine Snowmobile Show
- New York Snowmobile Show
- New England Multi Season Outdoor Show

» Promotional advertising in the following publications with a total annual circulation nearing 2 Million -

- Down East Magazine
- Maine Invites You
- Adventure Cycling Magazine
- Group Tour Magazine
- US Airways Magazine

Small Business Development Center

The Maine SBDC provides quality one-on-one counseling to Northern Maine’s small business community at no cost to potential and existing business owners and managers.

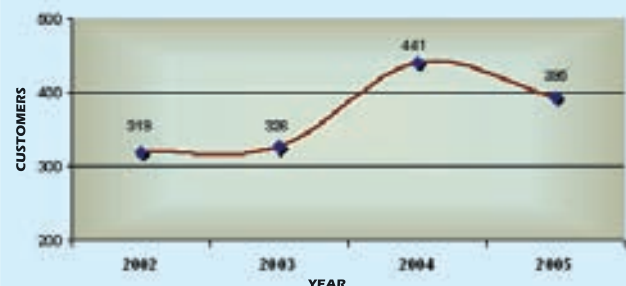
Direct impact to the Aroostook County region this year includes:

» Business Development -

- \$2,718,600.00 in Total Capital Formation
- 395 Distinct Customers Served
- Over 1,000 Hours Dedicated to Small Businesses
- 43 Jobs Created

» Business Education -

- 26 Workshop Events
- 122 Workshop Attendees
- 149 Hours Dedicated to Workshop Development and Delivery.



Feasibility Studies/Projects

» Canola Feasibility Study -

With funding from the W.K. Kellogg Foundation, NMDC determined the economic feasibility of producing food-grade canola oil using locally-grown Non Genetically Modified (Non-GMO) canola seed. Unfortunately, none of the financial forecasts showed financial feasibility for the following reasons:

- High fixed and operating costs due to small-scale facility that was designed to accommodate regional (Aroostook County/ New Brunswick) canola seed supply.
- Comparatively low price of canola meal.

What would make this venture feasible?

- More canola acreage planted allowing for larger-scale facility thus reducing operating costs per ton of canola oil processed, or;
- Slight increase in price per pound of processed canola oil, and significant increase in price per ton of canola meal.



Canola & potato field in Washburn.

» Biodiesel Feasibility Study -

With funding from the Maine Technology Institute, NMDC is further assessing opportunities for adding value to canola as a regional rotation crop. The goal of this project is to determine the economic feasibility of producing biodiesel fuel from locally grown canola crops and other locally obtained feedstocks such as waste restaurant grease. The potential impacts of this project include:

- Supplement other biodiesel projects currently underway in the region by identifying and assessing alternate feedstocks for a production facility;
- Add value to rapeseed rotation crops thus providing additional income for area growers;
- Potential to add 20-30 jobs to the local economy through the construction of a refinery;
- Decrease regional dependence on petroleum oil.

» Regional Finance Accounting Center -

Funding was provided by a Maine state grant for the Efficient Delivery of Local and Regional Services made through the Maine Development Foundation. The Town of Fort Kent served as lead agency and was joined by a consortium of seven other towns and the County of Aroostook. The purpose was to analyze the feasibility of a regional center that would perform certain municipal functions for communities; primarily focused on tax billing. The idea was that it might be cost-effective to have such a center bear the cost of the hardware and software (and related maintenance and updating costs) needed to perform these functions, rather than each community committing annual operating funds for this necessary hardware and software.

Possible implications for communities would be:

- Elimination of municipal tax billing software cost;
- Elimination of related tax billing software maintenance and updating costs;
- Lowering of tax billing/collection costs for individual communities by providing a fee for service that spreads personnel and other costs over many communities.

The final report will be available in July of 2006.

» Aroostook Out-Migration Study -

This study was performed by the University of Southern Maine's Center for Business & Economic Research and funded by USDA Rural Development through the Empowerment Zone set-aside program. It looked at migration trends from the Census and Internal Revenue Service data and actual surveys of high school and college students in Aroostook.

