

LEWISTON CITY COUNCIL
WORKSHOP AND SPECIAL MEETING AGENDA

Tuesday, October 11, 2022

City Council Chambers

6:00pm Workshop

WORK SESSION

1. Presentation regarding proposed Tax Increment Financing District and Program for the redevelopment of 145 Lisbon Street.
2. Discussion of the City Council Economic Development Strategies.

SPECIAL MEETING IMMEDIATELY FOLLOWING WORK SESSION

- ES-1. Executive Session to discuss labor negotiations regarding the International Association of Firefighters, Local 785.

Economic and Community Development Workshop

To: Honorable Mayor and Members of the City Council
From: Lincoln Jeffers, ECD Director
RE: 145 Lisbon Street Redevelopment
Date: October 5, 2022

Background

City staff have been working with a developer, Jason Hutchins, who has a Purchase and Sale Agreement to acquire 145 Lisbon Street, located at the corner of Lisbon and Ash Streets. It is an iconic building, also known as the Professional Building. It was built in 1914 for the Manufacturer's National Bank. For the last several decades it has housed a by a broad mix of small businesses and non-profits. At seven stories, it is among Lewiston's tallest building. The building is on the National Register of Historic Places.

Redevelopment Plan

Currently the building is mostly vacant, with tenants on the upper floors leaving when the elevator stopped functioning. Jason Hutchins plans to redevelop the building into 17 market rate one-bedroom apartments on the upper floors, with commercial tenants at the Lisbon and Ash Street levels.

City staff have been working with Mr. Hutchins to help determine what code and fire will require for the change of use from office to residential, and what additional improvements will be required because of the buildings classification as high-rise structure, which requires additional life safety improvements. Those additional life safety improvements are estimated to cost an additional \$550,000 - \$638,000 in redevelopment costs. Total redevelopment costs are estimated to be \$4,850,000. As part of the project the elevator will be refurbished and made operational.

Requested Assistance

The developer has requested that a Tax Increment Financing (TIF) District and Program be created to allow a portion of the new taxes paid on the project to be reimbursed to the developer to help finance the high-rise life safety costs. Without the requested TIF assistance, the project is not economically viable.

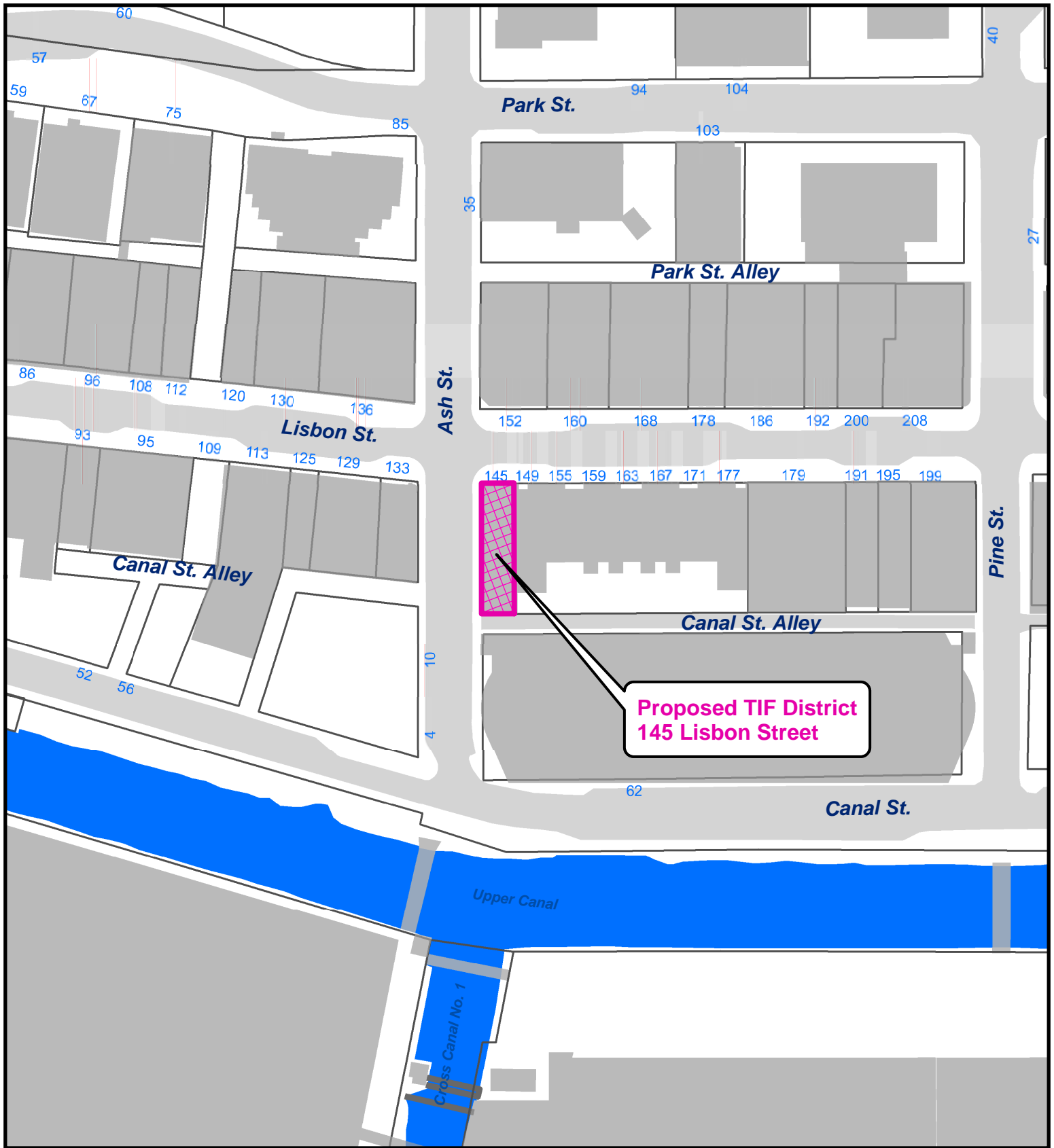
The developer has also requested a \$35,000 grant from municipal resources to assist with façade improvements. The estimate cost to replace windows is \$350,000.

