



## City of Lewiston

27 Pine Street  
Lewiston, Maine 04240

## City of Auburn

60 Court Street  
Auburn, Maine 04210



**JOINT LEWISTON AUBURN CITY COUNCIL MEETING**  
**THURSDAY, FEBRUARY 22, 2018**  
**5:30 PM – Informal Gathering with Refreshments**  
**6:00 PM -- Workshop**  
**LEWISTON CITY HALL COUNCIL CHAMBERS**

1. Welcome from Mayor Bouchard & Mayor Levesque
2. Introductions
3. Presentation by Lewiston Auburn Railroad

The Lewiston Auburn Railroad is a joint venture of the two communities. However, the two Councils rarely have the opportunity to hear from representatives of the Railroad. It has embarked on several new ventures recently including a proposed freight rail study and a preliminary engineering review of the Lewiston Lower Rail Line related to the potential establishment of a multi-use path along that corridor. Attached is some brief background material on the railroad and these projects.

4. LA 911 Radio System Upgrade

Representatives of LA 911 will update the Councils on the status of its current and projected near-term capital projects. In the near future, the Councils will be asked to provide funding for full radio system replacement where a choice must be made between retaining the current VHF system or moving to an 800 MH system. The issues and costs associated with each system will be presented. Please see the attached information.

5. Regional Tourism Initiatives

There has been considerable interest focused on tourism recently including Auburn's Sports Tourism Study, the Chamber's Tourism Subcommittee, and AVCOG's regional tourism program. Each of these organizations has been invited to review their programs as a starting point to further efforts to develop the tourism industry in Lewiston Auburn and the surrounding region.

6. Closing Remarks
7. Next Meeting



## EXECUTIVE

**Edward A. Barrett, City Administrator**  
**Denis D'Auteuil, Deputy City**

February 15, 2018

To: Auburn and Lewiston Elected Officials  
Fr: Edward A. Barrett  
Su: Lewiston Auburn Railroad Company (LARC)

### Background

The Lewiston Auburn Railroad was founded in 1872 by the Cities of Lewiston and Auburn in order to construct a 5.4 mile track from Lincoln Street in Lewiston to Lewiston Junction in Auburn (see attached map). Lewiston initially owned 80% of the company and Auburn 20% based on the initial capital contribution from each community required to build the line. The intent of this project was to connect into the Grand Trunk line running from Portland to Montreal and to provide competition to the Maine Central Railroad, then the only railroad providing service to the downtown industrial areas of the communities. The new line was initially leased to the Grand Trunk (now to the St. Laurence and Atlantic) for a 99 year period with proceeds of the lease allocated to each city annually.

Portions of the original rail line have now been abandoned, although there was an effort by the State of Maine to preserve a rail connection between the also abandoned Lewiston Lower and Auburn via the current pedestrian bridge using the abandoned portion.

In recent years, the railroad has also constructed sidings associated with the Auburn intermodal facility.

### Assets

The most recent available audit for the company is as of June 30, 2016. At that time, the organization's total assets were \$7,016,000, the majority of which reflected land and rental property. The company owns a number of properties in Lewiston and Auburn with respective assessed values of \$1,022,450 and \$2,601,600<sup>1</sup>. The majority of the companies assets are likely tied to its railroad rights of way.

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<sup>1</sup> Note that property associated with railroad rights of way is not taxable under Maine Law and that the asset value shown above is from the company's audit while the assessed values for each community come from the respective

## Liabilities

The company's only significant long-term liability is a loan from the Androscoggin Valley Council of Governments with annual payments of \$30,000 which will be paid off in November 2018. This loan was for the purchase of land in Auburn and Poland. In addition, the company owns a 25% interest in 415 Lisbon Street, LLC in Lewiston. As a partial owner, the company is a guarantor of \$257,000 in the LLC's debt. Given recent changes at 415, the railroad may also be subject to assessments necessary to cover building expenses in excess of revenues.

## Income

The company has the following major annual income streams:

Grand Trunk Depot rental:	\$21,829 <sup>2</sup>
SL&A Master Track Agreement	\$27,202
SL&A Rangely Branch Agreement	\$18,240 <sup>3</sup>
Land Lease in Auburn – Equipment Repair Facility	2,500
Land Lease in Lewiston – Parking	<u>3,960</u>
Total	\$73,731

## Expenses

Once the last payment is made on the organization's long-term loan, expenses for the railroad company appear to be fairly minor. Reviewing recent expenditures, it appears that the organization would generally spend in the range of \$30,000 to \$40,000 per year.

