

LEWISTON CITY COUNCIL WORKSHOP AND SPECIAL MEETING AGENDA

CITY COUNCIL CHAMBERS, CITY HALL

TUESDAY, JANUARY 26, 2016

6:00 p.m. Workshop

Pledge of Allegiance to the Flag.
Moment of Silence.

1. Update on Status of Bates Mill 5 Project.
2. Consideration of Applying for a Federal Staffing for Adequate Fire and Emergency Response (SAFER) Grant from the Federal Government

SPECIAL MEETING

- ES-1 Executive Session to discuss Acquisition of Property of which the premature disclosure of the information would prejudice the competitive bargaining position of the City.

LEWISTON CITY COUNCIL
WORKSHOP AGENDA
TUESDAY, JANUARY 26, 2016
CITY COUNCIL CHAMBERS, LEWISTON CITY HALL
6:00 PM

1. Update on Status of Bates Mill 5 Project.

The City entered into an Option Agreement for the transfer of Bates Mill #5 (BM5) to Tom Platz (dba as Bates Mill LLC) on February 18, 2015. Unless it is renewed, that option will expire at 5:00 pm on February 18, 2016. Tom Platz and his team at Platz Associates has been working diligently for the last year negotiating with tenants, developing plans, and evaluating financing mechanisms. Mr. Platz is seeking to renew the Option prior to its expiration and would like to brief the Council and the public on the status of the project. Please see the attached memo from Linc Jeffers.

2. Consideration for Applying for a Federal Staffing for Adequate Fire and Emergency Response (SAFER) Grant from the Federal Government.

The purpose of the SAFER Grant is to provide funding directly to fire departments and other organizations to assist them in increasing the number of firefighters in order to help communities meet industry standards. Fire Chief Paul LeClair is proposing to submit a grant application to support additional firefighting position at Central Station. Please see the attached memo from him. Note that this is a competitive grant with no guarantee the application would be funded.

3. Executive Session – Land Acquisition – Matured Tax Liens on Various Properties.

Lewiston Fire Department



Paul M. LeClair
Fire Chief

Bruce H. McKay
Assistant Chief



January 20, 2016

Edward A. Barrett, Lewiston City Administrator

RE: 2016 SAFER GRANT: Staffing for Adequate Fire and Emergency Response

Ed:

In advance of the application period in February of 2016 for the SAFER Grant, I am requesting the City Council consider approving a Fire Department Grant application to fund additional Firefighter positions that would be assigned to Central Fire Station. The purpose of the SAFER Grant is to provide funding directly to fire departments and other organizations to assist them in increasing the number of firefighters to help communities meet industry standards. Note that this is a competitive grant with no guarantee the application would be funded.

Background on the SAFER GRANT:

SAFER is a competitive grant program comprised of two categories:

1. Recruitment and Hiring of Firefighters
2. Retention of Volunteer Firefighters.

There are four subcategories for Hiring Firefighters:

1. Hiring new firefighters
2. Rehiring laid off firefighters
3. Retention of firefighters facing imminent layoff
4. Filling of positions vacated through attrition

SAFER Grant Program Priorities:

1. First Priority: Rehiring laid off firefighters
2. Second Priority: Retention of firefighters who face imminent layoff
3. Third Priority: Hiring New Firefighters

Program Period of Performance and other applicable criteria

- The SAFER Period of Performance for the Hiring of Firefighters category is two years
- SAFER Grant Application Period is expected to open late January or early February 2016 and ends in March of each year.
- SAFER Grant Award period: June 1, 2016 to September 30, 2016
- There are no matching funds requirements for hiring new firefighters.
- SAFER Funding will pay for total salary and benefit costs for each funded position.

- Awarded recipients have no obligation to retain the SAFER-Funded positions after the conclusion of the period of performance.
- Only full-time positions will be funded.
- 180 day recruitment period allowed from time of grant award.
- For the two-year period of performance in the Hiring category, Grant Award recipients are required to maintain the staffing level that existed at the time of award. A waiver process regarding staffing levels is in place; however, SAFER Grant funding would be at risk.
- At the end of the two-year period of performance, the City is eligible to reapply for continued grant funding.

