

Guide to Business Expansion and Relocation in the City of Augusta



Labor



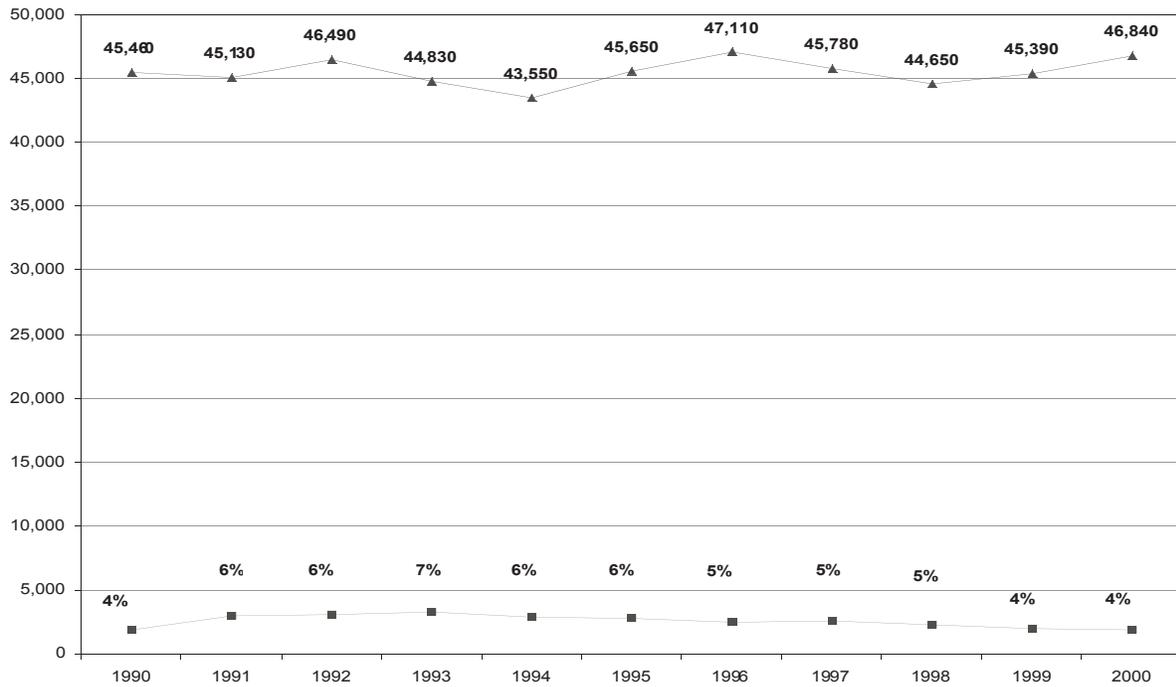
About the Augusta Labor Market Area – Augusta is the center of employment and economic activity for a large group of Central Maine towns and cities, including Belgrade, Chelsea, China, Farmingdale, Fayette, Gardiner, Hallowell, Leeds, Litchfield, Jefferson, Manchester, Monmouth, Mount Vernon, Palermo, Pittston, Randolph, Readfield, Rome, Sidney, Somerville Plantation, Vassalboro, Vienna, Wayne, West Gardiner, Whitefield, Windsor and Winthrop.

About the USM Labor Market Survey -- The University of Southern Maine Center for Business and Economic Research recently (4/01) completed studies of 17 labor markets in the State of Maine, including the Augusta Labor Market Area. The CBER team undertook a survey both employers and employees to develop a comprehensive analysis of the labor force, covering topics such as employment mobility and recruiting trends, unemployment and underemployment, employment costs, including both pay and benefits, education, training and skills, and commuting patterns. This workforce analysis is a vital component of a strategy for furthering economic growth in Maine. Throughout this section, we'll cite survey data which brings greater clarity to the dynamics of Augusta's labor force.

Availability

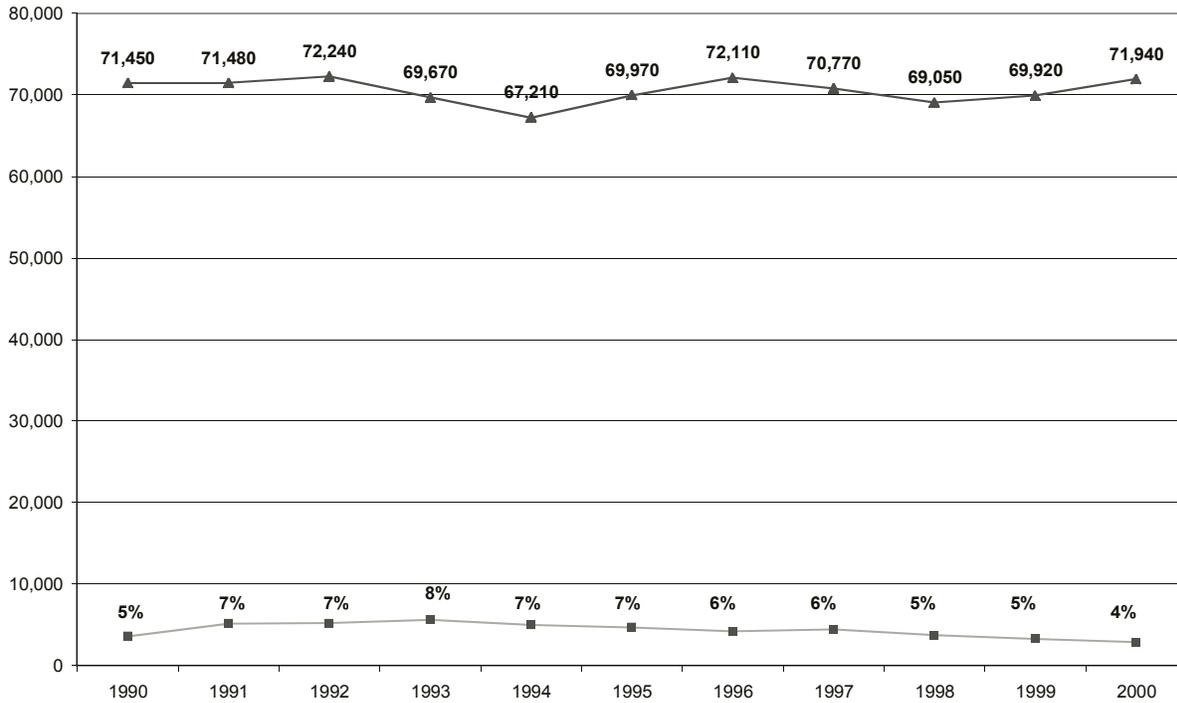
Source: Labor Market Information Services, Maine Department of Labor

Civilian Labor Force and Unemployment for the Augusta Labor Market Area, 1990-2000



The Augusta Labor Market Area is the 4th largest LMA in the state. Combine it with nearby Waterville (approximately 15 minutes away) and the Kennebec region's labor force becomes the 2nd largest in the state, trailing only Portland.

Civilian Labor Force, Augusta and Waterville Combined LMA's, 1990-2000



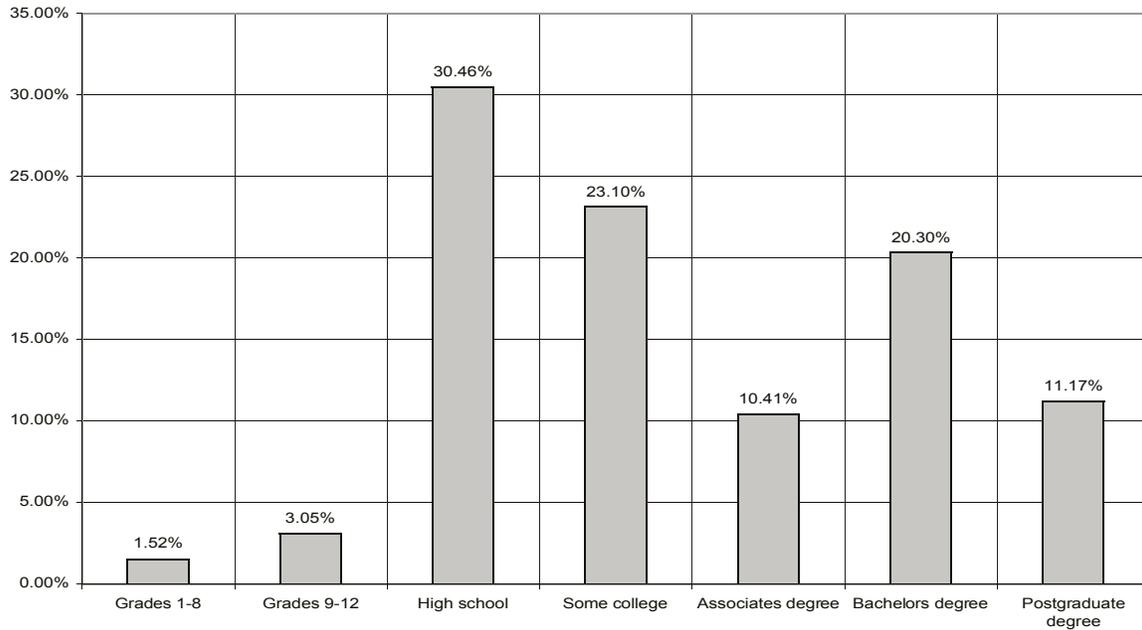
USM Labor Market Study data on labor availability:

- The region draws its work force from a wide radius – about 60% of employee respondents drive at least 20 minutes to work in the area. 20% drive for more than 30 minutes. Increased wages and salaries are directly correlated with the longer commutes.
- About 20% of employee respondents to the survey say they are looking for a new job. Based on the size of the Augusta LMA, that implies about 9,000 people. Most common reason is to make better use of their skills, followed by more benefits, and better pay.

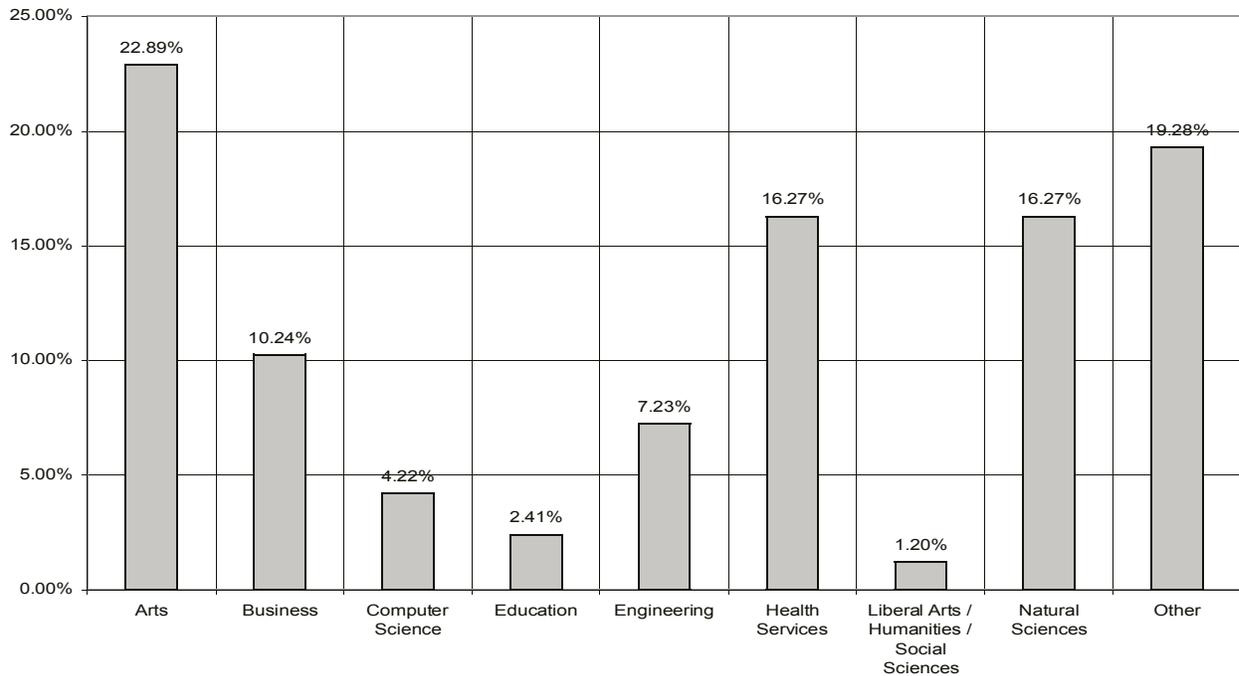
Educational Attainment

Source: USM Labor Market Survey

394 Augusta LMA employees were asked: *What is the highest level of education that you have completed so far?*



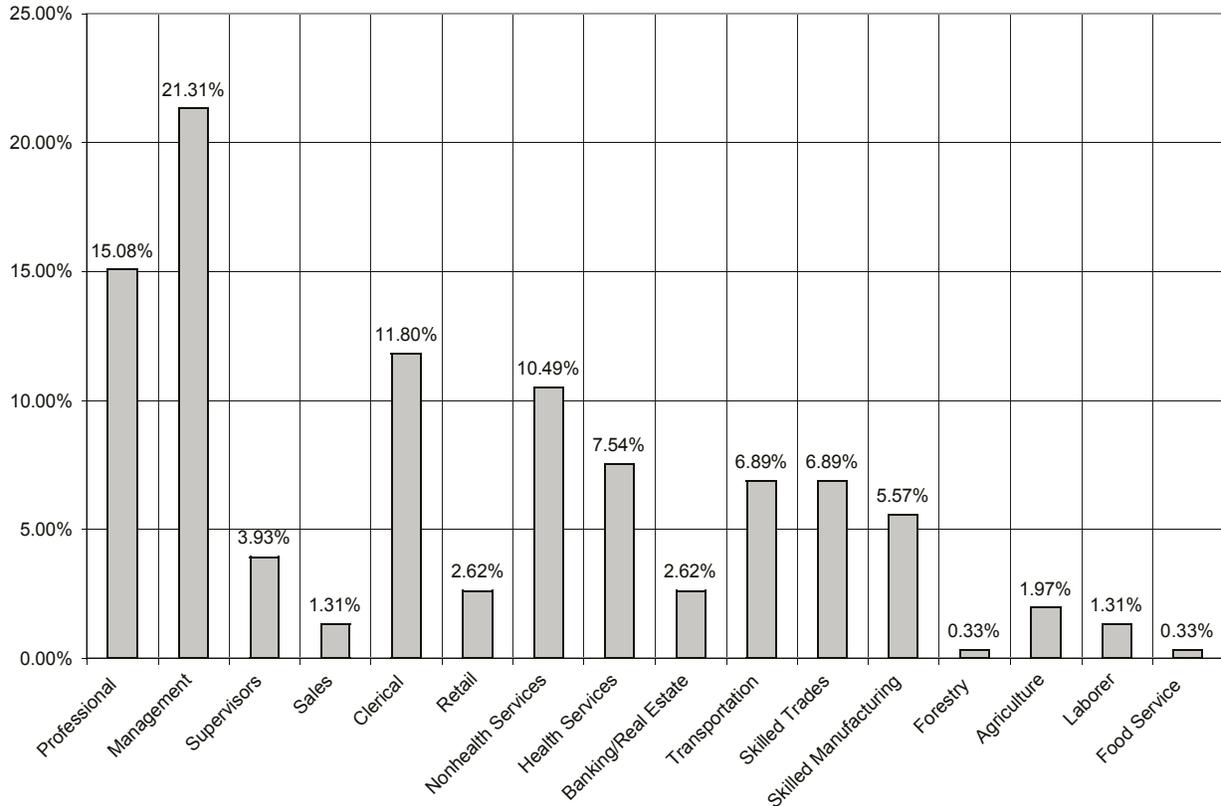
166 of degree-holding Augusta LMA employees were asked: *In which field of study was your highest level of education?*



