

City of Auburn, Maine

"Maine's City of Opportunity"

Office of the City Clerk



Council Meeting Agenda Packet

June 2, 2008

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City Council Meeting and Workshop June 2, 2008

Agenda

5:00 p.m. Dinner

5:30 p.m. Workshop

Fuel Oil Program
Club Texas Liquor License

7:00 p.m. City Council Meeting

Pledge of Allegiance

* **Consent Items** – All items listed with an asterisk (*) are considered as routine and will be approved in one motion. There will be no separate discussion of these items unless a Councilor or citizen so requests. If requested, the item will be removed from the consent agenda and considered in the order it appears on the agenda.

Minutes

*060208-00 Minutes of May 19, 2008 Council Meeting

Reports

Mayor

City Councilors

- **Michael Farrell:** Water Dist., L/A Jt. City Council Planning, Audit and Procurement
- **Bob Hayes:** Railroad, Library, Audit and Procurement
- **Dan Herrick:** MMWAC, Auburn Housing
- **Bruce Bickford:** A-L Airport, ABDC, L/A Joint City Council Planning, AVCOG
- **Ray Berube:** LAEGC, Planning Board, L/A Joint City/School
- **Bob Mennealy:** Sewer District, University of Maine L-A,
- **Ron Potvin:** School Committee, 9-1-1, LATC, L/A Joint City/School

City Manager

Communications and Recognitions

*060208-00 Communication from Liberty Festival Committee Re: Mass Gathering Request

*060208-00 Communication from Great Falls Balloon Festival Committee Re: Request for Services

*060208-00 Communication from Auburn Pawn Re: Renewal of Pawn License

Open Session – Members of the public are invited to speak to the Council about any issue directly related to City business which is *not* on this agenda

Unfinished Business

060208-01 Order – Authorize the Issuance of Capital Improvement Bonds in the Amount of \$6,430,000
(2nd Reading)

New Business

060208-02 Resolve – Authorization for Issuance of Bonds by the Auburn Water District (\$500,000)

060208-03 Resolve – Amendment to the Community Development Block Grant Program Guidelines For the Maine Cities Funds

060208-04 Resolve – Sale of 22 Pine Street to Tedford Housing

Open Session - Members of the public are invited to speak to the Council about any issue directly related to City business which is *not* on this agenda

Future Agenda/Workshop Items

ADJOURNMENT

Executives Sessions: On occasion, the City Council discusses matters which are required or allowed by State law to be considered in executive session. Executive sessions are not open to the public. The matters that are discussed in executive session are required to be kept confidential until they become a matter of public discussion. In order to go into executive session, a Councilor must make a motion in public. The motion must be recorded, and 3/5 of the members of the Council must vote to go into executive session. An executive session is not required to be scheduled in advance as an agenda item, although when it is known at the time that the agenda is finalized, it will be listed on the agenda.

The only topics which may be discussed in executive session are those that fall within one of the categories set forth in Title 1 M.R.S.A. Section 405. Those applicable to municipal government are:

1. Discussion of personnel issues
2. Discussion or consideration of the condition, acquisition, or the use of real or personal property or economic development if premature disclosure of the information would prejudice the competitive or bargaining position of the body or agency.
3. Discussion of labor contracts and proposals and meetings between a public agency and its negotiators.
4. Consultations between a body or agency and its attorney
5. Discussion of information contained in records made, maintained or received by a body or agency when access by the general public to those records is prohibited by statute.
6. Discussion or approval of the content of examinations administered by a body or agency for licensing, permitting or employment purposes
7. Consultations between municipal officers and a code enforcement officer relating to enforcement matter pending in District Court.

**CITY OF AUBURN
MAY 19, 2008
CITY COUNCIL MEETING**

PRESENT

Mayor John T. Jenkins, Councilors Michael J. Farrell, Robert P. Hayes, Daniel R. Herrick, Raymond C. Berube, Ronald W. Potvin and Robert C. Mennealy, Acting City Manager Laurie Smith, Finance Director Denise Brown and City Clerk Mary Lou Magno. Councilor Bruce A. Bickford was absent. There were 60 people in the audience.

Mayor Jenkins called the meeting to order at 7:00 p.m. in the Council Chambers of Auburn Hall with a salute to the flag.

Students from East Auburn and Park Avenue Schools, Cassidy Haskell, Justice Guimond, Matthew Taylor, Elizabeth LaRoche, Maddy Butts, Patrick Buzza, Lisa Gaylord, and Paige Weber, sang the National Anthem under the direction of Chris Turcotte, Music Teacher.

CONSENT AGENDA

Councilor Berube moved to accept, approve and place on file the items marked with an asterisk. Seconded by Councilor Herrick. Vote: 6 Yeas, No Nays.

***MINUTES OF MAY 5 AND 12 COUNCIL MEETINGS**

Approved under consent agenda.

REPORTS OF THE MAYOR

PROCLAMATION – ARBOR WEEK

PROCLAMATION – AMYOTROPHIC LATERAL SCLEROSIS AWARENESS MONTH

PROCLAMATION – FOSTER CARE MONTH

Mayor Jenkins read a communication from the Lewiston/Auburn Joint Services Commission regarding the consolidation of the Assessing Department.

REPORTS OF CITY COUNCILORS

Councilors reported on their respective Council Committee Assignments.

REPORTS OF THE CITY MANAGER

FINANCE REPORT – MONTH OF APRIL

Councilor Berube moved to accept and place on file the Finance Report for the month of April as prepared and presented by Denise Brown, Finance Director. Seconded by Councilor Farrell. Vote: 6 Yeas, No Nays.

COMMUNICATIONS AND RECOGNITIONS

None

OPEN SESSION

Dominic Casavant, 158 Valview Drive.

CLOSED OPEN SESSION

UNFINISHED BUSINESS

1. RESOLVE – ANNUAL APPROPRIATION RESOLVE (2ND READING)

Councilor Potvin moved for acceptance of second reading and final passage. Seconded by Councilor Mennealy. Vote: 6 Yeas, No Nays.

NEW BUSINESS

2. RESOLVE – ACCEPTANCE OF CAPITAL IMPROVEMENT PROGRAM

Councilor Hayes moved for passage of the resolve. Seconded by Councilor Mennealy. Mayor Jenkins opened the Public Hearing and the following people spoke: Tom Morrill, School Superintendent; Jude Cyr, School Business Manager; Peter Bushway, Parks and Recreation Director; and Laurie Smith, Acting City Manager. Mayor Jenkins closed the public hearing. Vote: 6 Yeas, no Nays.

3. ORDER – AUTHORIZE THE ISSUANCE OF CAPITAL IMPROVEMENT BONDS IN THE AMOUNT OF \$6,700,000 (1ST READING)

Councilor Hayes moved for acceptance of first reading. Seconded by Councilor Potvin. Mayor Jenkins opened the public hearing. Councilor Potvin moved to reduce the School Department allocation by \$270,000 (suggested reductions \$50,000 technology; \$123,000 Franklin School; and \$97,000 ELHS). Seconded by Councilor Berube. Mayor Jenkins closed the public hearing. Vote on the amendment: 4 Yeas with Councilors Hayes and Mennealy voting Nay. Vote on acceptance of first reading as amended: 4 Yeas with Councilors Hayes and Mennealy voting Nay. Councilor Mennealy moved to reconsider passage of the order. Seconded by Councilor Potvin. Vote: 6 Yeas, No Nays. Vote on acceptance of first reading as amended: 5 Yeas with Councilor Hayes voting Nay.

