

EASTERN PISCATAQUIS BUSINESS PARK

- NEW BUSINESS ANNOUNCEMENT -

At an Emergency Meeting of the Milo Select Board, April 10, 2013 from 5:30 PM to 6:15 PM, the Town of Milo completed final negotiations with Ron and Amy Desmarais, owners of Eastern Maine Shooting Supplies, Inc., and signed a Purchase and Sales Agreement, subject to voter approval at a Special Town Meeting anticipated to be warned for June 3, 2013. At that time, the voters of the Town of Milo will have the opportunity to hear a presentation of the proposed sale, debate its merits and to vote as to whether not to approve the sale.

The pertinent information is as follows:

Two appraisals of the subject property were obtained. The first is a Marshal Swift Manual Cost Approach Appraisal that was preformed by the Town's Assessor which values the property on the actual cost to replace the structure(s) and land, less the extent to which that value has physically deteriorated over time. The second was a Commercial Comparable Sales Approach Appraisal performed by Everett Worcester which values the property on the basis of actual sales within the greater market area to determine a fair market value for the property. The two appraisals establish a price bracket between which the price consideration for the property should normally be based.

The Fair Price Brackett:

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| The Marshal-Swift Appraisal Value was | \$ 109,474. |
| The Comparable Sales Value was | <u>\$ 80,000.</u> |

The "Deal":

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| The sales price, as negotiated was: | \$ 60,000. |
| Plus Additional Consideration as follows: | |
| Demolish and remove two structures that the Town of Milo would have to do before going To construction on the entrance road this spring - savings to Town per federal cost basis | \$ 20,000. |
| Demolish and remove the badly deteriorated old Potato barn behind the main barn structure - savings to Town per federal cost basis | \$ 10,000. |

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| Repair/replace fire damaged rafters/bracing – cost avoided by sale | \$ 4,676. |
| Remove nine trees required for intersection portion of entrance road reconstruction project this summer, per federal cost basis at \$ 1,700 per | \$ <u>15,300.</u> |
| Total value of cash price plus additional Considerations | \$ 109,976. |

The business needs to begin work on conversion of the property immediately. The Town needs to have the structures next to the Entrance Road demolished, along with the trees involved with the intersection portion of the project removed, prior to the start of the Entrance Road Reconstruction Project. Ron Desmarais has agreed to complete this work prior to June 3rd, as part of the agreement for immediate possession of the property. Through the Purchase and Sale Agreement, and additional permissions from the Town of Milo, work has already begun to remove the trees, with work to remove the specified structures to be completed in May.

Ron Desmarais was granted immediate possession, in anticipation of sale, on Thursday, April 11, 2013 with the start of tree removal on Friday, April 12, 2013. The Town, and its various agents and partners are rapidly removing all of their property from the buildings to be completed before the end of April. Ron Desmarais has made separate provisions for temporary equipment storage with Derek Hines, the farmer who has renovated the fields in the Business Park and who currently stores his equipment in the Main Barn.

Ron Desmarais will also be, at his expense, as part of the renovation of the Main Barn Structures, be installing vinyl siding on the exterior of the barns, repairing the damaged roofing on the barns, installing upgraded electrical systems, and making structural improvements, along with many other things that will need to be done for the businesses to be relocated therein.

Economic Development Considerations:

The Eastern Piscataquis Business Park is intended as the future home of a wide variety and cross section of different businesses that would like to locate in the Town of Milo. Although there were other informal offers for the property, none of them were for purposes other than storage or farm use. None of them specified an offer price over \$ 70,000 cash.

The voters approved the purchase of the Business Park in 2005 with the understanding that strong preference would be shown to any business who establish substantial taxable value and jobs. The current agreement provides both. This would put the property, consisting of the renovated barns and 3.54 acres, back on the property tax rolls. It will also be the site for three businesses that will move in when the renovations are completed over the

next six months. Two are owned by Ron and Amy Desmarais and consist of Eastern Maine Shooting Supplies, a computerized machine shop business, and Mars Machine, a manual machine shop. A third business, to be identified later, will join them and consists of a fairly large machine shop and welding business. Altogether, they are expected to employ more than 25 people within the first year and expect to continue to grow from there. Ron And Amy Desmarais's Auto Body Shop, also located in the current location of Mars Machine at 71 Main Street in Milo, will remain in that location and will be expanding this summer, as well.

In conjunction with this agreement, Ron Desmarais has provided a letter of commitment to move forward with this project conditioned upon approval of the voters at Town Meeting, and grant assistance from the State and Federal Government to run the various utilities into the Business Park. The ultimate purpose of this letter of commitment is assure that there will be lots ready to be developed by other businesses who may choose to locate in our Business Park. Until now, the Town of Milo could not offer sites that were able to built upon within 90 days. With everything now underway, that will be possible if the grant funds can be secured to complete the job of running all of the utilities to a central point in the Business Park. Ron's letter of commitment may make that possible.

In light of the above, I recommended to the Milo Select Board, and do so to the voters of the Town of Milo, that the Purchase and Sale Agreement be approved. This is the first time in seven years that any manufacturing business has made this type of commitment to locating, and operating on a long term basis, in our Business Park. Please welcome and support Ron and Amy Desmarais's commitment to the Town of Milo. We need them every bit as much as they need us. The Special Town Meeting is expected to be held on June 3rd at the Milo Town Hall. Please come and support them!



David A. Maynard
Milo Town Manager