Workforce Skills

Source: USM Labor Market Survey

305 Augusta LMA employees were asked: *Please describe the type of work that you do in your current employment.*

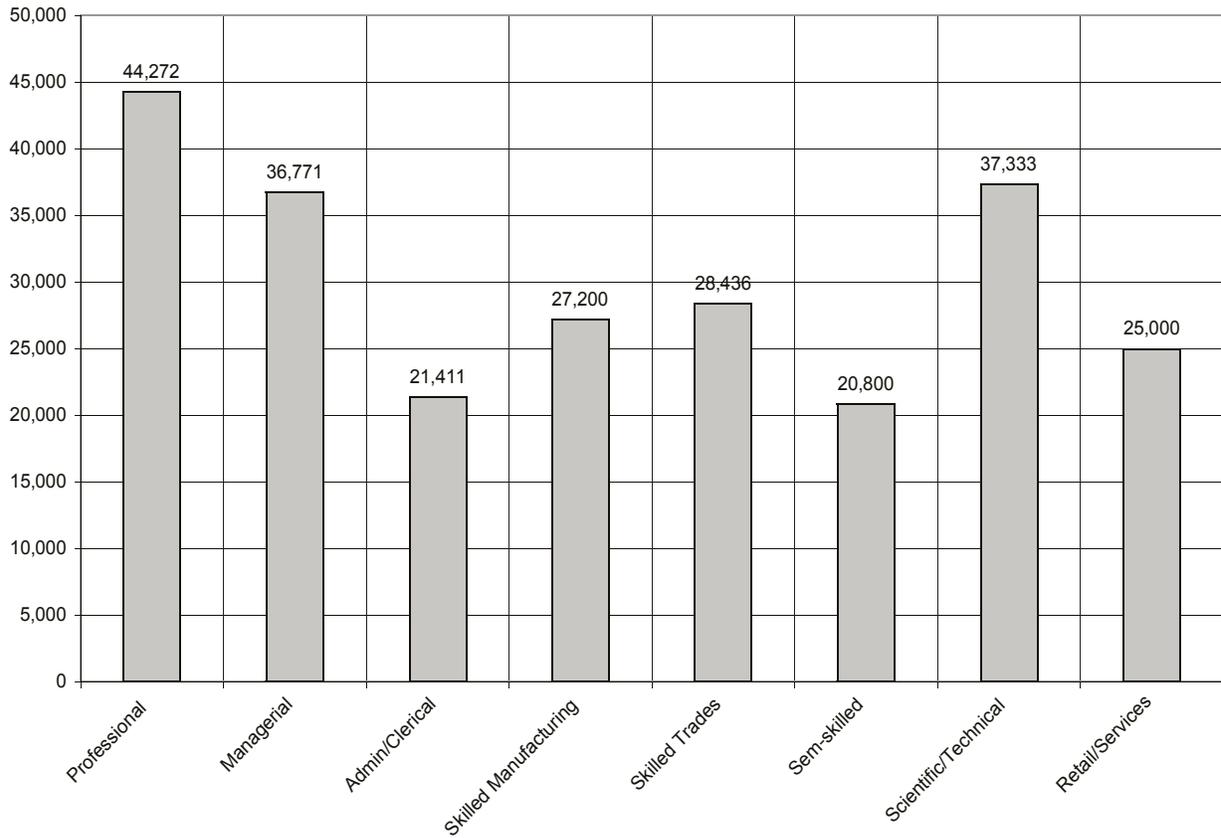


- According to employer respondents, *Scientific/Technical* and *Skilled Manufacturing* are the two of the region's easiest positions to fill. Both take less than two weeks to fill
- 70% of employee respondents said they use a computer at work. 72% rated their skills as being intermediate (ability to use many different programs) or advanced (ability to write programs).
- 69% of firms responding said that it is *somewhat easy* to *very easy* to find employees with requisite computer skills.
- About 15% of employees say they speak a second language. Of those, 37% speak French and 38% speak Spanish.

Average Starting Salaries by Position

Source: USM Labor Market Survey

205 Augusta LMA employers, representing eight different industry categories, responded to the following question: *Taking into account the job market today, how much would you expect to pay on average for a newly-hired person in your organization in each of the following job types?*



Worker/Technical Programs

source: Maine DECD

Governor's Training Initiative. This program reimburses training costs when they are required for business expansion, retention or unique upgrading issues. Businesses that meet eligibility requirements may receive reimbursements for on-the-job training, competitive retooling, specialized recruitment, workplace literacy, high-performance skills or customized technical training. *For an application contact:* Bureau of Employment Services, Maine Department of Labor, 16 State House Station, Augusta, ME 04333-0016 Phone: 207-624-6490; Fax: 207-624-6499.

Maine Quality Centers Program. This is an economic development initiative of the Maine Technical College System, which provides new and expanding businesses with a trained and ready workforce. New or expanding firms creating at least eight new full-time jobs with benefits may be eligible to receive state financing for 100 percent of pre-hire classroom training. Companies adding fewer than eight jobs may partner with other companies with similar workforce needs. *For a packet of information and application contact:* James F. McGowan, State Director, Maine Quality Centers 2 Fort Road, South Portland, ME 04106 Phone: 207-767-5210; F a x : 2 0 7 - 7 6 7 - 2 5 4 2 ; E - m a i l : jmcgowan@ccdme.org

Apprenticeship Program. Maine's Apprenticeship Program provides customized training and instruction so workers can obtain professional credentials. Many of Maine's larger firms have taken advantage of this innovative workforce development program, which will underwrite 50 percent of apprenticeship-related tuition for new and existing employees. *For more information contact:* Maine Apprenticeship Program, Maine Department of Labor, 55 State House Station, Augusta, ME 04333-0055 Phone: 207-624-6390; Fax: 207-624-6499.

Maine Career Advantage. A nationally recognized two-year combination of business internship and integrated academics, including one free year at the technical college level. One of three 'School to Work ' Initiatives offered by the Maine Technical College System. *For more information contact:* Center for Career Development, Maine Technical College System SMTC, Fort Road, South Portland, ME 04106 Phone: 207-767-2542 ext. 111; Fax: 207-767-5210.

Registered Pre-Apprenticeship: four years of employer-driven high school academics, coupled with two summers of on-the-job training. This culminates in permanent employment and a Registered Apprenticeship upon high school graduation. One of three 'School to Work ' Initiatives offered by the Maine Technical College System. *For more information contact:* Center for Career Development, Maine Technical College System SMTC, Fort Road, South Portland, ME 04106 Phone: 207-767-2542 ext. 111; Fax: 207-767-5210.

Tech Prep. sequential, industry-driven academic and technical training beginning in eleventh grade and progressing through completion of Certificate, Associate and/or Bachelor Degrees. One of three 'School to Work ' Initiatives offered by the Maine Technical College System. *For more information contact:* Center for Career Development, Maine Technical College System SMTC, Fort Road, South Portland, ME 04106 Phone: 207-767-2542 ext. 111; Fax: 207-767-5210.

Safety Education and Training. At no cost to a company, Maine's Bureau of Labor Standards provides customized health and safety training, site evaluation and technical support. Priority is given to small and mid-sized employers and large employers with documented health and safety problems. *For more information contact:* Bureau of Labor Standards, Maine Department of Labor, 45 State House Station, Augusta, ME 04333-0045, Phone: 207-624-6400; Fax: 207-624-6449.

Post Secondary Education

source: institutions

University of Maine at Augusta

46 University Dr.
Augusta, ME 04330-9410
Phone: 207-621-3000
Charles Lyons, Interim President

The University of Maine at Augusta, one of seven institutions governed by the Trustees of the University of Maine System, is a single institution, geographically dispersed, which provides access to educational programs and workforce training, both through traditional and interactive electronic instruction, at multiple campuses, centers, and distance learning sites throughout the state, in selected baccalaureate and associate degree programs offered individually and cooperatively with other public and private institutions of higher learning.

Mid-State College

218 Water St.
Augusta, ME 04330
Phone: 207-623-3962
Dr. Richard Willis, Academic Dean and President

Mid-State College is a small, private post-secondary institution offering associate degrees, certificates and diplomas. The college enrolls approximately 280 students at its downtown Augusta campus. Many of the students are dislocated and underemployed workers looking for better opportunities in the labor force. As part of its continuing education division, Mid-State offers local employers customized training and retraining curriculum.

Kennebec Valley Technical College

92 Western Ave.
Fairfield, ME 04937
Phone: 453-5000
Barbara Woodlee, President

Kennebec Valley Technical College (KVTC), located in Fairfield (25 minutes north of Augusta) is one of seven technical colleges that operate under the authority of the Maine Technical College System. The college offers associate degrees, certificate and diploma programs. In addition, the college offers numerous programs customized and/or developed with industry. KVTC is the primary conduit for Maine Quality Center's training and retraining activities in the Augusta region.

