City of Portland, Maine
Finance Committee Meeting
Thursday, June 11, 2015
6:00 pm, Room 209

1. Property Acquisition-Relocation of Public Services
2. Review Budget Corrections and Proposed Amendments
3. Continued Discussion re: CIP Priorities

1. Agenda And Packet For June 11, 2015

   Documents: FC AGENDA JUNE 11, 2015.PDF

2. Finance Committee CIP Update 2.24.15

   Documents: FC CIP WORKSHOP UPDATE 2-24-15.PDF

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AGENDA

1. Property Acquisition-Relocation of Public Services
2. Review Budget Corrections and Proposed Amendments
3. Continued Discussion re. CIP Priorities

Portland, Maine — Yes. Life's good here.

Economic Development Department
Gregory A. Mitchell, Director

MEMORANDUM

TO: Housing and Community Development Committee
Finance Committee

FROM: Greg Mitchell, Economic Development Director

DATE: June 4, 2015

SUBJECT: **Department of Public Services Bayside Relocation Plan –**
- **Recommendation to City Council to Authorize Purchase and Sale Agreement for City to Purchase 250 Canco Road;**
- **Recommendation to City Council to Authorize Appropriation of Funds for Public Services Relocation**

I. SUMMARY OF ISSUE

It has been the policy direction of the City, over a number of years, to relocate the Department of Public Services (DPS) Bayside activities and combine other City Department activities to a single centralized location to support on peninsula City government service delivery. This memorandum outlines an approach to address this City policy.

City owned DPS Bayside occupied properties by use plan include the following:

Property Address/Acreage	City Use	Status
44 Hanover St.	Fleet Services	Active DPS Use
82 Hanover St.	Lower Garage	Active DPS Use
56 Parris St.	Employee Parking	Active DPS Use
55 Portland St.	Administration	Active DPS Use
71 Hanover St.	Satellite Sand/Salt Operation	Site Sold
65 Hanover St./52 Alder St.	Trades/Traffic	Marketed for Sale

City staff recommendation is to proceed with a two phased approach to relocate remaining DPS use out of Bayside, with the exception of the DPS administration and other support activities located at 55 Portland Street, as follows:

PHASE 1 (estimated cost is $4.33 million including property acquisition)
See attached Phased Development Plan and Budget which includes:

- Purchase 250 Canco Road property at $2.7 Million – see attached proposed Purchase and Sale Agreement.

- Acquire portion of JB Brown property shown on the attached plan under a proposed land swap.
- Relocate all DPS operations housed in 82 Hanover Street to 250 Canco Road which frees this property up for sale.
- Relocate the DPS satellite sand/salt shed operation located at 71 Hanover Street to the JB Brown property.
- Shared entrance drive, through 250 Canco Road, to JB Brown property.

PHASE 2 (estimated cost is $8+ Million)

- Requires a community referendum.
- No required property acquisition needed.
- Relocate Fleet Services operations located at 44 Hanover Street to a new addition to 250 Canco Road which frees 44 Hanover Street for sale.

Here is why the phased approach makes sense.

- Acquiring 250 Canco Road and a portion of JB Brown's property is a ***strategic investment*** in creating a 13+ acre City DPS/City Department campus which is centrally located for service delivery to on Peninsula demands. The timing of acquiring 250 Canco Road needs to be made now because of the site is on the market for sale.

- Relocating DPS operations located in 82 Hanover Street frees up one more DPS Bayside property for sale in addition to the City Council approved sale of 71 Hanover (to Bayside Bowl) and the City's announced interest to sell 65 Hanover/52 Alder Street. Selling 82 Hanover Street creates a significant real estate critical mass (combined with the sale of 71 Hanover Street and 65 Hanover/52 Alder Street properties) to attract new private sector investment to this area of Bayside in need of "catalyst" use type projects like the Bayside Bowl/new Squash Center investment.

II. REASON FOR SUBMISSION

Recommendations to the City Council are requested from the Housing and Community Development Committee and Finance Committee to proceed with real estate acquisition and financing options.

III. INTENDED RESULT

The intended result will enable the City to relocate a portion of DPS to a centralized location near the peninsula where a majority of the demand for City governmental services is needed.

IV. COUNCIL GOAL ADDRESSED

It is the goal of the *Bayside Vision 2000 Plan* to relocate Public Services Bayisde operations out of Bayside to support mixed use development.

Promote Economic Development in the City in a manner that provides for increased property values, diversification across industry sectors, and high paying jobs.

V. FINANCIAL IMPACT

An overview of the financial impacts in the form of sources and uses of funds to support Phase 1 are provided below.

Uses		
250 Canco Road	Acquisition Cost	$2.7 Million
JB Brown Property	Acquisition Cost	$0 due to land swap under negotiations.*
Redevelopment Cost for 250 Canco Road and Quarry Road Properties		$1.63 Million
Total Uses:		**$4.33 Million**

***Negotiations are planned to be presented at the HCDC at a July meeting and City Council in August.

Sources		
Existing Real Estate Sales	$930,000	
New City Debt	$3.4 Million	
Total Sources:		**$4.33 Million**

At this time, City staff is not seeking any action from the HCDC, Finance Committee, and City Council on a community referendum. Decisions to proceed with Phase Two, requiring a community referendum, will be made in the future.

VI. STAFF ANALYSIS

City staff has been working on evaluating real estate and facility options, over a number of years, to accomplish the complete relocation of most or all of Public Service Bayside Department activities combined with other departments to a single centralized location to provide City services on or near the Peninsula where a majority of demand for City governmental services are needed.

<u>250 Canco Road</u>

An overview of 250 Canco Road transaction with comments includes:

Property Location: The property is located in a "central service delivery location" in an industrially zoned property with adjacent industrial users.

Property Size: 5.0966 acres

Building Square Footage/Acres: 63,780 sq. ft. building, on 5.1 acres

Municipal Assessed Value: $3,009,990

Purchase Price: $2,700,000

Market Appraisal: $2,870,000

J.B. Brown Quarry Road Property Land Swap

An overview of Quarry Road transaction with comments includes:

Property to Acquire

Property Location: The property is located in a "central service delivery location" in an industrially zoned property with adjacent industrial users.

Property Size: 4 +/- Acres

Purchase Price: Under negotiation. Expected City and JB Brown property trade with collaborating on providing JB Brown property truck access through 250 Canco Road property with the goal of no funds changing hands.

City Property to Swap

Property Location: 0 Cornell Street, 151A-A-13 (City Tax-Acquired)

Property Size: 3.1 Acres

It is noted that the City Council approved a lease/purchase option for 212 Canco Road (Nelson Small building), which can be exercised as of March 1, 2017. City operations located at 65 Hanover/52 Alder Street are planned to be relocated to 212 Canco Road. The Fire Department is an existing tenant at 212 Canco Road.

VII. RECOMMENDATION AND VOTES

This memorandum outlines recommended City Council Committee and City Council actions required to move forward with the DPS Phased Bayside Relocations Plan.

Recommended votes by Committee include:

Housing and Community Development

Vote to recommend to the City Council that it authorize staff to execute the Purchase and Sale Agreement for the City's purchase of 250 Canco Road, as substantially in the form as attached.

Finance Committee

Vote to recommend to the City Council that it authorize the financial appropriation of existing real estate sale proceeds at $930,000 and new debt authorization in the amount $3.4 Million for a total of $4.33 Million.

