

Note: Before beginning the public hearing, those assembled stood and recited the Pledge of Allegiance.

PUBLIC HEARING

BAD LITTLE BREWING COMPANY LLC

COMMUNITY DEVELOPMENT BLOCK GRANT

AUGUST 11, 2021

A public hearing to discuss acceptance of an Economic Development Program Community Block Grant for Bad Little Brewing Company LLC was called to order at 6:04 PM by Chairman Paula Johnson-Rolfe. In attendance were Board members James Jackson and Sandra Sinford; Interim Town Manager Bill Kitchen; Secretary Cathy Lord; Applicants Kathryn Toppin and Sean Lent; Ed Pellon, Carol Christianson, Mary Angarola, David Clark, Sharon Mack, Bruce Smith, Josh Rolfe, Sara Dedmon Craighead, James Rawsthorne, Melissa Raznrih.

The purpose of the grant is to provide equipment, working capital, and inventory for Bad Little Brewing Company LLC in the amount of \$180,000. Ms. Johnson-Rolfe explained that the public hearing provides the opportunity for citizens to voice their concerns and ask questions about the Town's participation in this grant. She explained that this hearing was the final step in the approval process and is a formality in accepting the Community Development Block Grant. Ms. Johnson-Rolfe asked if there were any questions or comments.

Ms. Sharon Mack, representing the Bay Area Chamber of Commerce, stated that the Chamber supports this project.

Mr. David Clark read aloud his statement asking that the Board reconsider their support of this project. In his statement, Mr. Clark explained his concerns: the project has interrupted the use of Court Street, created safety concerns for pedestrian traffic on Court Street, lighting has not been installed as was promised, project funding has been withdrawn by Machias Savings Bank, concerns regarding the auction process in purchasing the property, and the lack of communication with neighbors.

Mr. Josh Rolfe pointed out that there was a special town meeting to approve the grant application and he added that this meeting was dealing with the disbursement of the funds as prescribed by the grant application. Ms. Toppin noted that the special town meeting was the meeting in which the public voted; she added that there was no specificity as to how the grant monies were to be spent.

Ms. Johnson-Rolfe commented that there had been discussion to allow Machias the ability to lien the equipment if the business does not succeed. Ms. Toppin said that she would be pleased to agree in writing that Machias gets the equipment if the project falters. Ms. Lord suggested that Ms. Toppin could agree to do this in writing and this would make Machias taxpayers more willing to support the project. Ms. Toppin noted that if the business fails, Machias pays back the \$180,000. in CDBG funds but she noted that this scenario has never happened in Maine.

Mr. Pellon asked if the grant monies are for equipment or operating costs? Ms. Toppin responded that the \$180,000. is for equipment and start-up expenses. Mr. Rolfe pointed out that when the CDBG was first discussed there was a discussion that the Town would be able to lien any equipment purchased with the CDBG funds.

Ms. Toppin informed those present that the business needs to employ six (6) people of low income and as soon as this stipulation is met, Machias is no longer responsible for the CDBG monies if the business later fails. Ms. Toppin added that the grant does not outline how long

employees need to be employed. Ms. Johnson-Rolfe pointed out that many businesses are experiencing problems with the workforce and what happens if the six employees are not hired? Ms. Toppin noted that there is a two year window to meet the employment guidelines.

Mr. Jackson pointed out that the business has already created jobs in preparing to open the business. Ms. Toppin said that they hope to open the business in October. Ms. Toppin distributed a written update for the Board to review. Ms. Johnson-Rolfe noted that the document shows that there is \$109,000. being used of the CDBG funds for equipment purchase.

Mr. Bruce Smith expressed concern about changing the tax status of the property from a non-profit to a for-profit business. Mr. Jackson explained that he wanted to save the house and that he had discussed the purchase of the house with the historical society and talked to the Town Manager (Ms. Therrien) about the house but that the Town Manager was not interested. Mr. Jackson noted that the Board was never informed of his discussion with Ms. Therrien simply because the discussion went nowhere. Mr. Smith said that he brought this up to see if there was any linkage in the change of tax status going from non-profit to for-profit.

Ms. Toppin said that this business would provide more economic stability to Machias. She noted that breweries have a major impact in the communities where they are located.

Mr. Kitchen commented that Machias citizens actually voted to support this business since the \$180,000. in grant funding is solely dependent on the hiring of six (6) low income people and that once that employment number is attained Machias has no responsibility for the \$180,000.

Hearing no further comments or questions, Ms. Johnson-Rolfe closed the public hearing at 6:54 PM.