4. ORDER – 2008-09 TAX COMMITMENT

Councilor Potvin moved for passage of the order. Seconded by Councilor Berube. Vote: 6 Yeas, No Nays.

5. APPOINTMENT TO THE JOINT LEWISTON-AUBURN DOWNTOWN MASTER PLAN COMMITTEE

Mayor Jenkins recommended that Maureen Aube be appointed to the Joint Lewiston-Auburn Downtown Master Plan Committee. Councilor Potvin moved to confirm this appointment. Seconded by Councilor Herrick. Vote: 6 Yeas.

OPEN SESSION

No one spoke.

CLOSED OPEN SESSION

FUTURE AGENDA/WORKSHOP ITEMS

9-1-1 Dispatch Services

Recycling – Trash pick-up

ADJOURNMENT – 8:55 P.M.

Councilor Berube moved to adjourn. Seconded by Councilor Farrell. Vote: 6 Yeas, No Nays

A TRUE RECORD

ATTEST: _____

CITY CLERK

City Council

Agenda Information Sheet

Council Meeting Date 6/2/2008 **Agenda Item No.** **Consent**

SUBJECT:

**COMMUNICATION FROM LIBERTY FESTIVAL COMMITTEE RE: MASS
GATHERING REQUEST**

INFORMATION:

All appropriate departments, Police, Fire and Planning & Permitting have reviewed this request and given their approval.

STAFF COMMENTS/RECOMMENDATION:

Staff recommends approval.

REQUESTED ACTION:

Motion to approve under consent agenda.

VOTE:

Mass Gathering Permit Request

Submitted To The

City of Auburn

Liberty Festival 2008

Per Chapter 24 Licenses and Permits...Article 2 Licenses...Section 2.32 Mass Gathering and Events...we, the Liberty Festival Board of Directors, submit the following request to the City of Auburn.

The Liberty Festival requests permission from the City of Auburn for exclusive use, responsibility and control of all property specified within this request that is owned and/or controlled by the City of Auburn during the times necessary for set-up and tear down of the Fourth of July event.

The Liberty Festival requests that the Longley Bridge be restricted to varying degrees throughout the day on the Fourth of July. We request that one lane be closed by 7:00 a.m. with a second lane closed between 4:00 p.m. and 7:00 p.m. These times may be adjusted by the Auburn Police Department as they see necessary the day of the event.

The Liberty Festival requests that the City of Auburn provide the services of its departments at no charge. The Liberty Festival is responsible for the cost of any additional, private security.

The Liberty Festival requests that all city license fees for vendor licenses to non-profit organizations approved by the Liberty Festival for all days in question be waived. A list of vendors will be forwarded to the City Clerk as soon as possible prior to the event.

Festival Director/President of the Independence Day Committee Richard Martin, and Logistics Coordinator Peter Bushway, respectfully submit this request.

Re: 24/2/2.32/C1 Permit Application

The Liberty Festival requests a waiver of the specified submission requirement for the mass gathering permit, as the event is in its 12th year, and is sponsored in part by the City of Auburn.

Re: 24/2/2.32/C/2 Fee

The Liberty Festival requests a waiver of all fees as specified in the article.

Re: 24/2/2.32/D/1 Operator/Landowner

Liberty Festival
P.O. Box 97
Lewiston, Maine 04243-0097

Richard Martin, President of the Independence's Day Committee
754-9828.

Mass Gathering Permit Request

Submitted To The

City of Auburn

The Liberty Festival is Maine's Premier Fourth of July event. On the 4th of July, the Festival provides music on two concert stages (Main Street in Auburn and Veteran's Park in Lewiston), ground activities, food vendors, and a fireworks display. Past Festivals have entertained a conservative estimate of more than 40,000 to 50,000 local citizens and residents of surrounding communities.

Re: 24/2/2.32/G Insurance

The Liberty Festival shall provide to the City of Auburn at their request a copy of our certificate of insurance listing the City as an additional insured as soon as it is issued.

Re: 24/2/2.32/D/3 Date and Time

The opening ceremonies will begin at 4:00 p.m. on July 4th 2008.
There will be a fireworks display at approximately 9:15 p.m.
The event will end at 11:00 p.m.

Re: 24/2/2.32/D/4 Curfew

The event will end at 11:00 p.m., within the City of Auburn's Curfew guidelines.

Re: 24/2/2.32/D/5 Site Plan

- The site in question is the land in and around Great Falls Plaza, and West Pitch Park, and Main Street from Mechanics Row to Court Street.
- There will be one concert stage in Auburn at Festival Plaza or on Main Street (**refer to Site Map, Area 5**).
- Other areas include, Court Street, Main Street, the Great Falls parking lot. Approximately 10-20 profit and/or non-profit vendors provide food to Festival goers, and will establish their own water and waste water disposal system (**refer to Site Map, Area 4**); and the site for Pyrotechnics, traditionally located at West Pitch Park (**refer to Site Map, Area 1**).
- There are many egress and access points to the site.
- There are parking spaces available for staff, vendors and necessary personnel. There will also be limited parking reserved for handicapped drivers on a first come basis. (**refer to Site Map, Area 3**)
- There will be 9 portable toilets arranged throughout the site, which includes 1 ADA, handicap unit and one hand-washing unit for the vendors (**refer to Site Map, Area 3**).
- The Auburn Fire Department will provide first aid.
- Cellular phones are on site during the event.
- There will be an ample supply of water on site for heat related conditions.
- The seating will be open-air self-use during the event.

- Sleeping areas, if used, will be motor homes or tents for staff for security purposes.
- Electrical Connections will be set up and maintained by Dave Iannotti, Advanced Wiring Co. in accordance with the City Electrical Inspector's standards.

Mass Gathering Permit Request

Submitted To The

City of Auburn

- Lighting will be by overhead city-parking area lights; 110 volt lighting at booths, and special stage lighting at each stage as the usage permits.
- There will be a forklift being used in the set up and tear down process; it may also be used during the event, only if absolutely necessary.
- There are no known environmental concerns.
- There are five hydrants available for Auburn Fire Department as they are aware of their location. Meetings held with Fire Prevention will determine exact location and procedures to maintain use of hydrants.
- There are no fire permit areas needed. Auburn Fire will be consulted before any fire use is contemplated.

Re: 24/2/2.32/D/6 Attendance

The expected attendance from 4:00 p.m. to 8:00 p.m. is expected to be between 5,000 to 10,000 people. The expected attendance for the fireworks display will be 40,000 people.

Re: 24/2/2.32/D/7 Overnight Assembly

There may be persons staying overnight on site to maintain security of property and materials between July 3rd and July 4th.

Re: 24/2/2.32/D/8 Traffic Control

The Auburn Police Department will be responsible for traffic control throughout the Festival site. Private security and volunteers may also be used to control traffic inside the site perimeter and the fireworks launch site. All security will be under the direction of the Auburn and Lewiston Police Departments.

Re: 24/2/2.32/D/9 Parking

There will be ample parking for spectators throughout the downtown area on a first come basis. We are requesting use of the parking lot located on the site known as Platz Field for paid fund raising parking. We will also request this from Platz Associates if it is available prior to construction.

Re: 24/2/2.32/D/10 Security

Site security will be handled and administered by the Auburn Police, Lewiston Police, contracted private security, and volunteers. Meetings with Auburn and Lewiston Police Departments will be held to establish what strategy and levels are needed.

Re: 24/2/2.32/D/11 Fire Prevention

Auburn Fire Department will be on site for emergency purposes. Auburn Fire Department will also assist the overseeing the pyrotechnic display area, subject to final launch site approval.

