

STATE OF THE CITY ADDRESS

JANUARY 21, 2013

I first want to thank all of the members of the Berlin City Council for your dedicated service. The time you spend in your roles as community servants is enormous, and actually cost most of you money out of pocket even after your \$750 annual salary. I honor each and every one of you for the different viewpoints you bring to our body. Without your patience and understanding, we would not have the respect of the community. For all of Berlin's citizens who serve on all of our boards and commissions, whether elected or appointed, I humbly thank you as well. There is no way that a group of nine people could have a handle on the affairs of our city, even if state law or the city charter allowed it. And lastly, to City Manager Pat MacQueen and rest of our municipal employees, we would not be where we are at today without your attention to detail and your aggressiveness to the challenges we face as a city.

In a word, Berlin's economy continues to be somewhat fragile. We have had some enormous economic victories this year. Gorham Paper and Tissue has started up No. 6 tissue machine which represents a long term commitment to paper production here in our valley. The Bureau of Prisons facility in Berlin has over two hundred new employees now, most from our area. The new families who have relocated to our city have made a huge difference to our quality of life. These folks are the best of the best, and as Mayor of Berlin, I welcome you to our city as family. Burgess Biopower is going full steam ahead. B&W has spent millions in the Berlin/Gorham area in purchases of both goods and services from our local business community. AVRDD is now shipping methane gas from Mt. Carberry landfill to GPT, representing an investment of about \$5M.

For all the victories, however, we have also had some very painful setbacks. Isaacson Structural Steel was liquidated at auction, with close to 130 people losing employment. Car Freshener Corp. ceased operations here in Berlin after nearly 3 decades, affecting over 50 employees. Tri-County CAP, one of the largest employers in Berlin, is in reorganization. Tri-County CAP could be forced to liquidate positions and properties that are not a core function of their 501 c 3 status. The economic footprint of CAP is enormous, and Tri-County CAP is important to Berlin. Even though they serve people's needs in the northern three counties, the bulk of support staff reside here in Berlin. Berlin needs to continue it's long standing collaboration with CAP. If we are to preserve the valuable services that are provided by Tri-County Cap and the jobs that go with the services, Berlin may need to be an even stronger partner. As difficult as these setbacks are, David Presby and Cate Street Capital are both bullish on Berlin's future and are working to maximize their holdings here in Berlin. We are fortunate that Berlin has these two able and capable investors who see Berlin as a huge economic opportunity to both

create jobs here and revitalize manufacturing . I pledge to do whatever possible to aid in their success.

Coos County also has a golden opportunity to reinvent itself. It is time for all of us here in this county to put on our big boy clothes and have a productive discussion with PSNH and the Northern Pass developers. This project proposes to bring Canadian hydro power to Southern New England, through New Hampshire. Of the 182 miles of powerlines, 140 miles will go through existing utility rights of way. That leaves 42 miles that are needed in either easement or outright land purchase. The fact is that of the 42 miles left, Northern Pass either has easement or purchase options negotiated. Simply put, this project will more than likely happen whether we have input or not. What's in it for all of us? Nothing so far, because some are too busy "laying in the middle of the road". We need jobs here in Berlin and Coos County, and it's time we hold our hand out for a serious economic development initiative, paid for by Northern Pass. As part of a settlement, why not force PSNH to bury the lines in the most sensitive of areas? There has to be common ground, let's at least try to find it before decisions are made for us in Washington that all of us dislike.

I am very happy with the makeup of Berlin's delegation members to the New Hampshire House of Representatives. Reps. Gary Coulombe, Yvonne Thomas, and Coos County Chair Robert Theberge are well respected in Concord, understand Berlin's issues, and are vocal advocates of our city. Senator Jeff Woodburn hit the ground running as our senator. He completely grasps the difficult issues we face here in Berlin and Coos County. We are very fortunate a person as knowledgeable and passionate as Jeff Woodburn serves as our District One Senator.

In closing, Berlin has a very bright future. This present council makeup has played a pivotal role in our turnaround. Even though we face some serious challenges in the near term, we must stay vigilant. Remember it's about jobs, about Berlin's continued facelift, about all of us working together to make our beautiful city, the City of Berlin, a better place to call home. It's time to recognize our glasses are really over half full!!

God Bless,

Paul Grenier, Mayor