Memo to: Veazie Town Council

From: Veazie Economic Development Committee

Date: May 15, 2015

Re: Community Center

As part of the Town Council’s review of the Community Center, the Veazie Economic Development Committee (VEDC) has assessed the situation as it relates to economic development. Members of the Committee have toured the facility, met with the Community Center Development Committee, and have discussed the CC at the monthly VEDC meetings.

By way of background, the VEDC was originally formed in 1995 with the assistance of an outside consultant who established guidelines for the Committee which are summarized below:

1. Actively pursue commercial/industrial development for the remaining appropriate undeveloped land and underutilized buildings in Veazie.
2. Promote a positive environment for existing and new business
3. Constantly seek new suitable opportunities which will create employment in Veazie, which will continue to maintain community character.

With those goals in mind, we reviewed the history of the Community Center subsequent to the announcement that a new school would be built. The VEDC, starting in early 1996, reviewed options for the CC, and decided that an RFP would be sent to developers to solicit interest for the CC “reuse project”. The January 1997 minutes of the VEDC referenced that the CC would be “liquidated”, and that selling the building “could bring in tax monies, create local jobs, revitalize the town center, and provide services/goods to townspeople”. The preamble for the RFP reads as follows: “The town of Veazie is soliciting proposals for the sale with rehabilitation of the CC…” It was noted that the property would be available in the fall of 1998, and that proposals were due May 1997. The RFP stated that the goal for reuse of the CC was to “create for the residents of Veazie opportunities for employment, housing, access to services and/or community facilities through the resuse of the building or site”. There appears to have been very modest interest from developers. A new RFP was apparently issued in early 1998, which elicited interest from Bruce Winslow and Glen Kennedy, termed the Children’s Cooperative. The committee gave the Cooperative until May 29, 1998 to submit a business plan, extended to June 24, 1998. Apparently no final disposition of the Cooperative’s interest was made, since in July, 1998, the VEDC for the first time discussed “keeping the center as a meeting place”, an option that arose due to the lack of qualified development proposals involving the sale of the CC.

In September 1998 the VEDC heard a presentation from CES concerning the reuse of the CC as office and meeting space, which included raising the ceiling and installation of an elevator. In January 1999, Kennedy and Winslow inquired about leasing space “permanently”. It was noted that 3 RFPs had been sent out over a 4 year period. In May, 1999, the first reference about financing renovations for the CC could come from the TIF. Reference was made for a final decision on reuse by the end of 1999.

In June of 1999, it was determined by CES, that if the CC was to be used as commercial space, approximately $450,000 would need to be expended. No mention was made as to the management of such a facility should the town maintain ownership. In February, 2000, the first reference of the CC as an incubator was discussed, including the use of the TIF for financing the project. The last recorded minutes of the VEDC was in April, 2000, with no reference to the CC.

Fast forward to October 22, 2012, the date of the second amendment to the Casco Bay Energy TIF program, which added the parcel on which the CC sits. Page 3, section E, states as follows:

 *“This District is hereby amended to include Town owned property that includes the Veazie Community Center. The Community Center is used as a building to lease space to commercial companies that serve community needs. The Community Center is in need of repair and improvements and is currently home to two commercial enterprises. One goal of the Amendment is to make improvements to the Community Center that allow for additional commercial enterprise leases, thereby creating jobs and generating income in the community.”*

It is clear that the amendment to the TIF was in large part for the development of the CC to *“allow for additional commercial enterprise leases”.* This certainly implies that the property would continue to be held by the Town of Veazie, and not sold. The stipulation is that TIF proceeds would *“create jobs and generate income”.*

The position of the VEDC is that the Town Council request from the Community Center Development Committee:

* a plan that addresses the goals of the TIF, preferably supported by Letters of Interest from “commercial enterprises”, which could then be presented to the Town Council,
* an updated estimate from a qualified engineering/architectural firm to determine the cost for the project, and
* a timeline for completion of the project.

The VEDC is concerned that funds being spent piecemeal for the ongoing maintenance of the property may not be the most appropriate for the final intended use, and therefore a comprehensive, detailed plan should be submitted as soon as possible by the Community Center Development Committee. It should also be clear that any major use of funds from the TIF for the renovation/reuse of the CC will use up resources which then will not be available for alternative projects (as outlined in Table 2, page 4 of the amended TIF agreement) that may have a more direct economic benefit to the Town of Veazie, It is clear that the reuse of the CC is a challenging undertaking, as witnessed by almost 20 years of effort.

 If no acceptable plan can be presented to the Council within a reasonable time frame, as determined by the Council, the VEDC recommends that the CC be listed for sale by an acceptable commercial broker. Table 2, page 4 of the Amended TIF agreement outlines alternative uses of TIF proceeds that could then be reviewed by the VEDC and/or Town Council.