Re: 24/2/2.32/D/12 Medical Services

Auburn Fire and Rescue will handle medical services.

Mass Gathering Permit Request

Submitted To The

City of Auburn

Re: 24/2/2.32/D/13 Food

Food will be provided by both non-profit and for-profit organizations. The procedure is that approval of a vendor by the Liberty Festival is required before the vendor can approach the City of Auburn for an event license. The Liberty Festival will work with the Auburn Health Department and City Clerk to ensure proper food procedures and requirements.

Re: 24/2/2.32/D/14 Sanitation

This issue is addressed in Re: 4/2/2.32/D/3

Re: 24/2/2.32/D/15 Water Supply

This issue addressed in Re: 24/2/2.32/D/3

Re: 24/2/2.32/D/16 Solid Waste/Refuse Disposal

Clean up shall be handled by volunteers from the Liberty Festival and shall be disposed of properly.

Re: 24/2/2.32/D/17 Illumination

This issue addressed in Re: 24/2/2.32/D/3

Re: 24/2/2.32/D/18 Protection of Environmental Procedures

This issue addressed in Re: 24/2/2.32/D/3

Re: 24/2/2.32/D/19 Alcoholic Beverages

Alcohol is prohibited from this event, and anyone found drinking will be reported immediately to authorities. The exception being Gritty McDuff's setting up a controlled area behind their establishment for the purpose of serving alcohol. The owner will be solely responsible for the site as has been past practice.

Re; 24/2/2.32/D/20 Noise Level

We will abide by all requirements of the City of Auburn with regards to noise levels, and will work with any city official to ensure that proper levels are maintained.

Re: 24/2/2.32/D/21 Site Clean Up

This issue addressed in Re: 24/2/2.32/D/16

Updated 4/30/08

Site for Pyrotechnics

Area 1

Paid Parking

Area 2

Disabled Parking - Free

Area 3

Vendors

Area 4

Entertainment Stage – Main Street

Area 5

Festival Plaza

Area 6



1

2

3

4

5

6

LONGLEY MEMORIAL BRIDGE

NOT TO SCALE

City Council

Agenda Information Sheet

Council Meeting Date 6/2/2008 **Agenda Item No.** Consent

SUBJECT:

**COMMUNICATION FROM GREAT FALLS BALLOON FESTIVAL
COMMITTEE RE: REQUEST FOR SERVICES**

INFORMATION:

All appropriate departments, Police, Fire, and Planning & Permitting have reviewed this request and given their approval.

STAFF COMMENTS/RECOMMENDATION:

Staff recommends approval.

REQUESTED ACTION:

Motion to approve under consent agenda

VOTE:

FESTIVAL APPROVALS REQUIRED FROM THE CITY OF AUBURN

by
GREAT FALLS BALLOON FESTIVAL, INC.,
AUGUST 15-17, 2008

May 1, 2008

Auburn City Council
City of Auburn
45 Spring Street
Auburn , ME 04210

Re: Great Falls Balloon Festival

Dear Councilors,

The Board of Directors for the Great Falls Balloon Festival respectfully submits the schedule of the Great Falls Balloon Festival and requests the following:

Friday, August 15, 12:00 p.m. – Sunday, August 17, midnight

Posted closure of Main Street from Court Street to Vine Street (North lane only to Mechanics Row) to facilitate safe pedestrian movement and access for festival activities and logistical vehicles. Tents, food booths, static displays, activities, and a stage may be set up on Main Street and on Festival Plaza. Emergency vehicle access will be maintained on Main Street and at the Androscoggin River boat launch below Festival Plaza at all times.

Permission to use public parking areas and green spaces in Bonney Park for festival activity and to control use, access and security in these areas.

Permission to use public areas, green spaces and parking lots in the downtown Main Street area including Festival Plaza, Miller parking lot, Mechanic's Row Parking lot (between Main and Mechanic's Row) and the new Riverwalk.

Friday, August 15, 5:00 p.m. – Sunday, August 17, 7:00 p.m.

Permission for the police to ticket and tow away vehicles not in conformance with posted parking bans.

Permission for the Great Falls Balloon Festival, Inc. to control all food and product vendors, as well as other non approved activities in the Great Falls Plaza area and in all public areas and sidewalks on Court Street between the Longley Memorial Bridge to Pleasant Street, on Turner Street between Court Street and the Union Street Bypass, and on Main Street from Court Street to Newbury Street and on Hampshire, Academy, Elm, Vine, Drummond, Mechanics Row, and all parking lots or city owned property referenced above.

Posted closure of one lane of the Longley Memorial Bridge (downstream side) to facilitate pedestrian movement between Festival activity areas in Auburn and Lewiston and for use by Festival logistical vehicles such as golf carts.

Friday, August 15, 8:00-9:30 p.m.

Fireworks will be launched on Friday night. We have requested and received permission from Florida Power and Light to use West Pitch Park. Security at the site will be needed from 30 minutes prior to firework product delivery to 30 minutes after the fireworks display is completed. Pyrotechnic company will obtain permit. Rain date is Saturday, August 16, 2008.

Saturday, August 16, 10:30 am. – 12:30 pm.

Posted closure of Longley Bridge from Auburn into Lewiston, Court Street from Spring St. to Bridge, and all of Spring Street for 2nd Annual Balloon Festival parade. Parade path will start on Spring Street in Auburn, onto Court Street, across Longley Bridge turning onto Lincoln Street, then onto Oxford Street, ending at the intersection of Cedar and Oxford. Parade staging area will be on Spring Street. Grand Marshall/Judging stage will be needed around 60 Court Street for float/group judging. The Continental Mill will be used for participant (groups on foot) pick up. We respectfully request that any licensing fees be waived.

Liability Insurance

The Great Falls Balloon Festival, Inc. has secured a \$1,000,000 general liability (will be faxed to city clerk prior to the festival).

Security

The Auburn Police Department will be responsible for traffic control, security, and crowd control in Auburn activity areas. A full briefing will be held with Police Department liaison and staffing will be organized to cover manpower needs throughout the weekend and for all scheduled events and activities.

Emergency Medical Services

A city of Auburn water rescue boat will be stationed on site for emergency medical needs.

Trash Removal

Volunteers will be used to collect and bag trash. Volunteers will be used to keep festival areas clean on an ongoing basis and clean up after the festival. We request that the city provide dumpsters for garbage disposal. The City of Auburn has picked up the tipping fees for the past eight years and we are again requesting this assistance.

Sanitary Facilities

A total of at least 5 portable toilets (4 regular, 1 handicapped) will be located in festival activity areas in Auburn. Additional units will be located in Lewiston. A contract has been executed with a private company to supply and service the units. More units may be added if it is deemed necessary.

Sanitary Compliance for Food Booths

If needed, non-profit organizations will vend food from booths or their own tents and have been briefed on requirements. Great Falls Balloon Festival, Inc. has entered into a contract with a private company to remove cooking grease following the festival.

Safety Compliance

A representative of each non-profit agency dispensing food is required to attend a fire safety demonstration (including the use of extinguishers) on the proper methods for putting out ordinary and grease fires.

An Auburn Fire Department Truck will stand by at the balloon-refueling site (normally Ness Oil located on Washington St.).

Licenses

The Festival will supply license information for food and beverage booths to the City Clerk and Health Inspector. As in previous years we are requesting the waiver of fees by the City Council.

