

# STATE OF THE CITY ADDRESS

## JANUARY 15, 2018

I first want to welcome back all of you who were re-elected to council and school board positions. Thank you very much for your hard work and dedication. Your long hours and self sacrifice have made a huge difference in moving our community forward. In the aftermath of the 2006 closure of the pulp mill, and with it about 22% of the property tax revenue to the city, all of us proudly stood up and met the challenge head on. We all knew reinventing Berlin would be a daunting task. Our efforts would also be viewed through a microscope. Though our path forward was met with doubt, cynicism and criticism from some naysayers, we held fast to our vision. You should be extremely proud of your commitment.

First, for the first time in Berlin's long and proud history, we have developed a recreational economy. Who would have thought ATVing would be such a resounding family success! There are hundreds of people here in Berlin who work tirelessly to make this annual 7 ½ month 4 wheel paradise the envy of the eastern United States.

Secondly, the huge financial boost Burgess Biopower provides statewide is finally being recognized by a whole lot of people. For the upcoming city fiscal year that will begin in July, Burgess Biopower will provide the following; 8.5% of the estimated \$14M Berlin raises through property taxation and rising yearly; roughly half of the total Berlin Water Works budget is paid for by Burgess in water usage fees. To simplify, Burgess payments represents the entire capital improvement effort taken on by the water commission. Today, BWW has the some of the purest water in the state. Burgess Biopower's payments to Berlin's sewer user department account for roughly 20% of that budget. Add the economic activity of 30 employees who work directly as well as the tens of millions of dollars that are annually spent right here in Berlin on goods and services make this facility the cornerstone of Berlin's revival and economic diversification.

In 2011, my heart sank at the news of the Isaacson Structural Steel bankruptcy. One of Berlin's oldest businesses with a stellar reputation in their field, the lives of over 130 people were suddenly turned upside down. It was a trying time, coming just days after the re-opening of the paper mill. It certainly would have been real easy to throw in the towel. Instead, however, Berlin doubled down. Through the efforts of BIDPA and chairmen Dick Huot and Mike Caron, Dave Presby purchased the steel business and bought the building in the industrial



park. AVRRODD absorbed the ISSI employees who worked at the transfer station and Capone Iron Corporation, one of the industry's most modern building steel and fabrication manufacturers, set shop in Berlin. It was a huge leap of faith from Stephen and Gary Capone to invest in Berlin, but today Capone has nearly 30 employees. Their goal is to have 50 by year's end. The collective efforts by city government and BIDPA have just about made up all the job losses endured by the ISSI bankruptcy, certainly no small feat in anyone's book!!

One of the fastest growing business you've never heard about here in Berlin is Organic Fields of Heather, LLC. Set up in the former James River service garage on Perry Street, they manufacture very high quality organic body lotions and cremes. Look them up on the web and you will be amazed! Dalton Mountain Motorsports and Jericho Outdoors are also newly formed business that are very successful, right here in Berlin. Through a lot of hard work, North Country Growers, the multi-million dollar greenhouse business is progressing toward a late winter closing, and Deflex Innovations is making great progress ramping up to full production.

The voting public here in Berlin has long recognized the council's tireless efforts at improving the city, though there is still so much to be done. We must continue to invest in Berlin's infrastructure, streamline and reduce costs in our operations where we can. In a climate of reduced state aid to education, we must find common ground with our surrounding communities. There is no doubt that one SAU needs to provide administrative services to educate kids in the valley. Though the Town of Gorham opted not to follow through on their request to the Berlin Police Commission for law enforcement services, there remains fiscal pressure on all communities here to find solutions. We must keep an open mind and work together, but we must also be painstakingly prepared to go it alone on all fronts if efforts fail. Berlin no longer has the luxury of doing "business as usual".

Berlin is changing and with it brings some good and some challenges. We will shortly extend the compact line on Rt 110 to Jericho Mt. State Park. Local developers are positioning themselves to change the face of that area. In late spring, BIDPA should be in a much stronger position to play a bigger role in the downtown. We also need incubator space for small to medium sized entrepreneurs to start and expand their business. Canadian businesses looking to take advantage of the Buy American Act need space to relocate. These are all items that are currently on the plates of city staff and Mayor & Council.

There are two people who have played a very direct role in trying to improve and revitalize Berlin that I would like to recognize. Steve Binette and Bob Chapman have taken great personal financial risks in investing and promoting business here in Berlin. Let's not forget the work of Roland Berthiaume and Mike

Couch of Romik Developers who also are working to build a first class camping experience near Jericho Mountain State Park. They also volunteer hundreds of hours of their personal and heavy equipment time to promote Berlin in many different ways.

In closing, Berlin for the last ten years has made all the right moves necessary to position it for an even brighter future than ever thought possible. An economy truly diversified by action, not talk. A local government that works to make a difference by action, not just talk. And an undeniable momentum that has been built by action, not just talk. In the next ten years, Berlin will be envied statewide for it's prosperous retention of it's small city character.

Paul R. Grenier

Mayor of Berlin