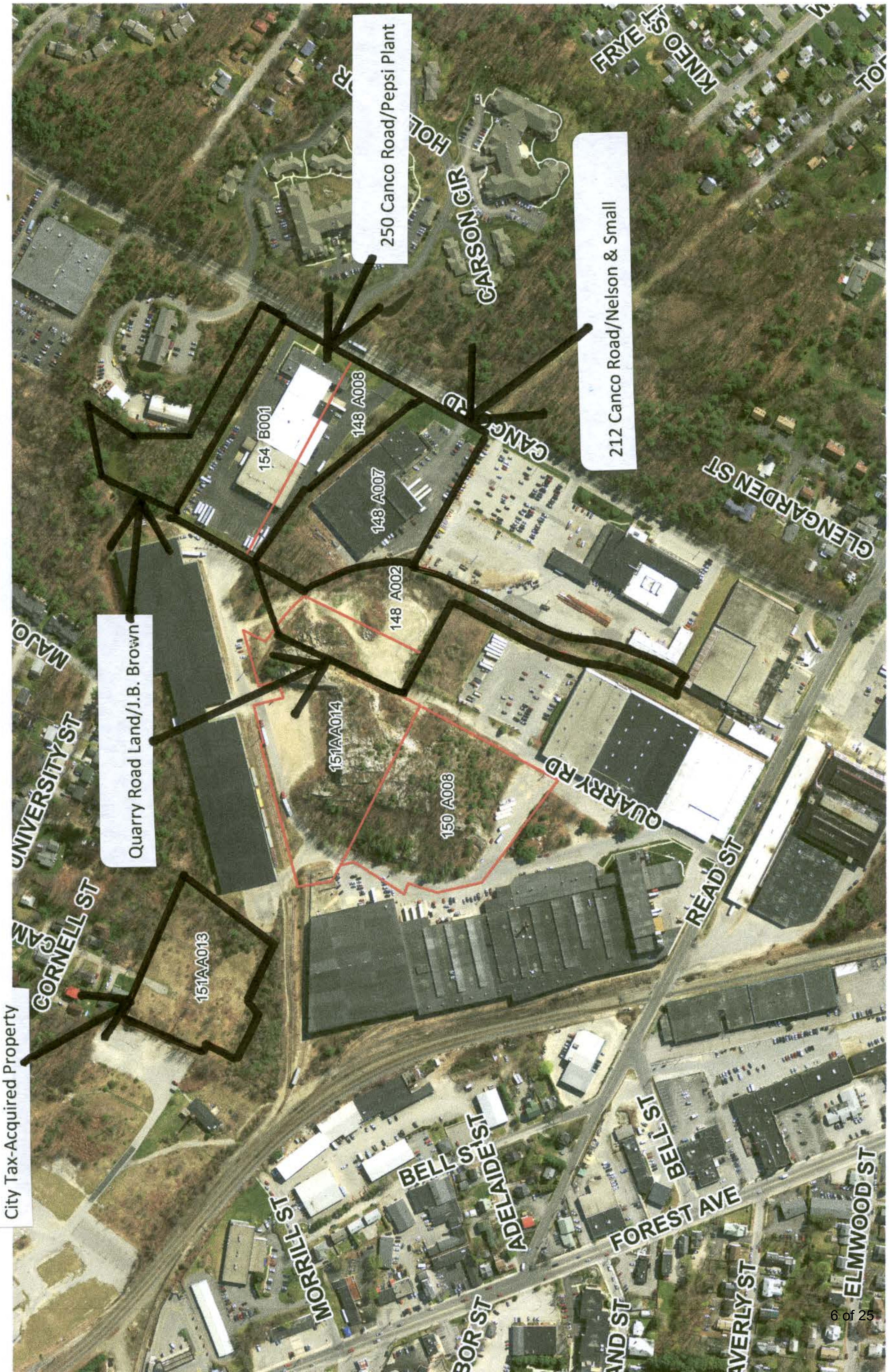
VIII. LIST ATTACHMENTS

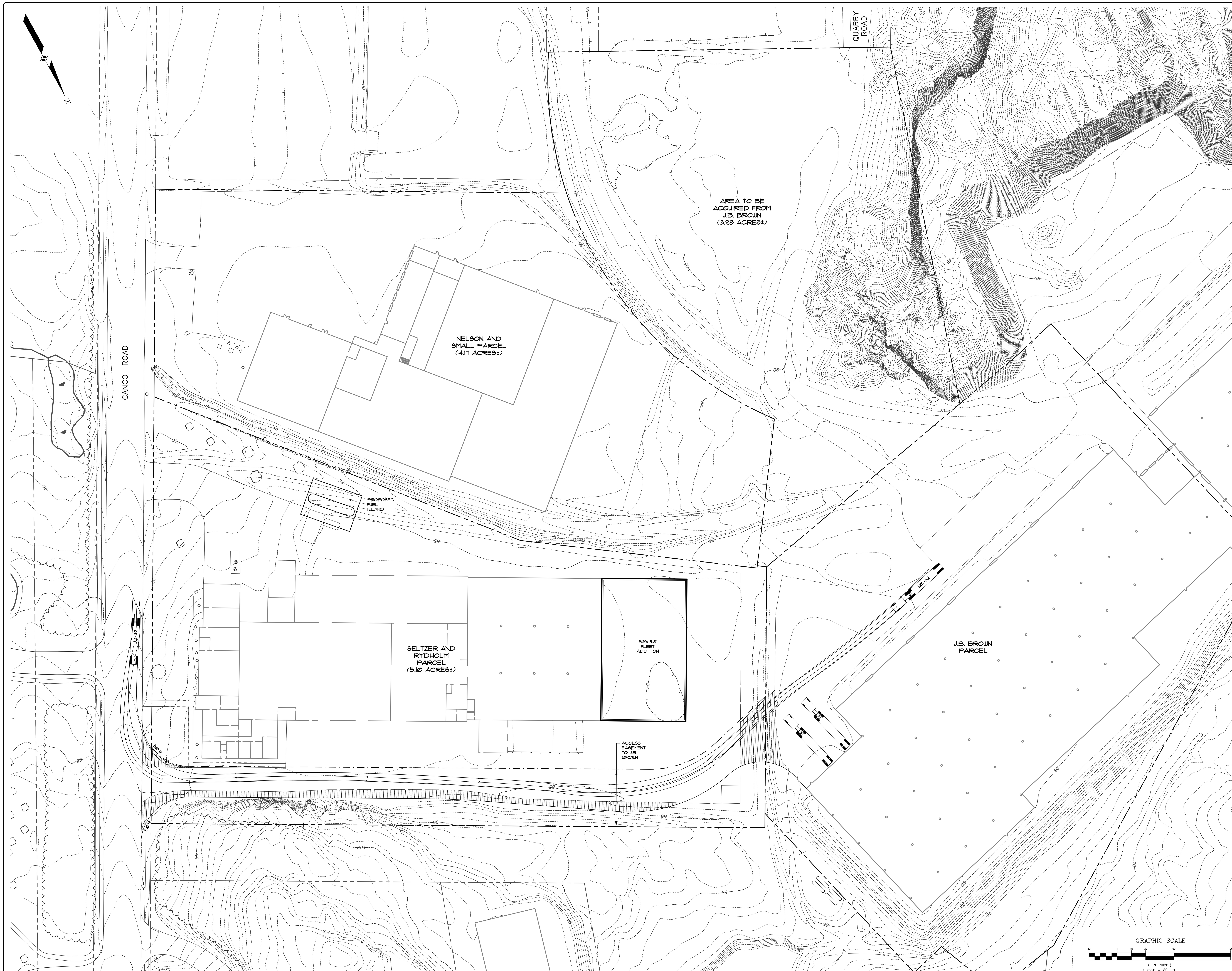
- **A.** Map of DPS Bayside Property
- **B.** Map of Canco/Quarry Road Property
- **C.** Canco/Quarry Road Phased Development Plan
- **D.** Purchase and Sale Agreement for 250 Canco Road

Bayside City Properties

Public Services Main Facilities – Portland St to Kennebec St

ATTACHMENT B





DESIGNED	CHECKED
OAM	OAM

REV:	BY:	DATE:	STATUS:
A	OAM	05-19-15	ISSUED FOR CONCEPT PLAN REVIEW

SEBAGO TECHNICS
WWW.SEBAGOTECHNICS.COM
75 John Roberts Rd. Suite 1A South Portland, ME 04106 Tel. 207-200-2100
250 Goddard Rd. Suite B Lewiston, ME 04240 Tel. 207-783-5656

CONCEPTUAL SPACE PLAN (SELTZER AND RYDHOLM)

OF:
PORTLAND PUBLIC SERVICE
CANCO ROAD
PORTLAND, MAINE
FOR:
CITY OF PORTLAND
389 CONGRESS STREET
PORTLAND, ME 04101

PROJECT NO.	SCALE
15056	1"=30'

SHEET 1 OF 1

15056SK-2006.dwg, TAB:S1

AGREEMENT OF PURCHASE AND SALE

Between

BOTTLING GROUP, LLC

Seller

and

CITY OF PORTLAND

Purchaser

Premises: 250 Canco Road, Portland, Maine

Dated: July ___, 2015

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made and entered into as of July ___, 2015 (the "Effective Date"), between **BOTTLING GROUP, LLC**, a Delaware limited liability company, as seller ("Seller"), and **CITY OF PORTLAND**, a Maine municipality, as purchaser ("Purchaser").

RECITALS

A. Seller is the owner of the Property (hereinafter defined).

B. Seller desires to sell the Property to Purchaser and Purchaser desires to purchase the Property on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller and Purchaser agree as follows: **Purchase and Sale.**

Subject to all of the terms and conditions of this Agreement, Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase and acquire from Seller that certain real property located in the City of Portland, County of Cumberland, in the State of Maine, more particularly described on Exhibit "A" hereto, together with all rights, privileges and easements appurtenant thereto (if any), including, without limitation, any easements, rights-of-way, or other rights appurtenant thereto or used in conjunction therewith, if any (collectively, the "Land"), together with all buildings, improvements, structures and fixtures located therein or thereon (collectively, the "Improvements") now or hereafter located on the Land (the Land and the Improvements are collectively referred to herein as the "Property"). Exhibit A is a copy of the Deed to Seller, which is recorded at Book 21872, Page 312, in the Cumberland County Registry of Deeds.

1. Purchase Price.

The purchase price ("Purchase Price") to be paid by Purchaser for the Property is **TWO MILLION SEVEN HUNDRED THOUSAND and 00/100 DOLLARS ($2,700,000.00)**, payable as follows:

(a) Within two (2) business days after the Effective Date, Purchaser shall deposit with Escrow Agent (hereinafter defined), by wire transfer or by check made payable to Escrow Agent, the sum of **TWENTY-FIVE THOUSAND and 00/100 DOLLARS ($25,000.00)** (the "Deposit"). The Deposit, subject to collection, shall be (a) non-refundable except as otherwise expressly provided in this Agreement in connection with a termination of this Agreement, and (b) credited to the Purchase Price at Closing (hereinafter defined). If the transaction contemplated by this Agreement fails to close, the Deposit shall be paid to Seller or to Purchaser as provided in this Agreement.

(b) At the Closing, Purchaser shall deliver the balance of the Purchase Price in the amount of **TWO MILLION SIX HUNDRED AND SEVENTY-FIVE THOUSAND and 00/100 DOLLARS ($2,675,000.00)**, less or plus the net debit or credit to Purchaser by reason of any prorations or allocations set forth herein, to Escrow Agent, by certified or cashier's check or, at Escrow Agent's option, by wire transfer of immediately available funds to an account designated by Escrow Agent.

3. Title and Survey.

(a) On or before the last day of the Feasibility Period (as defined in Section 13 below), Purchaser, at Purchaser's expense, shall cause CUMBERLAND TITLE COMPANY [1](in its capacity as title agent and settlement agent, the "Title Company") to issue a title insurance commitment relating to the Property (the "Title Report") and to deliver a copy of same to Seller. Any exceptions to title or other matters shown on the Title Report shall be referred to herein as the "Exceptions". Purchaser may, on or before the last day of the Feasibility Period (the "Title Decision Date"), disapprove by notice to Seller any Exceptions which are unsatisfactory to Purchaser. Purchaser's failure to provide such notice on or before the Title Decision Date shall constitute approval of the Exceptions. Within three (3) business days after Seller's receipt of Purchaser's notice of such disapproval, if any, Seller shall deliver a notice to Purchaser (the "Seller's Title Notice") stating that: (i) Seller has removed such disapproved Exceptions such that title shall be marketable, as well as insurable at standard premium rates or will covenant to do so as of or before Closing, or (ii) Seller will not remove such disapproved Exceptions. If Seller does not remove or covenant to remove the disapproved Exceptions as aforesaid, Purchaser shall have the option, by notice to Seller given within two (2) business days after the date of Seller's Title Notice, to: (i) terminate this Agreement as of the date of Seller's Title Notice (upon which the Deposit shall be returned to Purchaser, together with any interest earned thereon, and neither party shall have any further rights or obligations under this Agreement, other than those expressly provided to survive such termination) or waive its objection to the disapproved Exception(s) in question and proceed to Closing, in which case Seller shall have no obligation to remove any such disapproved Exceptions. Notwithstanding the foregoing, Purchaser's right to receive a return of the Deposit shall be subject to Purchaser providing copies to Seller of all Assessment Reports (as defined below) and returning to Seller all Materials provided to Purchaser, each as a pre-condition to the return of such amount.

[1] Contact is Molly C. Litz, Esq., Staff Attorney, molly@cumberlandtitleme.com, 178 Middle St, Suite 402, Portland, ME 04101, 207.899.4907

(b) The Property shall also be conveyed subject to such state of facts as a current, accurate survey of the Property would disclose as of the last day of the Feasibility Period. The Purchaser may, at its sole expense, cause a survey of the Property to be prepared during the Feasibility Period, and may object to matters shown thereon which are unsatisfactory to Purchaser ("Survey Exceptions"). Following the expiration of the Feasibility Period Purchaser shall have no right to object to any matter shown on any survey of the Property or which a current, accurate survey of the Property would disclose as of the last day of the Feasibility Period (collectively, a "Survey"). Purchaser may, on or before the last day of the Feasibility Period (the "Survey Decision Date"), notify Seller in writing of any Survey Exceptions. Purchaser's failure to provide such notice on or before the Survey Decision Date shall constitute approval of the Survey Exceptions. Within three (3) business days after Seller's receipt of Purchaser's notice of such disapproval, if any, Seller shall deliver a notice to Purchaser (the "Seller's Survey Notice") stating that: (i) Seller has removed such Survey Exceptions or will covenant to do so as of or before Closing, or (ii) Seller will not remove such Survey Exceptions. If Seller does not remove or covenant to remove the Survey Exceptions, Purchaser shall have the option, by notice to Seller given within two (2) business days after the date of Seller's Survey Notice, to: (i) terminate this Agreement as of the date of Seller's Survey Notice (upon which the Deposit shall be returned to Purchaser, together with any interest earned thereon, and neither party shall have any further rights or obligations under this Agreement, other than those expressly provided to survive such termination) or waive its objection to the Survey Exception(s) in question and proceed to Closing, in which case Seller shall have no obligation to remove any such Survey Exceptions. Notwithstanding the foregoing, Purchaser's right to receive a return of the Deposit shall be subject to Purchaser providing copies to Seller of all Assessment Reports (as defined below) and returning to Seller all Materials provided to Purchaser, each as a pre-condition to the return of such amount.

(c) At the Closing, Seller shall convey to Purchaser fee simple title to the Property by a duly executed and acknowledged quitclaim deed with covenant (the "Deed"), subject to (i) the Exceptions and Survey Exceptions not removed or required to be removed by Seller hereunder, and (ii) all laws and governmental regulations and ordinances that affect the Property (collectively, the "Permitted Exceptions"). Notwithstanding anything to the contrary contained herein, the existence of any mortgages, liens or encumbrances other than the Permitted Exceptions shall not be objections to title provided that properly executed instruments in recordable form necessary to satisfy the same are delivered to the Title Company at the Closing. Further, unpaid liens for taxes, water and sewer charges and assessments shall not be objections to title, subject to the provisions of this Agreement pertaining to apportionments.