Findings indicate youth out-migration is related primarily to continuing education and to better work opportunities in other parts of the state or region. Young people indicate their desire to live in Aroostook, but the challenge is to create work that rewards higher education and skill levels. The most promising sectors for work development of this type are:

- Health Services
- Education
- Business/Professional Services

The full report may be viewed or downloaded from the NMDC website – www.nmdc.org/news.

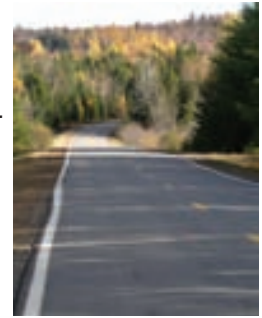
Ages	Out-Migrants	In-Migrants	Net
Under 18	16,723	24,559	7,837
18-19	5,016	4,454	-561
20-24	19,551	11,890	-7,661
25-29	11,184	13,119	1,935
30-34	13,169	12,450	-719
35-39	8,260	12,134	3,874
40-49	14,108	18,414	4,305
50-64	11,291	14,908	3,618
Over 65	7,417	9,773	2,356
Total	106,719	121,702	14,983
20-34	43,904	37,460	-6,444
25-34	24,353	25,569	1,216

Age breakdown & number of migration in and out of Aroostook County.

Planning & Special Projects

» Scenic Highways -

- Fish River Scenic Byway (Route 11) Corridor Management Plan: Route 11 from Portage Lake to Fort Kent.
- Million Dollar View Scenic Byway Interpretive Panel Project: Develop signage that provides interesting information on various scenic, historic and cultural aspects of communities of Orient, Weston and Danforth.
- Grindstone Scenic Byway (Route 11 & 159) Eligibility Application: Analyze the potential for State Byway Designation of a 59-mile corridor that passes through 6 organized towns from Medway to Mount Chase and several unorganized townships to the north entrance of Baxter State Park.

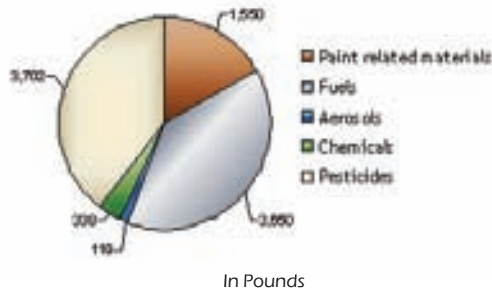


Route 11 Scenic Byway.

» Solid Waste -

- Household Hazardous Waste Collection - 109 households participated in one of the 3 regional collections- Houlton, Presque Isle & Fort Fairfield.

A total of 9,359 pounds of HHW was collected.



- Backyard Compost Classes - Completed 10, one hour long, compost classes taught throughout NMDC's service area, which included a free compost bin. 97 people participated.
- E-Waste PSA - Highlighting the new E-Waste Law that prohibits the disposal of TV's and computer monitors.
- Junked car inventory - Inventoried 6 low-to-moderate income communities to identify the amounts and types of junked vehicles.
- Safety Manuals - Developed a model Safety Manual incorporating the Maine Department of Labor standards policy and procedures. The manual will be supplied to landfill managers and transfer station managers in NMDC's service area.

- » **Comprehensive Planning** - Developed plans for eight communities in the region. Fort Kent, New Sweden, Perham, Fort Fairfield, Mapleton-Chapman-Castle Hill, Orient, Weston and Stacyville.

» Transportation -

- Completing a Regional Transportation Assessment that assists the Maine Department of Transportation in targeting strategic investments in the region.
- Assisting in the development of a model corridor management plan that will be used statewide.

SAWSP Work	Quantity	Dollar Amount
Drilled Wells	13	\$59,850
Plumbing Permits	23	\$2,860
Recording Fees	29	\$385
Septic Systems	26	\$170,986
Septic System Designs	31	\$8,980
Water Filtering Systems	2	\$938
Water Pump Replacement	1	\$1,500
Water Testing	42	\$1,260

- » **Community Development Block Grant (CDBG) -** Worked with 16 communities regarding CDBG assistance; Northern Aroostook Well & Sewer (NAWSP) III Program; Southern Aroostook Well & Sewer (SAWSP) II Program; CDBG Housing Assistance for the replacement of two homes.



