

MAYOR'S REPORT

JULY 29,2011

It's that time again already! The summer season is half over and we really can't complain about the weather we've had in the last three weeks or so. As is with the weather, things are heating up in Berlin on the employment front. There are quite a few people from Coos County who are working for RMT at the windmill site in Dummer and in the Phillips Brook area. Despite a rainy start, RMT is about on target to finish as scheduled. RH White, who is the general contractor for the natural gas pipeline project for Gorham Paper and Tissue is also well under way. I'm pleased to say that RH White has sub-contracted much of the work to two highly respected specialty Berlin companies. AR Couture and Nordic Construction Services will be on site for quite some time. Both firms have very highly skilled employees who can handle projects of all magnitudes. Congradulations go out to Chris Hansen and Sonny Couture for keeping local people working in this challenging building industry atmosphere.

Speaking of highly respected Berlin companies, I was deeply angered by a Claremont company holding a job fair here in Berlin. In my opinion, they are attempting to raid Isaacson employees to jump ship and relocate to Claremont. Meanwhile, Isaacson Structural Steel has called back all of their employees for work on Monday. Arnie and Steve and the rest of the senior management team have worked diligently to bring a quick resolution to the liquidity issues that face them. Once the Berlin Station project gets the official go-ahead, it won't be long after that the Isaacson companies will emerge from Chapter 11. The Isaacson companies always put their employees ahead of profits. Yes, sometimes the grass does appear greener on the other side of the fence, but if good folks leave to go to Claremont to work, what guarantee is there that you won't get laid off after a short period of time. Also, when you're the new guy from out of town with little attachment to the new company and the area, that makes you very vulnerable to whims of folks who don't really know who you are. I predict that Isaacson Structural Steel will emerge from Chapter 11 a lean fighting machine looking to regain their immaculate reputation in the steel building industry. I believe that as a result, the Isaacson companies will get even more work, grow even more, and the employees who roll up their sleeves will be handsomely rewarded. Always remember this, Brown Company filed for bankruptcy in the 1920s and you know successful they became!!

I was very pleased this past week to roll out the PILT (payment in lieu of tax) agreement between the City of Berlin and Berlin Station. The benefits for both parties are so significant, there really was no acrimony during the year long negotiations. The folks at Cate Street Capital, led by John Halle, Alexandra Ritchie, and Chuck Grecco are so paternal and professional, it reminds me of a bygone era. When we sat over a year ago to discuss the concept of a PILT, there was never an atmosphere of mistrust, posturing, or any other impure motives. We BOTH wanted to insure certainty, for Berlin Station a fixed cost over the life of the project that could be built in their business plan. For the city, it surely is advantageous that we will know how much tax revenue we will get from our soon to be largest taxpayer (cross our fingers). No more legal fights over tax value, no more re-appraising the site every five years as currently required by state law. And the potential of \$44,000,000 of tax revenue for 22+ years will go along way to stabilize our tax base. The citizens of Berlin are the real winners, however. You stuck by me as your Mayor, kept encouraging me to push forward. It will be the beginning of the redevelopment of Berlin's blue collar population, always the backbone of our proud city.

Finally, to John Halle, Alex Ritchie, and Chuck Grecco, from the bottom of my heart, thank you for never giving up on Berlin. Together, Cate Street Capital and Lynn Tilton have generated an excitement and opportunities for success that the Androscoggin Valley hasn't witnessed in generations. We will be on your side, shoulder to shoulder, for your success is also our success.

Until August



Paul Grenier, Mayor