Proposal:

In this SAFER Grant application, I would propose adding one additional firefighter to Engine #7 and Ladder #1, both of which are assigned to Central Fire Station. In order to maintain one additional firefighter on Engine #7 and Ladder #1, eight (8) SAFER Grant funded positions would be required, essentially four (4) firefighters per position. Additional staffing to the units at Central recognizes the greater fire exposure we face in the downtown and downtown residential areas.

Total cost to maintain the (8) eight SAFER Grant positions through the Fire Department Budget without grant funding: \$408,000: \$280,000 in Salary and \$128,000 in benefits. Startup costs (Medical Screening, Personal Protective Equipment & Uniforms) are not eligible for grant funding. The estimated cost is \$3,500 per new firefighter position. Eight positions would total \$28,000.

Basis for the Grant proposal:

Improved firefighter crew effectiveness in the following categories will be achieved with the addition of one additional firefighter to one Engine and one Ladder Company:

- Time to Water on Fire
- Placement of Ground Ladders and Performing Ventilation
- Conducting Primary Search for building occupants
- Establishing a “Hose Stretch” / Fire Hose to the Fire
- Occupant Rescue

Background on Crew Size effectiveness from the NIST (National Institute of Standards and Technology) Report on Residential Fire Ground Field experiments 4/2010. This report established the following:

- The four-person crew completed the same number of fire ground tasks (on average) 5.1 minutes faster (nearly 25% faster) than the three-person crew.
- An Additional 6% (13 seconds with a 2nd Engine less than 1 minute away) difference in the “water on fire time” between the three and four-person crews.
- The four-person crew operating on a low-hazard structure fire can complete laddering and ventilation (for life safety and rescue) 25% faster than the three-person crew.

Note: The full report can be viewed at the following link:

http://www.nist.gov/el/fire_research/upload/Report-on-Residential-Fireground-Field-Experiments.pdf

There are a number of resources available which provide additional information regarding the effectiveness of larger crew sizes, and I would be happy to forward that information if and when needed.

Chief Paul M. LeClair



COUNCIL RESOLVE

Resolve, Authorizing the Fire Chief to Apply for a Staffing for Adequate Fire and Emergency Response (SAFER) Grant to Increase Fire Department Staffing.

Whereas, the Federal Government offers grants through the SAFER program that can support recruiting and hiring additional firefighters; and

Whereas, if a grant is awarded, it provides 100% funding for the additional positions for up to two years; and

Whereas, increasing staffing from three to four on the engine and ladder stationed at Central Fire would recognize the higher fire exposure in the areas served by Central and improve fire crew effectiveness in a number of areas, assisting the department in minimizing property damage, injuries, and loss of life;

Now, therefore, be it resolved by the City Council of the City of Lewiston that

The Fire Chief is hereby authorized to submit a grant application through the Staffing for Adequate Fire and Emergency Response (SAFER) Grant program to increase Fire Department Staffing by 8 positions, these positions to be used to increase staffing levels on the Engine and Ladder operating from Central Fire Station.

Economic and Community Development

Lincoln Jeffers

Director



To: Honorable Mayor and Members of the City Council
From: Lincoln Jeffers
RE: **Bates Mill #5 Workshop**
Date: January 21, 2016

The City entered into an Option Agreement for the transfer of Bates Mill #5 (BM5) to Tom Platz (dba as Bates Mill LLC) on February 18, 2015. Unless it is renewed, that option will expire at 5:00 pm on February 18, 2016. Tom Platz and his team at Platz Associates has been working diligently for the last year negotiating with tenants, developing plans, and evaluating financing mechanisms. Mr. Platz wishes to renew the Option prior to its expiration.

Considerable progress has been made on cultivating tenant interest and developing design, legal, and financing structures for the redevelopment. Central Maine Health Care (CMHC) and the YMCA have publicly expressed their interest and desire to be tenants in BM5. The YMCA will make BM5 their flagship location with daycare, lap and therapy pools, an indoor track, and exercise equipment. CMHC will have a variety of medical rehabilitation practices at BM5. There is synergy with the co-location of these uses that benefits both entities. Combined the YMCA and CMHC will occupy 160,000 – 170,000 s.f. Board actions committing to space at BM5 are scheduled within the next several months.

