

**TOWN OF ORONO
COUNCIL MEETING
COUNCIL CHAMBER - MUNICIPAL BUILDING**

MONDAY, FEBRUARY 11, 2019 AT 7:00 P.M.

MINUTES

1. Roll Call

Present: Council Chair Cindy Mehnert, Tom Perry, Meghan Gardner, Sam Kunz, Laurie Osher, Cheryl Robertson, Tom Spitz and Town Manager Sophie Wilson.

2. Agenda Review - None

3. Approval of Minutes of January 7, January 14 and January 28, 2019

Moved by Tom Perry and seconded by Meghan Gardner. All voted in favor, 7-0.

4. Public Hearings

a. To consider a Victualer's License for Nest Coffee, LLC, 24 Main Street.

Public hearing a. opened at 7:01 p.m. Economic Development Director Dave Milan reported that all inspections have been completed, personal property taxes and sewer have been paid and staff recommends approval of the license. No public comments were made. Public hearing a. closed at 7:02 p.m.

b. To consider a Class X - Class A Lounge - Malt, Spirituous & Vinous Liquor License, Special Amusement Permit for Music, Dancing and Entertainment, and Victualer's License for Irena Bazhba/Kostakis Bazmpas/Kelly Bazmpa dba thedivegrill, inc., 19 Mill Street.

Public hearing b. opened at 7:02 p.m. Mr. Milan stated that this business location was formerly The Roost. He reported that all inspections have been completed, personal property taxes and sewer have been paid and staff recommends approval of the licenses. Owner Mr. Bazmpas stated the business will run the same for now with renovations anticipated this summer. Public hearing b. closed at 7:04 p.m.

c. To consider the designation of the proposed Orono Basin Omnibus Municipal Development and Tax Increment Financing District (the "District"), the adoption of a Development Program and Financial Plan for said District, and execution of a Credit Enhancement Agreement with Hub, LLC (61 Margin Street), all pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended. The proposed municipal development and tax increment financing district consists of approximately 68.71 acres of property located on Ayers Island,

the bridge and land connecting it to the mainland, and an area at the intersection of Island Avenue and Margin Street and identified on Town Tax Map and Lot 027-004-041, 027-004-042, 027-004-092, and 031-002-029-A.

Public hearing c. opened at 7:04 p.m.

Economic Development Director Dave Milan stated that the Tax Increment Financing (TIF) District and Credit Enhancement Agreement (CEA) are mechanisms to allow for development in the basin area. He explained that within a designated TIF district, all the property value that is taxable continues to be taxed; however, the increment (or new value) is sheltered and associated taxes are captured (restricted) to be used only for those activities included in the approved development plan. In this case, the proposed TIF seeks to shelter 100% of the new value created since April 1, 2017. In order to capture the new value (increment) added during April 1, 2017-March 31, 2018, the TIF application is due to the State of Maine Department of Economic and Community Development no later than March 1, 2019.

Adam Toothaker of Forest Avenue asked about the specific deal with the developer for the CEA. Ms. Wilson stated HUB, LLC will pay all the assessed taxes; however, the Town would return 44% of the taxes paid on the new value created by the improvements made to the building at 61 Margin Street for a period of 20 years. She noted that the Town keeps 66% and the funds would be restricted to the district uses. She reviewed the development program uses.

Mr. Milan noted that the CEA has a cap repayment of 20 years or \$100,000.

Paul Schroeder of Hamlin Street commented on his neighborhood concerns regarding development to Ayers Island since 2000. He questioned what notifications were sent out. Ms. Wilson acknowledged the agenda notices and legal advertisements and stated the different requirements for TIFs versus zoning changes. She stated that the TIF District is established for potential future development.

Mr. Schroeder questioned the major cost of a new bridge. Ms. Wilson explained that the TIF looks at all the possibilities within the district, including fixing the bridge; however, there is no current plan for the bridge. He supported a new bridge, but not all the development possibilities.