In general, therefore, the organization should operate on a positive annual cash flow basis in the range of \$30,000+<sup>4</sup>. This amount could increase considerably should traffic on the Rangely Branch increase.

## Governance Structure

For most of its history, the Directors of the railroad were the Mayors of the two cities, five Lewiston Councilors, and 2 Auburn Councilors. A new charter was adopted by the legislature in 2006 that cleaned up some of the initial charter's vague language,

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Assessors Office. Assessed value, market value, and audited asset value may all be computed on different bases and the numbers shown above may not be comparable.

<sup>2</sup> Rails restaurant, current tenant in this property, recently announced its closure. This will affect income from this property.

<sup>3</sup> This is a minimum payment that may be higher based on actual rail use of the line. Annual revenue capped at \$240,000.

<sup>4</sup> This assumes continued rental flow from the Depot in Lewiston.



specified the directors must be residents of the respective communities, limited ownership to municipal governments in which the corporation has rails or tracks, set quorum standards for the six Lewiston and three Auburn Directors, and outlined the process of appointing the directors, which is done by the respective Councils or a proxy designated by the Councils.

The new by-laws also include a Shareholders' Agreement Regarding Corporate Governance and how the shareholders' respective shares are to be voted. Generally, each shareholder's shares must be voted as a block by a majority of its respective directors. The shareholding percentages generally reflect the initial capital investment by community.

#### Proposed Studies

The Railroad Company directors recently approved undertaking a freight business development study to clarify the opportunities for expanded freight usage of the company's rail lines and identify ways to cooperate with various related private sector activities and organizations. The company will also be undertaking an engineering feasibility study of the Lewiston lower rail corridor as part of an effort to establish a rail trail connecting the Lewiston/Auburn downtown riverfront areas with Lisbon and, potentially in the future, Topsham and Brunswick. This study would provide information on permitting challenges and cost estimates that will assist in negotiations with PanAm over the development of this trail.

#### Future

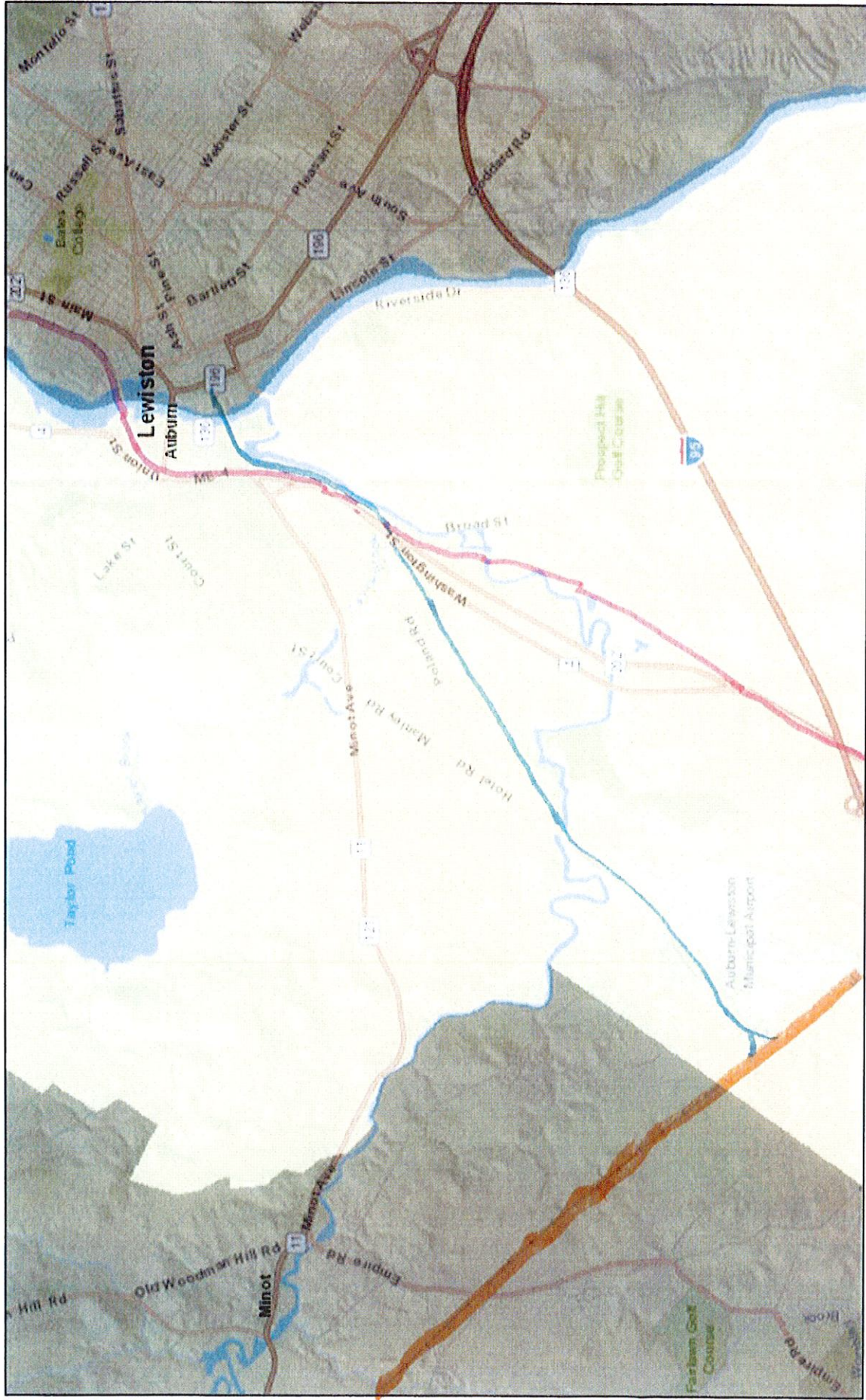
Should the freight usage of the LARR companies lines increase and its assets continue to produce a revenue stream, railroad income could become a viable source of future Lewiston Auburn investments in areas including transportation and economic development.