(d) Acceptance of the Deed by Purchaser shall constitute an acceptance of all of the obligations of Seller hereunder except such as may be expressly stated herein to survive of the delivery of the Deed.

4. Closing.

(a) The consummation of the transactions contemplated by this Agreement (the "Closing") shall take place on a mutually agreed upon business day not later than thirty (30) days following the last day of the Feasibility Period (the "Closing Date") by means of the Title Company's standard escrow closing procedures, **TIME BEING OF THE ESSENCE** with respect to Purchaser's obligation to close title on the Closing Date.

(b) At the Closing, Seller shall deliver to Purchaser the Deed and the Non-Foreign Affidavit attached hereto as Exhibit "B" hereto. In addition, Purchaser and Seller shall each deliver such other instruments, funds and prorations as are reasonably required by Seller to close the transactions contemplated by this Agreement and to consummate the transfer of the Property in accordance with the terms hereof, including, without limitation, any necessary transfer tax forms, title affidavits, bills of sale, assignments of contracts and similar documents.

(c) The following prorations shall be made as of 12:01 a.m. on the day the Closing occurs on the basis of a 365 day year:

(i) Real estate taxes and municipal assessments shall be prorated as of the Closing on the basis of the most recent tax and assessment statements for the Property. If real estate tax and/or assessment prorations are not made on the basis of the current tax year or if supplemental taxes are assessed after the Closing for the period prior to the Closing, the parties shall make any necessary adjustment promptly after the Closing.

(ii) Any other items which are customarily apportioned in commercial real estate closings in Cumberland County, Maine.

5. Representations and Warranties.

(a) Seller represents and warrants to and agrees with Purchaser as follows:

(i) Seller is a limited liability company duly formed and existing and in good standing under the laws of the State of Delaware, and has the power and authority to own the Property and to consummate the transactions contemplated by this Agreement. This Agreement and all instruments, documents and agreements to be executed by Seller in connection herewith are or when delivered will be duly authorized, executed and delivered by Seller.

(ii) The representations and warranties of Seller set forth in Section 5(a) are true and correct as of the date of execution of this Agreement and shall be true and correct as of the Closing.

(b) Purchaser represents and warrants to Seller as follows:

(i) Purchaser is a Maine municipality existing under the laws of the State of Maine, and has the power and authority to purchase and own the property and to consummate the transactions contemplated by this Agreement. This Agreement and all instruments, documents and agreements to be executed by Purchaser in connection herewith are or when delivered will be duly authorized, executed and delivered by Seller.

(ii) The representations and warranties of Purchaser set forth in Section 5(b) are true and correct as of the date of execution of this Agreement and shall be true and correct as of the Closing.

6. Closing Costs.

(a) Seller shall bear the costs of one-half Escrow Agent's fee for settlement services, if any, the cost of Seller's legal counsel, the Brokers' commissions, as more particularly provided in Section 11 below, its portion of any real estate transfer taxes payable in connection with the transfer of the Property, and any additional costs and charges customarily payable by sellers in accordance with common real estate practices in Cumberland County, Maine, except to the extent such costs are Purchaser's express obligation under Section 6(b) below.

(b) Purchaser shall bear the costs of the title search and the title insurance premiums for fee title insurance and any mortgage insurance relating to the Property, the fee for recordation of the Deed and any mortgage or other security instrument, one-half Escrow Agent's fee for settlement services, if any, the cost of Purchaser's legal counsel, accountants and other experts, the cost of any Survey or environmental inspection performed in connection with transfer of the Property, and any additional costs and charges customarily payable by buyers in accordance with common real estate practices in Cumberland County, Maine.

7. "As Is".

Purchaser acknowledges that, subject only to the Assessment to be performed during the Feasibility Period pursuant to Section 13 below, it has inspected the Property and is fully familiar with the physical condition and state of repair of the Land and the Improvements, and that Purchaser is taking the Property, in its "as is" condition as of the Closing Date. In no event shall Seller be liable to Purchaser for any latent or patent defects in the Property or any part thereof, or required to remove any violations which may have been posted with regard to the Property. Purchaser acknowledges that, except as specifically set forth in Section 5 of this Agreement, Seller, its members, officers, agents, employees and representatives and their respective successors and assigns (together, the "Seller Parties") have made no representations or warranties to Purchaser, with respect to the past, present or future condition of all or any portion of the Property. Acceptance of the Deed by Purchaser shall constitute an acceptance of all of the obligations of Seller hereunder except such as may be expressly stated herein to survive the delivery of the Deed. Purchaser represents and acknowledges that Seller Parties have made no representations, warranties or agreements (and Purchaser has not relied, directly or indirectly, upon any such representations, warranties or agreements), as to (i) the condition of the Property or any Improvements thereon, (ii) the Property's value, utility, fitness, suitability, use, or economic attributes, or (iii) any other matter. Without limiting the generality of the foregoing, Seller makes no representations, warranties, statements or covenants as to the size or configuration of the Land, the Improvements or any part thereof. Accordingly, Purchaser, on behalf of itself and all of its officers, directors, shareholders, employees, representatives and affiliated entities (collectively, the "Releasors") hereby expressly waives and relinquishes any and all rights and remedies Releasors may now or hereafter have against any of the Seller Parties, whether known or unknown, which may arise from or be related to (a) the physical condition, quality, quantity and state of repair of the Property and the operation of the Property, (b) the property information, the Property's compliance or lack of compliance with any federal, state or local laws or regulations, and any past, present or future presence or existence of Hazardous Materials on, under or about the Property or with respect to any past, present or future violation of any rules, regulations or laws, now or hereafter enacted, regulating or governing the use, handling, storage or disposal of Hazardous Materials, including, without limitation, (i) any and all rights and remedies Releasors may now or hereafter have under the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, and the Toxic Substance Control Act, all as amended, and any similar state, local or federal environmental law, rule or regulation, and (ii) any and all claims, whether known or unknown, now or hereafter existing, with respect to the Property under Section 107 of CERCLA (42 U.S.C.A. §9607). For purposes hereof, the term "Hazardous Materials" shall be deemed to mean any or all of the following: any substance that is toxic, ignitable, reactive or corrosive or that is identified or defined as a hazardous material, hazardous substance, a hazardous waste, a contaminant or a solid waste by any local government, the State of Maine, or the United States government as such identification or definition may be amended from time to time.

8. Inability To Perform.

If Seller shall be unable to perform its obligations under this Agreement for any reason whatsoever other than Seller's willful breach of its obligations under this Agreement, Purchaser's sole and exclusive remedy shall be either to (i) accept such title as Seller is able to convey, without abatement or reduction of the Purchase Price or any credit or allowance on account thereof, or (ii) terminate this Agreement on written notice to Seller, upon which the Deposit shall be returned to Purchaser, and neither party shall have any further rights or obligations under this Agreement, other than those expressly provided to survive such termination.

9. Default.

(a) If Seller shall default in the performance of its obligation to convey the Property to Purchaser in accordance with this Agreement, then Purchaser shall have all rights and remedies available at law or in equity.

(b) If Purchaser shall default in the performance of any of its obligations under this Agreement, Seller shall have all rights and remedies available at law or in equity.

10. Escrow of Deposit.

(a) The Deposit has been or shall be delivered to the Title Company (in its capacity as escrow agent and escrow closer, the "Escrow Agent"), and shall be held by Escrow Agent until the Closing or sooner termination of this Agreement in accordance with the provisions of this Section 10.

(b) Escrow Agent shall promptly place the Deposit into an IOLTA account or accounts pending disbursement in accordance with the terms of this Section 10. At the Closing, the Deposit shall be paid to Seller. If, for any reason, the Closing does not occur and either party makes a written demand upon Escrow Agent for payment of the Deposit, Escrow Agent shall give written notice to the other party of such demand. If Escrow Agent does not receive such written objection from the other party to the proposed payment within ten (10) days after the giving of such notice, Escrow Agent is authorized to make such payment to the requesting party. If Escrow Agent does receive such written objection within such ten (10) day period, or if for any other reason Escrow Agent is uncertain as to its obligations or the rights of the parties hereunder, Escrow Agent shall continue to hold the Deposit until otherwise directed either (i) by written instructions signed by both Seller and Purchaser, or (ii) in accordance with the provisions of a final judgment of a court of competent jurisdiction. In addition, Escrow Agent shall have the right at any time after notice to Seller and Purchaser to deposit the Deposit with the clerk of the court having jurisdiction in the city or in the county in which the Escrow Agent is located. In any such event, Escrow Agent shall give written notice of such deposit to Seller and Purchaser, and upon such deposit, Escrow Agent shall thereby be fully relieved and discharged of its obligations hereunder.

(c) The parties acknowledge that Escrow Agent is acting solely as a stakeholder at their request and for their convenience and that Escrow Agent shall not be deemed to be the agent of either of the parties. Seller and Purchaser shall indemnify and hold Escrow Agent harmless from and against any and all claims, liabilities, losses, costs, damages and expenses, including, without limitation, reasonable attorneys' fees, disbursements and court costs incurred in connection with the performance of Escrow Agent's duties hereunder, except with respect to actions or omissions taken or suffered by Escrow Agent in willful disregard of this Agreement or involving gross negligence on the part of Escrow Agent. Purchaser’s indemnification obligation is made without waiver of Purchaser’s rights under the Maine Tort Claim Act, all of Purchaser’s rights thereunder being expressly reserved.

(d) Escrow Agent may act upon any writing believed by it in good faith to be genuine and to be signed and presented by the proper person or entity, and shall not be liable in connection with the performance of any duties imposed upon Escrow Agent by the provisions of this Agreement, except for Escrow Agent's own willful default or gross negligence. Escrow Agent shall have no duties or responsibilities except those set forth herein.

11. Broker.

(a) Seller represents and warrants to the Purchaser that Seller has not dealt with any brokers or finders in connection with the transfer of the Property other than NAI The Dunham Group (the "Broker"). Seller shall pay the commission owed to the Broker if, as and when the Closing occurs pursuant to a separate agreement. Seller agrees to indemnify and hold harmless the Purchaser against any loss, liability, damage, cost, claim or expense (including, without limitation, reasonable attorneys' fees, disbursements and court costs) incurred by the Purchaser by reason of the breach by Seller of the foregoing representation.

(b) Purchaser represents and warrants to the Seller that (i) neither Purchaser nor anyone on behalf of Purchaser has dealt with any brokers or finders in connection with the transfer of the Property other than the Broker. Purchaser agrees to indemnify and hold harmless the Seller against any loss, liability, damage, cost, claim or expense (including, without limitation, reasonable attorneys' fees, disbursements and court costs) incurred by the Seller by reason of the breach by Purchaser of any of either of the foregoing representation. The provisions of this Section 11 shall survive the delivery of the Deed.

