

FINAL OFFICIAL STATEMENT DATED FEBRUARY 3, 2021

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Bonds will not be included in computing the alternative minimum taxable income of individuals. Under existing law, the interest on the Bonds is exempt from the State of Maine income tax imposed on individuals. Bond Counsel expresses no other opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. The Bonds will **NOT** be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. (See "**TAX EXEMPTION**" herein.)

\$46,430,000
CITY OF LEWISTON
Maine

GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS

Dated: Date of Delivery

Due: February 15, 2022-2041

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>CUSIP 52850C</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>CUSIP 52850C</u>
2022	\$3,745,000	4.000%	0.110%	RX5	2032	\$2,595,000	1.250%	1.370%	SH9
2023	3,730,000	4.000	0.170	RY3	2033	2,345,000	1.375	1.500	SJ5
2024	3,180,000	4.000	0.200	RZ0	2034	1,435,000	1.500	1.560	SK2
2025	3,195,000	4.000	0.240	SA4	2035	1,435,000	1.500	1.630	SL0
2026	3,190,000	4.000	0.300	SB2	2036	1,435,000	1.625	1.690	SM8
2027	2,885,000	4.000	0.380	SC0	2037	1,270,000	1.625	1.740	SN6
2028	2,755,000	4.000	0.500	SD8	2038	1,270,000	1.750	1.790	SP1
2029	2,730,000	3.000	0.650	SE6	2039	1,270,000	1.750	1.840	SQ9
2030	2,720,000	2.000	0.850	SF3	2040	1,270,000	1.750	1.870	SR7
2031	2,705,000	1.250	1.280	SG1	2041	1,270,000	2.000	1.750	SS5

Principal of the Bonds will be payable February 15 of the years in which the Bonds mature. Interest from the date of the Bonds will be payable on August 15, 2021 and semi-annually thereafter on each February 15 and August 15 until the principal amount is paid. The Bonds are subject to redemption prior to their stated dates of maturity, as described herein.

The Bonds are issuable only in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 (see "Part I. The Bonds, Book-Entry Transfer System" herein).

The Bonds are offered subject to the final approving opinion of Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the City (See "Opinion of Bond Counsel" herein.) UniBank Fiscal Advisory Services, Inc. serves as municipal advisor to the City. It is expected that the Bonds, in definitive form, will be delivered to DTC, or the offices of its custodial agent, on or about February 17, 2021 against payment in federal reserve funds.

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The information set forth herein has been obtained from the City and from other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Official Statement.

ISSUE SUMMARY STATEMENT

Issuer: City of Lewiston, Maine

Date of Sale: Wednesday, February 3, 2021 at 11:00 a.m. (Eastern Standard Time)

Method of Sale: Electronic Bids via Parity

Location of Sale: UniBank Fiscal Advisory Services, Inc., 49 Church Street, Whitinsville, MA 01588

Minimum Bid: 100.25 percent of par (\$46,140,062.50) plus accrued interest, if any, to the date of delivery

Issue: \$46,430,000 General Obligation Public Improvement and Refunding Bonds – Book-Entry-Only (See “Part I – The Bonds, Book-Entry Transfer System”, herein)

Purpose: Various capital improvements and the current refunding of the City’s General Obligation Public Improvement and Refunding Bonds, dated March 1, 2012, and the City’s General Obligation Public Improvement and Refunding Bonds, Series A, dated February 15, 2013. (See “**AUTHORIZATION AND USE OF PROCEEDS**” herein.)

Dated Date of Bonds: Date of Delivery

Maturity Date of Bonds: Serially on February 15, 2022 through 2041, as detailed herein

Credit Rating: S&P Global Ratings: AA- (See “**RATING**” herein.)

Redemption: The Bonds are subject to redemption prior to their stated dates of maturity, as described herein

Security: The Bonds are general obligations of the City and, with certain limited exceptions, all taxable property in the City is subject to the levy of unlimited ad valorem taxes to pay both principal and interest therein. (See “Source of Payment and Remedies”, herein)

Basis of Award: Lowest true interest cost (TIC) as of the dated date

Tax Status: Refer to “Part I. The Bonds – Tax Exemption” and Appendix C – “Proposed Form of Legal Opinion” herein

Continuing Disclosure: Refer to “Part I. The Bonds – Continuing Disclosure” and Appendix D – “Proposed Form of Continuing Disclosure Certificate” herein

Bank Qualification: The City will **not** designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Paying Agent: U.S. Bank National Association, Boston, Massachusetts

Legal Opinion: Locke Lord LLP, Boston, Massachusetts

Delivery and Payment: It is expected that the Bonds will be delivered to DTC, or the offices of its custodial agent, against payment to the account of the City in federal reserve funds on or about February 17, 2021.

Issue Contacts: Heather A. Hunter, Finance Director,
City of Lewiston, Maine, Telephone # (207) 513-3017;
David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc.,
Telephone # (508) 849-4222;
Richard A. Manley, Jr., Esq., Locke Lord LLP,
Boston, Massachusetts, Telephone # (617) 239-0384

Additional Information: Refer to the Preliminary Official Statement dated January 26, 2021.

NOTICE OF SALE

CITY OF LEWISTON

Maine

\$46,025,000*

GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS (Tax-Exempt)

The City of Lewiston, Maine, will receive electronic proposals until 11:00 A.M (Eastern Standard Time), on

Wednesday, February 3, 2021

at UniBank Fiscal Advisory Services, Inc., Whitinsville, Massachusetts, for the purchase of the following described Bonds:

\$46,025,000* GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS, payable February 15 of the years and in the amounts as follows:

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2022	\$ 3,670,000	2032	\$2,580,000
2023	3,675,000	2033	2,335,000
2024	3,125,000	2034	1,435,000
2025	3,150,000	2035	1,435,000
2026	3,160,000	2036	1,435,000
2027	2,850,000	2037	1,270,000
2028	2,730,000	2038	1,270,000
2029	2,720,000	2039	1,270,000
2030	2,695,000	2040	1,270,000
2031	2,680,000	2041	1,270,000

** Preliminary; subject to change.*

Details of the Bonds

The Bonds will be dated as of February 17, 2021. Interest from the date of the Bonds will be payable on August 15, 2021 and semi-annually thereafter on each February 15 and August 15 until their final maturity. Principal of and interest on the Bonds will be paid as described below.

The Bonds will be issued by means of a book-entry system with no physical distribution of the Bonds made to the public. One certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York, (DTC), or its custodial agent, and immobilized in their custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, shall be required to deposit the Bonds with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the City nor the Paying Agent will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Bank Qualification

The Bonds will **NOT** be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Optional Redemption

The Bonds are subject to redemption, at the option of the City, upon the terms and conditions set forth in the City's Preliminary Official Statement dated January 26, 2021, prepared in connection with the issuance of the Bonds.

Term Bonds

For Bonds maturing on and after February 15, 2029, bidders may specify that all of the principal amount of such Bonds having two or more consecutive maturities, may in lieu of having separate maturity dates, be combined to comprise one or more term Bonds, and shall be subject to mandatory redemption or mature at par as described above, in each of the years and in the principal amounts specified in the foregoing maturity schedule (which maturity schedule is subject to change as described herein). Each mandatory redemption shall be allocated to the payment of the term Bond having the nearest subsequent maturity date.

Term Bonds, if any, shall be subject to mandatory redemption on February 15 in the year immediately prior to the stated maturity of such term Bond (the particular Bonds of such maturity to be redeemed to be selected by lot), as indicated in the foregoing maturity schedule at the principal amount thereof plus accrued interest to the redemption date, without premium.

Form of Bid and Basis of Award

Electronic proposals will be submitted through *i-Deal*[®]. If any provisions in this Notice of Sale conflict with information provided by *i-Deal*[®], this Notice of Sale shall control. Further information about *i-Deal*[®], including any fees charged, may be obtained from *i-Deal*[®] at (212) 849-5000. The City assumes no responsibility or liability for bids submitted through *i-Deal*[®]. An electronic bid made in accordance with this Notice of Sale shall be deemed an irrevocable offer to purchase the Bonds in accordance with the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed and sealed written bid delivered to the City. A good faith deposit is not required.

Bidders shall state the rate or rates of interest per annum which the Bonds are to bear in a multiple of 1/8th or 1/20th of 1% but shall not state (a) more than one interest rate for any Bonds having a like maturity, and (b) any interest rate which exceeds the interest rate stated for any other Bonds by more than 3%. **No bid of less than 100.25 percent of par, or \$46,140,062.50, and accrued interest to date of delivery, if any, will be considered.**

As between proposals which comply with this Notice of Sale, the award will be to the bidder who offers to purchase all the Bonds at the lowest net effective interest rate to the City. Such interest rate shall be determined on a true interest cost (TIC) basis, which shall mean that rate which, as of February 17, 2021, discounts semi-annually all future payments on account of principal and interest to the price bid, not including interest accrued to the date of delivery, which accrued interest shall be paid by the successful bidder. The award of the Bonds to the winning bidder will not be effective until the bid has been approved by the Finance Director/Treasurer of the City.