Redevelopment projects of the scale of BM5 are complex. To be eligible for bank financing, the developer estimates that a minimum of 200,000 s.f. of tenant commitments are needed. Several other tenants, who wish to remain anonymous at this time, have expressed strong interest in space in BM5.

Prior to the expiration of the current option, the City Council will be asked to extend the Option Agreement with Bates Mill LLC for BM5 for an additional 12 months. The following is a very brief review of the city's Bates Mill ownership and redevelopment partnership history with Tom Platz that is intended to provide both the Councilors and the public with the context in which to evaluate current efforts.

Background

The City tax acquired the Bates Mill complex in 1992 and has been involved in the redevelopment of the complex, to varying degrees, since then. The Lewiston Mill Redevelopment Corporation (LMRC) was formed shortly after city took ownership of the Bates Mill Complex for the express purpose of overseeing

and supporting redevelopment of the complex. The LMRC board was comprised of 15 members, 8 of whom were from the private sector; the other 7 were elected and appointed city officials and staff.

In the fall of 1994 the LMRC issued a Request for Proposals seeking an experienced development partner to assist in the redevelopment of the Bates Mill. In the spring of 1996 LMRC and the City of Lewiston entered into an Agreement with the Bates Mill Limited Liability Company to partner in the redevelopment of the complex. Tom Platz, architect and owner of Platz Associates architectural firm, was the key principal for the Bates Mill LLC.

From this foundation, redevelopment of the complex ensued. Master planning, engineering, and feasibility studies were conducted. Marketing plans were developed and implemented. Tenants came. Tenants went. Those that stayed include Peoples Heritage Bank (now TD Bank), which took tenancy of all 48,000 s.f. in Mill 7 in 1998. The bank expanded three times in Mill 3, fully occupying that building in 2006, resulting in total tenancy of more than 200,000 s.f. Davinci's was an early tenant. In 2007 they relocated within the complex, tripling in size. Fishbones opened in Mill #6 in 2005. Androscoggin Bank established an operations center on the second floor of Mill #6 in 2006. The first housing in the complex, the 48-unit Lofts at Bates Mill, opened in a portion of Mill 2 in 2012. Other tenants include physicians, insurance companies, a technology company and Museum LA.

Through it all, Tom Platz has been the city's partner in the redevelopment of the Bates Mill. The city has invested in land acquisition, environmental mitigation (using EPA grants), parking garages, and other public infrastructure improvements. Bates Mill LLC purchased Bates Mills 3, 6 and 7 in 2001 for \$2 million. As part of the sale the city was reimbursed the \$3 million it had spent redeveloping Mill 3. Bates Mill LLC committed to investing an additional \$10 million to complete redevelopment of Mill 3 and to redevelop Mill 6.

In December 2003, the City entered into the Bates Mill Acquisition Agreement with Bates Mill LLC. Under the agreement, the city conveyed all of the Bates Mill Complex, except for Mill 5 and the steam plant (that provides heat to the complex), to Bates Mill LLC for \$1. It is a complex document; but, to summarize, the City committed to defined public infrastructure improvements that needed to be made and a time schedule they would be completed under. The City agreed to provide a diminishing level of funding to cover operational losses for a period of 7 years. Operational losses above the agreed upon amounts, and after the 7 years expired, were Bates Mill LLC's responsibility. The City agreed to clean up and indemnify on environmental issues in the mill and to provide steam heat for tenants under an agreed upon cost structure. The agreement included an obligation for the City to provide a total of 2,040 parking spaces to support redevelopment of the Bates Mill. It was agreed that 190 spaces were already present at the mill, so the City was obligated to provide 1,850 new spaces, as needed, upon notice that renovations were beginning on a portion of the complex. There was no obligation to provide parking for BM5.

Recent Mill 5 History

BM5 was completed in 1914. It is among the first concrete and steel buildings built in Maine. It was designed by one of the 20th century's pre-eminent architects, Albert Kahn. It is 350,000 s.f. in size spread over two floors. It was built specifically to house jacquard looms for Bates Manufacturing. The building is on the National Register of Historic Places.