Parking for Festival Attendees

There will be a free shuttle bus operating between the Lewiston and Auburn activity areas. Handicap parking will be at Bank of America on Court Street and in the Pamco lot in Lewiston. Parking in the Great Falls lots will remain free to the public. Parking in the open-air Mechanics Row lot will be used for Festival volunteers, vendors and we will gladly set-aside 10 spaces for the residents of the Roak Block Apartments.

Alternate Launch Sites

The Festival would like to be able to use alternate sites to launch hot air balloons from for the early morning and late afternoon launches. These sites include: Chestnut Street field, Pettingill Park, Lakeview Fields, Cleveland Field, the fields by Auburn Middle School, and the Edward Little High School practice football field. These fields may or may not be used at each launch depending on the prevailing wind patterns. There are two possible launch times each day of the festival.

We greatly appreciate Auburn's cooperation in the past and look forward to its participation this year.

Respectfully,

Michael A. Theriault
Great Falls Balloon Festival
Director of Logistics

City Council

Agenda Information Sheet

Council Meeting Date 6/2/2008 **Agenda Item No.** Consent

SUBJECT:

**COMMUNICATION FROM AUBURN PAWN RE: RENEWAL OF PAWN
LICENSE**

INFORMATION:

Auburn Pawn, 61 Mill Street, has made application for renewal of their Pawn License. Police Department has given approval for this license. The Fire Department inspection is still being completed, therefore staff recommends the license be approved contingent upon Fire Department giving approval.

STAFF COMMENTS/RECOMMENDATION:

REQUESTED ACTION:

Motion to approve license contingent upon the Fire Department giving approval.

VOTE:

Auburn Pawn

05/20/08

City of Auburn
Town Office
Auburn, Maine 04210

Dear Mayor and Selectman,

I am writing this letter for a license renewal for Auburn Pawn Shop located at 36 Mill St. in New Auburn. I would like to let you know that I conducted my business as required by all laws as a pawn broker. I have been cooperative with State, County and local Police Departments in any investigations regarding any merchandise bought or pawned. I also conducted my business in a professional and gentleman work like manner. If you should have any questions in reference to this I can be reached at 207-795-7983.

Enclosed are two checks for the total sum of \$110.00. Check #283 for \$100.00 is submitted for the pawn-licensing fee. Check #284 for the sum of \$10.00 is submitted for the second hand sellers licensing fee.

Thank you for you time in this matter,



Rene Cloutier
Auburn Pawn Owner



City Council

Agenda Information Sheet

Council Meeting Date: May 19, 2008 **Agenda Item No. 1**
June 2, 2008

SUBJECT:

ORDER – AUTHORIZING THE ISSUANCE AND SALE OF CAPITAL IMPROVEMENT BONDS IN THE AMOUNT OF \$6,700,000 (2nd Reading) (Public Hearing) (Amended on May 19th - \$6,430,000)

INFORMATION:

The City prepares a 5 Year Capital Improvement Plan each year which serves as a long-range planning tool for elected officials, staff and the public to identify buildings, equipment, technology and infrastructure needs. The CIP allows the City to develop a planned approach to protect the City's investment in the existing infrastructure and project the future funding levels necessary to maintain and enhance public facilities.

The proposed Capital Improvement Bond package continues this planned approach of investing in City and School capital needs including road improvements, building improvements and public safety equipment.

STAFF COMMENTS/RECOMMENDATION:

At the May 19th City Council Meeting with Council voted to amend the order by reducing the amount of the bond by \$270,000 . Therefore the total amount of the bond would be \$6,430,000.

REQUESTED ACTION:

Motion for acceptance of second reading and final passage

VOTE:

City of Auburn

CITY COUNCIL, AUBURN, MAINE

Date: May 19, 2008

TITLE: ORDER - AUTHORIZING THE ISSUANCE AND SALE OF CAPITAL IMPROVEMENT BONDS IN THE AMOUNT OF \$6,700,000 (Annual Capital Improvement Program) (Amended to \$6,430,000)

Be It Ordered by the Auburn City Council, following a public hearing duly called and held as required by Article 8, Section 8.13 of the Auburn City Charter, that there be and hereby is authorized the issuance and sale of the City's general obligation bonds in the amount of \$6,700,000, the proceeds of which are hereby appropriated to fund the costs of the following Capital Improvements (including costs of issuance, capitalized interest, and any other costs related or ancillary thereto):

Acquisition of the following capital equipment and the design, construction, renovation, and rehabilitation of the following capital improvements, all constituting part of the City's FY09 Capital Improvement Program:

FY 09 Capital Improvement Program:

Project	Authorized Amount
School Building and Equipment Improvements and Repairs and technology improvements	\$ 1,000,000 (Amended \$730,000)
Street/Drainage Reconstructions, Reclamation, Improvements and Upgrades, Sidewalks and Retaining Walls	\$ 4,198,993
Equipment and Technology	\$ 653,000
General Building Improvements	54,000
Ice Arena Building Improvements	700,000
Administrative	76,500
Contingency	\$ 17,507

That the bonds shall be issued as authorized hereunder and shall be signed by the Finance Director and City Treasurer, attested by the City Clerk under the seal of the City. A tax levy is hereby provided for each fiscal year that the bonds authorized hereunder remain outstanding to meet the annual installments of principal and interest as may accrue in each respective year. The bonds may be issued at one time or from time to time, either singly or in series, and the authority and discretion to fix the issue date, maturities, denominations, interest rate,

place of payment, form and other details of said bonds and notes, and to take all other actions and to sign and deliver all other documents, certificates and agreements in order to provide for the sale thereof is hereby delegated to the Finance Director and City Treasurer.

THAT the bonds authorized hereunder may be made subject to call for redemption, either with or without premium, on such terms as may be determined by the Finance Director.

THAT in order to finance temporarily the projects described above, the Finance Director is authorized to expend up to \$6,700,000 either from available funds of the City or from the proceeds of Bond Anticipation Notes (BAN's) which would be reimbursed or refinanced from bond proceeds.

THAT the authority and discretion to designate the bond or notes, or a portion thereof, as qualified tax-exempt obligations under Section 265 of the Internal Revenue Code of 1986, as amended, is hereby delegated to the Finance Director.

THAT this order is a declaration of official intent pursuant to Treas. Reg. § 1.150-2 and shall be kept available for public inspection during reasonable business hours at the office of the City Clerk.

A Public Notice describing the general purpose of the borrowing and the terms thereof was publishing the same on May 5, 2008, in the *Lewiston Sun-Journal*, a daily newspaper published in Androscoggin County.

Motion for acceptance of first reading: Robert Hayes Seconded by: Ronald Potvin

Councilor Potvin moved to amend by reducing the School Department allocation by \$270,000. Seconded by Councilor Berube.

Vote on the amendment: 4 Yeas with Councilor Hayes and Mennealy voting Nay.

Vote on acceptance of first reading as amended: 5 Yeas with Councilor Hayes voting Nay.

Motion for acceptance of second reading and final passage:

Seconded by:

Vote:

Action by City Council:

Date:

ATTEST:

CITY CLERK

City Council

Agenda Information Sheet

Council Meeting Date 6/2/2008

Agenda Item No. 2

SUBJECT:

RESOLVE – AUTHORIZATION OF ISSUANCE OF BONDS BY THE AUBURN WATER DISTRICT (\$500,000)

INFORMATION:

Section 13 of the Charter of the Auburn Water District requires approval of the Auburn City Council for issuance of permanent debt.

The Trustees of the District approved issuance of long term debt in the amount not to exceed \$500,000 for the following water treatment improvements:

- Design and construction of hypochlorite facility to replace an existing gaseous chlorine facility.
 - Conceptual preliminary and final design for a ultra-violet light water treatment facility.
-

STAFF COMMENTS/RECOMMENDATION:

The Trustees of the Auburn Water District and the Superintendent recommend passage of the resolve.

