

**Testimony by Christopher V. Davis
Executive Director, Maine Aquaculture Innovation Center**

**Joint Standing Committee on Appropriations and Financial Affairs
Joint Standing Committee on Labor, Commerce, Research & Economic Development
March 1, 2017**

Senators Hamper and Volk, Representatives Gattine and Fecteau, and Distinguished Members of the Joint Standing Committees on Appropriations and Financial Affairs and Labor, Commerce, Research & Economic Development:

My name is Chris Davis. I serve as Executive Director of the Maine Aquaculture Innovation Center (MAIC) and am here to testify on the impact of and value to Maine's burgeoning aquaculture industry of the Applied Technology Development Center business incubator management grants program (ATDC) currently slated for defunding.

MAIC is a public-private partnership with a mission to assist in developing economically and environmentally sustainable aquaculture opportunities in Maine. MAIC does this by 1) conducting and funding applied research directed at solving pressing problems inhibiting growth of the industry, 2) educating and training the next generation of sea farmers and 3) in partnership with the University of Maine, assisting entrepreneurs in building new aquaculture businesses.

The Governor's proposed budget eliminates \$178,838 per annum from the ATDC within the Department of Economic and Community Development's 2018-19 biennial budget. Historically, these funds have been split three ways between MAIC, the UpStart Center for Entrepreneurship (formally Target Technology Center) and the Maine Center for Entrepreneurial Development. Of the total amount, MAIC typically receives \$59,600 annually.

MAIC in partnership with the University of Maine manages the aquaculture business incubator program which provides startup businesses and entrepreneurs with 1) unique facilities to conduct research leading to commercialization of new products and services, 2) technical, business and financing/grant-writing assistance and 3) direct access to University of Maine academic and research resources. Since 2000, the incubators have been purposely housed at two of the University's marine field stations - the Darling Marine Center in Walpole and the Center for Cooperative Aquaculture Research in Franklin. Reasons to co-locate with the University over the past 17 years include allowing startups to take advantage of state-of-the-art facilities and infrastructure support services, providing technical expertise of University researchers and staff and facilitating access to student labor and internships. Tenants typically stay for 2-5 years as they commercialize. The program's overarching goal is to assist companies in accelerating their growth and viability.

Some of the dozens of Maine businesses that have used this program over the years include Kennebec River BioSciences, Sea & Reef Aquaculture, Mook Sea Farms, Acadia Harvest, Inc., BioProcess Algae, Inc. and most recently, American Ugani, Maine Sea Farms, Aqua Vida, Maine Shellfish Developers, AquaLine, and Field Phytonutrients. During 2016, the Darling and Franklin incubators supported eleven companies employing 37 people. Four of these companies

chose to move to Maine in part because of the technical and infrastructure support services this program offers. These companies are developing new products ranging from algae-derived nutraceutical supplements to sea vegetables to American eels to enhanced sea urchin products to California Yellowtail and Black Sea Bass.

MAIC is able to manage the incubator program through financial assistance from the ATDC System. These funds support a portion of the MAIC Executive Director's time providing technical assistance, marketing and recruiting of new companies, training and supporting tenant entrepreneurs, and supporting the development of emerging clusters within the aquaculture sector. Funds also support workshops, offsite technical and entrepreneurial training for incubator tenants and a portion of maintenance of the incubator facilities.

For these reasons, I urge you to reinstate funding of the Applied Technology Development Centers program. I truly believe this to be an extremely cost-effective investment by the State of Maine.

Thank you!