A task force was established to identify and evaluate viable reuse options. The task force recommended three options: make it a convention center, issue a request for proposals to developers, or demolish it. The convention center idea was rejected by the City Council as not viable because it would require an annual operating subsidy of \$230,000 or more, plus debt service on \$40 million or more. Demolition costs were estimated to be between \$3.1- \$4.35 million. A request for proposals was issued but did not bear fruit. The building/site was optioned for use as a casino, which failed at the polls in a statewide referendum in November 2011.

The task force report and casino referendum generated considerable public interest and media coverage. The Sun Journal asked readers what should be done with the building and published their responses. That effort sparked the creation of Grow L+A, a group of concerned citizens committed to seeing the mill redeveloped. They began a significant public relations and engagement campaign focused on BM5. Grow L+A's efforts gained momentum and evolved over time. In April 2013, Grow L+A requested six months to conduct feasibility studies and secure tenant interest in BM5. The Council agreed, but required that they show tangible progress on the redevelopment effort, including design, financing structures, and tenant commitments. Grow L+A's big idea was to break up the 350,000 s.f. of BM5 into smaller spaces that could be leased to a variety of tenants rather than one large user. Many concepts were explored, but ultimately, their efforts resulted in enough interest from parties with the need, desire, and resources to become tenants at BM5 to indicate that its redevelopment could be possible.

This activity attracted the interest of Tom Platz, who, over the last 20 years, has crafted many architectural plans, concepts, and models for repurposing the mill for use as a convention center, hockey arena, theater, and parking.

Requested Action – Extend Bates Mill LLC Option to Acquire Mill 5

The city first entered into an Option Agreement with Bates Mill LLC in November 2013. It was a six month option, renewable at the Council's discretion, based on adequate evidence provided to the Council that progress was being made toward redevelopment, including but not limited to architectural plans, cost estimates, financing, and tenant commitments. City staff was to work to develop a Joint Development Agreement (JDA) that would provide structure for the public private partnership needed to support redevelopment.

That initial option was not renewed at the six month mark. There was tenant interest and plenty of design and architectural work underway, but no firm

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TTY/TDD 207-513-3009 • Email: ljeffers@lewistonmaine.gov

City Web Page: www.ci.lewiston.me.us

tenant commitments. Mr. Platz continued with his design work and discussions with prospects, but suggested that renewal of the Option and the legal effort and cost involved in crafting a JDA and other legal documents be picked up when tenant commitments were firmer.

The council approved a new Option with Bates Mill LLC to purchase BM5 on February 18, 2015. It is attached. The Option was for one year. The purchase price is \$1. The Option allows, but does not require, the city to terminate the Option if a JDA was not developed and approved by the City Council by July 31, 2015. A JDA was not approved by that date. The reason it has not been approved is that as the project evolves and the demands of tenants become better known, the details of the JDA, an associated Tax Increment Financing (TIF) Agreement, and an amendment to the Bates Mill Parking Agreement change. Drafts of all three documents are being negotiated, working toward final drafts.

For redevelopment of BM5 to move forward, City Council approval of these three documents will be required, which will happen separately from the extension of the Option. City investments being negotiated include the construction of Phase II of the Lincoln Street Parking Garage and surface parking; a bridge connecting Phase II of the garage to BM5; and curbing, drainage improvements, and repaving of Mill Street adjacent to BM5. New tax revenues generated from BM5 and new parking revenues generated by tenants in BM5 will be used to pay the city's debt service associated with these improvements.

Extension of the Option will provide Mr. Platz with the time needed to finalize lease commitments; secure an estimated \$70 million in financing; work through the legal, technical and regulatory requirements to secure historic tax credits; and work through planning board and other regulatory development review requirements.

Tom Platz will provide an update to the Council on progress and next steps for BM5 at the Council's January 26th workshop. We anticipate that formal consideration of extending the Option will be scheduled for the February 2, 2016 regular Council Meeting.

OPTION AGREEMENT

THIS AGREEMENT made as of this 18th day of February, 2015 BETWEEN the CITY OF LEWISTON with a mailing address of 27 Pine Street, Lewiston, ME 04240, City of Lewiston, hereinafter referred to as Seller, AND BATES MILL, LLC, with a mailing address of 2 Great Fall Plaza, Auburn, ME 04210, hereinafter referred to as Buyer.