12. Notices.

For purposes of the payment of any amounts due hereunder and all other notices and communications between the parties, the addresses of Seller and Purchaser shall be as follows:

Seller: Bottling Group, LLC
c/o Pepsi Beverages Company
1 Pepsi Way
Somers, New York 10589-2201
Attn: Cynthia M. Poggiogalle, Director of Real Estate
FAX: (914) 767-1076
Email: cindy.poggiogalle@pepsico.com

with a copy to:

Law Offices of Dale J. Lois, PLLC
2 Jefferson Plaza, Suite 100
Poughkeepsie, New York 12601
FAX: (845) 473-2200
Email: dale@levinelevinelaw.com

Purchaser: Michael Sauschuck, Acting City Manager
Portland City Hall
389 Congress St.
Portland, Maine 04101
FAX: (207) 874-8669
Email: mjs@portlandmaine.gov

with a copy to:

Danielle West-Chuhta, Esq.
Corporation Counsel
City Hall
389 Congress St
Portland, ME 04101
FAX (207) 74-8497
Email: DWCHUHTA@portlandmaine.gov

Any notices and other communications to be delivered by either party to the other pursuant to this Agreement shall be in writing and shall be deemed delivered as follows, except as otherwise specifically provided in this Agreement: (a) when hand delivered or telecopied (provided that telecopied notices must be confirmed within any applicable time period plus two (2) days by one of the following methods of notice); (b) one (1) business day after mailing by Federal Express or other overnight courier service; or (c) three (3) business days after deposit in the United States mail by registered or certified mail, postage prepaid, return receipt requested, addressed to the party to be charged with notice at the above-recited address or the above-recited telecopier number or such other address or telecopier number as either party from time to time may designate by notice delivered to the other; provided, however, that no notice of change of address or telecopier number shall be deemed given until received by the party to be notified. Except as otherwise specifically provided herein, in the computation of any period of time which shall be required or permitted hereunder or under any law for any notice or other communication or for the performance of any term, condition, covenant or obligation, the day from which such period runs shall be excluded and the last day of such period shall be included unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next day which is not a Saturday, Sunday or legal holiday.

13. Feasibility Period.

(a) Subject to the terms of Sections 13(c)- 13(e), from the Effective Date to and including the date which is forty-five (45) days after the Effective Date (the "Feasibility Period"), Purchaser, and its licensed (where applicable) and insured consultants (collectively, the "Consultants") shall have the right to conduct due diligence on the Property (the "Assessment"), which shall include, without limitation, the right to enter onto the Property to conduct such tests, inspections and assessments as the Purchaser may desire of the Property at Purchaser's sole cost and expense. In its capacity as Purchaser, in no event shall Purchaser have the right to request a change the zoning status of the Property or enter into any agreement or restriction which would be binding upon, encumber or restrict Seller or the Property prior to Closing. This provision shall not be binding on the City of Portland to its boards as a municipality or its board, respectively, to change the zoning status of the Property.

(b) **Expiration of Feasibility Period**. If the Assessment reveals any condition on, in, under or regarding the Property which is unsatisfactory to Purchaser, Purchaser shall have the right, subject as hereinafter provided, to terminate this Agreement by giving written notice to that effect to Seller and Escrow Agent on or before 5:00 p.m. (in the time zone in which the Escrow Agent is located) on the date of expiration of the Feasibility Period. If Purchaser exercises such right, this Agreement shall terminate and be of no further force and effect, subject to and except for Purchaser's liability pursuant to Section 13(d) and any other provision of this Agreement which survives such termination, and Escrow Agent shall forthwith return the Deposit to Purchaser (subject to Purchaser's obligation under Section 13(e)(ii) to provide copies to Seller of all Assessment Reports (as defined below) and to return to Seller all Materials provided to Purchaser, each as a pre-condition to the return of such amount). If Purchaser fails to provide Seller with written notice of termination prior to the expiration of the Feasibility Period in strict accordance with the notice provisions of this Agreement, Purchaser's right to terminate under this Section 13(b) shall be permanently waived and this Agreement shall remain in full force and effect, the Deposit shall be non-refundable, and Purchaser's obligation to purchase the Property shall be non-contingent. For purposes of this Agreement, "Assessment Reports" means any reports, studies or other information prepared or compiled for Purchaser by any Consultant in connection with Purchaser's Assessment of the Property.

(c) **Conduct of Investigation**. Purchaser shall not permit any mechanic's or materialmen's liens or any other liens to attach to the Property by reason of the performance of any work or the purchase of any materials by Purchaser or any other party in connection with the Assessment conducted by or for Purchaser. Purchaser shall give notice to Seller a reasonable time prior to entry onto the Property and shall permit Seller to have a representative present during each entry onto the Property in connection with the Assessment. Purchaser shall cause the Consultants to conduct the Assessment in such a manner as to avoid any damage or disturbance to the Property. In the event any such damage or disturbance is created by Purchaser or a Consultant, Purchaser agrees to restore and repair same at Purchaser's sole cost and expense. All information made available by Seller to Purchaser in accordance with this Agreement or obtained by Purchaser in the course of its Assessment shall be treated as confidential information by both Seller and Purchaser, and, prior to the purchase of the Property by Purchaser, Purchaser shall use its best efforts to prevent the Consultants from divulging such information to any unrelated third parties except as reasonably necessary to third parties engaged by Purchaser for the limited purpose of analyzing and investigating such information for the purpose of consummating the transaction contemplated by this Agreement. The provisions of this Section 13(c) shall survive the termination of this Agreement, and if not so terminated shall survive (except for the confidentiality provisions of this Section 13(c) as related to Purchaser) the Closing and delivery of the Deed to Purchaser.

(d) **Purchaser Indemnification.**

(i) Purchaser shall reimburse Seller for any actual losses for any and all damages, losses, demands, costs and expenses (including reasonable attorneys' fees, including the cost of in-house counsel and appeals) (collectively, "Losses") arising from or related to Purchaser's or any Consultant's entry onto the Property, and the Assessment or other matters performed by Purchaser with respect to the Property during the Feasibility Period or otherwise.

(ii) Notwithstanding anything in this Agreement to the contrary, Seller shall have the right, without limitation, to disapprove any and all aspects of the Assessment (including, without limitation, a Phase II environmental study of the Property) that in Seller's reasonable judgment could result in any injury to the Property or breach of any contract, or expose Seller to any Losses or violation of applicable law, or otherwise adversely affect the Property or Seller's interest therein. No consent by the Seller to any such activity shall be deemed to constitute a waiver by Seller or assumption of liability or risk by Seller. Purchaser hereby agrees to restore, at Purchaser's sole cost and expense, the Property to the same condition existing immediately prior to Purchaser's exercise of its rights pursuant to this Section 13. Purchaser shall cause all Consultants to maintain (a) casualty insurance and comprehensive public liability insurance with coverages of not less than $1,000,000.00 for injury or death to any one person and $3,000,000.00 for injury or death to more than one person and $500,000.00 with respect to property damage, by water or otherwise, and (b) worker's compensation insurance for all of their respective employees in accordance with the law of the state in which the Property is located.

(e) **Property Materials.**

(i) Not later than five (5) business days after the Effective Date, and subject to Section 13(e)(ii), Seller agrees to provide the following to Purchaser: Phase _ Environmental Site Assessment dated ___________________ prepared by _______________________ (the "Materials").

(ii) The Materials are not, and shall not be, certified to Purchaser by any party, and are provided to Purchaser for informational purposes only. In providing the Materials to Purchaser, Seller makes no representation or warranty, express, written, oral, statutory, or implied, and all such representations and warranties are hereby expressly excluded and disclaimed. The above Materials, and any further Materials provided by Seller to Purchaser under the terms of this Agreement are for informational purposes only and, together with all Assessment Reports, shall be returned by Purchaser to Seller as a condition to return of the Deposit to Purchaser (if Purchaser is otherwise entitled to such Deposit pursuant to the terms of this Agreement) if this Agreement is terminated for any reason. Purchaser recognizes and agrees that the Materials and other documents and information delivered or made available by Seller pursuant to this Agreement may not be complete or constitute all of such documents which are in Seller's possession or control. Purchaser will not rely on such Materials or other documents as being a complete and/or accurate source of information with respect to the Property, and will instead in all instances rely exclusively on its own Assessment and Consultants with respect to all matters which it deems relevant to its decision to acquire, own and operate the Property.

(iii) The provisions of this Section 13(e) shall survive the Closing and delivery of the Deed to Purchaser.

14. Risk of Loss or Casualty.

(a) **Major Damage.** In the event that the Property is damaged or destroyed by fire or other casualty prior to Closing, and the cost of repair is more than $50,000, then Seller shall have no obligation to repair such damage or destruction and shall notify Purchaser in writing of such damage or destruction (the "Damage Notice"). Within 10 days after Purchaser's receipt of the Damage Notice, Purchaser may elect at its option to terminate this Agreement by delivering written notice to Seller, and if Purchaser so terminates this Agreement shall recover the Deposit hereunder (subject to Purchaser's obligation to provide copies of all Assessment Reports and return all Materials to Purchaser as a pre-condition to the return of the Deposit). In the event Purchaser fails to terminate this Agreement within the foregoing 10-day period, this transaction shall be closed in accordance with the terms of this Agreement for the full Purchase Price notwithstanding any such damage or destruction and Purchaser shall receive an assignment of all insurance proceeds pertaining thereto at Closing.

(b) **Minor Damage.** In the event that the Property is damaged or destroyed by fire or other casualty prior to the Closing, and the cost of repair is less than $50,000, this transaction shall be closed in accordance with the terms of this Agreement, notwithstanding the damage or destruction; provided, however, Seller shall make such repairs to the extent of any recovery from insurance carried on the Property if they can be reasonably effected before the Closing. Subject to Section 14(c), if Seller is unable to effect such repairs, then Purchaser shall receive an assignment of all insurance proceeds pertaining thereto at Closing.

(c) **Repairs.** To the extent that Seller elects to commence any repair, replacement or restoration of the Property prior to Closing, then Seller shall be entitled to receive and apply available insurance proceeds to any portion of such repair, replacement or restoration completed or installed prior to Closing, with Purchaser being responsible for completion of such repair, replacement or restoration after Closing from the balance of any available insurance proceeds. The provisions of this Section 14(c) shall survive the Closing and delivery of the Deed to Purchaser.

15. Eminent Domain.

In the event that, at the time of Closing, any material part of the Property is (or previously has been) acquired, or is about to be acquired, by any governmental agency by the powers of eminent domain or transfer in lieu thereof (or in the event that at such time there is any notice of any such acquisition or intent to acquire by any such governmental agency), Purchaser shall have the right, at Purchaser's option, to terminate this Agreement by giving written notice within 10 days after Purchaser's receipt from Seller of notice of the occurrence of such event, and if Purchaser so terminates this Agreement shall recover the Deposit hereunder (subject to Purchaser's obligation to provide copies of all Assessment Reports and return all Materials to Purchaser as a pre-condition to the return of the Deposit). If Purchaser fails to terminate this Agreement within such 10-day period, this transaction shall be closed in accordance with the terms of this Agreement for the full Purchase Price and Purchaser shall receive the full benefit of any condemnation award. It is expressly agreed between the parties hereto that this Section shall in no way apply to customary dedications for public purposes which may be necessary for the development of the Property.

16. General Provisions.

(a) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. Neither Seller nor Purchaser shall have any right, duty or obligation under this Agreement unless and until this Agreement or counterparts hereof have been executed and delivered by both Seller and Purchaser.

(b) This Agreement contains the entire agreement between the parties respecting the subject matter of this Agreement and supersedes all prior understandings and agreements, whether oral or in writing, between the parties with respect to the subject matter of this Agreement.

(c) This Agreement shall be governed by the laws of the State of Maine.

(d) If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any other person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

(e) The waiver by one party of the performance of any covenant or condition under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by the waiving party of any other covenant or condition under this Agreement. The waiver by either or both parties of the time for performing any act under this Agreement shall not constitute a waiver of the time for performing any other act or an identical act required to be performed at a later time.

(f) Time shall be of the essence as to all dates and times of performance under this Agreement.

(g) Purchaser shall not assign its rights or delegate its duties or obligations hereunder, except to an entity owned or controlled by Purchaser. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties to this Agreement.

(h) In the event of any litigation involving the parties to this Agreement to enforce any provision of this Agreement, to enforce any remedy available upon default under this Agreement, or seeking a declaration of the rights of either party under this Agreement, the prevailing party shall be entitled to recover from the other such attorneys' fees and costs as may be reasonably incurred, including the costs of reasonable investigation, preparation and professional or expert consultation, by reason of such litigation.

