

August 1, 2017

17-22

A workshop meeting of the Caribou City Council was held 5:00 p.m. on Tuesday, August 1, 2017 in Council Chambers with following members present: Mayor Gary Aiken, Deputy Mayor David Martin, Philip McDonough II, Joan L. Theriault, and Timothy C. Guerrette. Jody L. Smith was absent.

Dennis L. Marker, City Manager

Department Managers: Penny Thompson, Tax Assessor; Christina Kane-Gibson, Event Planner; and Anastasia S. Weigle, Library Director.

Item #1: Discussion on TIF request from Neal Griffeth and City Economic Development Plan.

TIF request from Neal Griffeth:

- A tool the City can use to create economic development. It allows the Council to set aside money for infrastructure that could spur further growth.
- Credit Enhancement Agreements (CEA) - can be used as an incentive for a business to expand or move into a community. CEAs allows a portion of new tax revenue to be returned for a period of time to the business that expanded or relocated.

Per request of the Council, City Manager Marker reached out through email to all the Managers throughout the State surveying what others are doing with TIF developments. The City of Presque Isle is the only community that responded and they sent over the City's 18 page document that outlines how TIF monies can be used. CEAs are not a permitted use for TIF funds in Presque Isle.

Discussion as to how a TIF works.

Concerning TIFs, the State is interested in knowing whether procedures were followed.

Councilor Martin questioned whether or not the City should approve a CEA for this project and asked for the Manager's recommendation.

Manager Marker outlined the project:

- \$700,000 building being built and \$120,000 in personal property
- Potential for an additional \$12,000 to \$13,000 in revenue
- With the numbers provided by Mr. Griffeth, the amount to be returned to him would be \$5,000 to \$6,000, but his request is for all the money to be returned to him
- Mr. Griffeth might be agreeable to receiving back 50% through a CEA
- A CEA would be for five years

Councilor Theriault suggested that the CEA could be for 50% for the first year and reduce by 10% each year for five years.

Discussion as to whether CEAs should be given to retail businesses and whether a CEA could be a deciding factor as to whether a retail business will move to Caribou.

The Manager outlined the reasons for the TIF District:

- To shelter the money

August 1, 2017

17-22 Pg. 2

- Use the money to pay 50% of the Manager's salary because the Manager is involved in economic development
- Pays for the City's tourism program, which includes the running of events to attract people to the City
- Clean up of the Birdseye site and other slum and blight areas
- Repairs to the fire hall and TIF monies could be used to build a new fire hall
- Paved the downtown area
- Lighting of the downtown area
- Snowmobile trails

Manager Marker stated that it would be nice to have a formal written policy similar to Presque Isle's.

Councilor Martin would not oppose to doing something regarding the building of this new building. He wants the terms to be set by the Council. Councilor Theriault reiterated her suggestion of offering 50%, 40%, 30%, 20% and 10% over a five year period. She sees this as a compromise.

Steps involved for a CEA include the business applying for it, then the City determining what they are willing to do and if the business agrees to it, and then the final step is to draw up the CEA and send it to the State for them to review to determine if the City followed the process.

Councilors Cote, Guerrette, and McDonough agrees to do something for the business. Councilors McDonough and Theriault expressed their displeasure as to the approach taken by the business.

A meeting will be setup with Mr. Griffeth, to move forward with the direction the Council wants to take. Discussion. Mr. Griffeth wants a ten year CEA and the Council prefers a five year agreement.

Using Councilor Theriault's suggestion of 50%, 40%, 30% 20%, and 10% over five years, Mr. Griffeth would receive through a CEA approximately \$24,000 over a five-year period. Discussion. The business would be creating only one or two new jobs.

Manager Marker asked if there were any infrastructure improvements needed in the area of the new building. The Councilors agreed that there were none that they are aware of. The Manager gave an example of an infrastructure need at the airport. The Caribou Utilities District (CUD) has stated that 800 feet of pipe needs to be replaced. Discussion. The grant money for the airport hangar project has come through.

Council Consensus: 50%, 40%, 30%, 20%, and 10% over five years.

The Mayor wants to see written CEA policy. The other Councilors agreed that there should be a written policy.

A City Economic Development Plan:

City Manager stated that he has heard out in the business community that the Council isn't interested in the City, not interested in helping businesses, or bringing in new businesses. Manager Marker doesn't believe this to be true and that their willingness to take a seat on the Council is to make a difference for the betterment of the City. Discussion also centered around the Councilors participating on the City's float that will be in the upcoming parade titled "Councilors - past, present and future". Councilors Martin, Cote, Theriault, and the Mayor agreed to participate and ride on the float. So far there are

August 1, 2017

17-22 Pg. 3

approximately 25 entries for the parade. Councilor Cote commented that Caribou's event conflicts with the Northern Maine Fair.

As of today, there are 226 signed up to participate in the marathon. All Gold Sponsors returned with the exception of one. Christina Kane-Gibson is still looking for three-mile marker sponsors and has been reaching out to businesses. There will be a press opportunity next Friday with the reveal of the big sign going up on Bennett Drive. If this hasn't been done already, Mayor Aiken suggested contacting national vendors including running shoe manufacturers. Christina is strategizing with Chris Bernier on ways to attract sponsors and improve the race. The race course has changed from last year as a result of the feedback from the runners on how difficult the course was. This year the race will not go up hill on Fenderson Street.

Library Director Anastasia S. Weigle spoke about the work that is being done at the library. She explained that the library staff assist patrons with a variety of tasks including those that are looking to open up their own business and could be looking for available business templates. She is looking to apply for grants that could encourage economic development; including, applying to the Libra Foundation for \$2,000 to develop a small business resource center. Ms. Weigle wants to hold workshops at the Library targeting individuals who have small businesses or want to open a small business. She spoke about the City of Caribou and how there is so much potential here.

Manager Marker reviewed the factors that businesses look at when making a decision to locate someplace.

- Transportation system
- Labor market – numbers and training
- Availability of raw materials
- Market in the area
- Availability of sites and utilities
- Tax structure
- General government attitude
- What is the community like and the amenities

Sometime in the future, Manager Marker wants to go through these factors and consider what Caribou's strengths are and what types of businesses would fit into the area. In the future, the Manager suggested going through a SWOT analysis working on a strategic plan for the City. What opportunities are already available in the City? The Mayor suggested several groups that might be interested in participating in a brainstorming session. The Mayor noted the City has had a list of available rental properties, this list might need to be updated, and maybe we should go further with the list and include rental costs.

Manager stated that he and staff will work on this.

Workshop adjourned at 6:17 p.m.

Jayne R. Farrin, Secretary