

**TOWN OF UNITY
ECONOMIC DEVELOPMENT COMMITTEE MEETING MINUTES
APRIL 4, 2016 (approved)
LOCATION: TOWN OFFICE - UNITY, MAINE
*[Note: Decisions and Assignments in Bold Italic Type]***

Members present: Tony Avila, Clem Blakney, Mike Gold, Mary Ann Hayes, Mary Leaming, Dan McCormick, Chia Murdock, Don Newell, Emily Newell, Lucia Picard, Jane Stevens Pinette, Chris Rossignol

Members Absent: Jim Buckle, Gail Chase, Lori Grant, Chris Lobley

Guests: Ryan Drake, Thomas Kittredge, DJ Pinette, Kenny LaRose, Joe Saltalamachia, Penny Sampson, Charles Schaefer

Introduction

Don called the meeting to order at 6 PM.

As Lori was unable to attend and Jane had a late arrival, ***Mary Ann agreed to take notes.***

On a motion by Chia, seconded by Chris, the minutes of the March 21 meeting were approved as presented with the following corrections: (1) Committee maximum number is 17 (not 15); (2) Thomas Kittredge's name (not Kittering); and (3) town references in Mary Ann's report.

Don asked all guests other than Thomas Kittredge and Penny Sampson to introduce themselves and state their purpose for attending. Joe (Salty) indicated that he was offering to join the Committee to formally represent Unity College as well as being an enthused resident of 24 years ready to make a contribution to the town. Emily asked if he was asking to be appointed; he indicated that he was. Others reported that they were interested in Unity's economic development and were attending to observe and learn; none had specific agenda requests for the committee.

Guest Presentation

Thomas Kittredge serves as Economic Development Director for the City of Belfast and the first to hold that position since it was created 6 years ago. Prior to that he served as Executive Director of the Piscataquis County Economic Development Council, so he well understands rural conditions and challenges. The City Manager and City Planner did the economic development work prior to the dedicated position being created and still contribute to these efforts. The City Council serves as the Economic Development Committee; there is no separate body in City Government.

Thomas noted that the City is one of four key entities teaming to support economic development activities in Belfast. The others are non-governmental organizations (NGO's), neither a part of a government nor a conventional for-profit business. Usually set up by ordinary citizens, NGOs may be funded by governments, foundations, schools, businesses, or private people. The three groups are the Belfast Area Chamber of Commerce, Our Town Belfast (the Main Street Program focused on the Downtown) and The Belfast Creative Coalition, focused on promoting arts and culture. The City supports these NGOs at approximately \$75,000/year fairly evenly split among them, an amount that used to go entirely to the Chamber before the City created the economic development director position. Each organization plays to its strengths and the four work collaboratively to promote economic development efforts. Thomas noted that the team approach is common and necessary in all locales and encouraged Unity to do the same.

The City's contributions are grant writing primarily for infrastructure development (especially state and federal for which municipalities are eligible, namely CDBG, Brownfields and EDA Public Works). The City

does not tend to apply to private foundations; the NGOs do more of that. The City offers technical assistance to businesses, often retrieving published data when requested and making referrals to business support services. Belfast does not have any grant or loan programs for businesses. It has two TIF districts, but has used the dedicated funding to pay for water, sewer and road work. No credit enhancement agreements returning funds directly to businesses have been executed and there is a concern that such a move would receive a great deal of political scrutiny. The City does own lots in the Business Park which it sells at below market rates. Although business attraction is always on the radar, the focus is to support existing businesses to succeed and expand.

The City does not do marketing directly but supports that work by the Chamber, Our Town and the Coalition through its annual funding and participating in individual promotional events.

Thomas believes that affordable housing in Belfast is a looming concern and said that the higher real estate tax rate in Belfast was causing some potential residents to locate in surrounding municipalities with lower tax rates.