(i) Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question. Headings used in this Agreement are for convenience of reference only and shall not be used in construing this Agreement.

(j) Purchaser represents, warrants and covenants that neither Purchaser nor any of its partners, officers, directors, members or shareholders (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury (***"OFAC"***) pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (***"Order"***) and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (ii) is listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (iii) is listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State, (iv) is listed on any list or qualification of "Designated Nationals" as defined in the Cuban Assets Control Regulations 31 C.F.R. Part 515; (v) is listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraq Sanctions Act, Publ. L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 60-01-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the ***"Orders"***); (vi) is engaged in activities prohibited in the Orders; or (vii) has been convicted, pleaded nolo contendere, indicted, arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et seq.).

(k) Seller and Purchaser each expressly acknowledge and agree that the transactions contemplated by this Agreement and the terms, conditions, and negotiations concerning the same will be held in the strictest confidence by each of them until Closing and will not be disclosed by either of them to any party outside their respective organizations, except to their respective legal counsel, investors, lenders, accountants and consultants, and except and only to the extent that such disclosure may be necessary for their respective performances hereunder. Nothing contained in this Section will preclude or limit either party to this Agreement from disclosing or accessing any information otherwise deemed confidential under this Section (i) which is, at the time of such disclosure, a part of the public domain through no violation or breach of the confidentiality provisions contained herein, (ii) in response to lawful process or subpoena or other valid or enforceable order of a court of competent jurisdiction or any filings with governmental authorities required by reason of the transactions provided for herein pursuant to an opinion of counsel or (iii) in connection with Purchaser obtaining due diligence information.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

SELLER: BOTTLING GROUP, LLC

By: ______________________________________
Name: Cynthia M. Poggiogalle
Its: Director of Real Estate
Date Signed: April/May __, 2015

PURCHASER: **CITY OF PORTLAND**

By: ______________________________________
Name: Michael Sauschuck
Its: Acting City Manager
Date Signed:
May __, 2015

AGREED TO AND ACCEPTED:

ESCROW AGENT: Cumberland Title Company

By: ______________________________________
Name:
Its:
Date Signed:__________________

Exhibit "A"

Legal Description of Land

[Deed recorded at Book 21872, Page 312, in the Cumberland County Registry of Deeds]

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Exhibit "B"

Non-Foreign Affidavit

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by the transferor, the undersigned hereby certifies the following on behalf of the transferor named below:

1. The transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. The transferor's U.S. employer identification number is _______________.

3. The transferor's office address is c/o Pepsi Beverages Company, 1 Pepsi Way, Somers, New York 10589-2201.

The transferor understands that this certification may be disclosed to the Internal Revenue Service by transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of the transferor.

transferor*	name of person signing*	signature	date

* PRINT OR TYPE

The transferee must retain this certificate until the end of the fifth taxable year following the taxable year in which the transfer takes place and make it available to the Internal Revenue Service when requested.

Amendment #1 - Amendment to Update FY16 City Manager Recommended Budget for Revised Health & Human Services Revenue and Expense Estimates

Background: Projecting the revenue and expenses for the City's General Assistance and Shelters Program has been a very challenging moving target this budget season. During their City Manager level budget discussions Health & Human Services revised their budget estimates based on their existing understanding of cost of audit compliance and their existing understanding of future State funding for General Assistance. As some of those discussions have progressed H&HS estimates have also changed. Given the extra two weeks of budgeting time we asked H&HS to recalculate their estimates based on our latest understanding of the cost of compliance with the audit and our latest understanding of where the state legislature will end up on general assistance funding. The end result is an increase in the estimated revenue we are projecting to receive from General Assistance and a higher cost for our shelter operations. GA revenue will be higher than was originally expected because it appears the Governor's proposed rolling 6 year average calculation and associated cap will not go into effect as proposed. Instead the existing 50% / 90% threshold is likely to remain in place. Shelter costs are projected to rise as it will be more expensive than we expected to implement the new eligibility requirements and associated assessments. However, the net impact of these amendments is positive ($582k). If Finance staff had these revised estimates back in February 2015 then usage of $500,000 in Fund Balance would have not been recommended.

Decrease General Assistance Net Cost	$777,367
Increase Shelters Net Cost	($194,570)
Net Surplus	$582,797

Amendment #2 - Restore Overflow Shelter Funding

Background: As you know, the State Department of Health & Human Services has audited our Shelter practices and had a variety of findings. We've been working closely with our City Department of Health & Human Services to determine how we'll implement the changes required by the audit findings. Our expenses will increase by approximately $267k due to restoration of three shelter attendants, required usage of additional financial eligibility specialists to help us comply with the audit requirements, and conversion of 400 hours of weekly temp labor into four full time shelter attendants.

Increase shelter expense	($265,217)	
Impact per month	($22,101)	
Impact if funded by tax rate	(0.04)	0.2% on top of existing 2.9% increase

Amendment #3 - Fully Fund General Assistance Program for Asylum Seekers

Background: The State of Maine has not been reimbursing us for General Assistance costs related to asylum seekers. This issue is the subject of pending litigation and per discussion with Corporation Counsel reimbursement payments are unlikely in the foreseeable future. However, Council has requested an amendment showing the costs of continuing to serve the asylum seeking population and assuming we would receive reimbursement under the City's interpretation of the current laws. City staff would like to note that although the minimum cost to the City per the amendment below is $519,644 (assuming all reimbursements are received) the maximum cost to City in FY16 could be as high as $3.95M (the total expenditures) if reimbursement payments are not received.

Increase GA client expense	($3,915,535)	
Increase GA revenue from State DHHS	$3,395,891	
Net Impact	($519,644)	
Impact if funded by tax rate	(0.07)	0.4% on top of existing 2.9% increase

Amendment #4 – Fully Fund Full Time Supervising Park Ranger

Background: This amendment proposes to add a full time Supervising Park Ranger. As a result of the full time position addition we'd reduce seasonal park temps by $14k to help offset the cost of a full time position. The remainder would be funded by the Parks Commission thus no impact to tax rate.

Increase Expense - Supervising Park Ranger Wages	($34,133)
Decrease Expense - Temp Help - Seasonal Park Temps	$14,433
Decrease Expense - Contractual Services - Parks Commission	$20,000
Net Impact	0.00

Amendment #5 – Addition of a Part Time Bike / PED Coordinator

Background: During the City Manager Recommended budget cuts we eliminated a vacant Bike / PED Coordinator position. This difficult decision was made because we'd reached the point where budget cuts were required or occupied City positions would have been eliminated instead. The Bike / PED coordinator position was considered to be a "nice to have" but not an immediate requirement for the City. The position would carry a cost to the City of $67,323. Per discussion with Jeff Levine, Director of the Planning and Urban Development Department, even a part time Bike / PED Coordinator position would be helpful for the upcoming year and this amendment proposes to add a part time Bike/PED Coordinator

Add Part-Time Bike/Ped. Coordinator	$33,662	
Impact if funded by tax rate	0.01	0.1% on top of existing 2.9% increase

To: City Council

From: Finance Department

CC: Michael Sauschuck, Acting City Manager, Anita LaChance, Acting Deputy City Manager

Date: May 15, 2015 (updated on June 3, 2015 for most recent City Council budget delay vote)

Subject: Implications of a Delay in City of Portland FY16 Budget Approval

The purpose of this memo is to highlight the positive and negative implications of a delay in vote on the City of Portland's FY16 Budget. There are two possible benefits which have a remote chance of materializing due to a delay in budget approval but these are outweighed by negative tax, cash flow, revenue and operational consequences. The negative implications become more severe each week the budget is not approved.

Potential Positive Implications of a Delay in Budget Approval

If City Council delayed a vote on the FY16 Budget there is an outside chance that a decision may be reached in the ongoing legal dispute regarding reimbursement for general assistance payments for the asylum seeking population. Oral arguments in the court case are scheduled for Friday, May 15th and per discussion with our internal and external legal counsel a decision could be reached by the judge any time after oral arguments conclude. However, true resolution of the matter for all intents and purposes would likely not occur prior to June 30th, 2015 due to the inevitable appeal process which is likely to occur after an initial decision is reached.

If the City Council delayed a vote on the FY16 Budget there is a small chance the State of Maine could finalize their budget prior to the City of Portland finalization. This would be a positive as it would reduce the likelihood of any City budget decisions having an impact on State budget decisions. This would also allow the City to see State legislature budget decisions on items such as school funding, shelters and General Assistance. (Note: State revenue sharing decisions do not have a budget impact until FY17). The Superintendent has promised that any additional funds received via additional State funding would go to reducing the property taxes / fund balance. Additionally, the State budget's decisions on general assistance will not immediately supersede the State Department of Health and Human Service's current reimbursement practices and therefore Staff believes they are generally irrelevant to how the City should responsibly budget for FY16. Finally, any decisions made by the State legislature, even if reached prior to the end of June, are subject to veto by Governor LePage.

Potential Negative Implications of a Delay in Budget Approval

The main negative implication of a delay would be on the timing of our required tax billing. The sooner we can inform taxpayers about their tax liability the better. Citizens expect tax bills to be ready around the same time each year and the amount of complaints from taxpayers will increase significantly if their tax information is not available at the normal time. Treasury has already been receiving an increased volume of calls inquiring about when tax details will be available. Some taxpayers pay by escrow so delays in setting the tax rate will result in delays in recurring billing. Tax bills must be mailed out by July to ensure the taxpayers and escrow companies can pay in a timely manner. Additionally, per discussion with Rick Blackburn, the City Tax Assessor, each year we attempt to commit the tax roll by the end of June so that the 185 day tax appeal period ends in the same calendar year as the commitment.

Each year the City carefully budgets to ensure that City expenditures do not exceed City revenues. Tax revenues are an important component of City revenues. If City taxes are not levied in a timely fashion the City could encounter cash flow issues. The City relies on incoming tax payments to fund outgoing debt payments and operating expenses. The City has a recommended Fund Balance of 12.5% of total expenditures (approximately 2 months of reserve funding) but any significant delay in budget approval would increase likelihood of potential cash flow problems due to lack of revenues being received in a timely fashion.

The delay in budget approval has already had a negative financial impact on City operations. Many licenses and fees are charged and paid in advance. Some fees which are proposed to increase on July 1st, such as City Clerk business licenses and event permits, have been billed in advance. This has already resulted in a loss of an estimated $10,000 in revenue for the City. Ordinance amendments which are not passed as "emergency" orders, requiring 7 votes, at the next Special City Council Meeting will take 30 days to go into effect. However, changes administrative fees (such as the proposed increase in the bag fee) go into effect in 10 days with a simple majority vote. A chart of implementation time frames, absent an emergency vote, is attached.

Finally, there is a long list of additional operational problems caused by a delay in budget approval, including the following:

1. Without an approved budget, the hiring freeze continues and no new or vacant positions will be filled.

2. In June City staff who deal with finance and accounting in each department are in year-end closing mode. Work on year end close cannot begin until a budget is approved. The external auditors will be beginning preliminary field work on June 22nd and City staff must have time to prepare in advance of their commencement of fieldwork.

3. Employees who have been severed due to the FY16 budget cuts have been given 30 days of administrative leave prior to their last day as City employees. Without an approved budget uncertainty exists about whether their administrative leave begins on June 1st, a later date, or whether their jobs will be restored if the budget is approved later.

4. The same uncertainty exists for all employees who have had a job change or promotion which is scheduled to be effective in FY16.

5. The Portland Downtown District ("PDD") uses the tax roll as a basis for its assessments. The PDD needs funds beginning July 1. Although the Assessors don't print and mail the tax bills, we work with IT to get the roll and the bills done in a timely manner (by July 1st at the latest).