Thomas College

180 West River Rd.
Waterville, ME 04901-5097
Phone: (207) 859-1111
Dr. George Spann, President

Founded in 1894, Thomas College is a small, private, accredited college located on a 70 acre campus in Waterville, Maine. Thomas College awards bachelor's, master's, and/or associate degrees in business, technology, and education areas.

Colby College

4000 Mayflower Hill Drive
Waterville, ME 04901
Phone: 207-872-3000
William D. Adams, President

Founded in 1813, Colby is one of the nation's oldest and best independent colleges of liberal arts. Located on a 714-acre campus in Waterville, Maine. Fifty-one majors are offered by 25 departments and 11 programs. The top five majors are biology (15 percent), English (12 percent), government (11 percent), economics (10 percent), and international studies (10 percent).

Husson College

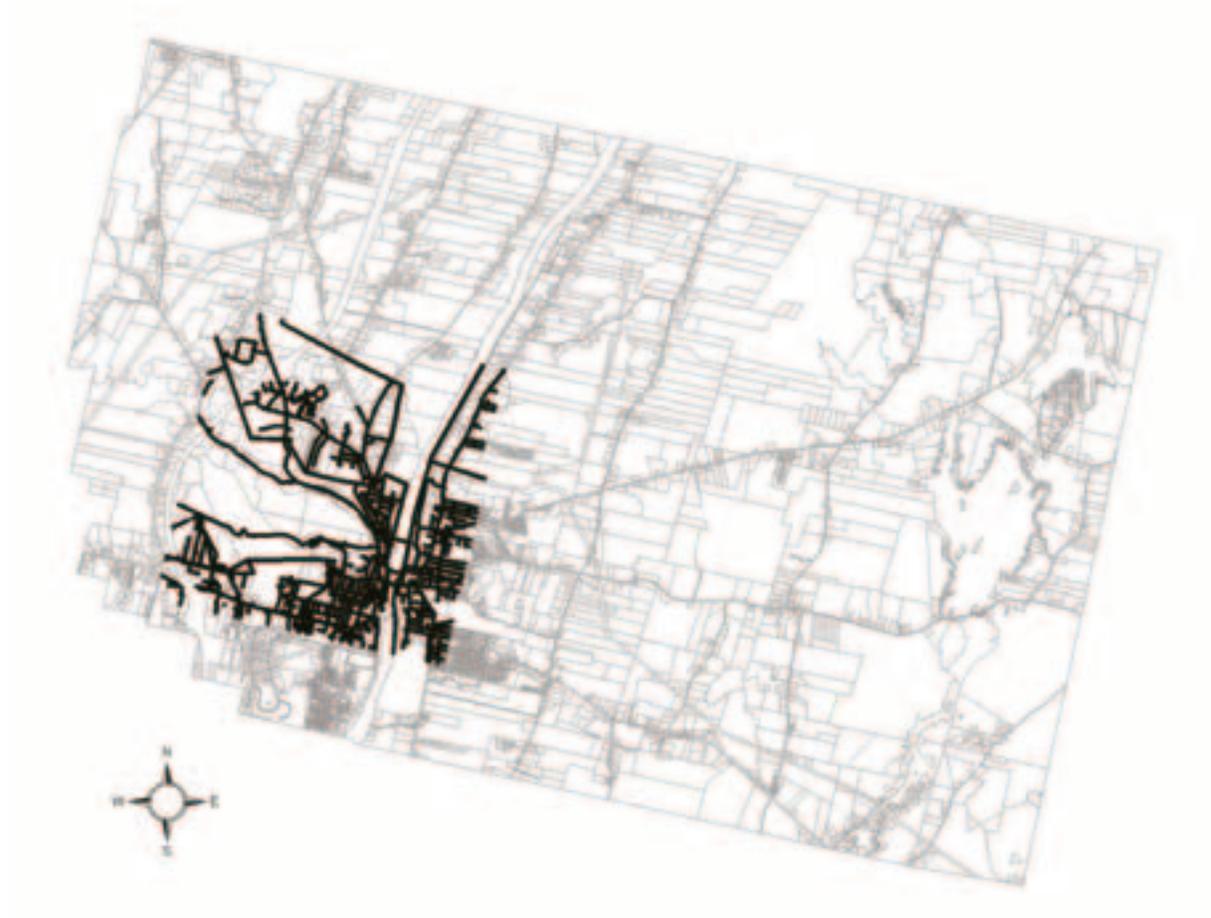
One College Circle
Bangor, ME 04401
Phone: 1-800-4HUSSON
William H. Beardsley, Ph. D., President

Husson, entering its second century, offers graduate and undergraduate degrees at five different locations, through its Schools of Business, Health, Science and Humanities, plus the New England School of Communications. Husson has formed a partnership with Putnam Investments - - one of the largest investment management firms in the United States, with over \$400 billion in assets under management -- that will both position Husson as a Putnam work center, as well as facilitate training for Putnam's new work-at-home labor force.

Utilities



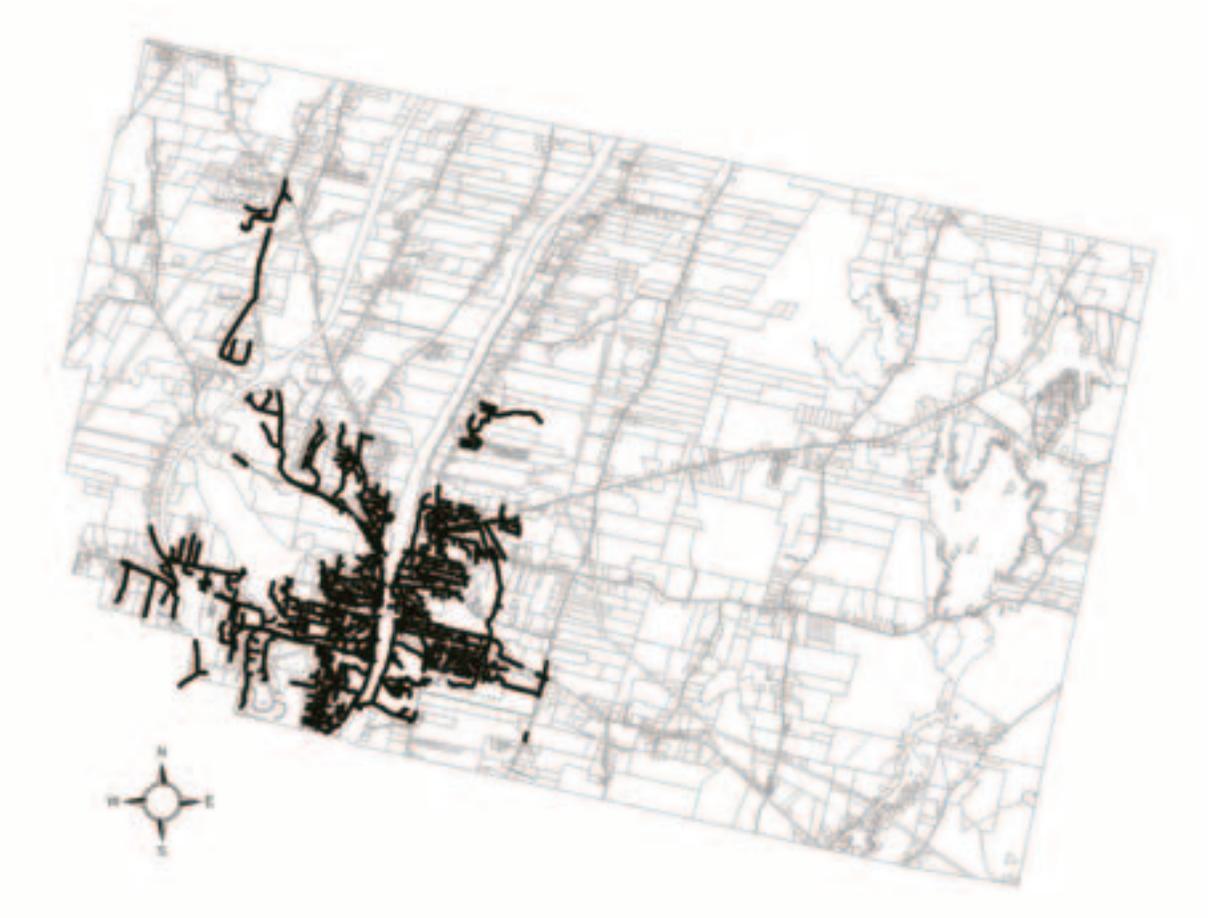
Water



Augusta Water District
Scott Minor, P.E., General Manager
12 Williams St.
Augusta, ME 04332-0436
Tel: 207-622-3701 Fax: 207-621-0360
www.augustawater.org