Comprehensive Plans Developed

» Furbish's Lousewort -

- Working with the Maine Department of Conservation;
- Met with approximately 50 landowners ;
- Initiated up to 10 conservation easements to protect valuable Furbish's lousewort (federally recognized endangered species) habitat.

» Geographic Information Systems (GIS) Web Mapping Application -

In 2005, NMDC finalized work on the U.S. Department of Agriculture (USDA) Rural Community Development Initiative (RCDI) grant. Entitled "GIS in Northern Maine", this grant was awarded to NMDC to develop capacity in our Geographic Information System (GIS) program. Thanks to the USDA grant, accomplishments include:

- With the assistance of staff from James W. Sewall of Old Town completing a web mapping application;
- It will be updated in the future to include trails information and hospitality amenities;
- To visit the site: <http://ims2.tc.jws.com/nmdc/>

- » **Electronic Records** - Received funding from Maine State Archives to conduct a survey of town offices in the NMDC service area to determine how municipal electronic records are maintained, what type of backup is currently being used and to determine the need for NMDC to become a regional clearinghouse for electronic records.

Business Finance

» Loan Funds:

Below are statistics for the projects completed historically and for the last year. This past year's activity is significant because we were able to bring our available dollars to less than \$1 million and now are in need to apply for additional funding. Our current portfolio is at \$9.3 million and 146 loans outstanding. We currently have unfunded commitments of \$1.3 million that represent 18 different projects. These will add 97 additional jobs to those listed below. We

have had no charge offs for the last three years and have a very low delinquency rate as to the number of loans.

» Administered Funds:

We currently administer 5 loan funds for other communities and another for a private non-profit organization, Northern Maine Finance Corporation (NMFC). This last year we assisted these towns and NMFC in loaning \$497,000, leveraging \$873,000 in private funding, creating or retaining 77 jobs. The

total administered funds are at \$1.6 million and have 39 loans outstanding.

» Packaging:

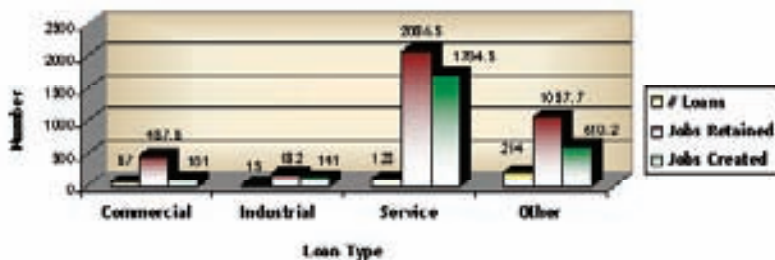
Of significant interest is the project assistance and packaging we have provided this past year. The department assisted with 6 major projects for municipalities totaling \$3.2 million and 7 large private projects totaling \$7.6 million. We placed and were approved for 3 SBA 504 loans and 3 Business Assistance grants. This included helping 3 communities

purchase and prepare for development of private land. It also included helping a community find a tenant to save them \$400 thousand in penalty payments to the State.

