

Long-Term Goals for Enhancement and Expansion of Greenville Industrial Park

*Proposed by Town Manager John Simko and Greenville Steam Plant General
Manager Scott Hersey September 3, 2003*

Based on many discussions with current and potential tenants within the Greenville Industrial Park, as well as many estimates and studies conducted by engineering firms, we believe the following goals should be pursued and implemented for the Industrial Park. Although these needs have been here for some time, the pending plans for the Wood Composites Incubator add urgency and better definition to these needs. *This proposal is meant to be a dynamic document which is amended over time to better meet our long-term needs.*

Objectives

1. The main purpose of the Industrial Park has always been to add larger businesses to the Greenville community which would significantly add to our job and tax base. The Greenville Industrial Park was designed with an eye toward wood products manufacturers. Specifically, the presence of a 15MW bio-mass powerplant within the park lent itself toward attracting manufacturers who could “co-generate” with the Greenville Steam Plant (exchanging heat and power for combustible fuel). *The first objective is to maximize our competitive advantage enabling co-generation relationships within the park.*
2. *Connect Greenville Industrial Park businesses directly to western, southern, and international markets via rail.*
3. *Increase the capacity of current existing businesses to retain more than 20-30 employees at a time.*
4. *Increase the total useable land available, especially for larger businesses.*
5. *Maximize state economic development incentives by acquiring Pine Tree Enterprise Zone Status.*

Strategies

1. Develop Rail Siding: In discussion with officials from Montreal, Maine and Atlantic Railroad, as well as several business owners, we feel a public rail siding would be of great benefit to bring in wood chips, sawdust, and related fuel sources for the Steam Plant, as well as give new businesses an opportunity to ship their products out by rail. We have spoken with several serious wood products / wood composites manufacturers in the past twelve months, and all of them have indicated that if they were to locate in Greenville, they would need direct access to rail in order to move their product.

We believe a 2,000 foot +/- rail siding extending from the intersection with Spruce Street across CMP and Steam Plant property to just beyond the scale house for the steam plant will be most useful for all interested parties. Some fuel companies in the area have expressed interest in receiving bulk propane and/or other products directly by rail to the

Industrial Park. Timberland companies may have interest in shipping out specialty logs, especially if a sorting area is located nearby. But again, the most compelling reason to accomplish this is to attract larger companies who need to ship their product by rail. We are currently working with MM&A to develop a plan and a cost estimate for creating a siding in the location described. The proposed siding would be expandable to other sections of the park.

2. Bring Public Water and Sewer to the Industrial Park: There is scarcity of land within the Industrial Park, both due to private land ownership and also soils and wetlands restrictions. For a business with more than 20-30 employees to operate, it is not feasible to construct a sub-surface waste disposal system on-site. The required leach field would take up a significant amount of useable space, and may not be possible for larger numbers of employees. Moreover, for a large structure to comply with fire code standards, a sprinkler system will be necessary. In the absence of public water, such a facility would require a well and a pump system, which can be expensive and will not potentially reduce commercial insurance rates to the same extent that a public water supply for fire protection would.

We have engineer's estimates for bringing water and sewer lines roughly 3,000 ft. from the end of South Maple Street to Log Home Road to along Greenville Steam Plant Road (see attached). We have had discussions with both utilities as well, and feel this project is feasible. Our goal would be to eventually loop these lines so that they connect South Maple Street and Spruce Street via Log Home Road and Greenville Steam Plant Road, placing several hydrants along the way and sewer pump stations as topography dictates.

3. Expand Industrial Park: In order to meet the objective of meeting the needs of larger businesses, especially those in the wood products field, more room within the Industrial Park will be necessary. We believe that it would be prudent to explore land acquisition options from the owners to the east and the west of the park. If this were accomplished, then 2-3 larger site locations (e.g., 25 + acres each) would be secured, which would be room enough, potentially, for 2-3 large businesses, likely in the wood products field. The Town should explore these options and possibly even secure purchase options on the properties in anticipation of expansion when feasible.

4. Move Municipal Boundary with Moosehead Jct. Twp. to the Middle of Wiggins Stream: This would resolve two issues for the Town, one pre-existing, the other related to expansion. As the attached map indicates the current boundary cuts diagonally across Wiggins Stream and Depot Street / Route 15 in the Junction. As a result, several homes along Depot Street have their backyards in Greenville and all or most of their homes in Moosehead Junction Twp., which applies a much lower mill rate for property taxes than does Greenville. If the boundary were moved to the middle of Wiggins Stream, these homes would be absolved of relatively high tax rates for small, unbuildable sections of their lots. In return, Greenville would have roughly 45 acres of land added to its borders which is currently owned by the State of Maine, Bureau of

Parks and Lands. If this land were ever able to be purchased and developed, the new owners would be located entirely within the Town of Greenville. The developers would then be able to utilize the Town's services and DEP's services for permitting purposes, rather than LURC. It would also likely prevent the awkward occasion of a business developing a parcel which is partly under the Town's / DEP's jurisdiction and partly under LURC's jurisdiction. The altered boundary line would run only between Wiggins Stream's intersection with Route 15 and also with the Bureau of Park's and Land's southern border, I believe with the Moosehead Sanitary District. This would require a lengthy process of annexation and succession, but is achievable (witness the annexation of the point off North Birch Street several years ago).