Mr. Schroeder asked that any potential development be forthcoming to the public and take into account the community impacts. He commented that promises were made in the past for public recreational use on Ayers Island.

Abe Firth, one of the HUB, LLC owners, stated he was excited to develop and invest in the property at 61 Margin Street and that the TIF and CEA will be helpful.

Public hearing c. closed at 7:25 p.m.

5. Acknowledgments by Council Members

Sam Kunz acknowledged that the Council attended the Bangor Area Chamber of Commerce Awards Dinner where Evan Richert and other Orono community members received outstanding achievement awards.

Laurie Osher acknowledged that the Legislature is considering a bill to change the name of Columbus Day to Indigenous Peoples' Day. She noted that Orono adopted this practice last year.

Tom Perry acknowledged the great candidates running for RSU26 and Council seats. He also recognized the efforts of Mark Haggerty and Stephanie Welcomer as the Moderators of Candidates' Night.

Tom Spitz commented that he watched Candidates' Night on Youtube. Mr. Spitz thanked the Public Works crew for their efforts with the roads during storm events.

Meghan Gardner acknowledged the people who attended Candidates' Night. She noted that it was great to see the turnout and people involved.

Tom Perry commented that absentee ballots are available at the Town Office.

Cheryl Robertson acknowledged the multi-cultural, international students and stated that the International Dance Festival will be held on the UMaine campus this weekend. She noted that this amazing event has been held in Orono for 15 years.

Cindy Mehnert thanked the candidates for running. She acknowledged that Tom Spitz will have one more Council meeting before he retires.

6. Unfinished Business - None

7. Consent Agenda

Order 19-17 Order, approving a Victualer's License for Nest Coffee, LLC, 24 Main Street.

Order 19-18 Order, A Class X - Class A Lounge - Malt, Spirituous & Vinous Liquor License, Special Amusement Permit for Music, Dancing and Entertainment, and Victualer's License for Irena Bazhba/Kostakis Bazmpas/Kelly Bazmpa dba thedivegrill, inc., 19 Mill Street.

Order 19-19 Order, confirming the Town Manager's appointment of Peter Hall as an Interim Alternate Electrical Inspector.

Order 19-20 Order, approving a Resolution, Granting Permission with Conditions for the Community to Construct a Pump Track on Town Owned Property adjacent to Orono High School.

Order 19-21 Order, authorizing the Town Manager to discontinue the Town's use of its cable access channel, return unused equipment, and to provide written authorization for Charter Communications, Inc. to reclaim Channel 7 and formally notify customers that the Town has stopped broadcasting on the channel.

Order 19-22 Order, setting March 11, 2019 at 7:00 p.m. as the date for the public hearing to consider Ordinance Amendments to the Town of Orono Ordinances, Chapter 26 Parks and Recreation, and regulation of Town Owned Open Space Ordinance.

Moved by Sam Kunz and seconded by Cheryl Robertson to approve the consent agenda. All voted in favor, 7-0.

8. New Business

Order 19-23 Resolve, approving the adoption of the Orono Basin Omnibus Municipal Development and Tax Increment Financing District (the “District”) and the adoption of a Development Program and Financial Plan for said District.

WHEREAS, the Town of Orono (the "Town") is authorized pursuant to Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended, to designate the Orono Basin Omnibus Municipal Development and Tax Increment Financing District (the “District”) and the Development Program (as amended, the "Development Program") for the District; and

WHEREAS, there is a need for economic development in the Town of Orono, in the surrounding region, and in the State of Maine; and

WHEREAS, there is a need to improve and broaden the tax base of the Town of Orono; and to improve the general economy of the Town of Orono and the surrounding region; and

WHEREAS, implementation of the Development Program will help to improve and broaden the tax base in the Town of Orono and improve the economy of the Town of Orono and the region by attracting business development to the District; and

WHEREAS, there is a need to implement continued economic development initiatives in the District through the Development Program in accordance with the provision of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended; and

WHEREAS, it is expected that approval will be obtained from the State of Maine Department of Economic and Community Development (the “Department”), approving this *Orono Basin Omnibus Municipal Development and Tax Increment Financing District* and the Development Program related thereto.