When asked what Unity's Committee might focus on, Thomas suggested asking businesses what they need and letting them know about available resources. He also noted that municipalities should make sure that they are not getting in the way of business development. Thomas shared his business cards and welcomed follow up questions. Everyone thanked him for his time and information.

Protocol for Guests

Mary noted that since the Committee was attracting non-member guests to its meetings and that the room was small, that a protocol should be established to accommodate the public while ensuring Committee productivity. ***Following a brief discussion, the following protocol was agreed upon until formal bylaws are adopted:***

- 1. Members of the public wishing to conduct business should make that request to the chair or vice chair prior to the meeting to see if they can be placed on the agenda.***
- 2. The chair will ask guests not already on the agenda to introduce themselves and state their reason for attending. If more than observing, a decision will be made as to whether they can be accommodated.***
- 3. While public interest and attendance is welcome, priority seating around the table is to be reserved for Committee members. If the room cannot hold routine audience levels, a larger room will be sought so that everyone may be comfortable.***
- 4. Guests are not allowed to participate in Committee discussions unless so invited by the chair.***

Research Reports

Lucia reported on her research of businesses who had left Unity. She spoke with Jamie from Thorndike Press. They had problems with the building condition and Internet at the time. Don added that a decision from New York HQ squelched an opportunity to move to another location in Unity. Out of anyone's control.

Emily reported on three areas:

- Winter sidewalk maintenance.** Norridgewock spent \$25k for a plow and tractor to run it with a sander. It takes 1 full person-day to cover the 2 miles of sidewalk times 18-20 storms/year. One consideration is the bottles & cans & pebbles that wind up in the ROW, which are hard on the tractor and dictates a PTO-driven vs. belt-driven model. ***Don asked that everyone secure the population of any reference community for comparison purposes.*** Joe noted that the College had bought a unit that was too wide and tore up adjacent lawn that needed to be repaired.
- TIF Contribution for Fire Equipment.** Emily confirmed that the rescue truck that could respond

to the large number of traffic accidents within the TIF district was the top priority for the Department. **Emily was encouraged to contact Gail or Noreen to confirm the formula that DECD would accept for annual or balloon TIF allotments to this equipment fund. It is likely based on the cost x the percent of rescues typically within the TIF District.**

3. Impact Study of Non-Profits: Emily did not have any local data but in 2015 one of 7 people were employed by a non-profit statewide. In Unity this figure is likely higher with the College & MOFGA being such major employers in town.

Chris shared copies of a readiness survey applicable to any business while researching restaurants.

Don shared the results of meeting with the College president along with Mary as well as a phone conversation with a personal acquaintance (Roger Beaulieu) involved in the hotel industry.

1. College Meeting: The College would be willing to cost-share on a hotel feasibility study aimed at meeting its needs, which is a quality hotel or inn with a common entrance and at least continental breakfast service, not a motel. He did not feel that it needed to have conference hosting capacity; the College can meet those needs on campus. The College would also be willing to guarantee a minimum number of bookings, perhaps 1000 room nights/year. Demand occurs throughout the year with prospective parent/student/faculty visits (average 1/day in Admissions alone), parent visits, athletic and other events. The college paid for 350 room nights in Fairfield last year that they would rather have housed in Unity. Salty added that there is a subset of 876 unique student visitors, several of whom visited more than once. He noted that of the 600+ College students, 25% are from Maine. An estimated 80% of the student body and their families are potential lodging customers.