Major source:	Carleton Pond
Treatment:	Conventional water filtration plant
Rated capacity:	5.1 MGD
Average Daily Demand:	2.184 MGD (2001 avg.)
Peak Demand:	3.70 MGD (2001 avg.)
Water quality:	Drinking water filtered three times cleaner than required by law.
Cost per 1000 gallons:	\$3.86. Minimum water charge is \$42.70/qtr. for a 5/8" meter and includes the first 300 CF of water (2,444 gallons).
Water connection fee:	Minimum fee of \$35.00 to set water meter (if service line is already installed). Cost of water meter and MXU radio transmitter is \$215.50.

Sanitary



Augusta Sanitary District
170 Hospital Street
Augusta, ME 04330
Dale C. Glidden, Superintendent
Tel: 207-622-6184

Type of Service:	Wastewater and storm water collection and treatment
Rated Capacity:	7.95 MGD treatment plant
Average Daily Demand:	4.5 MGD
Peak Demand:	36 million gallon flow rate
Fee Schedule:	\$3.00 per 100 cubic feet (based on meter reading) \$17.14/qr. service charge
Storm water:	\$10.32 per unit of impervious surface per qtr.
Connection Fee:	\$5.00/gallon for one day of estimated use
Commercial Permit Fee:	\$75.00
Inspection Fee:	\$50 to \$100

Energy

source: Central Maine Power

Electricity Providers

As of 2/12/02, there were 40 electricity suppliers (20 energy suppliers and 20 aggregator/brokers) licensed by the Maine Public Utilities Commission (MPUC) to serve non-residential consumers in the Augusta area. Most suppliers sell only to customers with certain characteristics, such as size and location. For more information on electricity suppliers licensed to serve Augusta businesses, contact the Maine Public Utilities Commission at 1-207-287-3831, or visit the MPUC website at www.state.me.us/mpuc/ and click on the 'Electricity Industry' link.

The Maine law that created electric competition on March 1, 2000, provides that any customer who does not designate a Competitive Electricity Provider for their electric-energy supply will receive Standard Offer service. The MPUC accepts bids from competitive electricity suppliers to supply Standard Offer service for Central Maine Power customers who have not designated a competitive electricity supplier.

Electricity Distributors

The MPUC has licensed one distribution supplier, Central Maine Power Company, to serve the Augusta area. CMP delivers electricity, maintaining and operating the more than 150 substations and 20,000-plus circuit-miles of power lines required to perform that service within CMP's territory.

Central Maine Power Co.
83 Edison Dr.
Augusta, ME 04336
1-800-565-3181 (commercial/industrial account line)
www.cmpco.com

CMP offers a number of incentives for business customers, mostly related to energy consumption efficiency. For more information, contact Dana A. Doran, Economic Development Coordinator, Central Maine Power, TEL: 1-800-565-0121, Extension 3365.

Natural Gas

source: Maine PUC

Northern Utilities, Inc. is authorized to serve customers in the Augusta area. Northern offers transportation-only and/or sales service to all commercial and industrial customers. Contact (field office) Northern Utilities, 1075 Forest Ave., Portland, ME 04103, or call 877-427-4748 (sales line).

Maine Natural Gas LLC is authorized to serve customers in the Augusta area. Northern offers transportation-only service to all commercial and industrial customers. Contact Maine Natural Gas, 14 Maine St., Brunswick, ME 04011, TEL: 207-729-0420.

Telecommunications

source: Maine DECD

With more than 80,000 miles of fiber optic cable and 100 percent digital phone switching technology in place, Maine is a telecommunications leader. *Maine is home to a number of businesses that rely on the state's sophisticated and reliable telecommunications infrastructure for their call centers and communication networks.* L.L. Bean, MBNA New England and Auto Europe all maintain large and complex call centers that serve a global customer base. L.L. Bean alone received 15-million customer service calls in 2000. Verizon and Maine's twenty two independent local phone companies have invested heavily to ensure Maine's system is leading edge. This *statewide availability of high-quality fiber-optic technology* means businesses are free to expand or set up shop anywhere in the state.

Maine is highly "nexus-friendly" -- a safe haven in which call centers and their clients can avoid collecting and remitting sales tax. Maine is the first state to have a statewide ATM (Asynchronous Transfer Mode) fiber-optic-based network, allowing efficient digital transmission of voice, data and full-motion video. Maine is also the first state to link every school and library (nearly 1,200 sites in all) via Frame Relay Service. This allows Internet access at every site. A hundred percent of Maine's telecommunications network is switched using digital technology, making it one of the first states in the nation with this distinction. Digital networks support advanced, higher bandwidth technologies at higher speeds. Maine's telecommunications system is one of the most reliable in the country. Public telecommunications policies in Maine are among the country's most supportive of economic development.

Telecommunications Services Available in Central Maine

ISDN, Frame Relay, Asynchronous Transfer Mode, Digital Centrex, Switched 56 kb Service, Packet Switching Service, Superpath 1.544 Mb Service, Voice Messaging, Class Services

Redundancy

SONET OC48 Technology

Providers – Telephone Companies

Verizon	1-800-941-9900
MidMaine Communications	1-877-643-6246
Lightship	1-877-846-6700

Transportation



Roadways



Most major state roads and highways converge in Augusta. North/South access is available via the Maine Turnpike, Interstate 95, US 201, and Rt. 27. East/West access is provided by Rt. 202; Eastern access is also available through routes 3, 9 and 17. A 1998 transportation survey by the University of North Carolina rated Maine's roads and bridges at the 8th best in the country.

Driving times to major cities in Maine and the Northeast:

1.0 hour from Portland, ME	5.5 hours from Springfield, MA
1.0 hour from Bangor, ME	7.0 hours from Burlington, VT
2.0 hours from Portsmouth, NH	6.0 hours from Hartford, CT
3.5 hours from Boston, MA	8.5 hours from Montreal
5.0 hours from Providence, RI	8.5 hours from New York City

Most heavily traveled city roads (by traffic count location):

Location	AADT 98
SR 100/US 201 on Memorial Bridge	31,210
SR 11/17 (Western Avenue westbound) w/o Memorial Circle	27,180
SR 9/100/201/202 (Bangor St.) n/o Linden St.	25,620
SR 11/202 (Western Avenue) w/o Smith St.	24,130
Cony Street at Father Curran Bridge	23,940
SR 11/202 (Western Avenue) e/o Prescott Rd.	22,010

Air

Augusta State Airport
Robert McGee, Airport Manager
75 Airport Rd.
Augusta, ME 04330
Tel: 207-626-2306

Augusta State Airport is one of the five major airports in Maine providing commercial air service, provided by Colgan Air/US Airways Express. The aircraft are turboprop. There are 4 scheduled non-stop flights to Boston daily. Additionally, the 5000 foot asphalt main commercial runway can handle virtually any type of corporate jet. The average corporate jet activity is 10 to 15 jets a month.

Maine Instrument Flight
William Perry, Manager
Augusta State Airport
PO Box 2
Augusta, ME 04332-0002
Tel: 207-622-1211
Toll Free: 1-888-MIF-FLYS
www.maine-instrument.com

General and corporate aviation is handled by Maine Instrument Flight, the airport's full service Fixed Based Operator (FBO). MIF offers flight planning, fuel and maintenance, hangars, tiedowns, etc. in a state-of-the-art FBO facility.