ORDERED AS FOLLOWS:

Section 1. The Town of Orono hereby designates the District and adopts the associated Development Program for the District; such designation and adoption to be pursuant to the following findings, terms, and provisions:

Section 2. The Town Council hereby finds and determines that:

a. At least twenty-five percent (25%), by area, of the real property within the District, as hereinafter designated, is suitable for commercial uses; and

b. The total area of the District does not exceed two percent (2%) of the total acreage of the Town, and the total area of all existing and proposed development districts within the Town (including the District) does not exceed five percent (5%) of the total acreage of the Town; and

c. The original assessed value of all existing and proposed tax increment financing districts (including the District) does not exceed five percent (5%) of the total value of equalized taxable property within the Town as of April 1, 2013; and

d. The District and pursuit of the Development Program will make a contribution to the economic growth and well-being of the Town of Orono and the surrounding region, and will contribute to the betterment of the health, welfare and safety of the inhabitants of the Town of Orono, including a broadened and improved tax base and economic stimulus, and therefore constitutes a good and valid public purpose. The Town has considered all evidence, if any, presented to it with regard to any adverse economic effect on or detriment to any existing business and has found and determined that such adverse economic effect on or detriment to any existing business, if any, is outweighed by the contribution expected to be made through the District and Development Program.

Section 3. Pursuant to the provisions of 30-A M.R.S.A. § 5227, the percentage of increased assessed value to be retained as captured assessed value in accordance with the Development Program is hereby established as set forth in the Development Program.

Section 4. The Town Manager, or her duly appointed representative, is hereby authorized, empowered and directed to submit the proposed Development Program for the District to the State of Maine Department of Economic and Community Development for review and approval pursuant to the requirements of 30-A M.R.S.A. § 5226.

Section 5. The foregoing designation of the District and adoption of the Development Program for the District shall automatically become final and shall take full force and effect upon receipt by the Town of approval by the State of Maine Department of Economic and Community Development, without requirement of further action by the Town, the Town Council, or any other party.

Section 6. The Town Manager, or her duly appointed representative, is hereby authorized and empowered, at her discretion, from time to time, to make such revisions to the District and Development Program for the District as the Town Manager may deem reasonably necessary or convenient in order to facilitate the process for review and approval of the District by the State of Maine Department of Economic and Community Development, or for any other reason, so long as such revisions are not inconsistent with these resolutions or the basic structure and intent of the Development Program.

Section 7. The Town Manager, in the name and on behalf of the Town, is hereby authorized and directed to enter into a credit enhancement agreement between the Town and Hub, LLC, in substantially the form presented to the Council in advance of the public hearing required pursuant to Title 30-A M.R.S.A. Section 5226(1), and consistent with the description of such agreement in the Development Program.

Moved by Tom Perry and seconded by Sam Kunz to waive the reading of the order.

Moved by Tom Perry and seconded by Sam Kunz to approve Order 19-23. All voted in favor, 7-0.

Ms. Mehnert acknowledged that this is a great way for Economic Development to work with the community.

Order 19-24 Order, authorizing the Town Manager to execute a Credit Enhancement Agreement with Hub, LLC (61 Margin Street), pursuant to the provisions of Chapter 206 of Title 30-A of the Maine Revised Statutes, as amended.

Moved by Tom Perry and seconded by Meghan Gardner. All voted in favor, 7-0.