REQUESTED ACTION:

Motion for passage of the resolve.

VOTE:

City of Auburn

City Council, Auburn, Maine

Date: June 2, 2008

TITLE: RESOLVE – AUTHORIZATION OF ISSUANCE OF BONDS BY THE AUBURN WATER DISTRICT

Be It Resolved by the Auburn City Council, That in accordance with Section 13 of Chapter 60 of the Private and Special Laws of Maine (1923), as amended and supplemented, the issuance of bonds by the Auburn Water District in an aggregate principal amount of \$500,000 for making of general water treatment improvements in and for the Auburn Water District, is hereby approved.

Motion for acceptance:

Seconded by:

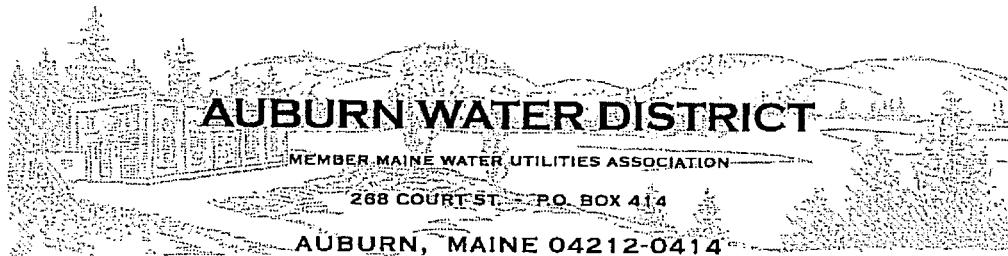
Vote:

Action by the City Council:

Date:

Attest:

City Clerk



May 12, 2008

Laurie Smith, Interim City Manager
City of Auburn
Auburn Hall
60 Court Street
Auburn, Maine 04210

RE: **Proposed 2008 Water SRLF Bond Issue**

Dear Laurie:

In late 2007, the Auburn Water District submitted two applications for funding of proposed water treatment projects by way of the SRLF (State Revolving Loan Fund). This program funded by USEPA provides a low interest loan (typically 2% under current market rate) administered by the Maine Municipal Bond Bank.

The District has been informed that the following two projects have been approved for SRLF funding:

- \$240,000 for the design and construction of a hypochlorite facility to replace an existing gaseous chlorine facility.
- \$260,000 to provide conceptual, preliminary and final design for a UV treatment facility.

Enclosed are copies of the project award letters from the Maine Drinking Water Program

The first project will consist of replacing 1-Ton gaseous chlorine cylinders with a liquid chlorine feed system. This will enhance security measures and likely reduce cost for water treatment chemicals. The second project involves the design work for the construction of a UV ultra-violet light disinfection system which will be required under the USEPA LT2 Enhanced Surface Water Treatment Rule. Both projects will be designed and constructed as joint facilities with the Lewiston Water Division.

Page 2
Laurie Smith
May 12, 2008

The Water District's Charter requires a vote of the Auburn City Council to issue permanent bonds. More specifically, Section 13 states "*The Auburn Water District is hereby authorized, with permission of the City Council of the City of Auburn first obtained, and under the further permission and direction of the Public Utilities Commission, to issue bonds for the purposes of paying or refunding the indebtedness....*".

The Trustees of the Auburn Water District respectfully request from the City of Auburn Council authorization in accordance with Section 13 of Chapter 60 of the Private and Special Laws of Maine (1923), as amended and supplemented, for the issuance of bonds by the Auburn Water District in an aggregate principal amount not in excess of \$500,000 for the water treatment system improvements in and for the Auburn Water District.

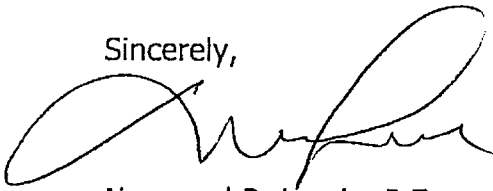
Please find enclosed the following items:

1. Section 13 of Auburn Water District Charter
2. Current Long Term Debt Schedule. This document outlines all current District debt as of 12/31/2007.
3. Estimated Annual Debt Service for the new bond issue. The summary outlines the debt impact with a 20-year debt service period with an estimated interest rate of 3.0%.
4. Water Utility Rate Comparison. This summary provides a comparison of quarterly water utility rates in the State of Maine. Auburn's water user rate remains near the lowest in the state.

We have projected this financing project will not require a water rate increase. The last rate increase of 9% had an effective date of January 1, 2008. The previous water rate increase was 8% effective on June 1, 2005.

As always, please feel free to call me if you have any questions regarding this request.

Sincerely,



Normand R. Lamie, P.E.
General Manager

AUBURN WATER DISTRICT CHARTER

5.

Sec. 12. Crossings of railroad regulated. In case of any crossing of any railroad, unless consent is given by the company owning or operating such railroad as to place, manner and conditions of the crossing, within thirty days after such consent is requested by said district, the public utilities commission shall determine the place, manner and conditions of such crossing; and all work within the limits of such railroad location shall be done under the supervision and to the satisfaction of such railroad company, but at the expense of the district.

→ Sec. 13. May issue bonds and borrow money and issue notes; bonds, and notes legal investment for savings banks. The Auburn Water District is hereby authorized, with the permission of the city council of the city of Auburn first obtained, and under the further permission and direction of the public utilities commission, to issue bonds for the purpose of paying or refunding the indebtedness assumed by said district in the acquisition of the property and rights of the Auburn Water Commissioners and the city of Auburn in the creation of said district, and from time to time for the further purpose of the purchase or acquisition of other property and rights, of making extensions, additions and improvements to its water system and to the existing sources of water supply and of securing additional sources of each water supply. Said Auburn Water District is also authorized to borrow money for temporary purposes and to issue therefor the interest-bearing negotiable notes of the district, which said notes shall be payable not later than one year from the date thereof. Said notes and bonds shall be legal obligations of said Auburn Water District, which is hereby declared to be a quasi-municipal corporation within the meaning of section one hundred and five, chapter fifty-one, of the revised statutes, and all the provisions of said section and acts amendatory thereof shall be applicable thereto. Said notes and bonds shall be legal investments for savings banks. Every issue of bonds shall be payable within a term of thirty years.

Sec. 14. Bonds, now payable; sinking fund may be created. Bonds issue by said Auburn Water District under authority of this act shall be payable in such annual installments as will extinguish each issue in thirty years from its date; and the amount of such annual installment in any year shall not be less than the amount of the principal of said issue payable in any subsequent year; or in lieu of such provision for serial payments, said Auburn Water District shall create a sinking fund by setting aside annually from its income such amount as shall be sufficient with interest accumulations to extinguish and pay at maturity any issue of bonds which contain no provision for serial payment as aforesaid. The money so set aside shall be devoted to the purchase or retirement of the obligations of said district, or invested in securities legal for savings banks in the state of Maine.