Airport Services

Fuel available: Jet A, Jet A w/Prist, 100 LL
Parking: hangars and tiedowns
Airframe service: Major
Powerplant Service: Major
Other services: air freight, agricultural operations (aerial spraying), air ambulance, charter flights, flight instruction, aircraft rental, aircraft sales

Maine has two major international jetports, both within an hour's drive of Augusta.

Portland (approximately 60 miles SW from Augusta via Maine Turnpike): Direct passenger and cargo service to major East Coast hubs – regular daily service provided by Continental, Delta, United, US Air and other regional carriers. *Bangor* (approximately 76 miles NE from Augusta via Interstate 95): Regular daily service provided by Continental, Delta, US Air and Business Express. 33 acre foreign trade zone and transatlantic cargo to many European destinations. Direct ocean container service to and from UK and Netherlands. Full Customs clearance. Largest port of entry on eastern seaboard.

Overnight air express available from most major companies via terminals in Portland and Bangor. Maine has 46 commercial airports, 15 of which handle corporate jets.

Rail

Safe Handling Rail Co.
PO Box 1567
Auburn, ME 04211-1567
Tel: 207-783-1020

Augusta is serviced by Safe Handling Rail Co., which provides five day rail service to Portland via Brunswick. Commodities regularly shipped through Central Maine include grain, coal, wine, structural steel, shipbuilding steel, scrap paper and finished paper, beer, propane fuel, cement and lumber.

For Freight Service and General Rail Information:
Allan Bartlett
Maine Department of Transportation
16 Statehouse Station
Augusta, ME 04333
Tel: 207-287-2841

Two rail-truck inter-modal facilities located in Auburn (approximately 30 miles SW from Augusta via the Maine Turnpike) and Waterville (approximately 21 miles NE from Augusta via Interstate 95) provide efficient and timely access to US and Canadian markets.

Ports

Maine has two major year-round, ice-free, deep water seaports within an hour's drive from Augusta; Portland and Searsport. Both 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. Both ports provide regular service to markets such as Europe, Asia and Canada.

The Port of Portland is approximately 57 miles SW from Augusta via Interstate 95
The City of Portland Department of Transportation and Waterfront
Captain Jeffery W. Monroe, Director
2 Portland Fish Pier
Marine Trade Center, Suite 307
Portland, ME 04101
Tel: 207-773-1613

The Port of Searsport is approximately 50 miles NE from Augusta via Route 3
Sprague Energy Terminal
Duane Seekins
Terminal Manager, Terminal & Material Handling
Trundy Road, P.O. Box 435,
Searsport, ME 04974
Tel: 207-548-2531

Zoning, Permitting & Regulations



Zoning reviews are conducted by either staff of the Bureau of Code Enforcement or by the Planning Board. Land use documents (zoning ordinances and maps) are available for purchase at the front desk of the City Services Department. The Planning Board is appointed by the Mayor of Augusta to oversee major site plans, subdivisions, conditional uses, zone and text changes, as well as street variances and discontinuances.

Permitted Use Review – Permitted uses are reviewed and approved administratively by the staff of the Code Enforcement Office. Applications must be submitted to the Code Enforcement Office in City Center Plaza with two (2) sets of a complete site plan. Under normal conditions, administrative review takes approximately one week. Once you receive approval and all conditions are met, a performance guarantee, in the form of a letter of credit or an escrow account, must be posted for the cost of improvements required in the public right-of-way in order to be issued a building permit.

Conditional Use Review – Uses identified in the Augusta Land Use Ordinance as Conditional Uses require approval from the Planning Board prior to obtaining a building permit. A public hearing is held on the application, which is reviewed in accordance to conditional use standards. A \$50.00 application fee is required. Applications must be submitted to the Planning Bureau, City Center Plaza, with twelve (12) complete sets of site plans.

Major Development Review – Major developments are reviewed and approved by the Planning Board. Submissions are required a minimum of four (4) weeks in advance to the Planning Bureau. A \$3,000 application fee is required. Applications must be submitted to the Planning Bureau, City Center Plaza, with twelve (12) complete sets of site plans. The guidelines for Major Development Review are: a) Cumulative impervious development over 3 acres; b) New impervious area (buildings, parking and other paved areas) over 3 acres.

Subdivision Review – A new subdivision is the division of a lot, tract, or parcel of land into three (3) or more lots, including lots of forty (40) acres or more, within any five-year period whether accomplished by sale, lease, development or building. Subdivisions are reviewed by the Planning Board according to the subdivision standards. An application fee is required (\$150 for 1 to 6 lots; \$200 for 7+ lots). Applications must be submitted to the Planning Bureau, City Center Plaza, with twelve (12) complete sets of site plans.

Zone and Text Changes – Applications to request zone or text changes are available in the Planning Bureau. These change requests are reviewed by the Planning Board for conformance with the Comprehensive Plan for the City of Augusta. The Board makes its recommendation to Augusta's City Council for approval. A \$150 fee is required.

Ordinance Amendments, Interpretations, and Variances – Ordinance interpretations are made by the Code Officer. If an applicant disagrees with the interpretation for a given application, an interpretation appeal may be filed in the Code Enforcement Bureau with the Zoning Board of Appeals.

Local Permitting

Building Permit – No new construction can begin until a building permit has been issued. Items that are required before applying for a building permit include: 1) approval of the Augusta Sanitary District if a building is or will be served by public sewer; 2) approval of the Augusta Water District if a building is or will be served by public water; 3) approval of the City Engineer if a new curb cut, culvert or off-street parking is part of the development. Each of the previous will require a plan before issuing their approvals.

Occupancy Permit – All new buildings and additions of space or changes in use of existing commercial business office buildings require an inspection at or near the time of completion for the issuance of a required occupancy certificate.

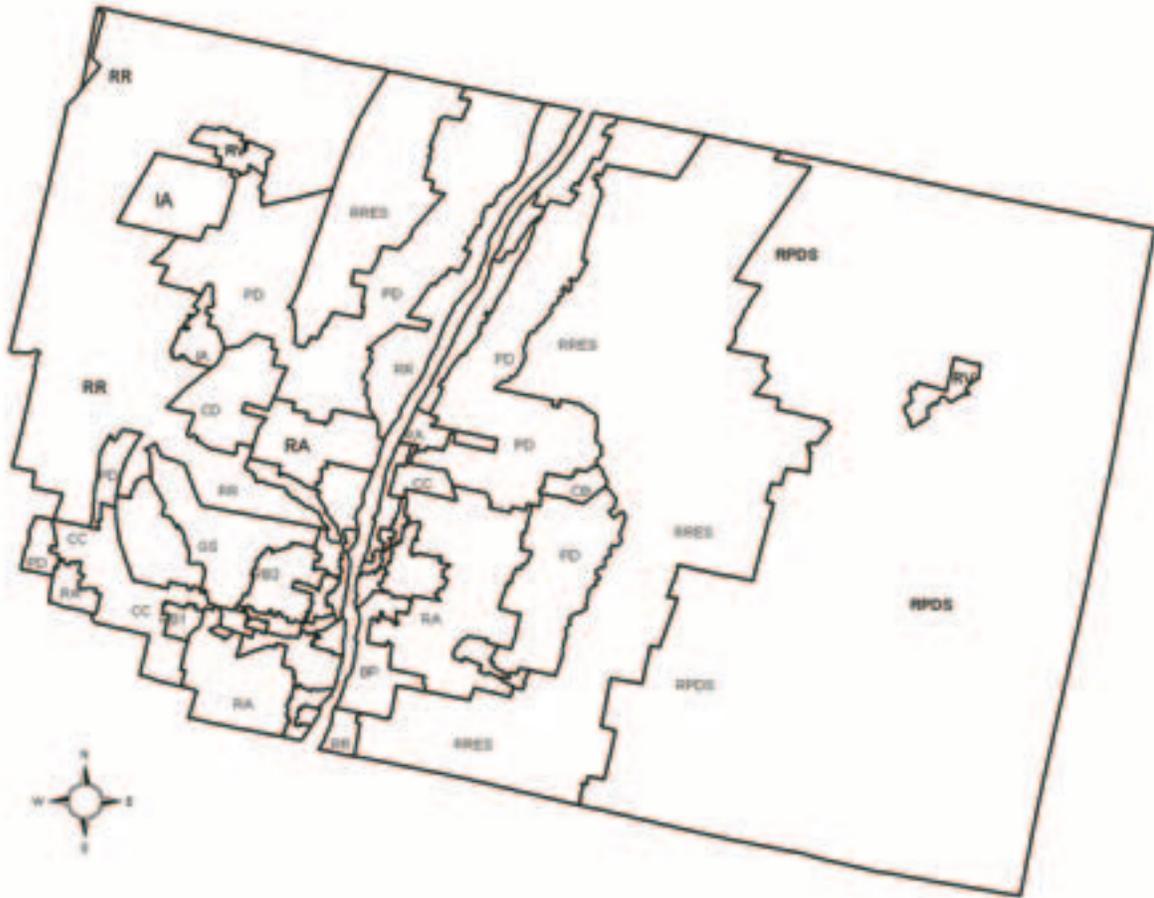
Sign Permits – Any outdoor signage for your business must be issued a sign permit. This applies to both new and replacement signs.