Order 19-25 Order, adopting Ordinance Amendments to the Town of Orono Ordinances, Chapter 18 Land Use, Sec 18-31 Definitions, Sec 18-126 Buffering and Screening, Sec 18-127 Curb Cuts, Sec 18-128 Design Standards for Streetscapes, Sec 18-168 Site Plan Review, Sec 18-169 Additional Information required of Major Developments, Sec 18-177 Site Plan Review Criteria, Sec 18-206 Preliminary Plan for Major

**Subdivision, 18-210 Standards, to Implement Standards for Parcels
located in the C-2 District with Frontage along Park Street (Route 2).**

Moved by Sam Kunz and seconded by Cheryl Robertson. All voted in favor, 7-0.

Town Planner Kyle Drexler stated that the public hearing was held last month. He recapped the work that had been done to date. He noted that the Comprehensive Plan called for a transportation management plan for the Park Street corridor in an effort to improve conditions on the street for all modes of transportation. In 2018, the Town had the Park Street Transportation Study performed by TYLIN. There were three main recommendations to come out of the study: improvements to the street system, transportation management strategies, and changes to the Land Use Ordinance.

He noted that the goals of the amendment are to make Park Street a connector rather than a divider, set the foundation for human scale development, and create an outdoor room effect on the corridor to allow for a safer experience. The biggest change is the setback requirements for parcels with frontage on Park Street. Other changes in the amendment include limiting driveway widths, increasing the distance between curb cuts, and better aligning the Town's standards with those of MDOT.

Order 19-26 Order, authorizing the Town Manager to enter into an Agreement with Tanko Streetlighting, Inc. for the "Turn-Key LED Street Light Project" for an amount not to exceed \$211,631.93 for the purpose of Purchasing and Converting existing Streetlights to LED lights to Improve Energy Efficiency and Lighting Quality for the Public; and, further, to authorize the Town Manager and Town Council Chair to borrow the cost of the project from The First National Bank in the form of a loan for a term of seven (7) years at an interest rate of approximately 3.30%.

Moved by Tom Perry and seconded by Cheryl Robertson. All voted in favor, 7-0.

Public Works Director Rob Yerxa explained that last year Council approved a contract with Tanko to survey and map all the streetlights owned by the Town or owned by Emera. Tanko and staff identified the following: 448 total fixtures to be converted; 373 fixtures owned by Emera; and 75 fixtures owned by the Town.

Ms. Wilson noted that based upon work that Tanko did with other communities and its previous negotiations with Emera for the purchase of municipal street lights, the purchase of the 373 lights would cost approximately \$37,300. Once the lights are purchased, Tanko would facilitate the bidding, fixture purchase, and conversion of all 448 lights at an estimated cost of \$211,200. The anticipated annual decrease in electricity cost is approximately \$43,000/year. With the ownership of the lights, the Town would also take on the responsibility of maintenance and repair of the lights which is estimated to cost \$6,000. This equates to a net operational savings of \$37,000 per year.

Mr. Yerxa noted that just the light fixtures are changing, not the arm of the lights. He said the LED lights life expectancy is 10 years (with a 10-year warranty).

Tom Perry spoke of the revenue neutral situation with financing the 7-year note and the savings being equal. He noted that after seven years it is all savings.

Mr. Toothaker asked about using the reserve funds within Public Works versus borrowing. Ms. Wilson spoke of funds being needed to rehab the old Public Works Garage.

Order 19-27 Order, contingent upon passage of Order 19-26, authorizing the Town Manager to purchase municipal street lights within the Town of Orono from Emera with an estimated acquisition cost not to exceed \$37,300 with funds being drawn from money remaining in the Public Works Garage Reserve Fund.

Moved by Cheryl Robertson and seconded by Tom Perry. All voted in favor, 7-0.

Order 19-28 Order, authorizing the Town Manager to engage Jennifer L. Vincent, MAI, of Hampden, to complete a commercial appraisal of the Former Public Works Garage located at 98 Penobscot Street at a cost of \$4,000 with funds drawn from the Public Works Garage Reserve.