6. The same impacts which apply to the PDD also apply to personal property tax billing.

7. Employee morale due to the hiring freeze, the position cuts being in limbo, and the other changes in key City staffing is low. An approved budget would give confidence to City staff that the City Council is willing to make some of the key changes which are required to keep the City moving in the right direction.

8. Assuming the bag fee passes, the intention is to allow residents to continue to use blue bags through the end of July. Later passage gives people less notice and will likely cause more residents to have excess blue bags which they can no longer use. The intention was always to allow residents to exchange the blue bags for purple, paying the difference, The delay will likely inconvenience more people.

Order 234-14/15 Order Authorizing FY2016 Administrative Fees in Various Departments **10 days**

Order 235-14/15 Order Authorizing Increase in Trash Bag Fee **10 days**

Order 236-14/15 Authoring City Manager to Enter in Certain Agreements to Implement the FY2016 Human Resources and Certain Fringe Benefits Budgets **10 days**

Order 237-14/15 Order Re: Self-Insured Liability Program **10 days**

Order 238-14/15 Authorizing City Manager to Enter into Certain Agreements to Implement the FY2016 Health and Human Services Budget **10 days**

Order 239-14/15 Authorizing City Manager to Accept Scholarship Trust Donations and Enter into Trust Agreements **10 days**

Order 240-14/15 Authoring Corporation Counsel to Undertake Civil Actions to Collect Delinquent Personal Property Taxes **10 days**

Order 241-14/15 Authorizing Non-Union Wage Adjustment **10 days**

Order 242-14/15 Designating FY2016 Funds for Specific Island Services **10 days**

Order 243-14/15 Order for Fiscal Year 2016 Appropriating $200,000 from Excess Fund for Casco Bay Transit District **10 days**

Order 244-14/15 Amendment to Portland City Code Chapter 5 (Animals & Fowl) Article VI. Keeping of Domesticated Chickens **30 days**

Order 245-14/15 Amendment to Portland City Code Chapter 10. Fire **30 days**

Order 246-14/15 Amendment to Portland City Code Chapter 15 (Licenses and Permits*) **30 days**

Order 247-14/15 Amendment to Portland City Code Chapter 25, Article II. **30 days**

Order 248-14/15 Amendment to Portland City Code Chapter 28 (Traffic and Motor Vehicles) **30 days**

Order 249-14/15 Amendment to Portland City Code Chapter 25, Article VII. **30 days**

Order 250-14/15 Amendment to Portland City Code Chapter 24 Sewers Article IV. Sewer User Charges Re: Sewer User Charges **30 days**

Order 251-14/15 Fiscal Year 2015-2016 Appropriation Resolve **10 days**

Portland, Maine Yes. Life's good here.

MEMORANDUM

To: Finance Committee

From: Ian Houseal, Assistant to the City Manager, Sustainability Coordinator

Date: June 11, 2015

RE: CIP Asset Inventory

The first sheet attached is a summary of the City's assets with a total of $19 Million in annualized capital reinvestment as presented in the CIP prepared for the Finance Committee in 2012 to help the Committee understand the City's capital needs from an existing asset maintenance standpoint. With the exception of waterfront assets such as piers, wharfs, and seawalls it is believed that all assets are accounted for in the estimate. The calculation is based on estimated useful life and replacement cost using Government Financial Officer Association (GFOA) accepted capital asset management methods. The total estimated replacement cost and estimated annualized replacement cost are calculated, but do not reflect backlog or deferred maintenance. This material is being provided to the committee to help the Committee understand the need based category as compared to the annualized need estimate and funding approved by the City Council in any given year.

As an example, the second set of sheets is also attached drilling-down into the City's vehicles asset class to demonstrate how the asset inventory and annualized replacement cost was derived. The attached schedule shows when certain vehicles need to be replaced based on the estimate of useful life. The chart shows the estimated reinvestment schedule and the existing backlog of vehicle replacements as a red bar on the left side of the graph.

General Fund Capital Reinvestment Needs Assessement Summary

		Full Replacement Cost	Avg. EUL (yrs.)	Reinvestment Percentage		Annualized Reinvestment Cost (per yr.)
General Fund						
Facilities						
Barron Center	$	14,258,880	75	1.3%	$	190,118
City Buildings		78,250,190	106	0.9%		738,884
Fire		8,816,520	80	1.3%		110,706
Parking		17,250,050	87	1.1%		197,750
School Buildings		241,651,655	75	1.3%		3,222,022
Facilities Total		**365,227,295**	**78**	**1.3%**		**4,709,480**
Vehicles						
Barron Center	$	265,000	10	10.0%	$	26,500
Fire		21,050,000	18	5.7%		1,196,048
Parking		425,000	24	4.1%		17,500
Police		1,885,000	4	24.4%		460,071
Public Services		20,321,000	11	9.0%		1,826,803
Recreation & Facilities		1,640,000	11	9.3%		152,222
Health & Human Services		75,000	10	10.0%		7,500
Misc City Hall Departments		130,000	10	10.0%		13,000
School		2,365,592	5	19.7%		466,398
Vehicles Total	**$**	**48,156,592**	**12**	**8.7%**	**$**	**4,166,042**
Equipment						
Barron Center	$	256,000	25	4.0%	$	10,240
Fire		9,495,830	22	4.6%		435,860
MIS		1,515,000	11	8.8%		132,833
Parking		-	-	0.0%		-
Police		-	-	0.0%		-
School		2,670,000	15	6.7%		178,000
Traffic		4,995,000	29	3.4%		170,700
Marine		2,048,000	32	3.2%		64,780
Recreation		5,000,000	20	5.0%		250,000
Parks & Cemeteries		unknown	-	-		unknown
Equipment Total	**$**	**20,979,830**	**21**	**4.7%**	**$**	**992,413**
Infrastructure						
Arterials (Match Funding)	$	197,431,010	125	0.8%	$	1,579,448
Local Roads		295,842,745	85	1.2%		3,500,000
Sidewalks		59,170,357	22	4.6%		2,751,201
Curbing		40,252,000	30	3.3%		1,341,733
Infrastructure Total	**$**	**395,265,102**	**43**	**2.3%**	**$**	**9,172,382**
General Fund Total	***$***	***829,628,819***	***44***	***2.3%***	***$***	***19,040,318***

EUL - Estimated Useful Life

VEHICLE FLEET INVENTORY

Asset Category	Count	Brief Description	Unit Cost	Est. Total Replacement Cost	Est. Useful Life	Est. Annualized Capital Renewal Cost
Fire Dept						
Ambulances	12	Medcu's & Wheel Chair Vans	$ 160,833	$1,930,000	7	$275,714
Boat	1	Fire Boat	$ 3,500,000	$3,500,000	35	$100,000
Bucket Truck	1	Fire Electrical	$ 110,000	$110,000	15	$7,333
Staff Cars	10	Passenger Vehicles	$ 46,000	$460,000	10	$46,000
Ladder Trucks	6	Fire Aerial Trucks	$ 1,083,333	$6,500,000	20	$325,000
Pumpers	17	Pumpers	$ 485,882	$8,260,000	20	$413,000
Pickup Trucks - Compact	1	Compact	$ 20,000	$20,000	10	$2,000
Pickup Trucks - Half Ton	1	Half Ton	$ 35,000	$35,000	10	$3,500
Pickup Trucks - 1 Ton	4	1 Ton	$ 43,750	$175,000	10	$17,500
Vans	2	Vans	$ 30,000	$60,000	10	$6,000
Police Dept						
Frontline Patrol	15	Frontline Patrol & SUVs	$ 33,333	$500,000	2	$250,000
Patrol, Traffic, K9	31	Patrol, Traffic, K-9	$ 16,452	$510,000	5	$102,000
CID & Staff Cars	25	CID	$ 19,200	$480,000	7	$68,571
Specialized (SRT, Bomb, Arrest, ACO, etc)	10	Specialized Vehicles	$ 39,500	$395,000	10	$39,500
Public Services						
Boat	1	Maaco	$ 50,000	$50,000	40	$1,250
Bucket Trucks	5	Forestry, Traffic, and Islands	$ 106,000	$530,000	15	$35,333
Staff Cars	7	Passenger Vehicles	$ 11,429	$80,000	10	$8,000
Construction Equipment	56	Excavators, Loaders, Bull Dozers	$ 79,911	$4,475,000	18	$248,611
Dump Trucks	23	2 Yard	$ 38,478	$885,000	10	$88,500
Dump Trucks	29	6 Yard	$ 127,414	$3,695,000	15	$246,333
Dump Trucks	10	12-14 Yard	$ 146,000	$1,460,000	15	$97,333
Pickup Trucks	12	Compact	$ 18,333	$220,000	10	$22,000
Pickup Trucks	17	1/2 Ton	$ 17,471	$297,000	10	$29,700
Pickup Trucks	30	3/4 Ton	$ 23,833	$715,000	10	$71,500
Pickup Trucks	14	1 Ton	$ 28,929	$405,000	10	$40,500
Vans	12	Vans	$ 32,083	$385,000	10	$38,500
Rubbish Equipment	18	Packers/Recyclers	$ 109,167	$1,965,000	8	$245,625
Rubbish Equipment	4	Rolloffs	$ 108,750	$435,000	8	$54,375
Sidewalk Tractors	12	Holder, Trackless, Belos	$ 116,250	$1,395,000	8	$174,375
Small Turf Equipment	26	Turf Broom, Chippers, etc	$ 20,846	$542,000	15	$36,133
Mowers	32	3' to 16' Cuttting Width	$ 26,469	$847,000	5	$169,400
Snow Blowers	5	Large, Loader Mounted	$ 48,000	$240,000	7	$34,286
Street Sweepers	7	3 & 4 Wheel & Rengenerative Air	$ 115,714	$810,000	7	$115,714
Turf Tractors	8	Ag Tractors	$ 48,750	$390,000	15	$26,000
Vactor	1	Sewer Cleaning	$ 300,000	$300,000	10	$30,000
Wreckers	3	Light Duty, Heavy Duty, Flat Bed	$ 66,667	$200,000	15	$13,333
Recreation & Facilities						
Bucket Truck	1	Bucket Truck	$ 35,000	$35,000	15	$2,333
Construction Equipment	3	Skidsteers & Loader	$ 73,333	$220,000	18	$12,222
Dump Trucks	3	3 - 6 yard	$ 30,000	$90,000	10	$9,000
Mowers	3	60" - 16' cut	$ 80,000	$240,000	10	$24,000
Pickup Trucks	5	Compact	$ 20,000	$100,000	10	$10,000
Pickup Trucks	5	1/2 Ton	$ 25,000	$125,000	10	$12,500
Pickup Trucks	2	3/4 Ton	$ 30,000	$60,000	10	$6,000
Pickup Trucks	4	1 Ton	$ 36,250	$145,000	10	$14,500
Vans	15	Vans	$ 25,000	$375,000	10	$37,500
Rec Busses	3	Activity Bus' & Passenger Van	$ 50,000	$150,000	10	$15,000
Misc Small Turf Equip	5	Rake, Sweeper, Sopper	$ 15,000	$75,000	10	$7,500
Turf Tractor	1	Ag Tractor	$ 25,000	$25,000	15	$1,667
Parking Division						
Pickups	8	Compact Pickup	$ 20,000	$160,000	10	$16,000
Pickups	1	1/2 Ton	$ 250,000	$250,000		
Staff Cars	1	SUV - used	$ 15,000	$15,000	10	$1,500