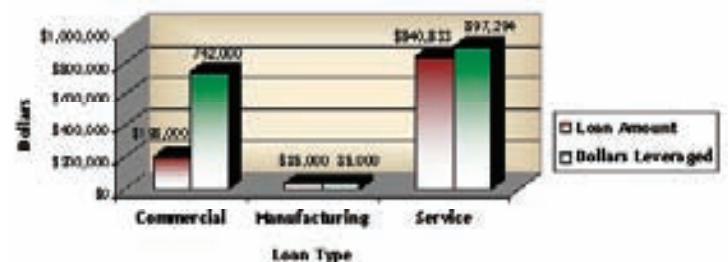
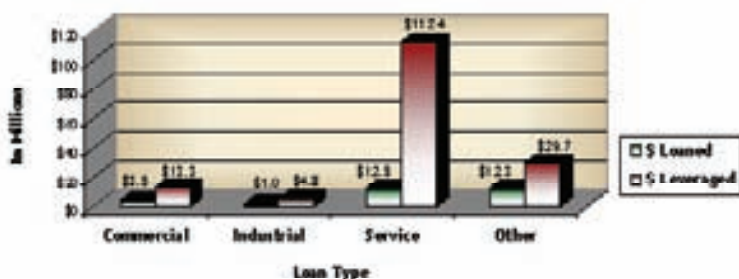
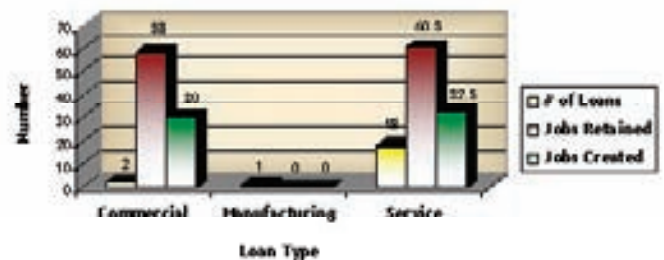
» Goals for Next Year:

We hope to conclude the commitments in process to private and municipal projects, apply for and receive \$1 million in new funds and be approved as a Certified Development Company through the SBA 504 program.

Business Finance Division Historical Total



Year Total 07/01/05 to 05/31/06



» Northern Maine Finance Corporation (NMFC) - www.nmfcorp.org

Since our inception, we have been able to secure \$1 million in loans to fund a revolving loan fund and an equity line of credit. We have made two loans and have two in process. We have successfully leased the Ames Complex in Madawaska and are currently working with a buyer that has secured tenants for the property that will result in about 40-60 new jobs. We have been working on and are very close to helping put the displaced workers of the former MBNA properties in Fort Kent and Presque Isle back to work and obtain a grant from USDA Rural Development to assist with this.

» Aroostook Investment Exchange (AIX) -

Aroostook Investment Exchange is provided by Northern Maine Finance Corporation to bring together providers of risk capital with qualified entrepreneurs seeking capital. We had our first presentation by a business in Madawaska and are working on scheduling others.



Northern Maine Development Commission
Statement of Activities for NINE MONTHS Ending March 31, 2006

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Federal & State Grants	\$4,273	\$1,034,610	\$1,038,883
Municipal Dues	\$137,944	\$0	\$137,944
County Dues	\$25,280	\$0	\$25,280
Financial Services	\$14,398	\$49,903	\$64,301
Other Revenue	\$307,445	\$86,273	\$393,718
Contract Income	\$80,595	\$6,070	\$86,665
In-kind Contributions	\$0	\$18,072	\$18,072
Interest Earned on Loans	\$13,608	\$413,946	\$427,554
Interest on Savings	\$6,433	\$30,547	\$36,980
TOTAL REVENUES, GAINS AND OTHER SUPPORT	\$589,976	\$1,639,421	\$2,229,397
EXPENSES AND LOSSES			
Community Fund	\$579,358	\$0	\$579,358
Revolving Loan Funds	\$0	(\$27,225)	(\$27,225)
Other Grants	\$0	\$1,309,447	\$1,309,447
TOTAL EXPENSES AND LOSSES	\$579,358	\$1,282,222	\$1,861,580
INCREASE (DECREASE IN NET ASSETS)	\$10,618	\$357,199	\$367,817
NET ASSETS - JULY 1, 2005	\$666,587	\$4,232,024	\$4,898,611
NET ASSETS - MARCH 31, 2006	\$677,205	\$4,589,223	\$5,266,428

Northern Maine Development Commission
Statement of Financial Position for NINE MONTHS Ending March 31, 2006