Adjustments of Par Amount

The City reserves the right to adjust the aggregate par amount of the Bonds, as well as the par amounts of individual maturities of the Bonds. The purpose of such adjustment will be to limit the amount of Bond proceeds, including premium, to approximately the amount needed for the cost of the projects being financed by the Bonds plus costs of issuance.

Any adjustment in either the aggregate principal amount or the individual maturities of the Bonds will be in an amount of \$5,000 or an integral multiple thereof. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustment in the aggregate principal amount of the Bonds to be issued. The adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and reoffering prices required to be delivered to the Town as stated herein.

The successful bidder may not withdraw its bid or change the interest rates bid or initial reoffering prices as a result of any changes made to the principal amounts within these limits.

Immediately following the opening of the bids, the City, acting through its municipal advisor, will contact the apparent successful bidder to obtain the initial “production sheet” in order to determine reoffering prices, bond insurance premium, if any, and other such information. Upon being supplied with the initial “production sheet”, the Town will determine the need to reduce the principal amount of the Bonds or otherwise re-allocate the principal maturities of the Bonds. The Town expects to advise the successful bidder as soon as possible, but no later than 3:00 p.m., Eastern Standard Time, on the date of the sale of the amount, if any, of any changes in either the aggregate principal amount (which changes will be allocated among several maturities of the Bonds in a manner to be specified by the Town) or individual maturities (assuming no changes in the aggregate principal amount of the Bonds).

Bidders should be advised that the amount of the reduction in the principal amount of the Bonds will be related to the amount of the premium bid on the Bonds.

Bond Insurance

The City has not contracted for the issuance of any policy of municipal bond insurance for the Bonds. If the Bonds qualify for issuance of any such policy or commitment therefor, any purchase of such insurance or commitment shall be at the sole option and expense of the bidder. Proposals shall not be conditioned upon the issuance of any such policy or commitment. Any failure of the Bonds to be so insured or of any such policy or commitment to be issued shall not in any way relieve the purchaser of the contractual obligations arising from the acceptance of a proposal for the purchase of the Bonds. Should the successful bidder purchase municipal bond insurance, all expenses associated with such policy or commitment will be borne by the successful bidder, except for the fee paid to S&P Global Ratings for the rating of the Bonds. Any such fee paid to S&P Global Ratings would be borne by the City.

Establishment of Issue Price

The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on the Closing Date an “issue price” or similar certificate, in the applicable form set forth in Exhibit 1 to this Notice of Sale, setting forth the reasonably expected initial offering prices to the public or the sales price of the Bonds together with the supporting pricing wires or equivalent communications, or, if applicable, the amount bid, with such modifications as may be appropriate or necessary, in the reasonable judgment of the successful bidder, the City and Bond Counsel. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by UniBank Fiscal Advisory Services, Inc. (the “Municipal Advisor”) and any notice or report to be provided to the City may be provided to the Municipal Advisor.

Competitive Sale Requirements. If the competitive sale requirements (“competitive sale requirements”) set forth in Treasury Regulation § 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) have been satisfied, the City will furnish to the successful bidder on the Closing Date a certificate of the Municipal Advisor, which will certify each of the following conditions to be true:

1. the City has disseminated this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders had an equal opportunity to bid;
3. the City received bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the City awarded the sale of the Bonds to the bidder who submitted a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid. Unless a bidder notifies the City prior to submitting its bid by facsimile or email to the Municipal

Advisor [508-234-1938 or david.eisenthal@unibank.com] or in its bid submitted via Parity, that it will not be an “underwriter” (as defined below) of the Bonds, by submitting its bid, each bidder shall be deemed to confirm that it has an established industry reputation for underwriting new issuances of municipal bonds. Unless the bidder has notified the City that it will not be an “underwriter” (as defined below) of the Bonds, in submitting a bid, each bidder is deemed to acknowledge that it is an “underwriter” that intends to reoffer the Bonds to the public.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the successful bidder.

Failure to Meet the Competitive Sale Requirements – Option A – The Successful Bidder Intends to Reoffer the Bonds to the Public. If the competitive sale requirements are not satisfied and the successful bidder intends to reoffer the Bonds to the public, the City will use the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis, of the Bonds. The successful bidder shall advise the Municipal Advisor if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the “hold-the-offering-price rule” set forth in the applicable Treasury Regulations and therefore does not intend to use the initial offering price to the public as of the Sale Date of any maturity of the Bonds as the issue price of that maturity, if the competitive sale requirements are not met.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Bonds or all of the Bonds are sold to the public, the successful bidder agrees to promptly report to the Municipal Advisor the prices at which the unsold Bonds of each maturity have been sold to the public, which reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied for each maturity of the Bonds or until all the Bonds of a maturity have been sold. The successful bidder shall be obligated to report each sale of Bonds to the Municipal Advisor until notified in writing by the City or the Municipal Advisor that it no longer needs to do so.

By submitting a bid and if the competitive sale requirements are not met, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public, if and for so long as directed by the successful bidder and as set forth in the related pricing wires and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1. “public” means any person other than an underwriter or a related party,
2. “underwriter” means (A) any person, including the successful bidder, that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and
3. a purchaser of any of the Series A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock

of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

Failure to Meet the Competitive Sale Requirements – Option B – The Successful Bidder Intends to Reoffer the Bonds to the Public and Agrees to Hold the Price of Maturities of Bonds for Which the 10% Test in Option A Is Not Met as of the Sale Date. The successful bidder may, at its option, notify the Municipal Advisor in writing, which may be by email (the “Hold the Price Notice”), not later than 4:00 p.m.(Eastern Standard Time) on the Sale Date, that it has not sold 10% of the maturities of the Bonds listed in the Hold the Price Notice (the “Unsold Maturities”) and that the successful bidder will not offer the Unsold Maturities to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the successful bidder has sold at least 10% of the applicable Unsold Maturity to the public at a price that is no higher than the initial offering price to the public. If the successful bidder delivers a Hold the Price Notice to the Municipal Advisor, the successful bidder must provide to the Issuer on or before the Closing Date, in addition to the certification described in Option A above, evidence that each underwriter of the Bonds, including underwriters in an underwriting syndicate or selling group, has agreed in writing to hold the price of the Unsold Maturities in the manner described in the preceding sentence.

Failure to Meet the Competitive Sale Requirements and/or the Successful Bidder Does Not Intend to Reoffer the Bonds to the Public – Option C. If the successful bidder has purchased the Bonds for its own account and will not distribute or resell the Bonds to the public, then, whether or not the competitive sale requirements were met, the reoffering price certificate will recite such facts and identify the price or prices at which the purchase of the Bonds was made.

Legal Opinion

The legality of the Bonds will be approved by Locke Lord LLP, Boston, Massachusetts, whose opinion will be furnished to the purchaser without charge.

Bond Counsel are not passing and do not assume any responsibility for the accuracy or adequacy of the following information contained in the Preliminary Official Statement other than matters set forth as the opinion of Bond Counsel and they make no representation that they have independently verified the same.

Documents to be Delivered at Closing

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that the bidder shall be furnished, without cost, with (a) the approving opinion of the firm of Locke Lord LLP of Boston, Massachusetts, substantially in the form of Appendix C of the Preliminary Official Statement dated January 26, 2021 included herein, (see "Tax Exemption – Bonds" and Appendix C in the Preliminary Official Statement), (b) a certificate in form satisfactory to said firm dated as of the date of delivery of the Bonds and receipt of payment therefor to the effect that there is no litigation pending or, to the knowledge of the signers thereof, threatened affecting the validity of the Bonds or the power of the City to levy and collect taxes to pay them, (c) a certificate of the Finance Director to the effect that, to the best of her knowledge and belief, both as of the date of sale and of the date of delivery of the Bonds, the Preliminary Official Statement referred to below does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (d) a Continuing Disclosure Certificate to be dated as of the date of the Bonds and incorporated by reference in the Bonds.

CUSIP Identification Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any bond, nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds. The City assumes no responsibility for any CUSIP Service Bureau or other charge that may be imposed for the assignment of such numbers.

Continuing Disclosure

In order to assist bidders in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the City will undertake to provide annual reports and notices of certain significant events. A description of this undertaking is set forth in the Preliminary Official Statement.

Delivery

The Bonds, in definitive form, will be delivered to the purchaser at DTC, or the offices of its custodial agent, on or about February 17, 2021.

Additional Information and Copies of the Official Statement

Additional information concerning the City and the Bonds is contained in the Preliminary Official Statement dated January 26, 2021, to which prospective bidders are directed. The Preliminary Official Statement is provided for informational purposes only and is not a part of this Notice of Sale. Such Preliminary Official Statement is deemed final by the City as of its date for purposes of SEC Rule 15c 2-12(b)(1).

Copies of the Preliminary Official Statement may be obtained from David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc., 49 Church Street, Whitinsville, Massachusetts 01588, telephone (508) 849-4222.

Within seven (7) business days following award of the Bonds in accordance herewith, up to twenty-five (25) copies of a Final Official Statement will be furnished to the successful bidder, as requested. Additional copies may be obtained at the successful bidder's expense.

The right is reserved to reject any or all bids and to reject any bid not complying with this Notice of Sale and, so far as permitted by law, to waive any irregularity with respect to any proposal.

