INFORMATIONAL MEETING AGENDA

Thursday, April 23, 2015

CITY HALL (COUNCIL CHAMBERS)
Immediately Following Special Business Meeting

A. Items for discussion submitted by the City Council and/or the City Manager:

   1. Substance abuse issues in the City of Augusta – Councilor Bilodeau
   2. REO Committee Recommendations – Dan Nichols
   3. Elsie Viles Estate donation for Alumni Field – Bill Bridgeo
   4. Airport Advisory Committee Ordinance – Councilor Munson

B. Persons wishing to address the City Council who have submitted a formal request in accordance with Section 2-61 of the Code of Ordinances:

C. Open comment period for any persons wishing to address the City Council.
The Other Real Estate Owned Committee minutes of the March 26, 2015 meeting are below. The meeting was called to order by Committee Chair Councilor Jeffrey Bilodeau. Those in attendance were:

Dale McCormick, Councilor at Large
Anna Blodgett, Councilor at Large
William R. Bridgeo, City Manager
Matt Nazar, Director of Community Development
Dan Nichols, Staff to Committee

Public Present, Heather Cunningham

It was discussed and decided by consensus to amend the name of the Committee from “Other Real Estate Owned” (OREO) Committee to “Real Estate Owned” (REO) Committee. No vote taken.

**Item I. 1144 South Belfast Avenue, map 65, lot 13.** Nichols provided the group with a brief bid history of the property and how we got to where we were today. Cunningham explained to those in attendance her and her husband’s intended use of the property, and the fact that the property is unbuildable. There was some concern regarding the City’s obligation to accept the highest bid to be offered on a piece of Tax Acquired Property and whether the high bidder, Linda Adams would have any recourse against the City. Mr. Bridgeo reinforced that Corporation Counsel states that we are under no obligation to accept the highest bid, especially if there are compelling reasons not to do so, such as the highest bidder already owning property that is outside the scope of compliance with City codes. Mr. Nazar distributed to the Committee members “Municipal Officers Role” obtained from the Maine Municipal Association with respect to the disposition of tax acquired property.

**Recommendation:** All were in agreement with accepting the offer from the Cunninghams. Motion to recommend to City Council to accept offer of $330.00 from Peter and Heather Cunningham was moved by Councilor McCormick, seconded by Councilor Blodgett. 3 yeas, 0 nays. Motion passed.
Item II. 94 Winthrop Street, map 27, lot 121. Nichols and Nazar provided the Committee with the history of the property. A significant amount of discussion followed on which avenue to pursue with respect to disposition of the property, i.e. public outcry auction or sealed bid auction. The pros and cons regarding both options were discussed in detail. Concerns over deed restrictions prohibiting razing of the building, time period to remodel and obtain a certificate of occupancy, bid reserve and bid deposit were discussed. Councilor McCormick felt that the Keenan Auction option had been “fleshed out” by staff, but that she would like to look deeper into the sealed bid option. Also, significant concern was expressed with respect to what are the permitted uses of the property. Councilor McCormick indicated she would like additional input from Councilor Conti. Chairman Bilodeau asked that Councilor McCormick and Councilor Conti develop criteria to be used for the bid process of this property and prepare comments to be presented at the April 9, 2015 Council Informational meeting. It was determined that the property will be sold as-is, with not further clean up by the City. Councilor Bilodeau and Blodgett voted to send the property to Keenan Auction service. Councilor McCormick voted for sealed bid and if to Keenan Auction Service she would like to add some permitted uses language add to the RFP.

**Recommendation:** Send to Keenan Auction Services as soon as possible and get the highest price for the property as possible. 2 yeas, 1 nays. Motion passed

Item III. 110 Northern Avenue, map 35, lot 289. This is a 2 unit, unoccupied property. The attached barn that is slated for demolition due to safety issues. What will be remaining is a 2 unit apartment house in fair condition. It was decided that Nichols will reach out to the Augusta Housing Authority to determine if there is any interest by the Authority in purchasing the property. If there is, negotiations on the sale price will begin between the City Manager’s office and Augusta Housing Authority. If not, Nichols will advise the Committee Chair and disposition of the property will be determined at a later REO meeting. Additional this may be a good property to list with a real estate agent.

**Recommendation:** Sell the property, possibly list it with a real estate agent or sealed bid. 3 yeas, 0 nays. Motion passed.