Should you have any questions about the above, please let me know.

Cc: Denis D'Auteuil

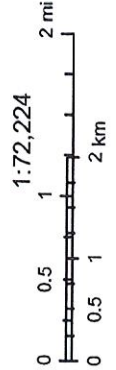


# Auburn Parcel Map



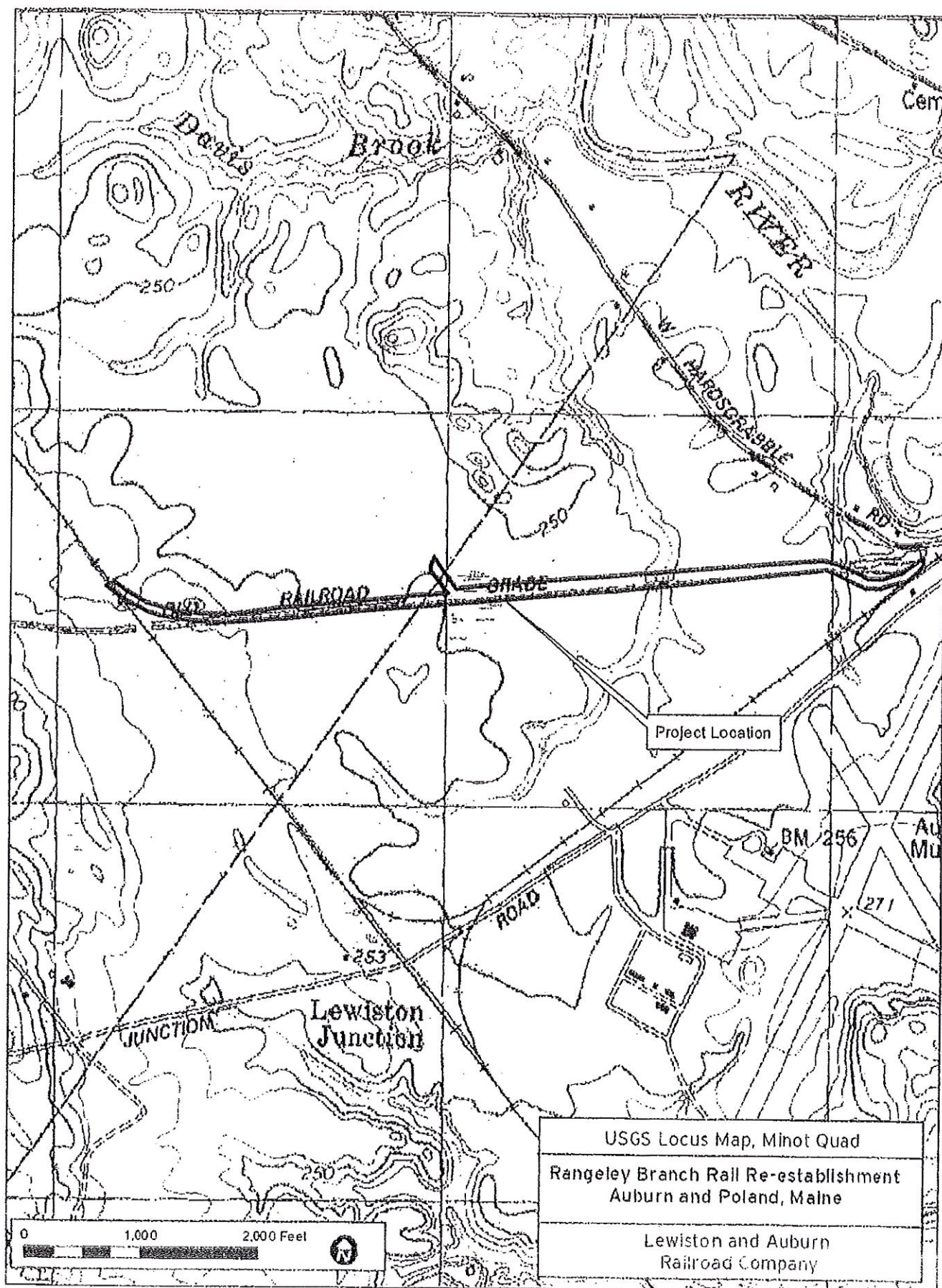
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Maine Central Railroad  
LARR  
St. Lawrence & Atlantic