CITY OF LEWISTON
Maine

/s/ Heather A. Hunter
Finance Director/Treasurer

Dated: January 26, 2021

EXHIBIT 1

[Issue Price Certificate for Use If the Competitive Sale Requirements Are Met]

\$46,025,000*

CITY OF LEWISTON, MAINE GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS Dated February 17, 2021

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of [NAME OF SUCCESSFUL BIDDER] (the “Successful Bidder”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”) of the City of Lewiston, Maine (the “Issuer”).

1. Reasonably Expected Initial Offering Prices.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Successful Bidder are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Successful Bidder in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Successful Bidder to purchase the Bonds.

(b) The Successful Bidder was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Successful Bidder constituted a firm offer to purchase the Bonds.

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Successful Bidder or a related party to a Successful Bidder. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 3, 2021.

(d) *Underwriter* means (i) any person, including the Successful Bidder, that agrees pursuant to a written contract with the Issuer (or with the lead Successful Bidder to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

* Preliminary; subject to change.

The representations set forth in this certificate is limited to factual matters only. Nothing in this certificate represents the Successful Bidder's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The Successful Bidder hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinion, and other documents required to be delivered to the Successful Bidder, before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the Successful Bidder.

Dated: February __, 2021

[SUCCESSFUL BIDDER]

By: _____

Name:

Title:

SCHEDULE A – Expected Reoffering Prices (to be attached)

SCHEDULE B – Copy of Successful Bidder's Bid (to be attached)

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Not Used]**

\$46,025,000*

**CITY OF LEWISTON, MAINE
GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS
Dated February 17, 2021**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the “[Successful Bidder][Representative]” on behalf of itself [and NAMES OF OTHER UNDERWRITERS]) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) by the Issuer.

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met or all of the Bonds have not been sold for one or more Maturities of Bonds as of the Closing Date.]

2. For each Maturity of the Bonds as to which no price is listed in Schedule A, as set forth in the Notice of Sale for the Bonds, until the 10% test has been satisfied as to each Maturity of the Bonds or all of the Bonds are sold to the Public, the Successful Bidder agrees to promptly report to the Issuer’s Municipal Advisor, UniBank Fiscal Advisory Services, Inc. (the “Municipal Advisor”) the prices at which the unsold Bonds of each Maturity have been sold to the Public, which reporting obligation shall continue after the date hereof until the 10% test has been satisfied for each Maturity of the Bonds or until all the Bonds of a Maturity have been sold. The [Successful Bidder][Representative] shall continue to report each sale of Bonds to the Municipal Advisor until notified by email or in writing by the Issuer or the Municipal Advisor that it no longer needs to do so.

3. Defined Terms.

(a) *Issuer* means the City of Lewiston, Maine.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder][Representative]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that

** Preliminary; subject to change.*

the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income

tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. The [Successful Bidder][Representative] hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinion, and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of such Bonds, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

Dated: February __, 2021

[SUCCESSFUL BIDDER] [REPRESENTATIVE]

By: _____

Name:

Title:

[SCHEDULE A – SALE PRICES (to be attached)]

**[Issue Price Certificate for Use If the Competitive Sale Requirements Are
Not Met and the Hold the Price Rule Is Used]**

\$46,025,000*

**CITY OF LEWISTON, MAINE
GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS
DATED FEBRUARY 17, 2021**

ISSUE PRICE CERTIFICATE AND RECEIPT

The undersigned, on behalf of _____ (the (“[Successful Bidder][Representative]”), on behalf of itself [and [NAMES OF OTHER UNDERWRITERS]]hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”) of the City of Lewiston, Maine (the “Issuer”).

1. Sale of the Bonds. As of the date of this certificate, [except as set forth in paragraph 2 below,] for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

[Only use the next paragraph if the 10% test has not been met as of the Sale Date.]

[For each Maturity of the Bonds as to which no price is listed in Schedule A (the “Unsold Maturities”), as set forth in the Notice of Sale for the Bonds, the [Successful Bidder][Representative] and any other Underwriter did not reoffer the Unsold Maturities until the earlier of (i) _____, 2021 or (ii) the date on which the [Successful Bidder][Representative] or any other Underwriter sold at least 10% of each Unsold Maturity at a price that is no higher than the initial offering price to the Public.]

2. Defined Terms.

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Underwriter* means (i) any person, including the [Successful Bidder][Representative], that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third party distribution agreement participating in the initial sale of the Bonds to the Public).

3. Receipt. The [Successful Bidder][Representative] hereby acknowledges receipt from the Issuer of the Bonds and further acknowledges receipt of all certificates, opinion and other documents required to be delivered to the [Successful Bidder][Representative], before or simultaneously with the delivery of the Bonds, which certificates, opinions and other documents are satisfactory to the [Successful Bidder][Representative].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the [Successful Bidder’s][Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Locke Lord LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

** Preliminary; subject to change.*

Dated: February __, 2021

[SUCCESSFUL BIDDER][REPRESENTATIVE]

By: _____

Name:

Title:

Schedule A – Sale Prices (to be attached)

OFFICIAL STATEMENT

**CITY OF LEWISTON
MAINE**

\$46,430,000

GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS

INTRODUCTION

This Official Statement is provided for the purpose of presenting certain information relating to the City of Lewiston, Maine (the "City") in connection with the sale of the City's \$46,430,000 General Obligation Public Improvement and Refunding Bonds, (the "Bonds") dated as of their Date of Delivery (February 17, 2021).

The Bonds are being offered for sale at a public bidding and a Notice of Sale dated January 26, 2021 with respect to the Bonds has been furnished to prospective bidders. Reference is hereby made to the Notice of Sale for the Bonds for the terms and conditions of bidding.

The Bonds will be general obligations of the City for which its full faith and credit are pledged. They are not guaranteed by the State of Maine (the "State") or any other entity. The security for the Bonds is more fully described under the caption "**SOURCES OF PAYMENT AND REMEDIES**" herein. See also the caption "**OPINION OF BOND COUNSEL.**"

Questions regarding information contained in this Official Statement or other matters should be directed to the following: Heather A. Hunter, Finance Director/Treasurer, City of Lewiston, Maine, (207) 513-3017; David M. Eisenthal, Vice President, UniBank Fiscal Advisory Services, Inc., (508) 849-4222; or Richard A. Manley, Jr., Locke Lord LLP, (617) 239-0384.

The information contained herein has been obtained from the sources indicated or from the City.

** Preliminary; subject to change.*

PART I
THE BONDS

DESCRIPTION OF THE BONDS

The Bonds will be dated as of the Date of Delivery (February 17, 2021), and will mature on February 15 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2022	\$ 3,745,000	2032	\$2,595,000
2023	3,730,000	2033	2,345,000
2024	3,180,000	2034	1,435,000
2025	3,195,000	2035	1,435,000
2026	3,190,000	2036	1,435,000
2027	2,885,000	2037	1,270,000
2028	2,755,000	2038	1,270,000
2029	2,730,000	2039	1,270,000
2030	2,720,000	2040	1,270,000
2031	2,705,000	2041	1,270,000

The Bonds will bear interest at the rate or rates per annum as specified by the successful bidder. The Bonds are subject to optional redemption prior to their stated dates of maturity, as described herein.

Principal and semi-annual interest on the Bonds will be paid by U.S. Bank National Association, Boston, Massachusetts, acting as paying agent (the "Paying Agent"). Interest from the date of the Bonds will be payable on August 15, 2021 and semi-annually thereafter on each February 15 and August 15 until the principal amount is paid. So long as The Depository Trust Company ("DTC"), New York, New York, or its nominee, Cede & Co., is the Bondowner, such payments of principal and interest on the Bonds will be made directly to DTC. Disbursements of such payments to the DTC Participants are the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, as more fully described herein.

The Bonds are issuable only in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for DTC. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interests in Bonds purchased. So long as Cede & Co. is the Bondowner, as nominee of DTC, references herein to the Bondowners or registered owner shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds. (See "Book-Entry Transfer System" herein.)

Record Date

The record date for each payment of interest is the last business day of the month preceding the interest payment date, provided that with respect to overdue interest or interest on any overdue amount, the Paying Agent may establish a special record date. The special record date may not be more than twenty (20) days before the date set for payment. The Paying Agent will mail notice of a special record date to the bondholders at least ten (10) days before the special record date.

Book-Entry Transfer System

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the securities deposited with the DTC system must be made by or through Direct Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security held by DTC ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities held by DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities held by DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices for the Bonds shall be sent to DTC. If less than all of the Bonds within a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent to vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the securities held by DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC.

(nor its nominee), the issuer of such securities or the paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

DTC Practices

The City can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

AUTHORIZATION AND USE OF PROCEEDS

\$15,503,000 par amount of the Bonds is authorized as part of the City’s fiscal 2020 capital improvement plans for the following purposes under the M.R.S.A. 30-A, Section 5772, and by a vote of the City Council on May 21, 2019.