More fundamentally, the president shared that he had attended several meetings with the selectmen to forge a standing Town-Gown relationship but, due to the lack of a single point of contact representing town government, he was criticized by some business members and Unity organizations as favoring one part of Unity over the other. With rotating elected officials, no town manager and many points of view, it has been impossible to feel certain on any matter of commitment or negotiation. Salty noted that President Khoury is especially valuable in this arena, with significant community-college economic development experience in his prior appointments (UMFK, Paul Smith, Upper Iowa). So much beyond the hotel might be gained. ***This matter was discussed by the committee, which agreed following a motion by Clem that Don would be its choice to represent the lodging issue as well as anything related to the committee's work. However, the official appointment of a College liaison and breadth of its scope was referred to the Selectmen, who were all in attendance and meeting the following night.***

2. Roger Beaulieu Meeting: Roger has developed and operated several hotels, including a new 80 room Hampton Inn in Presque Isle, the Hampton Inn in Waterville and Freeport and one further south. Of franchises, Hampton Inn is mid-range in terms of room rates and services. Motel 6, and Budget are examples of lower price and less services motels. A 80 room hotel would be about a \$10M deal. To invest, an investor will typically require a projected 20,000 room nights per year minimum(70% occupancy). 12.5% +/- of gross income goes to the franchise fee, plus 2.5-3% for management fees. On top of that, franchises have requirements about upkeep (e.g. mattress and TV change schedules) that can add to costs. To meet these numbers, hotels rely heavily on corporate travel (often sales & service) along interstates in major market areas. Unity does not have this traffic to offer. He recommended that Unity aim for a 40-room +/- Inn, which requires someone to run it and others to invest in it. He noted that making rooms attractive for longer stays (adding a small kitchenette & living area) adds 50% to the development cost so has to be considered very carefully.

Don asked how to get the best feasibility study for the dollar. Ron recommended using bank appraisers, who are prepared to test any business plan prior to making an investment. Might a bank contribute this knowledge without a loan applicant? BSB was mentioned and it was noted that Bruce Nickerson, BSB's Executive VP, serves on the College Board of Trustees. ***It became clear that this was a special opportunity to explore. Don will talk with the president about approaching Bruce with this possibility.***

Jane inquired about the best form of ownership for the inn; it was agreed this was premature and will be up to the entrepreneur(s) who take it up.

Regarding the potential location of the inn, it was agreed that no site should be presumed most suitable to skew the market and increase costs. The Committee agreed to remain site-neutral.

Other Business/Next Steps

Larry Sterrs of the Unity Foundation will be the guest speaker at the April 18 meeting. Don noted that he would be out of state and unable to attend.

Mary noted that either extending or replacing the temporary officers would need to be on the agenda as the 60-day term was up. It was further noted that committee bylaws should be established as soon as possible, including the process for requesting committee assistance and conflict of interest provisions (Jane was especially concerned about the latter). ***In the meantime, it was agreed that anyone with a conflict of interest in any area should declare it to the Committee and refrain from voting on that subject.***

Jane asked for guidance on what she could be contributing. Don reminded everyone that they were to pursue research in their own areas of interest. It was noted that we needed a comprehensive listing of businesses in town. ***Emily has begun a list and will hand it off to Jane, who agreed to do her best to complete it. Everyone thanked Jane for taking on this critical task.***

Clem reported that he had invited Don to attend the next meeting of UBX to be held Wednesday night to strengthen collaboration between the committee and the business organization. Clem shared that he is willing to be the official liaison between the two entities.

Don asked where we stood on setting up the RLF. Mary noted that Extremely Gymnastics had inquired about possible assistance as it has an opportunity to expand and will need equipment financing. Mary Ann reiterated that she felt the business needs assessment needed to be formalized and put on a schedule for completion ASAP so that the committee would have a sense of potential demand and know what programs to set up. ***It was agreed that a Business Needs Assessment Subcommittee would develop a survey, outreach plan and schedule to present for approval at the April 18 meeting. Mary Ann agreed to chair the group. Emily, Dan, Chris, Tony, Mike, Mary, Jane and Clem agreed to serve.***

Emily agreed to share a final list of Committee members and contact information following the Selectmen's meeting.

The meeting adjourned at 7:45 PM.

Needs Assessment Subcommittee

The subcommittee convened briefly following the meeting. ***It was agreed to meet on Monday, April 11 at 6 PM in the Town Office. Clem will enlist the cooperation of UBX in conducting the needs assessment.***