VEHICLE FLEET INVENTORY

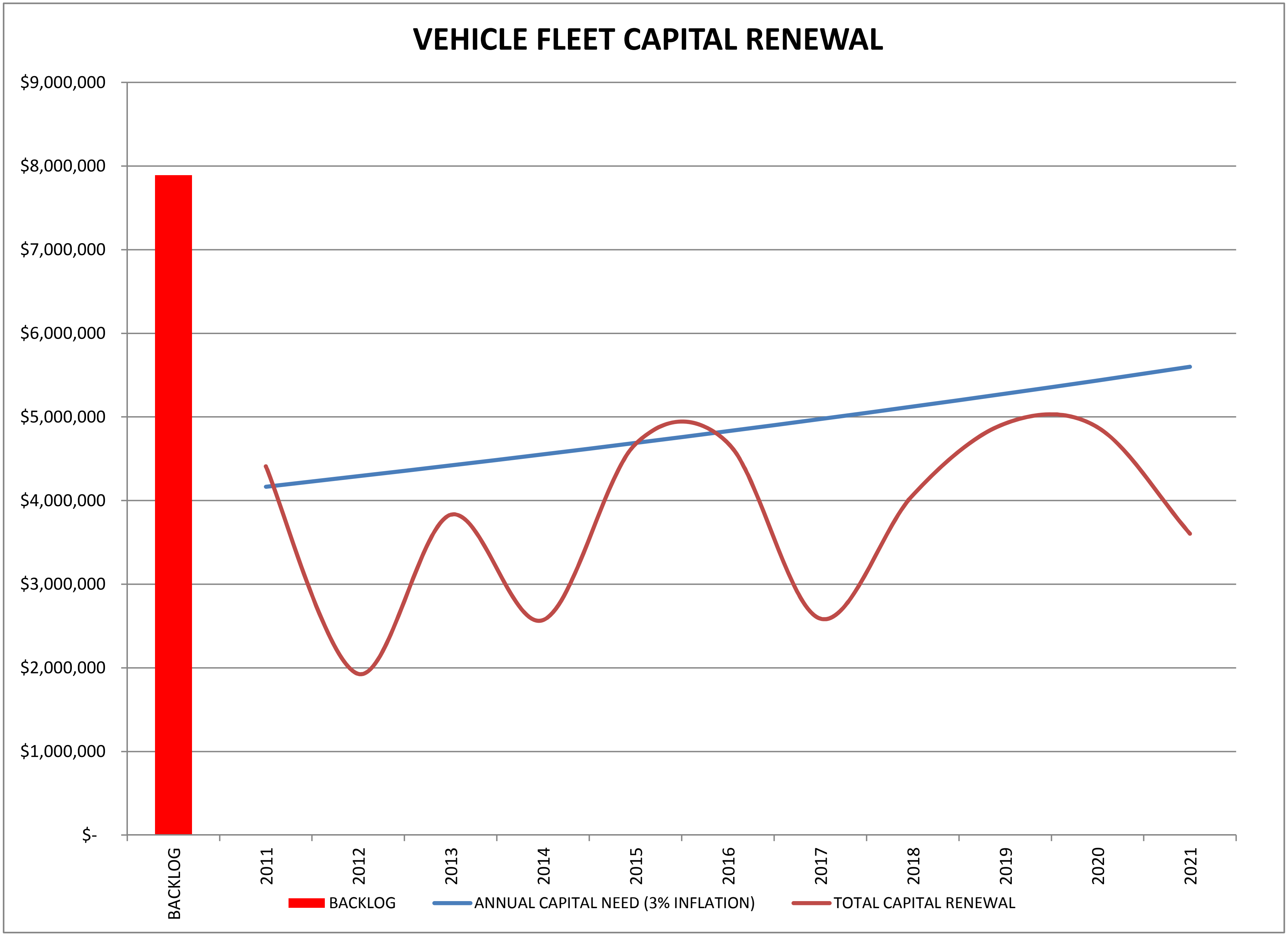
Asset Category	Count	Brief Description	Unit Cost	Est. Total Replacement Cost	Est. Useful Life	Est. Annualized Capital Renewal Cost
School Department						
School Buses	25	buses	$ 88,000	$ 2,200,000	5	$ 440,000
Mini Vans	3	vans	$ 21,864	$ 65,592	4	$ 16,398
Kitchen Delivery Trucks	2	Refrigerated box truck 20 ft	$ 50,000	$ 100,000	10	$ 10,000
Health & Human Svs						
Pickups	1	HHS Pickup	$ 25,000	$25,000	10	$2,500
SUV	1	Homeless Outreach	$ 25,000	$25,000	10	$2,500
Staff Cars	1	Director's Vehicle	$ 25,000	$25,000	10	$2,500
Barron Center					10	$0
Pickups	6	Pickups	$ 32,500	$195,000	10	$19,500
Vans	2	Van & Minibus	$ 35,000	$70,000	10	$7,000
Misc City Hall Departments						
Staff Cars	8	Assessors, Planning, Inspections, Safety, etc	$ 16,250	$130,000	10	$13,000
TOTAL	**577**			**$48,156,592**		**$4,166,042**

VEHICLE FLEET CIP

	BACKLOG	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
CAPITAL RENEWAL													
Fire Dept													
Ambulances	$ 740,000	$ 370,000	$ 530,000	$ 230,000	$ -	$ 60,000	$ -	$ -	$ 1,110,000	$ 530,000	$ 230,000	$ -	$ 3,800,000
Boat	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bucket Truck	$ 110,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 110,000
Staff Cars	$ 160,000	$ -	$ 100,000	$ -	$ 100,000	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ 160,000	$ 620,000
Ladder Trucks	$ -	$ 900,000	$ -	$ -	$ 1,000,000	$ 1,500,000	$ -	$ 1,500,000	$ -	$ 1,600,000	$ -	$ -	$ 6,500,000
Pumpers	$ -	$ 1,315,000	$ -	$ 630,000	$ -	$ -	$ 1,300,000	$ -	$ 740,000	$ -	$ 1,375,000	$ -	$ 5,360,000
Pickup Trucks - Compact	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ 40,000
Pickup Trucks - Half Ton	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000	$ 70,000
Pickup Trucks - 1 Ton	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ 40,000	$ 35,000	$ -	$ -	$ -	$ 100,000	$ 275,000
Vans	$ 30,000	$ -	$ -	$ -	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ 30,000	$ 90,000
Police Dept													
Frontline Patrol	$ 35,000	$ 205,000	$ 290,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 2,780,000
Patrol, Traffic, K9	$ -	$ -	$ 105,000	$ 140,000	$ 35,000	$ 50,000	$ 140,000	$ 105,000	$ 140,000	$ 35,000	$ 50,000	$ 140,000	$ 940,000
CID & Staff Cars	$ 90,000	$ 30,000	$ 30,000	$ 30,000	$ 60,000	$ 15,000	$ 255,000			$ 30,000	$ 30,000	$ 60,000	$ 630,000
Specialized (SRT, Bomb, Arrest, ACO, etc		$ 25,000	$ -	$ -	$ 25,000	$ -	$ 165,000		$ 80,000	$ 30,000	$ -	$ 25,000	$ 350,000
Public Services													
Boat	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Bucket Trucks	$ -	$ -	$ -	$ 420,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 420,000
Staff Cars	$ 15,000	$ -	$ -	$ -	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ 15,000	$ 95,000
Construction Equipment	$ 1,275,000	$ -	$ -	$ 220,000	$ 565,000	$ 270,000	$ 45,000	$ 190,000	$ 395,000	$ 570,000	$ 75,000	$ -	$ 3,605,000
Dump Trucks - 2-4 Yard	$ 705,000	$ -	$ -	$ 50,000	$ -	$ -	$ 90,000	$ -	$ -	$ 40,000	$ 705,000	$ -	$ 1,590,000
Dump Trucks - 6 Yard	$ 300,000	$ -	$ -	$ 150,000	$ -	$ 1,200,000	$ 640,000	$ -	$ 300,000	$ 655,000	$ 150,000	$ -	$ 3,395,000
Dump Trucks - 12-14 Yard	$ -	$ 160,000	$ 160,000	$ 800,000	$ -	$ -	$ 320,000	$ -	$ -	$ 150,000	$ -	$ -	$ 1,590,000
Mowers	$ 728,000	$ -	$ 27,000	$ -	$ 66,000	$ 6,000	$ 748,000	$ 27,000		$ 66,000	$ 6,000	$ 748,000	$ 2,422,000
Pickup Trucks - Compact	$ 80,000	$ 20,000	$ 40,000	$ -	$ 20,000	$ 40,000	$ 20,000				$ 80,000	$ 20,000	$ 320,000
Pickup Trucks - 1/2 Ton	$ 100,000	$ 47,000	$ 25,000	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 25,000	$ 100,000	$ 25,000	$ 422,000
Pickup Trucks - 3/4 Ton	$ 250,000	$ 90,000	$ 60,000	$ -	$ 90,000	$ 40,000	$ 35,000	$ 30,000	$ 90,000	$ 30,000	$ 250,000	$ 90,000	$ 1,055,000
Pickup Trucks - 1 Ton	$ 155,000	$ 45,000	$ 90,000	$ 75,000	$ -	$ 40,000	$ -	$ -	$ -	$ -	$ 155,000	$ 45,000	$ 605,000
Vans	$ 75,000	$ 25,000	$ 85,000	$ -	$ -	$ -	$ -	$ -	$ 200,000	$ -	$ 75,000	$ 25,000	$ 485,000
Rubbish Equipment - Packers & Recycle	$ 520,000	$ 150,000	$ 185,000	$ 185,000	$ -	$ 925,000	$ -	$ -	$ -	$ 670,000	$ 185,000	$ 185,000	$ 3,005,000
Rubbish Equipment - Rolloffs	$ 145,000	$ -	$ -	$ -	$ -	$ -	$ 145,000	$ -	$ -	$ -	$ -	$ -	$ 290,000
Sidewalk Tractors	$ 725,000	$ -	$ -	$ 290,000	$ -	$ -	$ 290,000	$ -	$ 90,000	$ -	$ 725,000	$ 290,000	$ 2,410,000
Small Turf Equipment	$ -	$ 77,000	$ 95,000	$ 35,000	$ 100,000	$ 25,000	$ 25,000	$ 15,000	$ 25,000	$ 25,000	$ 45,000		$ 467,000
Snow Blowers	$ 120,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 120,000	$ -	$ 120,000	$ -	$ 120,000	$ 480,000
Street Sweepers	$ 370,000	$ 220,000	$ -	$ -	$ -	$ -	$ -	$ 220,000	$ 590,000	$ -	$ -	$ -	$ 1,400,000
Turf Tractors	$ 110,000	$ -	$ -	$ -	$ -	$ 30,000	$ -	$ 20,000	$ 30,000	$ -	$ -	$ -	$ 190,000
Vactor	$ -	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 300,000	$ 600,000
Wreckers	$ 75,000	$ 125,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 125,000	$ 325,000