General Fund – Municipal

<u>Project</u>	<u>Amount</u>
Radio System Site Connectivity	\$ 22,500
Fire Alarm Box and Station Alerting	37,500
Street Crosswalk Evaluation/Implementation	200,000
Fuel Farm	400,000
Radio Project	439,000
Riverfront Island Implementation	350,000
Main Street – Longley to Pettingill	242,000
Radio Replacement	1,598,000
Sabattus Street Fire Station Replacement	2,000,000
Birch, Caron, Jefferson Sidewalk Rehab	350,000
Sidewalk Maintenance and Rehab	361,000
Street Maintenance	<u>2,879,000</u>
Municipal Subtotal	<u>\$8,879,000</u>

General Fund - Schools

Building Access Control Upgrade	\$ 100,000
Systemwide Camera Upgrade	238,000
Montello Electrical Upgrade	330,000
Lewiston Middle School Electrical Upgrade	<u>456,000</u>
Schools Subtotal	<u>\$1,124,000</u>

Water Fund (expected to be supported by user charges)

Water Software Model and Master Plan	200,000
Distribution Mains	<u>\$2,000,000</u>
Water Subtotal	<u>\$2,200,000</u>

Sewer Fund (expected to be supported by user charges)

Chadbourne Road Sewer Pump Station	200,000
Sanitary Sewer Mains Rehab	1,100,000
Collection System Inspection and Rehab	<u>480,000</u>
Sewer Subtotal	<u>\$1,780,000</u>

Storm Water Fund (expected to be supported by user charges)

Hart Brook Water Quality Restoration	\$ 350,000
Storm Drain Inspection	370,000
Jepson Brook Channel Upgrades	<u>800,000</u>
Storm Water Subtotal	<u>\$ 1,520,000</u>

TOTAL **\$15,503,000**

\$13,400,000 par amount of the Bonds is authorized under the M.R.S.A. 30-A, Section 5772 to finance the construction of an addition to Lewiston High School authorized by a vote of the City Council on June 4, 2019 and a vote of the City at the November 5, 2019 election.

\$3,310,000 par amount of the Bonds (the “2012 Refunding Bonds”) is authorized under the M.R.S.A. 30-A, Section 5772, and by various votes of the City Council for the purpose of refunding, on a current basis, the City’s \$9,732,000 General Obligation Public Improvement, and Refunding Bonds, dated March 1, 2012, maturing January 15 in each of the years 2022 through 2032, inclusive, in the aggregate par amount of \$3,670,000 and further described as follows (the “2012 Refunded Bonds”):

<u>Par Amount</u>	<u>Maturity</u>	<u>Coupon Rate</u>	<u>CUSIP</u>
\$420,000*	January 15, 2022	2.00%	52850C JR7
400,000	January 15, 2023	2.00	52850C JS5
400,000	January 15, 2024	2.00	52850C JT3
400,000	January 15, 2025	2.00	52850C JU0
400,000	January 15, 2026	2.00	52850C JV8
400,000	January 15, 2027	2.125	52850C JW6
250,000	January 15, 2028	2.25	52850C JX4
250,000	January 15, 2029	2.25	52850C JY2
250,000	January 15, 2030	2.375	52850C JZ9
250,000	January 15, 2031	2.50	52850C KA2
<u>250,000</u>	January 15, 2032	2.625	52850C KB0
<u>\$3,670,000</u>			

*The City is partially refunding this maturity. This is the amount to be refunded. The total outstanding maturity is \$610,000.

The 2012 Refunded Bonds are to be redeemed on March 23, 2021 at a price of par plus accrued interest to the date of redemption.

\$14,217,000 par amount of the Bonds (the “2013 Refunding Bonds”) is authorized under the M.R.S.A. 30-A, Section 5772, and by various votes of the City Council for the purpose of refunding, on a current basis, City’s \$32,796,400 General Obligation Public Improvement and Refunding Bonds, Series A, dated February 15, 2013, maturing February 15 in each of the years 2022 through 2033, inclusive, in the aggregate par amount of \$15,565,000 and further described as follows (the “2013 Refunded Bonds”):

<u>Par Amount</u>	<u>Maturity</u>	<u>Coupon Rate</u>	<u>CUSIP</u>
\$2,035,000	February 15, 2022	2.00%	52850C KL8
2,015,000	February 15, 2023	2.25	52850C KM6
1,410,000	February 15, 2024	3.00	52850C KN4
1,405,000	February 15, 2025	3.00	52850C KP9
1,390,000	February 15, 2026	3.00	52850C KQ7
1,075,000	February 15, 2027	3.00	52850C KR5
1,075,000	February 15, 2028	3.00	52850C KS3
1,040,000	February 15, 2029	3.00	52850C KT1
1,030,000	February 15, 2030	3.00	52850C KU8
1,030,000	February 15, 2031	3.00	52850C KV6
1,030,000	February 15, 2032	3.00	52850C KW4
<u>1,030,000</u>	February 15, 2033	3.10	52850C KX2
<u>\$15,565,000</u>			

The 2013 Refunded Bonds are to be redeemed on March 23, 2021 at a price of par.

OPTIONAL REDEMPTION

The Bonds maturing in the years 2022 through 2028, inclusive, are not subject to redemption prior to their stated dates of maturity.

The Bonds maturing on and after February 15, 2029 are subject to redemption prior to their stated dates of maturity, at the option of the City, on and after February 15, 2028 either in whole or in part at any time, and if in part, by lot within a maturity, at **par** plus accrued interest to the date set for redemption.

MANDATORY REDEMPTION

If any Term Bonds are specified by the successful bidder, they will be subject to mandatory redemption on February 15 in the year immediately prior to the stated maturity of such Term Bond (the particular Bonds of such maturity to be redeemed to be selected by lot) as indicated on the cover page of the Preliminary Official Statement (which is subject to change as described in the Notice of Sale dated January 26, 2021 at the principal amount thereof plus accrued interest to the redemption date.

OTHER REDEMPTION PROVISIONS

So long as DTC is the registered owner of the Bonds, notice of any redemption of Bonds, prior to their maturities, specifying the Bonds (or portions thereof) to be redeemed will be sent by mail, or in such other manner acceptable to DTC, to the registered owner of such Bonds, as nominee of DTC not more than 60 days nor less than 30 days prior to the redemption date. Any failure on the part of DTC to notify the DTC Participants of the redemption or failure on the part of the DTC Participants or of a nominee of a Beneficial Owner (having received notice from a DTC Participant or otherwise) to notify the Beneficial Owner shall not affect the validity of the redemption. If moneys for the redemption are held by the Paying Agent on the redemption date and if notice of the redemption shall have been duly mailed, then from and after the redemption date interest on the Bonds (or portions thereof) called for redemption shall cease to accrue.

SOURCES AND USES OF FUNDS

The following information summarizes the sources and uses of funds of the Bonds:

<u>Sources</u>		<u>Uses</u>	
Par Amount of Bonds	\$46,430,000.00	Project Costs	\$28,903,000.00
Reoffering Premium	<u>3,616,120.25</u>	Redemption of Refunded Bonds	19,295,557.97
		Underwriter's Discount	22,605.35
		Issuance Costs	97,300.00
		Contingency	<u>1,727,656.95</u>
Total Sources	<u>\$50,046,120.25</u>	Total Uses	<u>\$50,046,120.25</u>

PLAN OF REFUNDING

The City will hold the proceeds of the 2012 and 2013 Refunding Bonds (a portion of the Bonds) in trust to pay the principal and interest of the 2012 Refunded Bonds and the 2013 Refunded Bonds on the call date of March 23, 2021.

SOURCES OF PAYMENT AND REMEDIES

General

The Bonds are general obligations of the City and, except to the extent they are paid from other sources, their payment is not limited to a particular fund or revenue source. The City has power to levy ad valorem property taxes without limit as to rate or amount upon all the taxable property within its territorial limits to pay principal and interest on the Bonds, subject to certain procedural requirements under Title 30-A M.R.S.A. s. 5721-A, except to the extent that the City may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality, and except to the extent that the City establishes or has established municipal development districts or municipal affordable housing districts pursuant to Title 30-A, Chapters 206 and 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. The City has entered into certain tax base sharing agreements and has established certain municipal development districts (tax increment financing districts) pursuant to Title 30-A and elected to retain a portion of the tax increment on the captured assessed value of the property in these districts to pay costs of development projects within the districts (see "PROPERTY TAXATION AND VALUATION – Tax Base Sharing" and "TAX INCREMENT FINANCING" herein). Within the limits established by statute, the City has the right to designate additional municipal development districts or municipal affordable housing development districts pursuant to Chapter 206 and 207 of Title 30-A of the Maine Revised Statutes, as amended.

There is no provision for a lien on any portion of the tax levy, or any other funds, to secure bonds or notes, or judgments thereon, in priority of other claims. The City is subject to suit on the Bonds.

The Maine Supreme Judicial Court has established that municipalities have an inherent right to tax their inhabitants to pay municipal indebtedness. In addition, the Maine statutes provide that any debt of a municipality may be satisfied by the taking of the personal property of any resident and any real estate within the municipality, although there has been no judicial determination of whether this remedy is constitutional under current due process and equal protection standards.

Enforcement of a claim for payment of principal of or interest on bonds or notes would also be subject to the applicable provisions of federal bankruptcy, insolvency, reorganization, moratorium, and other similar laws and to the provisions of statutes, if any, affecting creditors' rights heretofore or hereafter enacted by Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied.