City of Augusta Planning Bureau & Planning Board
Bruce Keller, City Planner
City Center Plaza, 16 Cony St.
Augusta, ME 04330
Tel: 207-626-2366

City of Augusta Codes Bureau
Richard Dolby, Director
City Center Plaza, 16 Cony St.
Augusta, ME 04330
Tel: 207-626-2368

Description of Commercial Zones in Augusta

source: Land Use Ordinance



PD (Planned Development District)

The PD District is the City's growth area. Commercial and industrial uses intended to be concentrated in single or mixed use centers or parks to ensure the most efficient provision of services and minimize impacts on residential and environmental sensitive areas, and on the City's and State's roadway systems.

IA (Industrial District)

The IA District is established as an area which commercial and industrial uses are mixed but where the principal use is the manufacture, processing, packaging, storage and distribution of products. Reasonable access to highway or rail facilities is important.

CD (Civic Center District)

The CD District is established to provide trade and service opportunities complimentary to the established cultural/educational and business/professional uses nearby.

CC (Regional Business District)

The CC District provides trade and service opportunities and are highway oriented. These districts are appropriate locations for businesses which would not be compatible with the congested building and traffic patterns of the Kennebec Business District.

GS (Government Services District)

The GS District includes property owned and used primarily by Federal, State, County, municipal and quasi-municipal governments and public utilities to provide transportation, military, utility, and public works services.

BP (Institutional/Business/Professional Subdistrict)

The BP District is an area for major health and government institutions and related business and professional offices with locations suitable for the growth of each.

KBD1 (Kennebec Business District 1)

The KBD1 District is devoted primarily to general merchandise sales, business and professional offices and restaurants. It is the old commercial center of the city with development constraints imposed by steep grades, river flood plain, congested traffic, and intensive building patterns.

KBD2 (Kennebec Business District 2)

The KBD2 District provides limited trade and service opportunities in areas where major business expansion would be inappropriate because of traffic constraints and proximity to surrounding residential neighborhoods.

CB (Local Business District)

The CB District provides limited trade and service opportunities in areas where major business expansion would be inappropriate because of traffic constraints and proximity to surrounding residential neighborhoods.

Taxes



State Taxes

source: Maine Revenue Service

Copies of Maine tax law and rules are available on the Maine Revenue Services Web site at <http://www.state.me.us/revenue> or by calling the forms line at 207-624-7894.

Corporate Income Tax -- Description: Maine has a graduated corporate income tax rate, similar to the federal tax structure. Tax rates are: 3.5%, 7.93%, 8.33% and 8.93%. The 3.5% rate applies to the first \$25,000 of Maine net income, the 7.93% applies to the next \$50,000, the 8.33% applies to the following \$175,000 and the 8.93% rate applies to Maine net income in excess of \$250,000. Applies to: In general, any entity conducting business in Maine or owning or using property in Maine in a corporate capacity is subject to Maine corporate income tax if that entity realizes Maine net income and is subject to federal corporate income tax.

Individual Income Tax -- Description: Maine has a graduated individual income tax rate, similar to the federal tax structure. Tax rates are: 2%, 4.5%, 7% and 8.5%. The applicable rate depends on marginal income. For example, a single taxpayer with \$20,000 of taxable income (federal adjusted gross income plus or minus all modifications, exemptions and deductions) would pay 2% tax on the first \$4,150, 4.5% tax on the next \$4,100, 7% tax on the following \$8,250 and 8.5% on the final \$3,500 of taxable income. Applies to: Maine income tax is imposed on all residents and on nonresidents with Maine source income. For tax year 2000, the personal exemption amount is \$2,850 and standard deduction amounts are as follows: \$4,400 for single filers; \$7,350 for married joint filers; \$6,450 for head of household filers; and \$3,675 for married separate filers. An additional amount of \$1,100 is allowed for unmarried taxpayers (\$850 each for married taxpayers) over age 65 or blind. Any taxpayer not claimed on another person's return, not subject to the Maine minimum tax and whose taxable income is \$2,000 or less is allowed a credit for the tax otherwise due and is not required to file a Maine income tax return.

Sales Tax -- Description: A tax is imposed at the rate of 5% of the sale price on retail sales of tangible personal property, fabrication services, telecommunications service prepaid calling arrangements, transmission and distribution of electricity and extended cable television service. The rate of 5% also applies to rentals of audio and videotapes, video games and audio and video equipment, rental of furniture and home electronic devices and to the rental or lease for more than one year of an automobile. The rate is 7% of the sales price on prepared food and alcoholic drinks sold in establishments that are licensed on-premises consumption of liquor and certain rentals of living quarters. The rate is 10% on short-term rentals of automobiles. Applies to: Anyone making purchases in the State of Maine.

Motor Vehicle Excise Tax -- Description: Motor vehicles, aircraft, camper trailers, truck campers and mobile homes used on public roads are subject to a motor vehicle excise tax, collected by municipalities. The motor vehicle excise tax is based on the manufacturer's list price of the vehicle, including all options, at a rate ranging from 24 mills for the current model year to 4 mills for the sixth and succeeding years, with a minimum tax of \$5.00. Applies to: All vehicles listed above being registered in Maine.

Real Estate Transfer Tax -- Description: A tax is imposed on both the grantor and the grantee upon the privilege of transferring or receiving title to real estate at the rate of \$1.10 per \$500 (or fraction thereof) of consideration paid for the property, including the value of any mortgage or other encumbrance. Applies to: Any person transferring real estate located in Maine.

Franchise Tax -- Description: Maine applies a financial institution franchise tax in the amount of 1% of net income and .008% of Maine assets. Applies to: In general, any financial institution that has Maine net income or Maine assets during the taxable year must pay Maine franchise tax, even if the institution is established as a partnership, S corporation or entity disregarded as separate from its owner.

Estate Tax -- Description: Maine applies an estate tax in the amount of the federal credit for state death taxes from Form 706. Applies to: Anyone who was a Maine resident at the time of death or any nonresident with real and tangible property located in Maine at the time of death.

Fiduciary Tax -- Description: Maine has a graduated fiduciary tax rate structure similar to Maine individual income tax. Tax rates are: 2%, 4.5%, 7% and 8.5%. The 2% rate applies to the first \$4,150 of Maine taxable income, the 4.5% applies to the next \$4,100, the 7.5% applies to the following \$8,250 and the 8.5% rate applies to Maine taxable income in excess of \$16,500. Applies to: Any Maine resident trust or estate or any nonresident trust or estate with real and tangible property located in the state of Maine subject to the federal fiduciary income taxes.

Local Taxes

City of Augusta Assessing Bureau
Don Cadwell, Assessor
City Center Plaza, 16 Cony St.
Augusta, ME 04330
Tel: 207-626-2320

Real Estate Property Tax -- Description: Local property taxes, based upon assessed valuation, are assessed, levied and collected by municipalities. Homestead and veteran's exemption programs, administered by the state, are available to reduce property taxes for those who qualify. The current property tax rate (for FY 2002) is \$24.60 per \$1,000 of valuation. Applies to: All Maine property owners.

Personal Property Tax -- Description: Personal property taxes are levied against furniture, fixtures, machinery, and equipment of commercial property owners. The tax rate is the same rate as applied to taxable real estate. A Business Property Tax Reimbursement Program, administered by the State of Maine, is available to any business taxpayer placing eligible personal property into service after April 1, 1995. Qualified property is eligible for 100% reimbursement up to 12 years. Applies to: All Maine property owners.

