

WISCASSET BOARD OF SELECTMEN,
BOARD OF ASSESSORS AND OVERSEERS OF THE POOR
JULY 30, 2013

Tape recorded meeting

Present: Vice Chair Judy Colby, Pam Dunning, Tim Merry, Chair Ed Polewarczyk, Jeff Slack and Town Manager Laurie Smith

1. Call to Order

Chairman Ed Polewarczyk called the meeting to order at 6 p.m.

2. Pledge of Allegiance to the Flag of the United States of America

3. Approval of Treasurer's Warrant: July 30, 2013

Judy Colby moved to approve the Treasurer's Warrant of July 30, 2013. Vote 5-0-0.

4. Approval of Minutes: July 11, 2013, July 16, 2013 and July 23, 2013

Judy Colby moved to approve the minutes of July 11, 2013. Vote 5-0-0. Pam Dunning moved to approve the minutes of July 16, 2013. Vote 5-0-0. Judy Colby moved to approve the minutes of July 23, 2013. Vote 4-0-1.

5. Discussion of potential business expansion project with Molnlycke Healthcare (Rynel)

Laurie Smith said the potential expansion of Rynel was an exciting opportunity for both the company and Wiscasset. She said over the past three years the board has worked on the goals of being business friendly and economic development. The expansion of Rynel would be the culmination of those goals. She introduced Fred Libby and Jim Detert of Molnlycke, formerly Rynel.

Jim Detert summarized the history of Rynel that built a 40,000 sq. ft. building in 2005 for the manufacture of polyurethane foam, a key ingredient of wound dressings. Rynel was purchased by Molnlycke, a global company with 7,000 employees, in 2010 and is now part of the Wound Care Division. The company has 31 sales offices in nine countries. The head office is in Gottenberg, Sweden. The capital investment, using local banks, made by Rynel in Wiscasset and Brunswick was \$15 million in construction and \$35 million in equipment. Rynel has 70 employees in Wiscasset and will have 45 in Brunswick by the end of the year. Rynel has the strongest research and development in the country, it pays competitive wages and provides a good benefit package including medical, dental, 401K, profit sharing.

Fred Libby said Molnlycke has the opportunity to acquire Brennen Medical, a St. Paul, Minnesota, firm. Brennen's focus is on the burn market with its porcine dermagraft products, EZderm and Mediskin. The products are made from pigskin and are a byproduct of the meatpacking industry. Other products are Mepeform, a mesh reinforced product for a sheet dressing for scars, and Oatbran Glucan II, a product that aids in healing. Wiscasset and Brunswick are being considered as potential locations for Brennen. Libby illustrated how the Wiscasset facility, if approved, would be expanded to incorporate Brennen Medical. This would entail \$6 to \$7 million in new construction and would create 10 to 30 new jobs in

the next three to five years. If Brunswick is approved for the addition of Brennen Medical, a separate building would be needed. The expansion will strengthen the research and development base for Molnlycke Medical.

Town Planner Misty Parker explained Tax Increment Financing (TIF), an economic development tool enabling municipalities to participate in local projects' financing by using new property taxes from capital investment within a specified geographic district. These funds can be used for infrastructure such as roads or water and sewer, off-site improvements or to offset development costs. A TIF shelters new value from state and county taxes and freezes value for the term of the TIF; the town retains all new tax revenue. Wiscasset currently has two TIFs. The town has several options; if it decides to work with Molnlycke's expansion, the town could consider a new owner for the property, a new credit enhancement agreement with the company, both of which would require modification of an existing TIF, or creating a new TIF. Summarizing, Parker said the benefits of a TIF if used for the Molnlycke expansion would be continued investment in Wiscasset, new jobs, new tax dollars for infrastructure, strengthened and diversified tax base, no need for new services, and new opportunity for current businesses.

There was unanimous agreement among the selectmen that this would be a wonderful opportunity for Wiscasset. The typical length of a TIF is 20 years and it would need state approval. With regard to Ed Polewarczyk's question regarding Ferry Road Development, which owns the property, Jim Detert said that there is the possibility of Molnlycke or a local developer buying the property. The current lease allows the tenant to unilaterally buy or find another buyer for the property.

In response to a question from Frank Barnako, Detert said they would looking for a 50% credit enhancement.

Asked about the timeline, Jim Detert said a decision would be made in Sweden mid-September after receiving the recommendation of Rynel. Construction could begin in the fall. Laurie Smith said Wiscasset would have to make a decision on a TIF agreement which Rynel would incorporate in its business plan and recommendation to Molnlycke. The board would have to review a potential TIF agreement, obtain town-wide and state approval. Planning Board approval would not be necessary, as the previous approval covered the proposed build-out. A ballot vote would require notice 45-days in advance of the November election; an open town meeting would require only seven days' prior notice. Smith said if the board decided to proceed, Misty Parker and she would draft a TIF agreement for the board. **Pam Dunning moved to direct the Town Manager to draft a TIF agreement and bring it back for consideration at the August 13 meeting. Vote 5-0-0. Pam Dunning moved to direct the Town Manager to draft a letter of intent to Molnlycke stating that if approved by the voters, the board was willing to proceed. Vote 5-0-0.** The board will discuss whether to proceed with an open town meeting or ballot vote at the August 13 meeting.

6. Other Business – none

7. Adjourn

Judy Colby moved to adjourn. Vote 5-0-0.