Limitation on Municipal Property Tax Levy

Effective July 1, 2005, the legislature enacted Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, which, subject to certain procedural overrides, establishes a limit on municipal property tax levies. With certain exceptions, a municipality may not increase its property tax levy from one year to the next by more than a specified growth limitation factor.

However, the City may exceed the property tax levy limit by a majority vote of the entire City Council on a separate article that specifically identifies the intent to exceed the property tax levy limit. This action is subject to override by initiative upon a petition signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality submitted within 30 days of the council's vote.

The growth limitation factor is: (a) the 10-year average real personal income growth plus the Property Growth Factor as defined in the legislation (when the state and local tax burden ranks in the highest 1/3 of all states); or (b) the 10-year average real personal income growth plus forecasted inflation plus the Property Growth Factor (when the state and local tax burden ranks in the middle 1/3 of all states).

In addition, a municipality is required to lower its property tax levy limit in any year by an amount equal to net new funds provided by the State for existing services funded in whole or in part by the property tax levy.

The property tax levy limit also may be exceeded for extraordinary circumstances such as:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded state or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of state or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation.

OPINION OF BOND COUNSEL

The legal opinion of the firm of Locke Lord LLP, of Boston, Massachusetts (see Appendix C) will be furnished to the successful bidder. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful bidders.

The scope of engagement of Bond Counsel does not extend to passing upon or assuming responsibility for the accuracy or adequacy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same.

TAX EXEMPTION

In the opinion of Locke Lord LLP, Bond Counsel to the City ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is of the further opinion that interest on the Bonds will not be included in computing the alternative minimum taxable income of Bondholders who are individuals. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on the Bonds. The Bonds will **NOT** be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Failure to comply with these requirements may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the

Bonds. The City has covenanted to comply with such requirements to ensure that interest on the Bonds will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Bonds is exempt from the Maine income tax imposed on individuals. Bond Counsel has not opined as to other Maine tax consequences arising with respect to the Bonds and Bond Counsel has not opined as to the taxability of the Bonds or the income therefrom or any other tax consequences arising with respect to the Bonds under the laws of any state other than Maine. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and is exempt from Maine income tax imposed on individuals. For this purpose, the issue price of a particular maturity of the Bonds is either the reasonably expected initial offering price to the public or the first price at which a substantial amount of such maturity of the Bonds is sold to the public, as applicable. The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Bondholders should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the reasonably expected initial offering price or, if applicable, the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Bonds, or, in some cases, at the earlier redemption date of such Bonds (“Premium Bonds”), will be treated as having amortizable bond premium for federal income tax purposes and the Maine income tax imposed on individuals. No deduction is allowable for the amortizable bond premium in the case of obligations, such as the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, a Bondholder’s basis in a Premium Series A Bond will be reduced by the amount of amortizable bond premium properly allocable to such Bondholder. Holders of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from the Maine income tax imposed on individuals, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect the federal or state tax liability of a Bondholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Bonds in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Bondholder or the Bondholder’s other items of income, deduction, or exclusion. Bond Counsel expresses no opinion regarding any such other tax consequences, and Bondholders should consult with their own tax advisors with respect to such consequences.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the Maine legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest on the Bonds or the market value or marketability of the Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax),

or repeal (or reduction in the benefit) of the exclusion of interest on the Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, Bondholders should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Bonds may be affected and the ability of Bondholders to sell their Bonds in the secondary market may be reduced. The Bonds are not subject to special mandatory redemption, and the interest rates on the Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Bonds.

RATING

The City has applied to S&P Global Ratings for a rating on the Bonds. Such rating, if obtained, would reflect only the agency's view and would be subject to revision or withdrawal which could affect the market price of the Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City by not later than 270 days after the end of each fiscal year, (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The covenants will be contained in a Continuing Disclosure Certificate, the proposed form of which is provided in Appendix D. The Certificate will be executed by the signers of the Bonds, and incorporated by reference in the Bonds. The City is the only "obligated person" with respect to the Bonds within the meaning of the Rule. In the last five years, the City believes it has complied, in all material respects, with its previous undertakings to provide annual reports or notices of significant events in accordance with the Rule. However, during a review of the City's filings on the Electronic Municipal Market Access Service (EMMA) of the Municipal Securities Rulemaking Board (MSRB), it was noted that some past Annual Reports were not properly linked to certain past bond issues. This issue has been corrected.

UNDERWRITING

Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds

PART II

THE CITY

The City of Lewiston, Maine (the “City”) was incorporated as a Town in 1795 and established as a City in 1863. It is located in Androscoggin County, about 35 miles north of Portland, Maine and 140 miles north of Boston, Massachusetts. It is the second largest city in Maine.

FORM OF GOVERNMENT

Under the City’s current charter, which was adopted in 1979, the City operates under a Mayor, seven-member City Council, and City Administrator form of government. The City Administrator is appointed by and reports solely to the City Council. The City Administrator appoints all department heads, some with City Council confirmation.

The City Council is vested with the authority to determine the budget and also the City’s tax rate. Its members are elected by the voters for two-year terms and have the ultimate policy and decision-making power in the City. The Mayor, who is elected by the voters for two-year terms, has no veto power over Council actions.

The Lewiston public school system is administered by a nine-member school committee made up of one citizen from each of the City’s seven wards, one member elected at-large, and one member of the City Council. The School Committee is elected by the voters of the City for two-year terms. The School Committee has responsibility for school policy and hiring department employees, including the Superintendent. However, the ultimate control over the school budget lies with the City Council.

The Finance Director is appointed by the City Administrator and is confirmed by the City Council. She organizes and directs the City’s financial activities, including guiding City officers on fiscal matters.

SERVICES

The City provides general government services within its corporate boundaries. These services include police and fire protection, water and sewer, street maintenance, solid waste removal, disposal, and recycling, human services, culture and recreation, and public education in grades pre-K to 12.

While most City services are funded through the general operating budget, the Water, Sewer and Storm Water Divisions are operated as enterprise funds. Both operating and capital costs of these divisions, including debt service, are supported entirely by user charges.

Water

The City’s water supply source is Lake Auburn, located in the City of Auburn. Lake Auburn also supplies the Auburn Water District (the “District”) which services most residents and businesses in the City of Auburn. The distribution systems of the City and the District are entirely separate. The City has avoided the need to construct a water treatment plant (estimated cost \$35 million) on Lake Auburn through measures taken in conjunction with the City of Auburn and the District to protect the Lake’s watershed. One such measure was the creation of the Lewiston-Auburn Watershed Protection Commission. This Commission manages the watershed area surrounding Lake Auburn and has purchased and controls in excess of 2,200 acres within the watershed. It consists of nine-members: three appointed by the City, three appointed by the District, one appointed by the Town of Turner, one appointed by the Towns of Minot, Hebron, and Buckfield, and one appointed by the Androscoggin Valley Council of Governments (AVCOG). The Commission was created during fiscal year 1994. The Commission’s budget is supported by assessments on the City and the District. The City and the District have constructed an ultraviolet light treatment facility at Lake Auburn at a cost of \$7.7 million, which was financed through the Maine Drinking Water – State Revolving Loan Fund with funds directly allocated from the American Recovery and Reinvestment Act. The City and the District have proceeded to Phase II & III of the ultraviolet light construction project which includes consolidated chemical treatment and laboratory facilities and SCADA control space.

To maintain their filtration waiver and meet regulatory requirements, the City and the District need to provide two forms of treatment to drinking water in addition to other various requirements. This requirement has been satisfied through the addition of chlorine and the ultraviolet light treatment.

In September 2012, Lake Auburn experienced an algae bloom which negatively affected the turbidity level of the lake. In the fall of 2018, taste and odor issues were detected in the system indicative of algae growth. Although the turbidity level has been elevated at times, it has not exceeded level 5 which would have triggered the requirement to filter the water. The City and District have taken a proactive approach to maintain the health of the lake by securing funds to apply an algacide in 2018 and nutrient binding alum in 2019. These applications along with aggressive lake watershed protection are anticipated to maintain algae and turbidity at acceptable levels.

Sewer

Sewage treatment is provided by the Lewiston-Auburn Water Pollution Control Authority (the “Authority”), a joint venture of the City and the Auburn Sewerage District. The Authority operates a wastewater facility on the Androscoggin River, which has the capacity to process 14.2 million gallons per day of sewage. The Authority was incorporated in 1967 to provide and maintain facilities adequate for treating wastewater of the City and the City of Auburn. It is governed by a seven-member board consisting of officials from both cities, including Lewiston’s Deputy City Administrator and Public Works Director. It is supported in large part by assessments on the two members. The City’s assessment is paid from the revenues of its Sewer Enterprise Fund.

The Authority has constructed a composting facility which processes 60% of the plant’s sewage sludge to produce a marketable fertilizer compound. Early in 2019, the Maine Department of Environmental Protection (DEP) halted land spreading of biosolids and biosolids compost from sewer treatment plants statewide, because of nationwide concerns over PFAS compounds. Although the spreading of compost has resumed, there remains strict regulation of biosolids spreading. The Authority and local farmers have relied heavily on the spreading on biosolids on agricultural fields for both hay and corn production to reduce their mutual costs. The science and regulation of these compounds are developing. Currently, the Authority is landfilling much of their biosolids and they are working with DEP to pilot new composting techniques.