Attached is a map showing the location and boundaries of the proposed TIF District. The development program is proposed to be a 20 year TIF returning 55% of the new tax revenue generated by the redevelopment of the building. At today's mil rate and the estimate new assessed valuation of \$2.3 million, the TIF program is projected to return \$613,213 to the developer to assist with higher than anticipated project costs. During the same period, the City will receive an

estimated \$515,629 in new tax revenue from the redevelopment, and a total of \$679,396 from the redeveloped building, including the taxes it currently generates. During the term of the 20 year TIF the assessed value of the property and mil rate are likely to change which will influence these estimates.

Discussion

This building has been a signature building in the heart of downtown Lewiston for over 100 years. First as a bank, then as a relatively low cost option for small office users the building has served its purpose well. However, with most of the building currently vacant, likely less demand for office in the future precipitated by the pandemic, and critical operational systems in the building failing, its attractiveness and viability as an office building is significantly diminished. Mr. Hutchins has a plan to bring this building back into productive use, and to create market rate housing where there is significant demand for it. Having more people living and spending money in the downtown will add energy, presence, and economic vitality to the community.



Proposed
145 Lisbon Street
Tax Increment Financing (TIF) District

September 2022

To: Honorable Mayor and Members of the City Council
From: Misty Parker, Assistant Director of Economic & Community Development
RE: Council Economic Development Strategies
Date: October 4, 2022

Background

This past spring, Council conducted a strategic planning session to identify performance measurement goals for economic development. In partnership with staff, Council identified four performance measurement goals to be used to measure the City's success on an annual basis. These goals were intended to cross departments (with the exception of the School Department), be city wide, and potentially be recession proof or at least consider its impact. Below are the four goals prioritized through this process, recommended strategies to achieve these goals, and how each goal shall be measured.

Tuesday's workshop will provide an overview of economic conditions in the city and economic development goals and strategies for the coming year.

Development of unused/vacant mill space, buildings and vacant lots

IDENTIFY 10 PROPERTIES TO MARKET
TARGET 3 PROPERTIES UNDER CONTRACT FOR DEVELOPMENT
BY SEPTEMBER 2023

The City has approximately 150 tax acquired parcels. Many have been set aside for conservation, development restrictions, city uses, or future development opportunities. The City has not had a defined plan to dispose of these lots to achieve the highest and best use of these properties or advance city priorities. The Economic & Community Development Office will lead development of a plan for these lots, coordinating with city departments to identify the properties that should be marketed and desired development consistent with the comprehensive plan and zoning. Over the next year we will aim to:

- Identify 10 City owned lots and buildings to actively market first
- Identify highest and best uses with Planning for each property
- Tour properties and review desired uses with real estate brokers & developers for feedback.
- Work with the Council to structure acceptable incentive packages to help achieve these goals
- Develop a marketing plan and work with local developers and new developers to achieve desired development.