ASSETS		LIABILITIES AND NET ASSETS	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash	\$2,586,668	Accounts Payable	\$179,659
Accounts Receivable	\$93,629	Accrued Expenses	\$106,712
Grants & Contracts Receivable	\$158,427	Deferred Revenues	\$2,633
Current Portion of Notes Receivable	\$1,671,734	Line of Credit	\$44,557
Interest Receivable	\$50,535	Current Portion of Long-term Debt	\$1,217,741
Total Current Assets	\$4,560,993	Total Current Liabilities	\$1,551,302
NOTES RECEIVABLE, net of current portion	\$5,015,202	Long Term Liabilities	\$4,024,366
FIXED ASSETS		TOTAL LIABILITIES	\$5,575,668
Land & Building	\$686,476	NET ASSETS	
Furniture & Fixtures	\$995,759	Unrestricted	\$1,027,457
Building Improvements	\$409,540	Temporarily Restricted	\$4,238,975
Total Fixed Assets	\$2,091,775	Total Net Assets	\$5,266,432
Less accumulated depreciation	(\$825,870)	TOTAL LIABILITIES & NET ASSETS	\$10,842,100
Net Fixed Assets	\$1,265,905		
TOTAL ASSETS	\$10,842,100		

NMDC Executive Board

Officers:

Charles Harris - Chairperson - Limestone
Ryan Pelletier - Vice-Chairperson - St. Agatha
Edwin Nickerson - Treasurer - Presque Isle
Reginald Reed - Secretary/Clerk - Caribou



Members:

Don Adams - Patten	Ray Mersereau - Mars Hill
Jackie Bradley - Easton	Jim Nadeau - Eagle Lake
Larry Cote - Van Buren	Danny Pelletier - Allagash
Art Faucher - Madawaska	Andrea Powers - Washburn
Norm Fournier - Aroostook County	Stev Rogeski - Fort Fairfield
Arnold Gahagan - Stockholm	Paul Soucy - Eagle Lake
Don Guimond - Fort Kent	Ted St. Pierre - Woodland
Doug Hazlett - Houlton	Patricia Sutherland - Chapman
Don Kelle - Ashland	Jennifer Trombley - Presque Isle
Phil Levesque - Frenchville	Jim Tweedie - Blaine
Jim Gardner - Washburn	Sonja Watson - Westfield
Max Lynds - Houlton	Bonnie Lamarre - Wallagrass



Aroostook Partnership for Progress Executive Board

Officers:

Jon Prescott - Chair
Robert Clark - Vice-Chair
Kris Doody-Chabre - Treasurer
Larry Shaw - Secretary

Members:

J. Nicolas Bayne	Mike Fogarty
David Peterson	Rick Daigle
Alan Landeen	Steve Gagnon
James Thibodeau	Chris Anderson
Roger Tremblay	Barbara Bossie

LEAD Board of Directors



Officers:

Mike Fogarty - President	Barbara Bossie	Walter Elish	Barry McCrum
Steve Chandler - Vice-President	Michael Bosse	Dick Haines	Norman Ouellette
Nathan Berry - Treasurer	Karl Burgher	Tim Hobbs	Barbara Pitcairn
Patricia Sutherland - Secretary	Al Butler	Janet Hughes	Max Saenger
Rodney Thompson - Executive Director	Robert Clark	Virginia Joles	Bruce Sandstrom
Judy Dinsmore - Executive Coordinator	Richard Cost	Joe Lallande	Linda Smith
	Tim Crowley	Glenn Lamarr	Jerry York
			Marguerite Lawler

Northern Maine Empowerment Council

Don Tardie	Patricia Boucher
Don Flannery	Connie Sandstrom
Jeremy Fischer	Mary Walton
Doug Beaulier	Steve LaPierre
Carl Flora	Steve Farnham
Barry McCrum	David Socoby
Athill Hebert	Max Lynds
Patricia Sutherland	Russell Dennis
Galen Costigan	

Human Resource Committee

Jim Tweedie	Paul Soucy
Jackie Bradley	Phil Levesque
Patricia Sutherland	Norm Fournier