Item IV. 10 Kennedy Road. Map 62, lot 5. This is a vacant, uninhabitable mobile home on 0.86 acres of land on a dead end, in town dirt road. Tax assessed value is $15,000 for the mobile home, $21,800 for the land. This will be brought forward to the City Council information meeting of April 9, 2015, then to the City Council business meeting on April 16, 2015 seeking authorization for the City Manager to hold a sealed bid auction.

**Recommendation:** Sell the property, sealed bid. 3 yeas, 0 nays. Motion passed.
Item V. Proposed for demo. Nichols informed the Committee that the following properties are scheduled for demolition. 97 Bog Road and partial demo (barn only) at 110 Northern Avenue. Nichols provided photos of each property to the Committee members. An RFP to that affect is outstanding, and will be opened on Thursday, April 2, 2015.

Recommendation: Use the funds from the Real Estate Committee to Demo the properties. 3 yeas, 0 nays. Motion passed.

Item VI. Handouts. Nichols provided the Committee with handouts pertaining to “Municipal Real Estate Tax Liens and the Automatic Foreclosure Process” and an article from the August 2014 issue of Maine Townsman titled “Tax-acquired Property: 10 years, 10 Legal Notices”.

There being no further business, the meeting adjourned at 6:28 pm. The next scheduled meeting of the Real Estate Owned Committee will be held in Conference Room D on Wednesday, April 15, 2015 at 5:00 pm.

Request City Staff: Real Estate Chair request that as RFP to have a real estate agency available to determine if a tax acquired property should be listed or just sold.

Respectfully Submitted by:

Daniel A. Nichols, Staff
Economic and Community Development Dept.

/dan
The Real Estate Owned Committee minutes of the March 26, 2015 meeting are below. The meeting was called to order by Committee Chair Councilor Jeffrey Bilodeau. Those in attendance were:

Dale McCormick, Councilor at Large
William R. Bridgeo, City Manager
Dan Nichols, Staff to Committee

Anna Blodgett, Councilor at Large, absent

From the minutes of the March 26, 2015 Real Estate Owned Committee meeting:

Item 2. **“94 Winthrop Street, map 27, lot 121.”** Nichols and Nazar provided the Committee with the history of the property. A significant amount of discussion followed on which avenue to pursue with respect to disposition of the property, i.e. public outcry auction or sealed bid auction. The pros and cons regarding both options were discussed in detail. Concerns over deed restrictions prohibiting the razing of the building, time period to remodel and obtain a certificate of occupancy, bid reserve and bid deposit were discussed. Councilor McCormick felt that the Keenan Auction Company option had been “fleshed out” by staff, but that she would like to look deeper into the sealed bid option. Also, significant concern was expressed with respect to what are the permitted uses of the property. Councilor McCormick indicated she would like additional input from Councilor Conti. Chairman Bilodeau asked that Councilor McCormick and Councilor Conti develop criteria to be used for the bid process of this property and prepare comments to be presented at the April 23, 2015 City Council informational meeting. It was determined that the property will be sold as-is, with no further clean up by the City. Councilors Bilodeau and Blodgett voted to utilize Keenan Auction Company. Councilor McCormick voted for a sealed bid process, and should Keenan Auction Company be utilized, she would require specific criteria be added to the deed of transfer.

**Recommendation:** Forward to Keenan Auction Company in order to obtain the highest price possible for the property. 2 yeas, 1 nay. “Motion passed”

As a follow-up discussion, on April 15, 2015 it was decided by the REO Committee add the following criteria to the sale of 94 Winthrop Street:

- No additional paving area to be allowed on property
- The exterior of the building must retain its original architectural integrity and character
- The renovations to the building must begin within 6 months of transfer of ownership
Certificate of Occupancy must be issued no longer than 18 months from date of transfer of ownership.

Successful bidder must provide to the City of Augusta verification of the financial ability for her/him to complete project and meet sales criteria.

Should expected performance criteria not be met, property ownership will revert back to the City of Augusta.

Item 3. 9 Patterson Street, map 38, lot 29. This is a vacant, 3 unit apartment house that sits on a .16 acre in town lot. After a brief discussion on the condition and location of property, it was recommended that Nichols contact Amanda Bartlett, Executive Director of the Augusta Housing Authority to determine their potential level of interest.

