

# CITY OF LEWISTON

CITY COUNCIL

DECEMBER 28, 2001

## REGULAR MEETING HELD IN THE COUNCIL ROOM AT 5:00PM

THE HONORABLE KAILEIGH A. TARA, MAYOR, PRESIDING.

PRESENT: Councilors Gousse, Bernier, Carignan, Jean, Samson, Bilodeau, Acting City Administrator Phil Nadeau and City Clerk Kathleen Montejo.

Pledge of Allegiance to the Flag.  
Moment of Silence.

### EXECUTIVE SESSION

#### VOTE (1)

Motion by Councilor Samson, second by Councilor Carignan:

To enter into Executive Session to discuss Labor Negotiations and Real Estate negotiation, the premature disclosure of the information would prejudice the competitive bargaining position of the City. Passed - Vote 6-0

Session began at 5:05 pm and ended at 5:18pm.

#### **APPROVAL OF A DEVELOPMENT ASSISTANCE AGREEMENT AND PUBLIC HEARING FOR THE ESTABLISHMENT OF A TAX INCREMENT FINANCING DISTRICT FOR WAL\*MART STORES EAST, INC.**

Development Director Greg Mitchell made a presentation to the Council. Walmart plans to build a 480,000 square foot distribution center on a 130 acres site in Lewiston which will service many stores throughout New England. The location is on Alfred Plourde Parkway. The TIF Agreement commits Walmart to invest \$45.5 million, which includes \$20.5 million in real property and \$25 million in personal property. Walmart will annually be reimbursed \$293,000 of their taxes paid on real property, or \$5.9 million over the term of the TIF. The Agreement commits Walmart to employ 350 people within three years of the distribution center becoming operational, which the projected date of the center being operational is April 1, 2004.

Councilor Carignan stated he had questions about the utility expenses, return on investment, environmental operations of the company, landscaping at the site and possibilities of withdrawal from the project by Walmart. Councilor Gousse stated he wants to make sure the City is able to get the best deal possible.

Mayor Tara opened the public hearing to invite public input. Resident Roger Phillipon read a statement from Mayor-elect Raymond in support of the project. John Racine of 209 River Road stated he believes this project is good for the City, yet as an abutter to the

project, he was concerned that he did not receive any notification from the City about this large project. He had questions at the impact on the neighborhood, noise levels, increased traffic and so forth. Resident Marcel Morin stated he supports this project, but noted the assessed valuation of land is too low and suggested the land value should be \$1 million, which is the going price for similar parcels. Bill Leduc of Diamond Phoenix Corporation stated he supports this project and had questions about the increased traffic in the area and recommended additional turning lanes for the trucks. Betsy Hanscome of Woodside Drive stated this is a great project for Lewiston, and suggested the City work closely with Walmart in the building design. She stated she has seen other Walmart distribution centers and they are very ugly buildings, and she urged the City to require a nice looking building with landscaping.

Eight additional residents addressed the Council, and spoke in support of the project, and also echoed earlier comments about the need to work with Walmart on the increased transportation and landscaping. Resident Jake Paris of Pettingill Street stated that he does not feel the City should be providing such a large tax break to a large corporation.

Mayor Tara closed the public hearing at 6:50pm. Councilors asked city staff for additional clarifications on the tax incentives the City is providing Walmart, the employee pay range, the number of jobs guaranteed as part of the TIF, landscaping and other issues. It was noted the State is also providing additional tax incentives, yet Walmart will be paying state taxes as well. This TIF is similar to other agreements that Walmart has received from other locations. It was noted that TIFs are a common economic development tool. It was stated the Council and city staff have been negotiating with Walmart officials for the past eight months on this project, and the specifics have been worked out in great detail. Councilors stated they are pleased to have a Fortune 500 company coming to Lewiston.

**VOTE (2)**

Motion by Councilor Bilodeau, seconded by Councilor Jean:

To authorize the Acting City Administrator to execute the Agreement for Development Assistance and Tax Increment Financing between Wal\*Mart Stores East, Inc. and the City of Lewiston, and to vote to establish the Wal\*Mart Stores East, Inc. Tax Increment Financing District. Passed - Vote 6-0

**APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LEWISTON AND WAL\*MART STORES EAST, INC.**

**VOTE ( 3)**

Motion by Councilor Bilodeau, seconded by Councilor Jean:

To authorize the Acting City Administrator to execute the Memorandum of Understanding between Wal\*Mart Stores East, Inc. and the City, and to ratify the August 14, 2001 agreement between Gendron and Gendron, Inc. and the City of Lewiston. Passed - Vote 6-0

**RATIFICATION OF COLLECTIVE BARGAINING AGREEMENT FOR  
TWO EMPLOYEE UNION CONTRACTS**

**VOTE (4)**

Motion by Councilor Samson, seconded by Councilor Jean:

To ratify the Collective Bargaining Agreement between the City of Lewiston and the Police Supervisors Union, said agreement begin for the period of July 1, 2001 to June 30, 2004, and to ratify the Collective Bargaining Agreement between the City of Lewiston and AFSCME (Public Works Union), said agreement being for the period of July 1, 2001 to June 30, 2004, and to authorize the Mayor to sign the agreements on behalf of the City of Lewiston. Passed - Vote 5-0-1 (Councilor Gousse was not present during this vote.)

**PROPOSED PAY INCREASE FOR SALARIED EMPLOYEES**

**VOTE (5)**

Motion by Councilor Samson, seconded by Councilor Bilodeau:

To table this item until a future Council meeting.

Passed - Vote 4-1-1 (Councilor Jean opposed, Councilor Gousse was not present when this vote was taken.)