RECITALS

A. Seller is the owner of the land and buildings and improvements thereon known as Bates Mill # 5 and which is described in Exhibit A (hereinafter referred to as the "real estate").

B. Seller is desirous of granting to Buyer an option to purchase the real estate.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, agreements, and undertakings hereinafter expressed, the parties agree as follows:

Section 1: Option. Seller hereby grants to Buyer the exclusive option of purchasing the real estate under the terms and conditions set forth herein.

Section 2: Term. This Option will remain in effect until five o'clock (5:00) p.m., prevailing time, February 18, 2016 ("Initial Term"). The Option may be extended for six months ("Renewal Term"), at the sole discretion of the Seller, based upon Buyer's providing Seller evidence of possible development of the real estate, including but not limited to architectural plans, cost estimates, financing and tenant commitments.

Section 3: Option Price. The option price is One (\$1.00) Dollar, receipt of which is hereby acknowledged. All monies paid on account of the option price are not refundable except in the case of a failure of title as set forth below.

Section 4: Exercise. This option shall be exercised for the real estate by giving written notice thereof, at any time during the Initial Term or Renewal Term, to Seller at the following address:

Edward Barrett
City Administrator
City of Lewiston
27 Pine Street
Lewiston, Maine 04240

Such notice may be sent first class mail, postage prepaid, or delivered by hand.

Section 5: Purchase Price. The purchase price for the acquisition of the real estate shall be One (\$1.00) Dollar.

Section 6: Closing. The Closing, whether on a Lot or on all or the remainder of the real estate, shall take place at Buyer's election but not later than five o'clock (5:00) p.m., prevailing time, at 10:00 am on the 30th day following the day upon which the notice of exercise of the option is received, at the offices of Brann & Isaacson, 184 Main Street, Lewiston, Maine. If the 30th day is not a business day, then the closing shall take place on the next business day thereafter.

Section 7: Conveyance and Payment.

7.1. Warranties and Title. Conveyance shall be made by quitclaim deed with covenants conveying good marketable title to said real estate, as defined by the standards adopted by the Maine Bar Association, free and clear of encumbrances, except for conventional utility easements and such restrictions as would not make the title unmarketable. The title shall also be insurable by any reputable title insurance company licensed to do business in the State of Maine. Seller will execute such affidavits as may appropriately be required by the applicable title insurance company to cause the deletion of the standard mechanics lien exception from the to-be-issued title insurance policy.

7.2. The Maine real estate transfer tax shall be paid by Seller and Buyer in accordance with 36 M.R.S.A. § 4641-A.

Section 8: Taxes.

8.1. Real estate taxes due the City of Lewiston, Maine, during the term of this Option on all of the real estate shall not be paid by Buyer.

8.2. Real estate taxes and costs of utilities shall be prorated as of the closing date.

Section 9: Succession. This Agreement and the provisions herein shall be binding on the respective heirs, personal representatives, successors and assigns of Seller and Buyer.

Section 10: Miscellaneous.

10.1. Joint Development Agreement: During the Initial Term the parties shall use good faith efforts to negotiate a Joint Development Agreement, which would be effective in the event that Buyer exercises its option. Said Joint Development Agreement will be negotiated and executed by both the

Buyer and Seller by July 31, 2015. If a mutually agreeable Joint Development Agreement has not been executed by that time; Seller, at its sole discretion, may terminate this Option.

10.2. Legal Fees. All reasonable legal fees including, without limitation, the preparation of documents, review of documents and attendance at closing, incurred by Seller in connection with the sale of the real estate or any one or more of the Lots shall be paid by Buyer at Closing.

10.3. Entry. Buyer shall have the right to enter upon the real estate at reasonable times for the purpose of making studies for Buyer's development of the real estate. All of said studies shall be done in a good and workmanlike manner, done in accordance with all applicable laws, regulations, ordinances, governmental permits and approvals, and done at the sole expense of Buyer.

10.4. Possession. At the time of each Closing, Seller will deliver over exclusive possession of the real estate to Buyer.