Loan Review Committee

Duncan Beaton	Carol Bell
Ed Nickerson	Linda McGee
Norman Thibodeau	Galen Rockwell
Paul Bouchard	Ray Mersereau
James Nadeau	Kristi Brannen
Donald Kelle	James Tweedie
David Silsbee	Robert Williams
Steve Ouellette	Larry Cote
Jackie Bradley	Tim Crowley
Gerald York Jr.	Don Guimond

Northern Maine Finance Corporation

Officers:

Robert Clark - President
Duane Walton - Vice-President
Ed Nickerson - Secretary/Treasurer



Members:

Max Lynds	Dave McCrum
Ryan Pelletier	Joe Lallande
Galen Rockwell	Mark Morneau
	Dan Levesque
	Peter Chase

Aroostook County Tourism

CP Harris - Chair
Fritz Appleby
Rita Cannan
Gloria Caron
Shawn Manter
Walt Elish
Barry McCrum

Gina Clark
Bernie Lagassie
Jim Kaiser
Kathy Mazzuchelli
Max Saenger
Kevin Simmons
Laurie Sirois



Finance/Audit Committee

Ray Mersereau
Stev Rogeski
Paul Soucy
Don Adams

Ed Nickerson
Phil Levesque
Ryan Pelletier
Theodore St.Pierre

Cooperative Purchasing Committee

Jim Tweedie
John Edgecomb
Theodore St.Pierre

Norman Fournier
Ryan Pelletier
Larry Cote

GIS Committee

Linda Alverson
Felicia O'Clair
Dale Blackstone
Dave Cyr

Dave Sokolich
Steve Buck
Mary Jo Kimble
Charles Harris

Northern Maine Solid Waste Management Committee

Officers

David Sokolich - Chair
Lou Pizzuti - Vice-Chair
Mark Draper - Treasurer
Connie Bondeson - Coordinator



Members:

Delmar Clark
Joey Dumond
Rita Sinclair
George Horton
Norman Cyr
Dana Fowler
Ken Hensler
Doug Chapman

Brian Hovey
Frank Vance
Jean Bourque
Rick Saucier
Phil Marquis
Gil's Sanitation
Town of Wade
Town of Wallagrass

Rural Planning Organization

John Edgecomb
Patricia Sutherland
David Sokolich
Daniel Donovan
Carl Flora
Peter Forbes
Leigh Stilwell
Don Kaiser

Paul Bernier
Byron Race
Duane Scott
Scott Wardwell
Roger Roy
Galen Costigan
Brent Bubar



Northern Maine Development Commission, Caribou, Maine.

NMDC Staff

Administration



Robert Clark
Executive Director



Gabriele Bradbury
Director of Operations



Judy Dinsmore
Executive Coordinator



Nicole Doody
Operations Assistant



Shelley Violette
Receptionist

Planning & Development Division



Alain Ouellette
Planning & Development
Division Director



Rodney Thompson
Small Business Development
Center Director



Mike Eisensmith
Economic
Development Director



Jay Kamm
Senior Planner



Leslie Thompson
Information & Design
Specialist



Brian Sutherland
Maine MEP
Coordinator



Connie Bondeson
Environmental
Planner



Brian Longstaff
Business Development
Specialist



Dan Umphrey
Research & Development
Specialist



David Spooner
Business & Tourism
Development Specialist



Joella McBreairy
Community Development
Specialist



Ken Murchison
GIS Specialist

Business Finance Division



Duane Walton
Director of Business
Finance



Eric Scott
Loan Officer II



Julie Corey
Loan Officer I

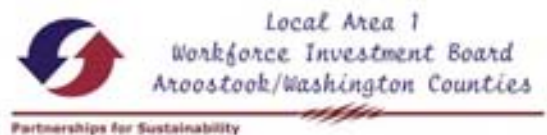


Mary Rossignol
Business Finance
Assistant

State & Federal Partners



Local & Regional Partners



Northern Maine Development Commission
11 West Presque Isle Road • PO Box 779 • Caribou, ME 04736
(207) 498-8736 • 1-800-427-8736 toll free in Maine
(207) 493-3108 fax • www.nmdc.org