Moved by Tom Perry and seconded by Sam Kunz. All voted in favor, 7-0.

Mr. Milan explained that last summer, staff received approval from the Maine DEP for a Voluntary Response Action Plan (VRAP) for the former Public Works Garage located at 98 Penobscot Street. As the VRAP allowed for three different uses (single family residential, multi-family residential, and commercial) with three different requirements for site remediation, Council requested that staff engage an appraiser to provide more information about the property value and highest and best use.

Mr. Milan stated, in the fall, requests for proposals for this project went out with no responses. Staff recently reached out again and received one response. Jennifer Vincent, a commercial appraiser, whose work is known by staff as being detailed and of good quality, has indicated that she would fulfill the scope of the RFP by May 1, 2019 for a lump sum cost of \$4,000.

Ms. Robertson asked about any soil contaminations due to the proximity to the river. Ms. Wilson and Mr. Yerxa stated that no contaminates were found and explained that the testing was repeatedly done and still no contamination was found.

9. Council Committee/Representative Reports

Comp Plan Implementation Committee – Chair Meghan Gardner reported that the Committee met February 4th and reviewed changes to the Life Safety program and codes and the Unruly Gathering Ordinance.

Orono Historical Society (OHS)– Ms. Gardner and Mitch will be giving an update on the Keith Anderson Community House after assessing the condition of the building and use.

Finance and Operations Committee – Chair Tom Perry reported that the Committee met February 5th and reviewed the following: changes to the cemetery fees, changes to the landfill fees, Public Works budget assumptions and the Town-UMaine Recreation program which is going well.

Legislative Policy Committee – Tom Perry stated that the MMA Legislative Policy Committee met and took positions on legislation that affect municipalities: restoration of State Revenue Sharing, restoring 55% school funding and increasing the homestead exemption.

Comp Plan Implementation Committee – Chair Sam Kunz reported that the Committee met on January 24th to review the following: property boundary lines downtown in the alley near 19 Mill Street, a preliminary contract zone request from College Avenue Dental Associates (Council supported the concept and the owners are talking with the neighbors), the Basin Omnibus TIF and CEA and permission to construct a pump track near the ice rink (which is easy to remove if necessary).

10. Future Agenda Items/Items of Concern

Cheryl Robertson announced Kid’s Night at Council will be held at 5:30 p.m. on March 11, 2019 (prior to the Council Meeting).

The Annual Municipal Election will be held on March 12, 2019 from 7AM-8PM in Council Chambers. Absentee ballots are available at the Town Office and Candidates’ Night is available to view online on the Town’s website, Youtube Channel and on Facebook.

11. Public Petitions - None

12. Public Comments

Susan Whitmore stated that she attended the MDOT preliminary meeting on repairs to the Kelley Road/I-95 bridge. She also commented on the Town’s website marijuana information.

Ms. Gardner stated the Town’s website provides information regarding marijuana as a resource to the community.

Public Works Director Rob Yerxa gave an overview of the preliminary MDOT public meeting regarding re-decking the Kelley Road/I-95 Bridge.

13. EXECUTIVE SESSION pursuant to 1 MRSA § 405 (6) (E) to Discuss Collective Bargaining with IAFF Local 3106 and Maine Association of Police - Orono Unit

At 8:26 p.m., Sam Kunz motioned and Cheryl Robertson seconded to move into executive session to discuss collective bargaining with IAFF Local 3106 and Maine Association of Police - Orono Unit. All voted in favor, 7-0.

At 9:38 p.m., Meghan Gardner motioned and Cheryl Robertson seconded to move into regular session. All voted in favor, 7-0.

14. Adjournment

At 9:38 p.m., Tom Perry moved and Meghan Gardner seconded to adjourn. All voted in favor, 7-0.

Minutes are not verbatim. A video-recorded version is available on the Town's website at www.orono.org.

Respectfully submitted,

Nancy W. Ward
Executive Assistant