AUBURN WATER DISTRICT LONG TERM DEBT SCHEDULE

Date Issued	Dec 13, 1990	Jan 27, 1994	July 1, 1998	May 23, 2002	May 23, 2002	Aug 24, 2005	Feb 1, 2008	TOTAL PRINCIPAL PAYMENTS	TOTAL INTEREST PAYMENTS	TOTAL PAYMENTS
Date of Maturity	Dec 1, 2010	July 1, 2014	Aug. 1, 2018	Nov. 1, 2021	Nov. 1, 2021	Aug 1, 2025	1-Apr-27			
Original Amount	\$1,727,000	\$2,000,000	\$1,475,000	\$1,711,500	\$2,488,500	\$1,000,000	\$673,000			
Interest Rate	7.21%	5.36%	4.88%	4.86%	0.00%	4.40%	1.97%			
Issued With	Fleet Securities	Fleet Securities	Belle Haven	MMBB (gen)	MMBB (SRLF)	USB Financial	MMBB (SRLF)			
				(blended rate of 2.61%)						
Annual Payments:										
2008	135,000	115,000	70,000	70,336	124,425	35,000	27,241	\$577,002	\$256,246	\$833,248
2009	140,000	120,000	70,000	73,149	124,425	40,000	27,674	\$595,248	\$233,303	\$828,551
2010	155,000	125,000	75,000	76,148	124,425	40,000	28,115	\$623,688	\$208,160	\$831,848
2011		130,000	80,000	79,346	124,425	45,000	28,562	\$487,333	\$181,198	\$668,531
2012		140,000	85,000	82,758	124,425	45,000	29,017	\$506,200	\$164,404	\$670,604
2013		145,000	90,000	86,482	124,425	45,000	29,479	\$520,386	\$146,654	\$667,040
2014		155,000	95,000	90,461	124,425	50,000	29,949	\$544,835	\$127,867	\$672,702
2015			100,000	95,097	124,425	50,000	30,425	\$399,947	\$112,213	\$512,160
2016			105,000	99,971	124,425	50,000	30,909	\$410,305	\$99,679	\$509,984
2017			105,000	105,094	124,425	50,000	31,402	\$415,921	\$86,583	\$502,504
2018			110,000	110,480	124,425	55,000	31,901	\$431,806	\$73,162	\$504,968
2019				116,225	124,425	55,000	32,410	\$328,060	\$58,963	\$387,023
2020				122,269	124,425	55,000	32,925	\$334,619	\$50,005	\$384,624
2021				128,627	124,425	60,000	33,450	\$346,502	\$40,721	\$387,223
2022						65,000	33,982	\$98,982	\$17,895	\$116,877
2023						65,000	34,523	\$99,523	\$14,591	\$114,114
2024						65,000	35,072	\$100,072	\$11,280	\$111,352
2025						65,000	35,631	\$100,631	\$7,471	\$108,102
2026						65,000	36,199	\$36,199	\$3,654	\$39,853
2027						65,000	36,774	\$36,774	\$3,078	\$39,852
2028							37,360	\$37,360	\$2,494	\$39,854
TOTAL	\$430,000	\$930,000	\$985,000	\$1,336,443	\$1,741,950	\$935,000	\$673,000	\$7,031,393	\$1,899,621	\$8,931,014

SCHEDULE OF DEBT SERVICE

Auburn Water District

Closing Date: 06/30/08

	DATE	PRINCIPAL	RATE	INTEREST	MMBB FEE	TOTAL	ANNUAL DEBT SERVICE
1	4/1/2009			7,163.98	358.20	7,522.18	
2	10/1/2009	21,428.00	1.592%	3,979.99	1,270.40	26,678.39	34,200.57
3	4/1/2010			3,809.42	190.47	3,999.89	
4	10/1/2010	21,768.00	1.592%	3,809.42	1,278.87	26,856.29	30,856.18
5	4/1/2011			3,636.15	181.81	3,817.96	
6	10/1/2011	22,116.00	1.592%	3,636.15	1,287.61	27,039.76	30,857.72
7	4/1/2012			3,460.11	173.01	3,633.12	
8	10/1/2012	22,467.00	1.592%	3,460.11	1,296.36	27,223.47	30,856.59
9	4/1/2013			3,281.27	164.06	3,445.33	
10	10/1/2013	22,825.00	1.592%	3,281.27	1,305.31	27,411.58	30,856.91
11	4/1/2014			3,099.58	154.98	3,254.56	
12	10/1/2014	23,189.00	1.592%	3,099.58	1,314.43	27,603.01	30,857.57
13	4/1/2015			2,915.00	145.75	3,060.75	
14	10/1/2015	23,558.00	1.592%	2,915.00	1,323.65	27,796.65	30,857.40
15	4/1/2016			2,727.48	136.37	2,863.85	
16	10/1/2016	23,932.00	1.592%	2,727.48	1,332.97	27,992.45	30,856.30
17	4/1/2017			2,536.98	126.85	2,663.83	
18	10/1/2017	24,314.00	1.592%	2,536.98	1,342.55	28,193.53	30,857.36
19	4/1/2018			2,343.44	117.17	2,460.61	
20	10/1/2018	24,701.00	1.592%	2,343.44	1,352.22	28,396.66	30,857.27
21	4/1/2019			2,146.82	107.34	2,254.16	
22	10/1/2019	25,094.00	1.592%	2,146.82	1,362.04	28,602.86	30,857.02
23	4/1/2020			1,947.07	97.35	2,044.42	
24	10/1/2020	25,493.00	1.592%	1,947.07	1,372.00	28,812.07	30,856.49
25	4/1/2021			1,744.15	87.21	1,831.36	
26	10/1/2021	25,900.00	1.592%	1,744.15	1,382.21	29,026.36	30,857.72
27	4/1/2022			1,537.99	76.90	1,614.89	
28	10/1/2022	26,311.00	1.592%	1,537.99	1,392.45	29,241.44	30,856.33
29	4/1/2023			1,328.55	66.43	1,394.98	
30	10/1/2023	26,731.00	1.592%	1,328.55	1,402.98	29,462.53	30,857.51
31	4/1/2024			1,115.77	55.79	1,171.56	
32	10/1/2024	27,156.00	1.592%	1,115.77	1,413.59	29,685.36	30,856.92
33	4/1/2025			899.61	44.98	944.59	
34	10/1/2025	27,588.00	1.592%	899.61	1,424.38	29,911.99	30,856.58
35	4/1/2026			680.01	34.00	714.01	
36	10/1/2026	28,028.00	1.592%	680.01	1,435.40	30,143.41	30,857.42
37	4/1/2027			456.91	22.85	479.76	
38	10/1/2027	28,474.00	1.592%	456.91	1,446.55	30,377.46	30,857.22
39	4/1/2028			230.26	11.51	241.77	
40	10/1/2028	28,927.00	1.592%	230.26	1,457.86	30,615.12	30,856.89
41							
42							
		500,000.00		90,937.11	29,546.86	620,483.97	620,483.97

PREPARED ON 05/12/2008

Cost of Water at Selected Usages
Comparison of Current and Proposed Rates with Average Charges