**Recommendation:** Should the Augusta Housing Authority not be interested, property would be sold by way sealed bid. 2 yeas, 0 nays, 1 absent. “Motion Passed”

There being no further business, the meeting adjourned at 5:40 pm.

Respectfully Submitted by:

Daniel A. Nichols, Staff
Economic and Community Development Dept.

/dan
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The signature indicates this is a legal document by a duly elected assessor.
April 14, 2015

Daniel Nichols (via email Daniel.nichols@augustamaine.gov)
City of Augusta
16 Cony Street
Augusta, Maine 04330

Re: Auction Proposal 15-160 ~ Tax Acquired Property
   Single Family Home, .27+/-Acres, Tax Map 27, Lot 121
   94 Winthrop St., Augusta, Maine

Dear Dan:

The Keenan Auction Company is pleased to present the following proposal in connection with the above-referenced real estate.

**Proposed Auction Date** - Monday, June 1, 2014 at 3PM

**Proposed Preview Date** - Tuesday, May 19, 2014 from 2:30-3:30PM

**Proposed Auction Location** – On premises

**Proposed Sale Type** - Reserve auction. The seller can accept or reject the high bid.

**Auctioneers Fee** - 6% of final purchase price plus approved advertising and expenses. Auctioneer reserves the right to fees if the property is sold prior to auction or within 30 days after the auction.

**Buyer's Premium Real Estate**: 10% (ten percent). A 10% buyer's premium will be added to the high bid prices to equate the final purchase price. Example: High bid is $30,000. Add 10% Buyer's Premium of $3,000. The final purchase price is $33,000. Auctioneer's fee would be $1,980. **Auctioneer doesn’t retain the Buyer's Premium.**

**Buyer's Broker Participation Program** - Brokers registering a winning bidder will receive a 2% commission on the high bid price to be paid as follows: 1% by Keenan Auction Company, and 1% by Seller.

**Advertising Budget** - $2,405.00 (schedule enclosed)

**Open House & Auction Budget** - $350.00

**Contingency Fees** - Court testimony - Keenan Auction Company hourly rate and expenses.
   - Non-confirmed or canceled sale - $500 plus approved advertising and expenses.
Auction Proposal 15-160
Page 2

Auctioneer's Duties:
Inspect real estate and photograph for advertising, and sales purposes
Prepare and place marketing advertising
Arrange publication and mailing of brochures
Assemble and print property information packages (PIP)
Post auction brochures and PIP on auctioneer's web site
Have sign prepared, installed, and removed
Conduct preview and showings
Arrange for auction day logistics
Conduct auctions & execute purchase & sale contracts

City and Its Attorney's Duties - Provide the following for the Property Information Package:
Approval of Terms & Conditions of Sale
Approval of Purchase & Sale Contract
Proposed Deed
Completion of property disclosure form
Specimen Title Insurance Policy and purchaser's cost (if available)
Environmental Site Assessment Report (if available)
Any other appropriate legal documents
Coordinate the closing

Suggested Real Estate Terms:
Deposits to Bid - $5,000 in cash or personal check
Closing Period - 30 Days

Thank you for the opportunity to present our proposal. If it is satisfactory, kindly acknowledge below and return a copy for our files.

Sincerely,

Stefan P. Keenan – Maine Auction License #956

Enc.

PROPOSAL SEEN AND AGREED TO:

Seller

By: ___________________________ Date: ______
Its:
# Auction 15-160
## ADVERTISING BUDGET AND SCHEDULE

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**Upcoming Auctions Calendar**
Calendar alternating between the Bangor Daily News and the Maine Sunday Telegram

**DIRECT MAIL**
Includes: 5-6,000 pcs, four-color, 70lb high gloss paper, photography, layout, design, printing, labels, first class postage and handling.
Mailing to our in-house recreational and investor buyer lists.

**PROPERTY INFORMATION PACKAGE**
A detailed Property Information Package (PIP) will be assembled and provided to prospective bidders who inquire at our office, visit the website, and attend the preview. (10 at $10.00 each or actual)

**INTERNET WEBSITE ADVERTISING**
Keenanauuction.com ~ Auctioneer will post the auction brochure and the PIP to its website at www.keenanauuction.com. The availability of the online PIP for review and downloading will help to keep hard copy printing cost to a minimum. Website experiences high Internet traffic counts for Maine auctions and averages over 20,000 hits monthly.
Auction Email Notification will be sent to over 11,000 prospective bidders. Includes a list of commercial and investment buyers.