Financial Resources



State Tax Credits

source: Maine Department of Economic and Community Development

Maine Revenue Services
Anthony Gould
24 State House Station
Augusta, ME 04332-0024
Tel: 207-626-8460

Business Equipment Tax Reimbursement (BETR) – The program reimburses, for up to 12 years (less any number of years for which a High-Technology Investment Tax Credit was claimed), all local property taxes paid on eligible business property. After the last property tax payment in a calendar year is made, a claim may be filed through April 1st of the following year. Eligible business property includes certain property, first placed in service after April 1, 1995, 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.

High-technology investment tax credit – For businesses primarily engaged in high tech activities that purchase and use eligible equipment, businesses that lease eligible equipment to lessees that are engaged in high-tech activities providing the lessee waives its entitlement to the credit, and lessees of eligible equipment primarily engaged in high-tech activities. 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.

Jobs and Investment Tax Credit – 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. This program provides a credit against Maine income taxes equal to 10% of investment in most types of personal property.

Research Expense Credit – Any business that engages in research and development activities in the State of Maine that meet the definition in Sec. 41 of the Internal Revenue Code. 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.

Super R&D Credit – 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. 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.

Employer assisted day care – For employers that on behalf of their employees provide day care services through direct capital and personnel expenditures or subsidizing a licensed day care center. The program provides an income tax credit up to \$5,000.

Employer provided long-term care benefits – For employers that provide long-term care policy as part of a benefits package. The program provides an income tax credit equal to the lesser of \$5,000, 20% of the cost incurred, or \$100 per employee covered.

Employment Tax Increment Financing (ETIF) – 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 30, 50 or 75 percent (based on unemployment rate in Labor Market Area where jobs are created) of the state income tax withholdings paid by qualified employees for up to ten years.

For more information on the ETIF program, contact:
Maine Department of Economic and Community Development
Jim Nimon
59 State House Station
Augusta, ME 04333-0059
Tel: 207-624-7484

State Sales Tax Exemptions (STE)

source: Maine DECD

Sales Tax Division
Maine Revenue Services
24 State House Station
Augusta, ME 04333-0024
Tel: 207-287-2336

Fuel and Electricity STE – Any business that purchases fuel and/or electricity for use at its manufacturing facility is eligible for an exemption from sales tax 95% of the sales price of all fuel and electricity purchased for use at the manufacturing facility.

Manufacturing STE – 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 in production, and repair and replacement parts for qualified production equipment are exempt from sales tax.

Biotechnology STE – 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.

Custom Computer Programming STE – 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 non taxable.

Research & Development STE – Sales of machinery and equipment used by the purchaser directly and exclusively in research and development is eligible for a sales tax exemption.

Partial Clean Fuel Vehicle STE – For businesses who sell clean fuel vehicles to the public. The exemption amount is based on a portion of the sale or lease price of a clean fuel vehicle.

Long-Term Financing, State Sources

source: Maine DECD

Finance Authority of Maine
5 Community Dr.
PO Box 949
Augusta, ME 04332
Tel: 207-623-3263

Tax-exempt bond – qualified manufacturing business may receive bond financing that may be used to purchase and/or construct a manufacturing facility and or purchase new machinery and equipment. Maximum amount is \$10 million. A *Finance Authority of Maine (FAME) program*.

Taxable bond – qualified business acquiring hard assets can receive credit enhanced bond financing for permanent financing or the construction or acquisition of real estate and the purchase of new or used machinery and equipment. Maximum amount is \$7 million. A *Finance Authority of Maine (FAME) program*.

Commercial loan insurance – up to 90% guarantee on an eligible loan for real estate and machinery and equipment. Maximum amount is \$7 million. A *Finance Authority of Maine (FAME) program*.

Major business expansion program – tax-exempt or taxable bond financing for up to 100% of a project's cost (construction, acquisition or renovation of facility, or acquisition of machinery and equipment). Borrowing needs must fall w/in 1 to 25 million dollar range. Project must create or retain 50 or more jobs. A *Finance Authority of Maine (FAME) program*.

Economic recovery loan program – supplemental financial resource to help qualified small businesses access capital required to become more productive and competitive. Maximum request is \$200K. A *Finance Authority of Maine (FAME) program*.

Agricultural marketing loan program – qualified natural resource based businesses can receive a loan of up to \$250K for acquisition or improvement of state of the art buildings, equipment, technology or innovative processes. A *Finance Authority of Maine (FAME) program*.

Small enterprise growth program – qualified businesses can receive financing for projects that demonstrate potential for high growth and public benefit. Maximum investment is \$500K. A *Finance Authority of Maine (FAME) program*.

Maine Technology Institute – MTI provides seed investment grants to private companies and non-profits that will increase the level and pace of R&D in the state's technology sectors. *For more information, contact Janet Yancey-Wrona, Director, 1 Church St., Gardiner, ME 04345. Tel: 207-582-4790. www.mainetechnology.org*

Long-Term Financing, Regional and Local Sources multiple sources

Coastal Enterprises, Inc.

Blakeslee P. Brown, Chief Financial Officer
36 Water St., PO Box 268
Wiscasset, ME 04578
Tel: 207-882-7552
www.ceimaine.org

CEI Development Fund -- Targeting innovative, job-generating manufacturers, natural resource-based companies, and other quality employers throughout Maine. Financing of up to \$500,000 for job-generating Maine ventures.

CEI Enterprise Fund -- Financing to qualified businesses is up to \$50,000 for small, micro, and self-employment enterprises.

CEI Targeted Loan Programs include the Fisheries Loan Fund and the Green Fund.

Kennebec Valley Council of Governments

Vic Reinfelds, Economic Development Director
17 Main St.
Fairfield, ME 04937
Tel: 207-453-4258, Ext. 13
www.kvcog.org

KVCOG Intermediary Relending Program -- businesses may use IRP funds for new construction, modernization, land acquisition, machinery and equipment, business acquisition, and permanent working capital. Short term program, with range of \$50,000 to \$150,000.

KVCOG EDA Revolving Loan Fund – RLF funds may be used by qualified businesses for machinery and equipment, working capital, real estate (acquisition, construction, renovation), and related project costs (legal, appraisal, engineering, surveying). EDA RLF Loans range from \$25,000 to \$150,000. Short term program (5 to 15 years).

KVCOG REDRLF – see ABOT REDRLF. Loan range is generally \$25,000 to a maximum of \$200,000.

The Augusta Board of Trade

Wayne Mitchell, Executive Director
6 Green St.
Augusta, ME 04330
Tel: 207-626-3188

ABOT Business Development Fund – gap financing to qualified business expansion or retention projects. Maximum \$200K, minimum \$25K.

ABOT REDRLF – gap financing for qualified businesses involved in advanced manufacturing, information systems and biological and natural resources technologies.

Local Economic Development Programs

City of Augusta Office of Economic and Community Development
Michael A. Duguay, Director
City Center Plaza, 16 Cony St.
Augusta, ME 04330
Tel: 207-626-2336
www.getconnectedaugusta.com

Tax increment financing – for projects creating \$500,000 or more of new taxable value. Any amount up to 100% of additional tax value can be sheltered for any period up to 20 years. For construction, improvements and site work; demolition, repair and remodeling; acquisition of machinery and equipment; financing costs; professional services and administrative; relocation and organizational costs; training costs up to 20% of total.

Job Retention Program – The JRP is designed to provide existing companies that are considering relocating outside of the City with financial assistance towards the relocation costs involved in moving the company to another location within the City. Up to \$25K deferred loan.

Business Assistance Program – CDBG grant to communities for loan or grant of up to \$400K to qualified business to finance fixed assets such as capital equipment, buildings, fixtures or property improvements. Project must benefit low and moderate income persons.

Economic Development Infrastructure Grant – CDBG grant to communities for up to \$400K for the construction of public infrastructure projects such as roads, water lines, utilities, and public owned facilities (buildings, waste water treatments, rail spurs). Project must benefit low and moderate income persons.

Development Fund – up to \$200K in gap financing for up to 40% of a business' development activities, e.g. fixed asset investments or working capital. Flexible rates. Project must benefit low and moderate income persons.