**DISPOSITION OF PROPERTY AT 57 BIRCH STREET, 276 BLAKE STREET  
AND 266 PARK STREET AND TO ACQUIRE 245 PARK STREET**

**VOTE (6)**

Motion by Councilor Bilodeau, seconded by Councilor Samson:

Be It Resolved by the City Council that the Acting City Administrator be and hereby is authorized to execute the Real Estate Transfer Agreements, pertaining to the transfer of the property at 57 Birch Street, 276 Blake Street and 266 Park Street to Lewiston Housing Authority, and the acquisition of property at 245 Park Street, and that the City Administrator be and hereby is authorized to make, execute and deliver such deeds and other documents as he, in his discretion, may deem necessary or convenient to the accomplishment of such transaction, contingent upon review and recommendation of the Planning Board. Passed - Vote 6-0

**DISCONTINUANCE OF A PORTION OF HINES ALLEY**

**VOTE (7)**

Motion by Councilor Samson, seconded by Councilor Bilodeau:

That the Order vacating and discontinuing a portion of Hines Alley, be adopted.  
Passed - Vote 6-0

**RESOLUTION FOR THE DESIGNATION OF A DEDICATED FUND FOR AFFORDABLE HOUSING AND DESIGNATION OF THE LOAN REPAYMENTS FROM LEWISTON HOUSING AUTHORITY TO THIS FUND**

**VOTE (8)**

Motion by Councilor Samson, seconded by Councilor Bilodeau:

Recital: On December 11, 2001, the City Council authorized and approved a loan in the amount of up to Two Hundred Fifty Thousand Dollars (\$250,000.00) to the Lewiston Housing Authority for the purpose of assisting the Lewiston Housing Authority in building a community center at the corner of Birch and Bates Street; to be repaid by the Lewiston Housing Authority over a period of Fifteen (15) years , without interest (the "Loan"). The City Council wishes at this time to specify how loan repayments from the Lewiston Housing Authority ("LHA") are to be administered.

Be It Resolved :That funds resulting from repayments of the Loan (the "Funds") shall be retained by LHA. The use of the Funds, including any interest earned by LHA upon the Funds shall be for the purpose of providing financial assistance to home-owners who are eligible purchasers of new or substantially renovated owner-occupied housing in City of Lewiston Census Tracts 201 and 204. Eligible purchasers shall mean individuals or families whose household income does not exceed Eighty Percent (80%) of the median income for the metropolitan statistical area of Lewiston, Maine ("Eligible Purchasers"). Median income shall mean the median income of all residents within the Lewiston, Maine metropolitan statistical area, said median income to be determined in accordance with the Regulations promulgated by the United States Department of Housing and Urban Development.

Be It Further Resolved: The Funds shall be administered by LHA in such fashion as to allow Eligible Purchasers to qualify for first mortgage financing, specifically to meet housing income ratios, with respect to principal, interest, City assessments, insurance, and maintenance obligations, after exhausting other available housing affordability resources and programs.

Be It Further Resolved: That Eligible Purchasers shall be entitled to apply to LHA for financial assistance in the form of a grant on a prospective basis and receive a financial commitment therefore to the extent required to meet first mortgage underwriting requirements or criteria, subject to annual review by LHA and consistent with established practices of due diligence and sound financial practice. In administering this grant program, LHA shall adhere to the following criteria: (i) each grant shall be limited to a maximum of three years; (ii) grants shall be non-renewable; eligibility will be limited to Eligible Purchasers who, at the time of application, in light of applicants' existing and reasonably projected income, and in light of the existing commitments to applicants for available subsidies, including the aid provided by a grant from the Funds, are projected by LHA to be able meet housing income ratios, with respect to principal, interest, City assessments, insurance and maintenance obligations for (a) the period of the grant; and (b) a period of five years following the expiration of the grant.

Be It Further Resolved: That the housing affordability relief provided by this Resolution shall be treated as a pilot program and subject to review and evaluation on or after January 1, 2007 by the City Council. Grant commitments made by LHA shall not, without further City Council approval, extend beyond January 1, 2007. If upon such review the City Council so determines, all loan repayments retained by LHA not used for the foregoing purposes shall be returned to the City by LHA, and LHA directed to remit the balance of Loan Repayments directly to the City.

Be It Further Resolved: That LHA shall annually, prior to April 1<sup>st</sup>, (beginning in the year 2003) report to the City Council upon the performance of the program, including statistics setting forth compliance and default rates with respect to Eligible Purchasers.

Passed - Vote 6-0

**OTHER BUSINESS**

Councilor Bernier stated that during budget deliberations the Council budgeted for a new fire truck for the fire department, but since they received a grant to purchase one, the former City Administrator told the department they could not purchase the one budgeted for. Councilor Bernier noted that the equipment is in poor condition, and the money is needed for the additional truck. The Finance Director stated there is not enough money in the budget to purchase two vehicles, because the grant did not cover the entire cost of one vehicle, and some of the money budgeted for the truck was used to cover the remainder from the grant. It was stated that \$57,000 additional funds are needed for a second vehicle.

**VOTE (9)**

Motion by Councilor Bernier, second by Councilor Carignan:

To authorize the purchase of a second piece of fire apparatus and to authorize \$57,000 to be added to a future bond issue for this purchase. Passed - Vote 6-0

**VOTE (10)**

Motion by Councilor Bilodeau, second by Councilor Jean:

To adjourn at 8:16P.M. Passed - Vote 6-0

A true record, Attest:

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Kathleen M. Montejo, CMC  
City Clerk  
Lewiston, Maine