**SIGNAGE**
(1) 4X4 chloroplast sign w/ graphics. Includes placement and removal.

**REAL ESTATE FOLLOW-UP CALLS**
A Keenan Auction Company agent will ascertain auction interest by conducting follow-up calls to prospective bidders, and report to Seller. (15 calls at $2 each or actual)

**TOTAL ESTIMATED ADVERTISING**
$2,405.00
### Real Estate Appraised Fair Value

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#### Appraisals

- **Adj & Valuation Method**
- **Total Appraised Fair Value**
- **26.000**
- **55.000**

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### Recent Assessor's Records

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#### Address

- **1861 S/1/10**
- **5661 X/1/60**
- **6062 X/2/50**
- **6020 X/1/10**
- **1102 X/2/50**

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### Vision

**Golf Club**

**Units**

- **Sub Plan**
- **Exempt**
- **area**
- **taxable#**

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### Additional Information

- **City**
- **County**
- **Assessor**
- **Parcel ID**
- **Owner**
- **Address**

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### Notes

- **Remarks**
- **Total**
- **0**
AIRPORT ADVISORY COMMITTEE

Section 6-230 Established

Repeal existing section 6-230 (see attached) and replace with the following:

A. That the Airport Advisory Committee be established as a standing committee of nine (9) members with three-year staggered terms, including:

One (1) City Councilor;

Two (2) members representing the business community;

Two (2) members representing the airport tenant community;

One (1) member representing the local travel/hospitality industry;

Three (3) members representing the general public.

The Airport Advisory Committee shall also have two (2) Ex-Officio members:

The Airport Manager; and

One (1) member representing the Maine Department of Transportation

B. The purpose of the Committee shall be to provide input to the City and the State in matters related to the future development of the Augusta State Airport; to foster and promote awareness of the airport, its facilities and the services of its tenants within the local area business community, State and local government, and the general public.

C. The Chair shall be the sitting City Council member. The Airport Manager will review all individuals interested in serving on the airport committee with the committee and make recommendations to the Mayor and City Manager. All appointments to the committee shall be made by the Mayor, with input from the City Council.

D. The Committee will meet quarterly or at the call of the chair. All meetings of the Airport Advisory Committee shall be open to the public, and the committee will keep record of its proceedings. The Airport Secretary will attend meetings to record and distribute committee minutes.

(Ord. No. 175, 12-2-2010)
ARTICLE V. AIRPORT*

DIVISION 1. AIRPORT ADVISORY COMMITTEE

Sec. 6-230. Established.

(a) That the Airport Advisory Committee be established as a standing committee of eight (8) members with three-year staggered terms, including:

One (1) City Councilor;

Two (2) members representing the business community;

One (1) member representing the airport tenant community;

One (1) member representing the local travel/hospitality industry;

Three (3) members representing the general public.

(b) The purpose of the Committee shall be to advise the Mayor and Council, the City Manager, the Director of Economic and Community Development and the Airport Manager in matters related to the City of Augusta's management and operation of the Augusta State Airport; to foster, encourage, promote and assist in the current use and future development of the Augusta State Airport; to foster and promote awareness of the airport, its facilities and the services of its tenants within the local area business community, state and local government, and the general public; to assist and cooperate with other organizations in all matters relating to the general welfare of the airport; and to represent the airport at any appropriate forum.

The committee may also recommend municipal appropriations for the development of on- or off-site infrastructure and income-producing facilities, and for meeting the administrative and other expenses of the airport.

The Chair shall be the sitting City Council member. All appointments to the committee shall be made by the Mayor, with input from the City Council.

(c) All meetings of the Airport Advisory Committee shall be open to the public, and the committee will keep record of its proceedings. The committee members will annually elect officers, as the committee may deem appropriate.

(Ord. No. 175, 12-2-2010)

*Editor's note—Ord. No. 175, adopted December 2, 2010, redesignated Ch. 6, Art. V. Solid Waste as Ch. 6-2, Art. III. Said ordinance further redesignated former Ch. 6, Article VI as Ch. 6, Article V, to read as herein set out.
BUDGET REVIEW MEETING
COUNCIL CHAMBERS
APRIL 23, 2015
IMMEDIATELY FOLLOWING THE INFORMATIONAL MEETING

Departments:  Public Safety
             Civic Center