Increase Citywide Events & Activities

TARGET 115 EVENTS FOR CY 2023
BASELINE CY 2022 104 EVENTS

Events are an opportunity for the City to showcase Lewiston's quality of life as well as increase economic opportunities for local businesses. This past year the City permitted 104 "events". These events varied from non-profit mission or educational oriented events, candlelight vigils or pet

vaccination clinics for example; community events attracting the general public, like the Great Falls Balloon Fest or Art Walk; target audience events attracting a specific audience seeking out that purpose like the farmers market or yoga in the park; private events like weddings; and memorials. With the intent to showcase Lewiston's quality of life and increase economic benefits for local businesses, city staff will seek to increase the community events by 10% next year, with a primary focus on increasing community events attracting the general public. In order to achieve this goal we will focus on three strategies:

- Host one City premier event. With the addition of the new Marketing Director, and current budget to support events, Administration will focus on planning and executing one premier event for the community. Additionally, the City has supported other events like Riverfest as lead sponsor and will continue to seek new opportunities for lead sponsor that support this goal.
- Through the Choice Neighborhood Implementation work, the Neighborhood Development Planner will be focusing on partnering with community organizations to bring new community events to Kennedy Park. The transformation plan identified increasing programming in Kennedy Park as a strategy to increase public safety and perception of the park. Through this work we aim to add 5 new community events for 2023.
- Administration will further work to identify new strategies to help increase community events throughout the city.

Form a Small Business Outreach Team

TARGET 20 INDUSTRIAL/MANUFACTURING/LARGEST EMPLOYER VISITS

Most economic growth in a city comes from the growth and success of existing businesses. Reinstating a formal business outreach strategy will help ensure our business community has the support and resources needed to prosper here in Lewiston. Our Economic Development Specialist will organize and prioritize outreach starting with our industrial, manufacturing and largest employers. As part of this work, each visit will be planned based on the needs and interest of the business, inviting city, state, and federal staff that may be helpful to the business. ECD staff will track information from these businesses to ensure business needs are met and report out number of businesses visited and general themes heard to keep Administration and Council apprised on how these sectors are performing.

Increase Housing of All Types

TARGET 144 NEW UNITS

BASELINE FY23 YIELDED 72 NEW HOUSING UNITS OF VARIOUS TYPES IN THE COMMUNITY

- Downtown Redevelopment - Economic & Community Development will focus on downtown housing redevelopment. Currently, 423 units are planned in the downtown, but have not been permitted for construction. These include the Picker House Lofts (46 units workforce housing & 26 market rate); the Professional Building (17 market rate units); residence at Great Falls (245 market rate units); Wedgewood Development (42 affordable replacement units, 18 workforce units & 22 market rate).

- Vacant Lot Marketing - Through the work Economic & Community Development will be conducting with Planning & Code Enforcement, we will identify several lots throughout the city ideal for various types of housing, consistent with the comprehensive plan and market for desired housing types based on zoning and location.
- Planning Zoning Code Amendments - Planning & Code Enforcement has been aggressively revising ordinances to support increased housing development. This past summer amendments were made to increase frontage right-of-way provisions increasing the number of house lots permitted to have frontage on a right-of-way. On October 3rd, the Planning Board held a public hearing regarding proposed amendments that will allow multi-family housing in the Highway Business Zone, which is currently not allowed; and, a reduction in parking requirements for residential uses in downtown zoning districts. More revisions may be explored later in the year, but these are the current revisions likely to encourage increased housing development.
- Outreach to local developers - ECD staff will work with local developers in Lewiston to identify how best the city can support additional housing develop where demand and gaps still exist. These areas may include: high-end single family homes, senior housing, or market rate historic rehabs.

LEWISTON CITY COUNCIL

MEETING OF OCTOBER 11, 2022

AGENDA INFORMATION SHEET:

AGENDA ITEM NO. ES-1

SUBJECT:

Executive Session to discuss labor negotiations regarding the International Association of Firefighters, Local 785.

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.

HAH/kmm

REQUESTED ACTION:

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To enter into an Executive Session pursuant to MRSA Title 1, section 405 (6) (D) to discuss Labor Negotiations regarding the International Association of Firefighters, Local 785.