

City of Sanford



**From the Desk of
Steven R. Buck
City Manager**



Memorandum

To: City Council
Subject: Manager's Report for October 20th, 2015
Date: October 20th, 2015

St. Ignatius Housing Project:

The City received email confirmation on October 19th, 2015 that the application to the Maine State Housing Authority for a Housing TIF for the St. Ignatius Municipal Affordable Housing Development and Tax Increment Financing District has been approved. The Certificate of Approval is copied to the end of this report. The TIF will capture the 62% of the newly captured value and use towards the Housing Project leaving the remaining 38% to the General Fund. This will remain the case until such time as the Council acts to further amend the TIF Designation by assigning the 38% for allowable uses under the stipulations provided under 30-A MRSA Chapter 206, subchapter 3.

Airport Master Plan:

The Airport Master Plan Update has been completed by Airport Manager Rogers working in conjunction with Holy, Tanner Associates, Inc., the City's Airport Consultants. The Update is currently under review by the Federal Aviation Authority (FAA) and the Maine Department of Transportation (MDOT). The Plan will be forthcoming to the Property Subcommittee and then a final review and acceptance by the City Council pending as early as November 10th, 2015.

A separate Business Plan has also been developed by Director Rogers and will also be brought forward for the Council review and amendments with a subsequent request to approve.

Broadband and Municipal Fiber Network:

On October 8th, 2015 I presented on a panel at the Maine Municipal Association's Annual Convention entitled, "Municipal Perspectives on Broadband." Sanford's work on establishing a municipally owned fiber optic network to be constructed and operated via a Public-Private Partnership was summarized. The information was well received and a number of requests were made to later engage with the City on best practices. The municipalities of Islesboro and Orono also presented on their work and the differing approaches taken to date. Islesboro seeks to build an all fiber network to each home on the island funded entirely out of the municipal tax base. Orono has been actively seeking leverage funding for the past few years, has now been

awarded funding under the Northern Border Initiative, and is now seeking design and a public-private partnership relationship. The approaches have been very different.

Sanford continues to work on the funding or Capital Stack for our Project. The Economic Development Authority recently announced pending changes to their application process focused on the eligibility and scoring of the Project and taking applications on a rolling basis. The revised circular should be available mid-December to early January. The State CDBG program is also looking favorable under both job creation as well as public infrastructure. The City is examining the ability to partner with adjoining communities utilizing the USDA and Rural Connectivity funding as well as the ConnectME Authority to contribute to a regional build out.

There are a number of additional areas under finalization and a conference with the National Telecommunications and Information Administration in Washington is pending to further coordinate the multiple sources of funding as it will pertain to Sanford's systems.

Advocacy:

The York County Managers are scheduled to meet to discuss future advocacy positions for York County and to plan for a fall meeting of the entire York County Advocacy Group. Even though it is a short session pending with the State Legislature where the focus is supposed to be emergency legislation and or legislation held over, the atypical nature of the Legislature as of recent dictates attention. As the details of the pending meeting are affirmed, I will notify the Council and public of the time and date. The meeting location is proposed for the Sanford Council Chambers when held.

Medical Marijuana Moratorium:

The prior work by the Zoning and Public Safety Committee was outlined in the last Manager's Report of October 6th, 2015. The work performed to date will be reviewed with DHHS Maine Medical Use of marijuana Program Staff on Thursday, October 22nd, 2015 starting at 10:00AM in the Council Chambers. The meeting is a public meeting. The Subcommittee will review work performed to date as well as ask for direction on future actions or Ordinance amendments to be proposed by the City. Work has been progressing well and rapidly and Thursday's meeting should assist to further expedite the City's work.

School Construction:

City Administration of Codes, Planning, Fire Marshal, Public Works, City Manager, and Superintendent met last week for a preliminary review of Plans pending for the first Preliminary Site Plan Review on Friday October 23rd. The preview was to provide the engineers and architect the opportunity to better understand the City's perspectives even before formal preliminary review increase effectiveness and efficiency of very extensive engineering documents. The High School is nearing 75% completion of Plans and is therefore coming for preliminary review.

The second phase or CBC II meeting was held on October 19th, 2015 to continue the review of all remaining school structures as it pertains to the long-term provision of Pre-K thru 8th grade programming. The CBC II has been working with Harriman Associates on the assessment of all school facilities, except for the New High School Project, and including the current Sanford

High School on a plan to make necessary renovations to these remaining schools to accommodate Sanford's educational needs. The plan will likely recommend the closure of two facilities with the renovation and or additions to other structures. These modifications will seek to accommodate the long-term needs of the Pre-K thru 8 student population and programming while ensuring the consolidation into efficient structures assures long-term sustainability. Once the Plans are further developed, they will be brought forward for public presentation and consideration into a pending recommendation to the State.