Utility Name	Quarterly Rates							Ownership Code	Annual Flat Rate	# Cust. 2003	Rates Effective	Docket Number
	1200 cu. ft.	2000 cu. ft.	4000 cu. ft.	50,000 cu. ft.	150,000 cu. ft.							
	\$	\$	\$	\$	\$							
Biddeford & Saco Water Company	\$ 27.51	\$ 36.63	\$ 59.43	\$ 398.62	\$ 923.08			2	139.60	14,500	12/15/2003	2003-593
Auburn Water District	\$ 28.35	\$ 42.67	\$ 78.47	\$ 757.17	\$ 2,107.17			1	none	6,480	1/1/2008	
Yarmouth Water District	\$ 28.80	\$ 47.60	\$ 78.40	\$ 543.60	\$ 1,443.60			1	none	3,000	9/1/2005	2005-342
Kittery Water District	\$ 29.40	\$ 38.50	\$ 71.70	\$ 632.20	\$ 1,762.20			1	none	4,970	1995	
Bangor Water District	\$ 31.24	\$ 45.20	\$ 80.08	\$ 820.30	\$ 2,350.40			1	74.40	10,700	5/20/2005	2005-42
Lewiston Public Works, Water Division	\$ 33.60	\$ 50.96	\$ 94.36	\$ 965.20	\$ 2,815.20			3	none		7/2/2007	
Brunswick & Topsham Water District	\$ 34.80	\$ 54.00	\$ 152.00	\$ 1,393.50	\$ 3,537.50			1	none	6,300	2002	2002-362
Kbunk., Kbport., Wells Water District	\$ 35.76	\$ 63.20	\$ 141.80	\$ 1,166.50	\$ 2,506.50			1	none	11,400	9/1/2004	2004-395
Portland Water Dist. (Member)	\$ 36.84	\$ 50.92	\$ 113.39	\$ 760.34	\$ 1,828.32			1	none	47,300	2000	
Gardiner Water District	\$ 37.50	\$ 55.54	\$ 105.14	\$ 626.70	\$ 1,736.70			1	none	3,300	1998	
Old Town Water District	\$ 38.00	\$ 55.44	\$ 99.04	\$ 811.34	\$ 2,161.34			1	none	2,940	2003	2002-619
Sanford Water District	\$ 40.05	\$ 53.65	\$ 113.75	\$ 713.80	\$ 1,715.80			1	none	6,400	2002	2002-485
Portland Water Dist. (Non-member)	\$ 42.33	\$ 58.49	\$ 130.27	\$ 875.85	\$ 2,103.00			1	none		2000	
York Water District	\$ 59.68	\$ 96.88	\$ 172.78	\$ 848.28	\$ 1,878.28			1	none	4,900	9/10/2003	2003-477
Kennebec Water District	\$ 59.94	\$ 69.79	\$ 281.15	\$ 2,300.96	\$ 6,808.19			1	none	8,800	2001	2000-714
Camden & Rockland Division CMW Company	\$ 60.70	\$ 76.98	\$ 152.06	\$ 821.99	\$ 1,933.35			2	none	7,600	2003	2002-781
Bath Water District	\$ 61.47	\$ 67.28	\$ 161.91	\$ 2,224.51	\$ 4,971.89			1	184.00	3,500	9/1/2006	
Augusta Water District	\$ 76.03	\$ 104.03	\$ 220.71	\$ 2,355.82	\$ 6,439.29			1	none	5,800	2003	2002-641
Brewer Water Department	\$ 78.03	\$ 105.47	\$ 174.07	\$ 1,506.87	\$ 3,870.87			1	none	3,500	6/1/2005	2004-415

Ownership codes: 1-District, 2-Investor owned, 3-City Dept.

Water RATES comparison 2007-25/12/2008

City Council

Agenda Information Sheet

Council Meeting Date 6/2/2008

Agenda Item No. 3

SUBJECT:

**RESOLVE – AMENDMENT TO CDBG PROGRAM GUIDELINES FOR THE
MAINE CITIES FUND**

INFORMATION:

Amendment incorporates change to award a \$2,500 grant to lessee participants under the Homebuyer Program who become homeowners within 6 months of signing a lease.

STAFF COMMENTS/RECOMMENDATION:

Staff recommends passage of the resolve.

REQUESTED ACTION:

Motion for passage of the resolve.

VOTE:

City of Auburn

City Council, Auburn, Maine

Date: June 2, 2008

**TITLE: RESOLVE – AMENDMENT TO COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM GUIDELINES FOR MAINE
CITIES FUNDS**

Be It Resolved by the Auburn City Council, That the Guidelines of the Maine Cities Program be amended as recommended by Community Development staff.

Motion for acceptance:

Seconded by:

Vote:

Action by the City Council:

Date:

Attest:

City Clerk

MEMORANDUM

CDBG



TO: Laurie Smith
FROM: Reine Mynahan
RE: Maine Cities Program Guidelines
DATE: May 7, 2008

In 2003 the Community Development office secured a Maine Cities grant from Maine State Housing Authority. The purpose of this grant was to provide matching funds for our homebuyers (the HOME Program requires a 25% non-federal match). One of the Maine Cities grant requirements was to use these funds in a grant-like fashion. In order to satisfy this requirement we established the following types of assistance under the Lease/Buy Program: 1/3 amortized loan and 1/3 forgivable loan from HOME funds, and 1/3 forgivable loan from Maine Cities. All of the initial Maine Cities funds have been expended.

In the past year, several of the homebuyers who were assisted with Maine Cities funds sold their homes. With the sale, the Maine Cities funds were recaptured as program income. We currently have \$13,603 of Maine Cities program income.

We are recommending modifications to the guidelines of the Maine Cities Program to change from forgivable loans based on household income to a \$2,500 grant for clients who participate in the Homebuyer Program as a lessee. The \$2,500 grant would be available only when a lessee obtains permanent financing within 180 days of the date of the first closing. We intend to use this provision to create an incentive that will encourage clients to transition to homeownership more quickly. In years past, most of the lessees took the full 2 years to secure permanent financing.

Attachment A is the guideline that was adopted in 2004 and Attachment B is the new recommended guideline. The Community Development staff recommends approval.

Adopted June 21, 2004

APPENDIX A

MAINE CITIES GUIDELINES

**ADDENDUM TO
LEASE/BUY HOME OWNERSHIP PROGRAM GUIDELINES**

Background

The City submitted an application to Maine State Housing Authority (MSHA) for grant funding. This grant provides another resource to reduce the purchase price under the Lease/Buy Home Ownership Program. By agreement dated December 2002, Maine State Housing Authority granted \$162,500 to the City of Auburn to undertake the Lease/Buy Home Ownership Program. This funding provides the 25% non-federal match required by the City's HOME funds.

Loan Terms

1. Maine Cities funds shall be provided as forgivable loans in conjunction with the Lease/Buy Homeownership Program. Loan amounts shall be as follows:

<u>Household Income</u>	<u>Maximum Forgivable Loan Amount</u>
\$18,000-\$20,000	\$20,000
\$20,000-25,000	\$15,000
\$25,000-30,000	\$10,000
\$30,000-35,000	\$5,000
\$35,000 and above	\$2,500

2. Maine Cities loans shall be subject to all the provisions and conditions, and shall be administered in the same manner as described in the Lease/Buy Home Ownership Program guidelines. The Lease/Buy Home Ownership Program Guidelines dated June 21, 2004 are hereby incorporated into the Maine Cities Guidelines by reference.

Attachment B

Proposed Guidelines for Utilizing Maine Cities Recaptured Funds

Goal: To encourage potential homebuyers to participate in Auburn's Homebuyer Program as a lease-purchaser, and to encourage participants to obtain permanent financing within six months of the lease date.

1. A participant who is a lessee under the Homebuyer Program will be eligible to receive a \$2,500 grant from Maine Cities funds.
2. Funds will be available only when the participant completes the purchase from Auburn Housing Development Corporation within 180 days from the date of the first (lease) closing.
3. The grant may be used in one of two ways:
 - a. To pay points charged by the lender
 - b. To limit the first mortgage amount.
4. The Community Development office will determine which option offers the best savings for the participant. Calculations will include:
 - a. The difference between the monthly payment that would occur based on the amount of points paid.
 - b. savings that would occur if the mortgage amount is less than 80% loan-to-value resulting in no requirement for mortgage insurance.
5. When the payment of points is less than \$2,500, both options may be used.