VEHICLE FLEET CIP

	BACKLOG	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL
Recreation & Facilities													
Bucket Truck	$ -	$ -	$ -	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,000
Construction Equipment	$ -	$ -	$ -	$ -	$ -	$ 45,000	$ 120,000	$ -	$ -	$ -	$ 55,000	$ -	$ 220,000
Dump Trucks	$ 45,000	$ -	$ -	$ -	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,000	$ 135,000
Mowers	$ 95,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ -	$ 95,000	$ -	$ 95,000	$ 335,000
Pickup Trucks - Compact	$ 60,000	$ 20,000	$ -	$ -	$ -	$ -	$ 20,000				$ -	$ 80,000	$ 180,000
Pickup Trucks - 1/2 Ton	$ -	$ -	$ 25,000	$ 50,000	$ 25,000	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ 125,000
Pickup Trucks - 3/4 Ton	$ -	$ 30,000	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 60,000
Pickup Trucks - 1 Ton	$ 105,000	$ -	$ -	$ 40,000	$ -	$ -	$ -	$ -	$ -	$ -	0	$ 105,000	$ 250,000
Vans	$ 225,000	$ 75,000	$ -	$ 25,000	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 225,000	$ 600,000
Rec Busses	$ -	$ 50,000	$ -	$ -	$ -	$ 50,000	$ -	$ -	$ -	$ -	$ 50,000	$ 50,000	$ 200,000
Misc Small Turf Equip	$ -	$ -	$ -	$ 55,000	$ -	$ -	$ 10,000	$ -	$ 5,000	$ -	$ -	$ 5,000	$ 75,000
Turf Tractor	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000
Parking Division													
Pickup Trucks - Compact	$ 100,000	$ 40,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,000	$ -	$ 140,000	$ -	$ 300,000
Pickup Trucks - 1/2 Ton	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ 50,000
SUV - Used	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ 30,000
Health & Human Svs													
Pickups	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000
SUV	$ -	$ -	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000
Staff Cars	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,000	$ -	$ 25,000
Barron Center													
Pickups	$ 70,000	$ -	$ 30,000	$ 65,000	$ -	$ -	$ 30,000	$ -	$ -	$ -	$ -	$ 70,000	$ 265,000
Vans	$ -	$ 70,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 70,000	$ -	$ 140,000
Misc City Hall Departments													
Staff Cars	$ 60,000	$ 20,000	$ 25,000	$ -	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 80,000	$ 210,000
TOTAL CAPITAL RENEWAL	$ 7,893,000	$ 4,409,000	$ 1,927,000	$ 3,830,000	$ 2,571,000	$ 4,676,000	$ 4,688,000	$ 2,587,000	$ 4,065,000	$ 4,921,000	$ 4,876,000	$ 3,603,000	$ 50,046,000
ANNUAL CAPITAL NEED (3% INFLATION)		$ 4,166,042	$ 4,291,023	$ 4,419,754	$ 4,552,347	$ 4,688,917	$ 4,829,585	$ 4,974,472	$ 5,123,706	$ 5,277,417	$ 5,435,740	$ 5,598,812	$ 53,357,815


VEHICLE FLEET CAPITAL RENEWAL
$9,000,000
$8,000,000
$7,000,000
$6,000,000
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BACKLOG
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BACKLOG
ANNUAL CAPITAL NEED (3% INFLATION)
TOTAL CAPITAL RENEWAL

Capital Planning for Future/Potential Major CIP Projects
Project Detail

Elementary Schools is for the construction/renovation of the five mainland elementary schools which have not had significant improvements in recent memory. The cost estimates were generated by a school planning effort commonly referred to as "Buildings for Our Future". Resources expended to date include $300,000 in the FY13 CIP to assess the 5 buildings, gather community input and produce preliminary design concepts and cost estimates. The project estimates contained in the proposed 5 year CIP will need to be refined as each design is developed.

The Hall Elementary School project will receive State funding and therefore costs are not represented on the working schedule. An additional $400,000 was allocated, again in the FY13 CIP, for further design work.

All of these projects (including Hall School) will need voter approval via a referendum.

Public Services Relocation More detail will be provided by separate memorandum. Future capital cost estimates provided are estimates **ONLY**.

Congress Square Re-design is to re-design the intersection, plaza, and its surrounding sidewalks and public spaces in coordination with the State/High two-way conversion study. One component of the Congress Square Re-design includes the conceptual design of the entire square and design development and construction specifications for Congress Square Plaza. The other component includes the design development and construction specifications for the square/intersection outside of the plaza.

Funding for design of this project was approved in the FY 07 CIP at $50,000, which was supplemented by $50,000 from RockBridge when the concept included the events center. Costs incurred to date amount to $82,750, including $10,000 expended to evaluate competing options of a rooftop park and a ground plane plaza design. Design is on hold pending direction from the City Council. We estimate that $50,000 - $75,000 is needed to complete the design for the entire project scope.

Construction estimates have been provided by the Planning Office based on advice from the KMDG design team and a more detailed cost estimate for the plaza area provided by Wright-Ryan in November, 2014. Wright-Ryan's cost estimate for a ground level plaza is $1,367,400. Our estimate for the renovation of the square, exclusive of the plaza, provided in a memorandum to the City Council in July, 2014, is a range of $2m to $2.5m. The current CIP request reflects these cost estimates, with $2m requested in FY 18 and $1.375 requested in FY19.

~~**Capisic Pond Improvements** is to improve the existing habitat for the variety of species that currently utilize the pond and improve the aesthetic quality of the pond, while balancing the concerns of local residents and maintaining the existing character of the park. This will be achieved by sediment removal in portions of the pond to increase pond water depth, removal of the current population of cattails in selected areas and increasing the open water component of the pond.~~

~~Total expended to date: $221,000.~~

~~Final Opinion of Probable Construction Cost for Pond Enhancement (including Construction Administration): $2.1M~~

~~More detail is provided in memorandum under separate agenda item.~~

Bayside Transportation implements the overarching A New Vision for Bayside plan (2000) that is part of the city's Comprehensive Plan. The plan identifies land use/redevelopment, infrastructure and transportation opportunities within Bayside to transform the industrial-oriented area into an active urban mixed use neighborhood. Additional area studies influencing transportation investments in Bayside include the Peninsula Traffic Study (not adopted), Marginal Way Master Plan (2006), Peninsula Transit Study (2008), Reclaiming Franklin Street (2009), Franklin Street Study Phase 2 (underway), Somerset Street Re-connection Study (underway) and the State-High Street Two-way Studies (2012 and underway). A Bayside Transportation Master Plan study will begin in ~~April~~ May 2015.

Capital projects in the Bayside area to date include:

- the Bayside Trail (city, state, federal and private funds) for approximately $2.5M
- Chestnut Street extension and sidewalk/lighting
- Marginal Way at Chestnut Street pedestrian crossing (2013), $60,000
- Elm Street sidewalk phase 1 and 2 (2014 and to be constructed in 2015), $70,000 and
- $250,000 respectively from CDBG funds
- Cumberland Avenue sidewalk and lighting, Preble St – Forest Avenue (construction in 2015) for $450,000 and Washington Avenue to Franklin St.
- Oxford Street Paving (MaineDOT, 2014),
- Back Cove South (Marginal Way) Storage Conduit project (to be constructed beginning 2016) for $29,000,000 not including streetscape improvements.

Future capital cost estimates provided are broad estimates **ONLY**.

State St. & High St. is to convert State and High Streets from one-way to two-way. The study has a City Council appointed Project Advisory Committee (PAC) made up of a broad group of stakeholders, co-chaired by Councilors Donoghue and Marshall. The project design team includes City staff, PACTS representative, project consultant, and MDOT officials. Work on the study is approximately 50% complete. PAC meetings have been held and another PAC meeting to be held in early March. *Engineered opinion of costs is still being developed at this time.* The basis for the evaluation builds off a Phase I assessment of the feasibility of converting these two major street corridors from one-way to two-way to improve overall safety for vehicles, and pedestrians.

The study funding to-date ($200,000) includes the evaluation and consideration of design requirements to accommodate this new travel movement including intersection changes, parking removal to accommodate intersection turning movements and traffic modeling to assess overall feasibility.

Capital costs include converting State and High Streets to two-way flow between Marginal Way and York Street, upgrade 15 traffic signals, intersection geometry adjustments at 12 intersections, and median adjustments on the Casco Bay Bridge. ~~Planning Level Cost Estimate **ONLY**: 15 Signals x $100,000 (average per intersection) = $1,500,000, 12 Intersection Geometry Changes x $100,000 (average per intersection) = $1,200,000, Casco Bay Bridge Median Change = $250,000,~~ Total Concept Cost = ~~$2,950,000~~ $3,200,000.

Forest Avenue implements the Transforming Forest Avenue study ($90,000, 2012) adopted as part of the city's Comprehensive Plan. The plan identifies significant opportunities to greatly improve the infill/redevelopment context of the street, pedestrian accessibility along and across Forest Avenue, the quality of the Forest Avenue streetscape, traffic operations, bikeways, and transit facilities and operations to increase ridership.

Additional area studies influencing transportation investments on Forest Avenue include the Peninsula Traffic Study (not adopted), the State-High Street Two-way Studies (2012 and underway), Somerset Street Re-connection (underway) and an upcoming Bayside Trail Extension/Libbytown Trail Study and Design (to begin in June 2015).

Capital projects impacting Forest Avenue to date include:

- the Regional Traffic Management System signal coordination project (MaineDOT, 2012) for $750,000
- I-295 Exit 6 Safety project (MaineDOT, to be constructed in 2015) for $1.0M
- Woodford's Corner Intersection Project (to be constructed in 2016) for $1.6M
- Forest Avenue/Dartmouth intersection project (to be constructed in 2016/2017) for $105,000.
- Additional CIP funds totaling $650,000 have been allocated for bicycle-pedestrian, streetscape and intersection improvements, yet to be designed.

Future capital cost estimates provided are broad estimates **ONLY**.

Libbytown further implements the Libbytown Circulation and Streetscape Study (80% completed, begun in 2012). The study is evaluating the benefits of conversion of the one-way sections of Park Avenue and Congress Street to two-way to contribute to improved safety for all street users and to improve neighborhood livability and accessibility.

Study funding to-date is approximately $115,000.

Capital projects to date impacting Libbytown include:

- Multiple Libbytown sidewalk and streetscape projects on Congress Street and Park
- Avenue (EDA, CIP, CDBG and developer contribution funded) totaling approximately $350,000.
- Fore River Parkway Trail Extension from Thompson's Point Road to/across Congress St (PACTS and CIP) for $275,000.

Spring Street implements the Spring Street-Free Street Area Streetscape Plan (2012) which has been adopted as part of the city's Comprehensive Plan. The plan seeks to make Spring Street a more urban street to improve pedestrian accessibility along and across Spring Street, improve the visual quality of the streetscape and stimulate infill/redevelopment of vacant and underutilized parcels. Study costs to date are $15,000. Phase 1 is to be constructed in 2015 as part of a MaineDOT-administered, PACTS-funded Collector paving project.

Study and design funding to-date is approximately $125,000 with ~~67%~~ 100% expended.

Capital projects to date include:

- Spring Street Redesign project, Phase 1 ($800,000 CIP, $100,000 Unitil, $275,000
- MaineDOT, to be constructed in 2015).

Full implementation of the Spring Street portion of the adopted master plan is estimated to be an additional $3.5M total and are scheduled to take place as infill/redevelopment takes place and as other sidewalk/streetscape fund become available.

Franklin Street Phase II involves recommending the preferred redesign plans for the Franklin Street Corridor from Exit 7/Marginal Way to Commercial Street. Extensive public process has been a characteristic of this project starting in the Phase I concept planning to the current Phase II work with an active Project Advisory Committee (PAC), partnering agreement with PACTS and MDOT, and City for project management and funding. Current project is progressing with final design recommendations; ~~presentations tentatively scheduled with the~~ Transportation Sustainability and Energy Committee ~~for this March~~ approval in May 2015, and City Council, ~~in April or May~~ schedule for approval in July 2015.

Funding for Phase II study was approximately $500,000 and is ~~75%~~ 100% expended; engineered costs estimates are being prepared and are not finalized at this time.

Future capital cost estimates provided are estimates **ONLY**. Possible cost estimates provided are only opinions of costs estimated at $34.3 million. That estimate includes $26.3 million for road reconstruction and $8 million for a sewer and stormwater separation project within the corridor. The project could be built in 3 phases: Phase I is from Middle to Commercial Street estimated at $8 million, Phase II is I-295 Exit to Oxford Street estimated at $8 million and Phase 3 is Oxford, Lancaster to Middle Street which is estimated at $18.3 million.