5. Apply with Piscataquis County for Pine Tree Enterprise Zone Status: The State of Maine is offering a new program called Pine Tree Enterprise Zones (PTEZs) which will offer significant state tax break for a ten-year period to qualified firms who develop within these areas. The communities which make up Piscataquis County are working toward an application for this status, which will be granted to a total of 8 locations statewide. Piscataquis County is hopeful to be one of the four competitive zones to be assigned. The Greenville industrial Park should be completely contained within such a zone, which will greatly enhance our ability to successfully market these properties, especially to large wood or wood composites manufacturing companies.

Financing These Improvements

- A. Rail:** To develop this rail siding, we have asked MM&A to conduct a feasibility study and a cost estimate for the site. We roughly estimate the total cost to be between \$400,000 and \$500,000 (to bring the siding to just beyond the scale house). The Maine Department of Transportation (MDOT) offers a matching grant program for rail siding development called the Industrial Rail Access Program (IRAP). The IRAP fund will (hopefully) be capitalized with \$2.6 million from the proposed transportation bond coming before Maine voters in November 2004. If \$250,000 could be secured from this program, the other half could be provided by a combination of funds from MM&A, the Greenville Steam Plant, and possibly an Economic Development Infrastructure (EDI) grant from the State of Maine. Some of MM&A's and the Greenville Steam Company's donation would be in the form of technical assistance, engineering work, land and material donation.
- B. Water / Sewer:** The attached estimate from CES, Inc., calls for the total cost of these utility line extensions to be \$337,000. If job creation goals could be achieved, the Maine Department of Economic and Community Development's (DECD's) Community Development Block Grant (CDBG) Program could provide a total of \$500,000 toward these improvements AND rail siding creation. Therefore, the grant would pay for ALL of the water and sewer lines, and for roughly ½ of the rail siding. The IRAP money for the rail

siding could meet and exceed the 20% local match requirement for the grant. This would be contingent upon the creation of at least 50 jobs, which is possible if one or two large businesses developed within our Industrial Park.

- C. Land Acquisition:** To begin with expanding the park, we should discover who might be willing sellers. But we should also determine the value of the land before pursuing it. Therefore, some cursory walk-overs may be in order to determine the feasibility of the land. The cost of purchase should ultimately be paid by the private business owner: we should first determine the feasibility of the land and possibly secure an option on some key properties to better promote future development. If any land had to be purchased by the Town, we would recommend this be done through either the federal Economic Development Administration funds we are pursuing for the park, or through Piscataquis County Bonding proceeds.
- D. Boundary Line Adjustment:** There would be much research which would need to be done for this to occur, and a good deal of legal work, surveying and appraisal work before this could happen, pending local, county, and state approval. Total cost would be minimal (e.g., within our current budget).
- E. Pine Tree Enterprise Zones:** The Town of Greenville should actively pursue this status in conjunction with the rest of Piscataquis County. Cost for development would be less than adjusting the boundary line: both the Piscataquis County Economic Development Council (PCEDC) and Eastern Maine Development Corporation (EMDC) would assist us in this effort. The Town should be working with other communities to develop a common Tax Increment Financing (TIF) policy.
- F. General Infrastructure Improvements:** Remaining infrastructure needs such as road paving, three-phase power line extensions, additional water and sewer line extensions, etc., can be funded best through (a) EDA funds; (b) Piscataquis County Bonding proceeds, or (c) a Greenville Industrial Park TIF proceeds development fund for such infrastructure needs. The last option would mean that some of the tax revenue from new investment within the Industrial Park would go into a specific fund held by the Town to pay for general infrastructure improvements.

Expected Results

If all of these objectives were met, we would have a much stronger, more appealing and functional Industrial Park which would much more likely become the home of larger manufacturing businesses which would employ scores of workers. These improvements will also attract specific businesses which will bolster the long-range health of both the Greenville Steam Company (one of our largest industrial employers) and also the Montreal, Maine and Atlantic Railroad, whose predecessor demonstrated that without additional freight traffic, the line which crosses through Greenville is difficult to afford. Added jobs, if done incrementally, will likely result in population growth of family-aged households and also increase student enrollment in our school system. As a result of all of this, population, total assessed value, and total number of year-round jobs in Greenville will increase, which would predictably result in a more diverse tax base and a stronger, more vibrant community.

Respectfully Submitted;

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