10.5. Brokers. Neither party has retained a real estate broker in this transaction.

10.6. Eminent Domain. In the event that the real estate or any portion of it is taken by condemnation after exercise of the option on the real estate or on one of the Lots affected by said taking prior to the Closing, Seller will, at the Closing, deliver to Buyer all condemnation awards stemming from such loss or condemnation received by Seller pertaining to said real estate or Lot, as the case may be, and will assign to Buyer Seller's rights to receive all of same, whichever is pertinent, and, to that end, Seller will cooperate with Buyer in the preparation of all statements of loss, provisions of loss, and such other documents as may be required by the condemning authority.

10.7. Time. Time is of the essence in all matters relating to this Agreement.

10.8. "As Is" Condition. The real estate will be sold in "as is" physical condition, and Seller makes no representations to Buyer whatsoever as to the physical state of same. This limitation shall prevail through the Closing, and no further writing shall be necessary with respect thereto. Seller represents to Buyer, which representation shall remain in effect through the Closing, that Seller has not been advised by any governmental agency or authority that the real estate is in violation of any law, statute or regulation.

10.9. Title Exceptions. Buyer shall examine the title to the real estate and report in writing any valid objections (hereafter "exceptions") thereto based on the Standards adopted by the Maine State Bar Association within sixty (60) days of the date of this Option Agreement. If Buyer objects to any

exceptions to the title, Seller shall use all due diligence to remove such exceptions at Seller's own expense within thirty (30) days thereafter. But if, notwithstanding Seller's due diligence, exceptions cannot be removed within the said thirty (30) day time period, or such additional period as Buyer, in Buyer's sole discretion, may allow, Buyer may elect to terminate the exercise of the option on the real estate. Buyer shall notify Seller of such election, in which case the option price shall be returned to Buyer and the obligations of all parties under this Agreement shall thereupon terminate. Alternatively, Buyer may elect to purchase the real estate or any of the Lots as provided under the provisions of this Agreement subject to any such title exceptions which cannot be removed.

10.10. Governing Law. This Agreement and the transaction contemplated by it shall be governed by the laws of the State of Maine.

10.11. Notices. Any notices required by or useful under the terms of this Agreement shall be given, in the case of Seller, to:

Edward Barrett
City Administrator
City of Lewiston
27 Pine Street
Lewiston, Maine 04240

and, in the case of Buyer, to:

Bates Mill, LLC
2 Great Falls Plaza
Auburn, ME 04210

or such other persons and addresses as the appropriate party may hereafter designate. All such notices shall be sent first class mail, prepaid, or delivered in hand.

10.12. Entire Agreement. This Agreement contains the entire and only agreement between the parties and no oral statements or representations or prior written matter not contained in this Agreement shall have any force and effect.

Section 11: Short Form for Recording. Buyer may wish to give notice of this Option through a recordation in the Androscoggin County Registry of Deeds. Seller and Buyer agree that the entire contents of this Option need not be made public through such recording. Accordingly, a reduced version of this Option may be executed simultaneously with the execution of this Option, and Seller agrees that only the reduced version shall be so recorded. The reduced version of this Option when recorded shall serve as notice to all of the contents of the complete version of this Option Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

Juanita Jefferson
Witness

City of Lewiston

By: Edward C. Barrett
Title: City Administrator

Brian W. Oll
Witness

Buyer: BATES MILL, LLC
By: [Signature]
Title: MANAGING PARTNER

LEWISTON CITY COUNCIL

MEETING OF JANUARY 26, 2016

AGENDA INFORMATION SHEET:

AGENDA ITEM NO. ES-1

SUBJECT:

Executive Session to discuss Acquisition of Property of which the premature disclosure of the information would prejudice the competitive bargaining position of the City.

INFORMATION:

The Maine State Statutes, Title 1, section 405, define the permissible grounds and subject matters of executive sessions for public meetings.

APPROVAL AND/OR COMMENTS OF CITY ADMINISTRATOR:

The City Administrator recommends approval of the requested action.

EAB/Kmm

REQUESTED ACTION:

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To enter into an Executive Session, pursuant to MRSA Title 1, section 405(6)(c), to discuss Acquisition of Property, of which the premature disclosure of the information would prejudice the competitive bargaining position of the City.