Androscoggin County

The City is located in Androscoggin County, which is supported in large part by assessments on the City, the City of Auburn, and 12 towns. The County provides the following services: a jail, a sheriff’s department, a registry of deeds, a registry of probate, and a district attorney’s office.

Airport

The Auburn-Lewiston Airport, located in Auburn, is owned and operated jointly by the two cities. It is governed by a seven-member Board: the Lewiston Finance Director (ex-officio), a Lewiston City Councilor, a member appointed by the Lewiston City Council, the Auburn City Manager (ex-officio), an Auburn City Councilor, a member appointed by the Auburn City Council, and a member appointed by the Board (alternating between Lewiston and Auburn). The Airport is supported by assessments on the two cities, user fees, investment income, and federal and state grants. The Airport is designated a reliever facility for the Portland International Jetport. As such, the Airport is officially registered as part of the National Air System. This status has made additional federal funding available to the airport.

Public Transportation

The Lewiston-Auburn Transit Committee is a joint venture of the Cities of Lewiston and Auburn formed to provide bus transit services to the twin city area. The Committee is made up of seven members, three from each of the cities appointed by their respective City Councils, and one member, who may be from either city, appointed by the Committee. The Committee receives the majority of its funding from state and federal grants. Assessments are also made on the two cities for the local share of these grants.

Solid Waste

The City has an agreement with Maine Waste to Energy (MWE) for disposal of its municipal solid waste at its waste to energy facility, located in Auburn. The City transports its municipal solid waste to MWE and accepts ash residue waste from MWE to be disposed of in Lewiston's landfill. This agreement has allowed for extending the useful life of the City's landfill until at least 2047. The current contract between the City and MWE expires in June 2022.

GOVERNING BODIES AND OFFICERS

The following are the City's principal officers:

City Council

		Two-Year Term Expires
Mark A. Cayer.....	Mayor	2022
Safiya Khalid.....	Council Member - Ward 1	2022
Zachary Pettengill	Council Member - Ward 2	2022
Alicia M. Rea	Council Member - Ward 3	2022
Michel A. Lajoie	Council Member - Ward 4	2022
Luke D. Jensen	Council Member - Ward 5	2022
Lee Clement	Council Member - Ward 6	2022
Stephanie Gelinat.....	Council Member - Ward 7	2022

City Administration

Denis A. D'Auteuil.....	City Administrator	Appointed
Dale Doughty	Deputy City Administrator	Appointed
Heather A. Hunter.....	Finance Director/Treasurer	Appointed
Pamela M. LaBelle.....	Tax Collector/Deputy Treasurer	Appointed
Kathleen M. Montejo.....	City Clerk	Appointed
William H. Healey	Assessor	Appointed

Finance Committee

Denis Theriault, Chairman
Renee Bernier
Roger Philippon
Safiya Khalid
Lee Clement

OTHER CONSIDERATIONS - Coronavirus

COVID-19 is a new respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President of the United States of America declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic. On March 15, 2020, the Governor of the State of Maine declared a State of Civil Emergency to support the State's response to the outbreak of the virus. This State of Civil Emergency has been extended several times, and is now scheduled to expire on January 31, 2021. City facilities are open to the public, but the City has enacted safety precautions for employees and members of the public, including requirements for social distancing and the wearing of masks. The City continues to and expects to continue to maintain all essential functions and services.

On April 28, 2020, the Governor of the State of Maine announced a phased plan to reopen businesses and services. As of this date, this reopening has been implemented only on a limited basis.

In response to the COVID-19 pandemic, federal and state legislation was signed into law that provides various forms of financial assistance and other relief to state and local governments. For example, the U.S. Congress enacted and the President signed the CARES Act on March 27, 2020, (Pub. Law 116-136) which includes various forms of financial relief.

The virus and the resulting actions by national, state and local governments is altering the behavior of businesses and people in a manner that will have negative impacts on global and local economies.

There can be no assurances regarding the extent to which COVID-19 will impact the national and state economies and, accordingly, how it will adversely impact municipalities, including the City. The negative effect on the economy may result in reduced collections of property taxes and other revenues, motor vehicle excise taxes and other fees and charges collected by the City. The City may also be affected by any reductions in state aid resulting from reduced revenues at the State level. In addition, stock markets in the United States and globally have seen significant recent instability largely attributable to coronavirus concerns. City officials expect that this instability may adversely affect the funding status of the City's pension funds and resulting funding schedules. The City cannot quantify these effects at this time.

AUTHORIZATION OF GENERAL OBLIGATION BONDS AND NOTES

Bonds, including temporary loans in anticipation of current tax revenues and federal or state grants or reimbursements, are generally authorized by a majority vote of the members of the City Council. However, the City's Charter requires that where the amount of any single purpose bonds authorized for an individual project exceeds 15% of the property tax levy of the preceding fiscal year, such authorization must be approved by the voters at a regular or special election prior to issuance. For fiscal year 2021, 15% of the fiscal year 2020 gross tax levy of \$60,277,149 is \$9,041,572.

Notes issued in anticipation of bonds may be renewed for up to three years from the date of original issue or the time set in the vote authorizing the issue, whichever is less.

Bonds which are in serial form may be payable in unequal principal amounts. The first payment on serial bonds must be within five years of the date of issue; the last payment must be made within 30 years unless a shorter term is specified by the City Council.

In accordance with 30-A M.R.S.A. Section 5702, as amended, "No municipality shall incur debt which could cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7½% of its last full state valuation. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm or sanitary sewer purposes to an amount outstanding at any time not exceeding 7½% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event may any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set."

30-A M.R.S.A., Section 5703, as amended, provides that the limitations on municipal debt contained in Section 5702 do not apply to “any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 213 (now Section 5401 *et. seq.* of Title 30-A) and Title 10, Chapter 110, Subchapter IV (now Section 1061 *et seq.* of Title 10), obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt” and certain other municipal debt.

Lewiston’s overall debt limit is 15% of \$2,423,350,000 (the 2020 State Equalized Valuation) or \$363,502,500. As of June 30, 2020, the City had combined outstanding and authorized unissued debt of \$211,680,168. The City’s available debt capacity is \$151,822,332 (see “Direct Debt Summary” herein).

DEBT

The following table sets forth the direct debt of the City as of June 30, 2020, together with the current issue of Bonds, including the Refunded Bonds but not the Refunding Bonds.

General Obligation Bonds and
Other Direct Obligations
Outstanding:

General ⁽¹⁾	\$43,192,472	
School ⁽²⁾	71,695,732	
Water ⁽³⁾	19,626,522	
Sewer ⁽⁴⁾	17,164,396	
Storm Water ⁽⁴⁾	<u>12,278,047</u>	
Total Outstanding.....	\$163,957,168	
Authorized Unissued ⁽⁵⁾	<u>18,820,000</u>	
Total Outstanding and Authorized Unissued		\$182,777,168
Total This Issue		<u>28,903,000</u>
Total Direct Debt After This Issue..		<u>\$211,680,168</u>

⁽¹⁾ Subject to debt limit of 7½% of state equalized valuation, or \$181,751,250.

Following this issue, the City will have additional general borrowing capacity of \$129,679,778, subject to the overall limit of 15% of state equalized valuation. **Includes \$1,305,000 general obligation pension bonds.**

⁽²⁾ Subject to debt limit of 10% of state equalized valuation, or \$242,335,000. Following this issue, the City will have additional school borrowing capacity of \$156,115,268, subject to the overall limit of 15% of state equalized valuation. The State of Maine reimburses the City for a portion of principal and interest payable on school debt. **Subject to annual appropriation by the State of Maine, debt service on \$50,701,370 of these bonds is expected to be paid entirely from state subsidies.** See "CITY FINANCES—State Aid."

⁽³⁾ Subject to debt limit of 3% of state equalized valuation, or \$72,700,500. Following this issue, the City will have additional water borrowing capacity of \$50,873,978, subject to the overall limit of 15% of state equalized valuation. **Water debt service is supported entirely by user charges.**

⁽⁴⁾ Subject to debt limit of 7½% of state equalized valuation, or \$181,751,250. Following this issue, the City will have additional sewer borrowing capacity of \$162,806,854 and storm water capacity of \$167,953,203, subject to the overall limit of 15% of state equalized valuation. **Sewer and Storm Water debt service is supported entirely by user charges.**

⁽⁵⁾ Does not include the current issue of Bonds. See "AUTHORIZED UNISSUED DEBT" herein.

Five Years Outstanding Debt

The following table sets forth the City's bonded debt, including bond anticipation notes, this issuance, and net debt as percentages of the City's state equalized valuation as of the end of the most recently completed fiscal years.