CERTIFICATE OF APPROVAL

THIS CERTIFICATE OF APPROVAL is issued by Maine State Housing Authority pursuant to the provisions of 30-A M.R.S.A. Chapter 206, subchapter 3 (the "Statute").

Maine State Housing Authority ("MaineHousing") has reviewed the application of the City of Sanford, Maine (the "City") for approval of the City's designation of the **St. Ignatius Municipal Affordable Housing Development and Tax Increment Financing District** (the "**Affordable Housing District**") as an affordable housing development district and the associated affordable housing development program for the Affordable Housing District (the "**Development Program**") and finds that they comply with the requirements of the Statute, subject to the conditions noted below.

MaineHousing hereby approves the designation of the Affordable Housing District and the Development Program, subject to the following terms and conditions:

1. The designation of the Affordable Housing District is effective as of October 19, 2015. The Affordable Housing District is an approximately 1.83-acre parcel of land at 6 St. Ignatius Street, constituting Lot 55 and a portion of Lot 63 on the City's Tax Map K28 on which is located the former St. Ignatius Church and School, as described and shown in the City's application to MaineHousing for approval of the Affordable Housing District and the Development Program. The intended affordable housing project in the Affordable Housing District is the conversion of the former church and school and the construction of an addition thereto to create 66 units of senior rental housing (the "Project"). The term of the Affordable Housing District and the Development Program will end on the last day of the City's fiscal year 2033, i.e., June 30, 2033.
2. The original assessed value of the Affordable Housing District is \$0.00 as of March 31, 2015.
3. As set forth in the financial plan included in the Development Program and subject to the terms set forth in this Certificate, the City is authorized to retain as captured assessed value (as defined in the Statute) to fund project costs authorized in this Certificate sixty-two percent (62%) of the increased assessed value (as defined in the Statute) of the Affordable Housing District, beginning in tax year 2016 (which covers the period from April 1, 2016 through March 31, 2017) and continuing through tax year 2032 (which covers the period from April 1, 2032 through March 31, 2033).
4. During the term of the Affordable Housing District and the Development Program, tax increment revenues from the Affordable Housing District claimed by the City as captured assessed value may be used only as follows: (i) to pay for the operating costs of the Project, including property management and administration, utilities, routine repairs and maintenance, insurance, real estate taxes, and funding of the Project's replacement reserve account, and (ii) debt service in connection with financing that may be obtained for the Project, pursuant to a Credit Enhancement

Agreement to be entered into by and between the City and the Project owner (the "CEA"), the terms and conditions of which must be consistent with this Certificate.

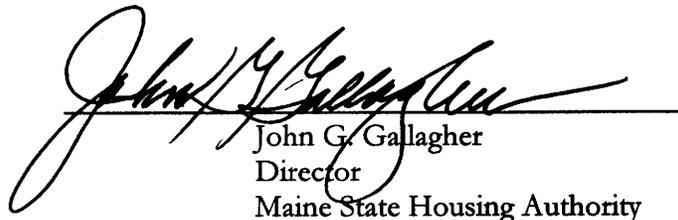
5. No other uses of tax increment revenues from the Affordable Housing District are permitted absent an amendment of the Development Program approved by the City's legislative body after the required notice and hearing and the approval of MaineHousing.

All amounts of tax increment revenues to be claimed by the City as captured assessed value (as defined in the Statute) shall be deposited into a project cost account as required by Sections 5250-A.3.A(1) and 5250-A.3.B(2) of the Statute, which account shall be used by the City only to pay costs authorized in Section 4 of this Certificate.

In its annual report to MaineHousing, the City shall provide information on the actual use of tax increment revenues from the Affordable Housing District and shall include other information required by MaineHousing.

6. Only the amount of increased assessed value (as defined in the Statute) directly corresponding to the portion of tax increment revenues from the Affordable Housing District actually used for the purposes authorized in this Certificate, up to the percentage of such increased assessed value of the Affordable Housing District set forth in Section 3 of this Certificate, may be claimed by the City as captured assessed value (as defined in the Statute) on the municipal valuation return filed with Maine Revenue Services. The City shall not claim as captured assessed value on any municipal valuation return filed with Maine Revenue Services any other increased assessed value of the Affordable Housing District, including but not limited to increased assessed value corresponding to amounts of tax increment revenues from the Affordable Housing District deposited into the City's general fund.
7. By accepting this Certificate, the City agrees that it will comply with all the terms of (i) this Certificate, (ii) the Statute, (iii) Chapter 31 of the Rules of Maine State Housing Authority, Affordable Housing Development District – Recovery of Public Revenue Rule, and (iv) MaineHousing's requirements, as any or all of the foregoing may be amended from time to time.
8. If the City terminates the Affordable Housing District, if the City or the Project owner terminates the CEA, or if the CEA otherwise terminates, the City must promptly notify MaineHousing.

Dated: October 19, 2015


John G. Gallagher
Director
Maine State Housing Authority