City Council

Agenda Information Sheet

Council Meeting Date 6-2-2008

Agenda Item No. 4

SUBJECT:

RESOLVE – SALE OF 22 PINE STREET TO TEDFORD HOUSING

INFORMATION:

The City of Auburn received two proposals to purchase and redevelop 22 Pine Street. The offer from Chapel Holdings LLC was for \$30,000 and the offer from Tedford Housing was for \$35,000. The proposal from Tedford Housing addresses all of the requirements set out in the Request for Proposals, including the minimum offer.

STAFF COMMENTS/RECOMMENDATION:

Staff recommends sale of Property to Tedford Housing.

REQUESTED ACTION:

Motion for passage of the resolve.

VOTE:

City of Auburn

City Council, Auburn, Maine

Date: June 2, 2008

TITLE: RESOLVE – SALE OF 22 PINE STREET TO TEDFORD HOUSING

Be It Resolved by the Auburn City Council, That the City Manager be authorized to sell the property at 22 Pine Street to Tedford Housing as recommended by Community Development staff.

Motion for acceptance:

Seconded by:

Vote:

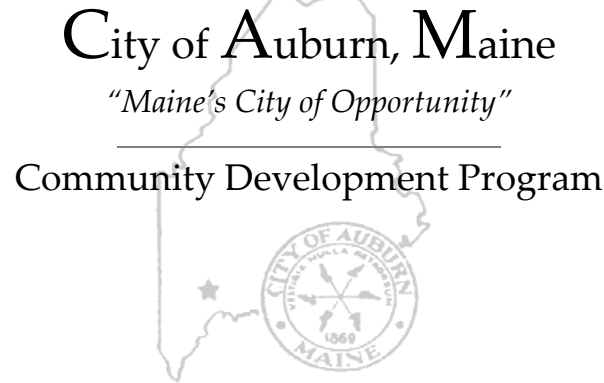
Action by the City Council:

Date:

Attest:

City Clerk

City of Auburn, Maine
"Maine's City of Opportunity"
Community Development Program

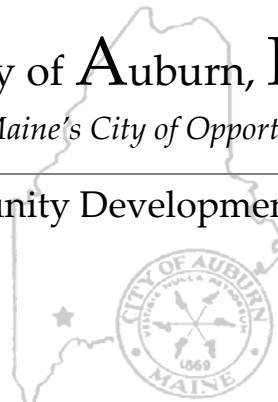
The header features the text 'City of Auburn, Maine' in a large serif font, followed by the slogan 'Maine's City of Opportunity' in a smaller italicized font. Below this is the title 'Community Development Program'. To the right of the text is a faint outline of the state of Maine, with a circular seal of the City of Auburn overlaid on it. The seal contains the text 'CITY OF AUBURN' and '1869' and depicts a central emblem with a star and a plow.

TO: Laurie Smith, Interim City Manager
FROM: Reine Mynahan, Community Development Administrator
RE: Disposition of 22 Pine Street
DATE: May 22, 2008

I am responding to the City Council's request for more information with respect to a payment in lieu of taxes should the City Council vote to sell the 22 Pine Street property to Tedford Housing. As a non-profit entity Tedford Housing is exempt from paying taxes. However, Tedford Housing's offer to purchase this property included a stipulation that they would be willing to make an annual payment of one-half of the assessed taxes.

According to Cheryl Dubois, Tax Assessor for the City of Auburn, the estimated market value after redevelopment will be approximately \$340,000. Using the projected tax rate of \$18.48 for 2008-09, the annual tax would be \$6,283. The amount that would be required of the developer to fulfill their commitment is \$3,141.50.

City of Auburn, Maine
"Maine's City of Opportunity"
Community Development Program



TO: Laurie Smith, Interim City Manager
FROM: Reine Mynahan, Community Development Administrator
RE: Disposition of 22 Pine Street
DATE: May 6, 2008

In March 2008 the Auburn City Council agreed to seek proposals for disposition of a City-owned property at 22 Pine Street, formerly Franklin School. A Request for Proposals was issued identifying a number of factors that each proposal must respond to. A public notice was posted in the Lewiston newspaper on April 10. A Request for Proposals package was sent to all investors/developers who requested it. Proposals were due May 2nd.

Two proposals were received, one from a private market investor, Chapel Holdings LLC (CH) and the other from a non-profit housing developer, Tedford Housing, (TH). Attached are the proposals and a summary sheet identifying the submission requirements and proposal details. The two proposals differ in several aspects:

- the amount of investment into the building—\$230,000 (CH) vs. \$908,626 (TH)
- leveraged funds—none (CH) vs. \$778,626 (TH)
- demand for HOME resources—\$240,000 (CH) vs. \$120,000 (TH)
- the level of services that will be provided to building occupants—no services (CH) vs. case management/mental health services (TH)
- payment of taxes—full payment (CH) vs. pilot (TH)
- proposed use of building— 12-units rooming house (CH) vs. 6-units single room occupancy with 2 accessible units (TH)

Additional Comments:

- Tedford Housing indicated they would seek additional funding from MaineHousing. MaineHousing requires that developers improve buildings to a substantially higher standard to meet building code requirements. They also require fully developed construction plans by a building architect. These requirements account for the dramatic difference in the two improvement budgets. One budget is marginal while the other is more substantial.
- The proposal by Chapel Holdings stipulated it is subject to receiving Planning Board approval for a 12-unit rooming house. The Planning and Permitting Department indicated the lot is not large enough to allow this level of intense development. However, under the Zoning Ordinance a boarding house to serve four persons would be allowed provided there is someone (owner or representative) living in the building, and there is no provision for cooking in individual rooms.
- Chapel Holdings has identified it would utilize \$240,000 of HOME funds. It is not likely we could make this amount available since 1) the HOME underwriting process involves a determination of HOME investment based on cash flow needs, and 2) this would require that we invest 100% of our annual HOME allocation into one project.
- Chapel Holdings did not meet the minimum offer requested.

Recommendation:

Community Development staff recommends acceptance of the offer from Tedford Housing.

Summary of Responses

Proposals for Acquisition and Redevelopment of 22 Pine Street

Name of Developer	Chapel Holdings LLC	Tedford Housing
Contact Person	Tim Lachapelle, Member	Don Kniseley, Executive Director
Offer	\$30,000	\$35,000
Date of Purchase	30 days	Six Months after award
Proposed Use of Property	Rooming Facility/12 Units	6 units single room occupancy
Population to be Served	People who need affordable housing	Homeless adults
Special Amenities or Services	Bathroom/kitchen, cable TV, internet	Case management services/2 accesssible units
Payment of Taxes	In Full	Pilot equal to half of taxes
Funding Request	\$20,000 per unit/\$240,000	\$20,000 per unit/\$120,000
Consolidated Plan Strategy	Not Identified	Homeless Assistance/Housing First Strategy
Contingencies/Conditions	Approval for 12 Units	None
Schedule/Projected Completion	12 months from final approval	June 2008 to June 2009
Project Costs	Between \$190,000-230,000	\$908,626
Project Resources	None Identified other than HOME	Maine Housing/Continuum of Care
Development Team (see proposal for experience)	Tim and Renee Lachapelle	Don Kniseley, Executive Director Gifford Jamison, Consultant Steve Normand, Architect/Construction Manager Jona Dorso, Development Director Common Ties/Mental Health Services
History of Organization	20 years in real estate	Shelter, Transitional Housing, Homeless Prevention and Permanent Housing
Earnest Money Deposit	\$3,000	\$3,500