Fiscal Year End	G.O. Bonded Debt Outstanding	Total State Equalized Valuation ⁽¹⁾	Bonded Debt Per Capita ⁽²⁾	Total Bonded Debt as % of State Equalized Valuation	Levy Supported Debt as a % of State Equalized Valuation ⁽³⁾
2020	\$163,957,168	\$2,323,400,000	\$4,561.46	7.1%	4.9%
2019	166,080,152	2,235,850,000	4,620.53	7.4	5.3
2018	182,972,550	2,237,250,000	5,090.49	8.2	5.9
2017	138,086,629	2,203,000,000	3,813.39	6.3	2.2
2016	126,906,210	2,174,800,000	3,504.63	5.8	3.9

(1) As determined by the State of Maine.

(2) 2017 ACS 5-Year Estimate Census Estimate of 36,211 used for fiscal years 2016 and 2017. 2018 Population Estimate of 35,944 used for fiscal years 2018 through 2020.

(3) Includes bonded debt (as well as School and TIF debt) less water, sewer and storm water debt.

Projected Principal Payments by Purpose

The following table sets forth principal payments by purpose on all general obligation bonds of the City, as of June 30, 2020, including the Bonds.

Fiscal Year	General	School (1)	Water (2)	Sewer (2)	Storm Water (2)	Total	The Bonds	Total (3)	Amortization
2021	7,706,582	5,886,976	1,902,175	1,553,713	1,263,874	18,313,320	-	18,313,320	9.5%
2022	5,721,693	5,789,153	1,861,092	1,491,967	1,207,809	16,071,714	1,553,000	17,624,714	18.6%
2023	5,422,203	5,712,271	1,815,158	1,450,540	1,147,881	15,548,053	1,550,000	17,098,053	27.5%
2024	4,503,196	5,425,779	1,592,549	1,400,550	1,067,067	13,989,141	1,550,000	15,539,141	35.6%
2025	3,028,977	5,413,778	1,562,340	1,353,836	988,713	12,347,644	1,550,000	13,897,644	42.8%
2026	2,768,563	5,103,766	1,323,137	1,306,005	950,812	11,452,283	1,550,000	13,002,283	49.5%
2027	2,298,816	4,912,249	1,284,238	1,234,687	896,572	10,626,562	1,525,000	12,151,562	55.8%
2028	1,829,018	4,758,107	1,209,268	1,079,911	730,257	9,606,562	1,525,000	11,131,562	61.6%
2029	1,495,300	4,168,589	1,174,015	1,058,406	695,252	8,591,562	1,525,000	10,116,562	66.8%
2030	1,180,146	3,195,788	1,021,268	876,856	634,076	6,908,134	1,525,000	8,433,134	71.2%
2031	1,179,147	3,141,587	949,003	849,335	625,636	6,744,707	1,525,000	8,269,707	75.5%
2032	985,731	3,141,587	723,261	716,491	529,000	6,096,070	1,435,000	7,531,070	79.4%
2033	917,565	3,141,586	667,777	616,391	442,750	5,786,069	1,435,000	7,221,069	83.1%
2034	877,899	2,407,837	537,777	483,508	294,049	4,601,070	1,435,000	6,036,070	86.3%
2035	751,300	2,377,037	460,508	360,175	142,050	4,091,070	1,435,000	5,526,070	89.1%
2036	630,900	2,377,037	460,508	370,175	147,450	3,986,070	1,435,000	5,421,070	91.9%
2037	630,900	2,377,037	455,508	375,175	147,450	3,986,070	1,270,000	5,256,070	94.7%
2038	520,900	2,335,570	331,975	275,175	122,450	3,586,070	1,270,000	4,856,070	97.2%
2039	436,835	15,000	194,965	180,750	122,450	950,000	1,270,000	2,220,000	98.3%
2040	306,800	15,000	100,000	130,750	122,450	675,000	1,270,000	1,945,000	99.3%
2041						-	1,270,000	1,270,000	100.0%
	43,192,472	71,695,731	19,626,522	17,164,395	12,278,047	163,957,168	28,903,000	192,860,168	

Note: Totals may not add up due to rounding

(1) Includes \$50,701,370 principal amount of the City's outstanding school debt for direct funded school projects, which is reimbursed by the State of Maine.

(2) Supported from their respective enterprise funds.

(3) Includes the Bonds.

Annual Debt Service (June 30, 2020)(1)

<u>Fiscal Year</u>	<u>General</u>	<u>School</u>	<u>Water</u>	<u>Sewer</u>	<u>Storm Water</u>	<u>Principal</u>	<u>Interest</u>	<u>The Bonds Principal</u>	<u>The Bonds Interest(2)</u>	<u>Total</u>
2021	7,706,582	5,886,976	1,902,175	1,553,713	1,263,874	18,313,320	5,358,503	-	186,674	23,858,497
2022	5,721,693	5,789,153	1,861,092	1,491,967	1,207,809	16,071,714	4,755,102	1,553,000	829,664	23,209,479
2023	5,422,203	5,712,271	1,815,158	1,450,540	1,147,881	15,548,053	4,251,805	1,550,000	767,544	22,117,401
2024	4,503,196	5,425,779	1,592,549	1,400,550	1,067,067	13,989,141	3,781,066	1,550,000	705,544	20,025,751
2025	3,028,977	5,413,778	1,562,340	1,353,836	988,713	12,347,644	3,283,226	1,550,000	643,544	17,824,414
2026	2,768,563	5,103,766	1,323,137	1,306,005	950,812	11,452,283	2,842,523	1,550,000	581,544	16,426,350
2027	2,298,816	4,912,249	1,284,238	1,234,687	896,572	10,626,562	2,449,639	1,525,000	519,544	15,120,744
2028	1,829,018	4,758,107	1,209,268	1,079,911	730,257	9,606,562	2,089,876	1,525,000	458,544	13,679,981
2029	1,495,300	4,168,589	1,174,015	1,058,406	695,252	8,591,562	1,788,259	1,525,000	397,544	12,302,365
2030	1,180,146	3,195,788	1,021,268	876,856	634,076	6,908,134	1,524,432	1,525,000	367,044	10,324,611
2031	1,179,147	3,141,587	949,003	849,335	625,636	6,744,707	1,295,629	1,525,000	336,544	9,901,880
2032	985,731	3,141,587	723,261	716,491	529,000	6,096,070	1,066,412	1,435,000	306,044	8,903,525
2033	917,565	3,141,586	667,777	616,391	442,750	5,786,069	881,030	1,435,000	277,344	8,379,443
2034	877,899	2,407,837	537,777	483,508	294,049	4,601,070	697,394	1,435,000	248,644	6,982,108
2035	751,300	2,377,037	460,508	360,175	142,050	4,091,070	546,336	1,435,000	219,944	6,292,350
2036	630,900	2,377,037	460,508	370,175	147,450	3,986,070	409,673	1,435,000	189,450	6,020,192
2037	630,900	2,377,037	455,508	375,175	147,450	3,986,070	272,002	1,270,000	157,163	5,685,234
2038	520,900	2,335,570	331,975	275,175	122,450	3,586,070	132,198	1,270,000	127,000	5,115,268
2039	436,835	15,000	194,965	180,750	122,450	950,000	46,406	1,270,000	96,838	2,363,244
2040	306,800	15,000	100,000	130,750	122,450	675,000	18,563	1,270,000	65,088	2,028,651
2041						-		1,270,000	33,338	1,303,338
	43,192,472	71,695,731	19,626,522	17,164,395	12,278,047	163,957,168	37,490,070	28,903,000	7,514,587	237,864,826

(1) Totals may not add up due to rounding. Includes the Refunded Bonds and the non-refunding portion of the Bonds, but not the Refunding Bonds.

(2) Assumes average coupon rate of 3.75% on the Bonds.

Tax Supported Debt Service (1)