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand),







## **Maine's Lakes & Mountains Tourism Council (MLMTC)**

MLMTC is a regional collaboration of the following chambers and business associations:

- Bethel Area Chamber of Commerce
- Flagstaff Area Business Association
- Franklin County Chamber of Commerce
- Fryeburg Business Association
- Greater Bridgton Lakes Region Chamber of Commerce
- Jay-Livermore-Livermore Falls Chamber of Commerce
- Lewiston Auburn Metropolitan Chamber of Commerce
- Oxford Hills Chamber of Commerce
- Rangeley Lakes Region Chamber of Commerce
- River Valley Chamber of Commerce
- Sebago Lakes Region Chamber of Commerce
- Androscoggin Valley Council of Governments

Established in 1992 as a non-profit Maine Corporation with 501c6 designation, MLMTC works in partnership with the Maine Office of Tourism to promote the state's identified Lakes and Mountains Region as an attractive lakes and mountains vacation destination to new and returning visitors.

For more than twenty years, the Androscoggin Valley Council of Governments has worked in partnership with the council providing staff support, project management, grant writing expertise and fiscal management services.

## **MLMTC Bolsters Your Chamber's/Association's Marketing Reach**

Maine's Lakes and Mountains Tourism Council uses multiple platforms to connect with potential visitors. As one of the 3,500+ members of one of the organizations listed above, you are part of our collaborative marketing effort to bring people to the communities throughout Maine's Lakes & Mountains Region.

## **MLMTC Travel Planner and Map**

MLMTC's travel planner provides an overview of much of what there is to see and do throughout the region, designed for ease of use and accentuated with gorgeous regional photography. The beautifully-designed map highlights our notable attractions. Both pieces are distributed via:

- [www.MaineLakesAndMountains.com](http://www.MaineLakesAndMountains.com)
- A digital version of the guidebook is featured on fliphtml5.com
- Maine State Visitor Centers in Kittery, Yarmouth, Hampden North and South, Houlton, Calais and Fryeburg
- Chambers of Commerce throughout the region
- Targeted consumer and trade travels shows in MA, NY, DC, and PA
- Getaways on Display locations in South Central PA, Philly/Metro, NJ, VA & MD

## **MLMTC Website – [www.MaineLakesandMountains.com](http://www.MaineLakesandMountains.com)**

- Attractively designed website - a great platform for businesses looking to reach potential visitors
- Opportunity to create FREE listings for tourism businesses, packages, and events
- 5,000+ unique monthly visitors
- Responsive website provides an optimal viewing experience across a wide range of devices

## **Print and Online Advertising & Marketing**

- *Maine Invites You* – Maine's official travel planner
- Trip Advisor
- Facebook
- Instagram
- Search Engine Marketing – Google Ad Words

## **Staying Connected with Social Media**

- Facebook
- Instagram
- Twitter
- Google+
- Digital Newsletter

## **Partnerships at Work**

MLTMC partners with the Maine Office of Tourism and other regional tourism organizations to stretch our promotional dollars.

- Support of the Maine Sports Commission
- Co-op advertising in print, web and radio, when opportunity arises
- Consumer travel shows in the Northeast and Canada

## **MLMTC Contact**

**Dina Jackson, Grant Manager**

**Maine's Lakes & Mountains Tourism Council**

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