Fiscal Year			Less			Less			Net Debt Service	% Net Principal Amortized
	General Principal	School Principal	State-Supported Principal (2)	Net Principal	Gross Interest	State-Supported Interest (2)	Net Interest			
2021	\$7,706,582	\$5,886,976	\$(3,563,132)	\$10,030,426	\$4,178,179	\$(1,681,533)	\$2,496,646	\$12,527,072	11.5%	
2022	6,211,343	6,547,753	(3,563,132)	9,195,964	4,044,856	(1,581,027)	2,463,829	11,659,793	22.0	
2023	5,908,853	6,470,871	(3,563,132)	8,816,592	3,637,067	(1,475,606)	2,161,461	10,978,053	32.0	
2024	4,969,097	6,184,379	(3,563,132)	7,590,344	3,243,593	(1,363,088)	1,880,505	9,470,849	40.7	
2025	3,536,376	6,172,378	(3,563,132)	6,145,622	2,837,690	(1,243,126)	1,594,564	7,740,186	47.7	
2026	3,255,213	5,862,366	(3,563,132)	5,554,447	2,475,644	(1,131,181)	1,344,463	6,898,910	54.0	
2027	2,773,466	5,650,849	(3,563,132)	4,861,183	2,146,563	(999,396)	1,147,167	6,008,350	59.6	
2028	2,303,668	5,496,707	(3,563,132)	4,237,243	1,842,025	(874,705)	967,320	5,204,563	64.4	
2029	1,969,950	4,907,189	(3,018,832)	3,858,307	1,588,778	(757,117)	831,661	4,689,968	68.8	
2030	1,654,796	3,934,388	(2,130,832)	3,458,352	1,389,866	(669,518)	720,348	4,178,700	72.8	
2031	1,653,797	3,880,187	(2,130,832)	3,403,152	1,219,460	(601,363)	618,097	4,021,249	76.7	
2032	1,440,381	3,856,387	(2,130,832)	3,165,936	1,048,190	(529,416)	518,774	3,684,710	80.3	
2033	1,372,215	3,856,387	(2,130,832)	3,097,770	891,972	(454,336)	437,636	3,535,406	83.8	
2034	1,332,549	3,122,637	(2,130,832)	2,324,354	732,593	(376,422)	356,171	2,680,525	86.5	
2035	1,205,950	3,091,837	(2,130,832)	2,166,955	593,473	(296,058)	297,415	2,464,370	88.9	
2036	1,085,550	3,091,837	(2,130,832)	2,046,555	455,589	(213,563)	242,026	2,288,581	91.3	
2037	990,150	3,069,837	(2,130,832)	1,929,155	320,431	(129,214)	191,217	2,120,372	93.5	
2038	880,150	3,028,370	(2,130,832)	1,777,688	183,081	(43,309)	139,772	1,917,460	95.5	
2039	796,085	707,800	0	1,503,885	93,417	0	93,417	1,597,302	97.2	
2040	666,050	707,800	0	1,373,850	53,608	0	53,608	1,427,458	98.8	
2041	359,250	692,800	0	1,052,050	18,186	0	18,186	1,070,236	100.0%	
	<u>\$52,071,471</u>	<u>\$86,219,735</u>	<u>\$(50,701,376)</u>	<u>\$87,589,830</u>	<u>\$32,994,259</u>	<u>\$(14,419,978)</u>	<u>\$18,574,281</u>	<u>\$106,164,111</u>		

(1) Includes projected debt service on current issue of Bonds.

(2) State support of school construction debt service is subject to annual appropriation by the State of Maine. See "**STATE AID**" herein.

OVERLAPPING DEBT

The City is situated in Androscoggin County and is a participant in the Lewiston-Auburn Water Pollution Control Authority, the Lewiston-Auburn Airport, the Lewiston-Auburn Transit Committee, the Lake Auburn Water Protection Commission, and the Lewiston-Auburn 911 Committee. The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of Androscoggin County, the Lewiston-Auburn Water Pollution Control Authority, the Auburn-Lewiston Airport, and the Lewiston-Auburn Transit Committee, the Lake Auburn Water Protection Committee and the Lewiston-Auburn 911 Committee as of June 30, 2020 and the City's estimated gross share of such debt and fiscal 2021 assessment.

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>City Estimated Share</u>		<u>Fiscal 2021 City Assessment</u>
		<u>Percent</u>	<u>\$ Amount</u>	
Androscoggin County ⁽¹⁾	\$ 0	28.12%	\$ 0	\$3,029,188
Lewiston- Auburn Water Pollution Control Authority ⁽²⁾	15,005,419	64.59%	9,692,000	3,268,932
Auburn-Lewiston Airport ⁽³⁾	0	--	--	167,850
Lewiston-Auburn Transit Committee ⁽⁴⁾	0	--	--	357,942
Lake Auburn Water Protection Commission ⁽⁵⁾	0	--	--	65,000
Lewiston-Auburn 911 Committee ⁽⁶⁾		-		1,134,441

⁽¹⁾ Source: Androscoggin County. The City is subject to annual assessment for its proportion of County expenses, including debt service. This proportion is based on the City's state equalized valuation as a percentage of the County's for the most recent year.

⁽²⁾ Source: Lewiston-Auburn Water Pollution Control Authority. The City is subject to an annual assessment for its proportion of the Authority's expenses, including debt service. The City supports its assessment to the Authority entirely through sewer user fees. This proportion is based on the City's share of sewage treated by the Authority's treatment plant.

⁽³⁾ Source: Auburn-Lewiston Airport. The Cities of Lewiston and Auburn are each assessed for 50% of those Airport expenditures not covered by the Airport's estimated revenues.

Both municipalities retain their portion of debt service on their general fund.

⁽⁴⁾ Source: Lewiston-Auburn Transit Committee. The City provides an equal subsidy with the City of Auburn to the Committee for its share of expenses. The Committee has no authorized unissued debt and has no plans for any new debt authorization.

⁽⁵⁾ The Commission was created to protect Lake Auburn, which is the main source of drinking water for both the City and the City of Auburn. The Commission is funded by assessments on the City and the Auburn Water District, which is substantially coterminous with the City of Auburn.

⁽⁶⁾ The Committee is a joint venture of the City and the City of Auburn, Maine, which provides a "911" emergency communication system for the Lewiston-Auburn area. The Committee is funded exclusively by equal contributions from the cities. Both municipalities retain their portion of debt service on their general fund.

AUTHORIZED UNISSUED DEBT

Following delivery of the Bonds, the City will have \$18,820,000 authorized unissued debt as follows:

<u>Amount</u>	<u>Purpose</u>
\$4,080,000	Bates Mill LLC Guarantee Bonds
2,500,000	Municipal 2014 Projects deferred
1,200,000	Unused 2020 Project authorization
<u>11,040,000</u>	Municipal 2021 Projects
<u>\$18,820,000</u>	

The Bates Mill guarantee bonds represent standby borrowing authorization that the City would utilize only in the event that the City fails to perform under its contract with the Bates Mill LLC. (See "**BATES MILL**" herein for further discussion of this contract.) Absent such failure to perform, the City does not expect to borrow against this authorization. Plans for financing the remaining authorization from 2014 are uncertain at this time. The unused 2020 project authorization is a contingency authorization for a Lake Auburn alum treatment if turbidity levels warrant it. The City expects to issue general obligation bonds for the municipal 2021 projects during the fiscal year ending June 30, 2022.

BATES MILL

In 1992, the City took ownership of the Bates Mill, a 1,000,000 sf former textile factory located in downtown Lewiston, through a tax foreclosure (See “**PROPERTY TAXATION AND VALUATION**” herein for discussion of the tax foreclosure process.)

In December 2003, the City entered into an agreement to sell the majority of the Bates Mill Complex (all land and buildings except the Steam Plant and Bates Mill #5 to the Bates Mill Limited Liability Company, a real estate development and management company controlled by Tom Platz. Mr. Platz is a local architect and developer who has partnered with the City in the redevelopment of the Bates Mill Complex since the mid 1990’s.

Under the terms of the sale agreement, the City agreed to fund a significant amount of post-closing environmental clean-up, public infrastructure improvements, and the construction of a total of 2,040 parking spaces, 1,850 of which were to be new surface or decked surface parking spaces to support the project. The Bates Mill Sales Agreement required the City to provide a \$2.5 million Line of Credit and a \$5.4 million Springing Bond to secure those obligations. The required public infrastructure and post-closing clean-up has been completed and the Line of Credit has been released.

The provision of the 1,850 parking spaces were to be provided on a staggered schedule triggered by notices from Bates Mill LLC of the square footage of sections of the mill complex that they were beginning to redevelop, based roughly on the City providing 4 parking spaces for every 1,000 sf redeveloped. To date, Bates Mill LLC has provided notice for the construction of 1,368 spaces. Including 190 surface parking spaces the agreement credited the City with having provided at the time of the sale, the City has provided a total of 1,509 spaces, more than meeting the demand notice requirement.

Under the terms of the original sale agreement the City is obligated to provide an additional 531 parking spaces. They will be built when demand warrants them. The Springing Bond will be released once the parking obligation is met.

RETIREMENT PLANS

The City contributes to the Maine Public Employee Retirement System Consolidated Plan, a cost sharing, multiple employer, public employee retirement system established by the State of Maine. The Maine Public Employee Retirement System (MePERS) provides retirement and disability benefits, cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the Maine State Legislature. MePERS issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. The most recent Comprehensive Annual Financial Report, for the year ending June 30, 2019, is currently available at <https://www.maineper.org/wp-content/uploads/pdfs/annual-reports/CAFR19.pdf>. Certain other reports may be obtained from MePERS by calling (207) 512-3100.

As of June 30, 2019, the most recent date available, the Consolidated Plan for Participating Local Districts (“PLDs”) had a pension liability of \$3,258,819,605 with Plan fiduciary net position of \$2,953,156,096 for a Plan net pension liability totaling \$305,663,509. The liability is calculated based on a 4.98% percent discount rate. A copy of this valuation study is currently available at <https://www.maineper.org/wp-content/uploads/pdfs/annual-reports/CAFR19.pdf>.

The CAFR and the Valuation Report, as well as certain other reports, are also available from MePERS by calling (207) 512-3100.

The entire unfunded liability of, \$305,663,509 was categorized as a pooled liability. As of this date, individual PLDs are not responsible for funding the pooled liability, except through their ongoing payments to MePERS. It is the City’s understanding that MePERS is considering changes that could allocate pooled liability to individual PLDs, including the City. The City cannot foresee, at this time, the effect of such changes.

PLD Plan members are required to contribute either 7.35% or 8.1% of their annual covered salary and the City of Lewiston is required to contribute an actuarially determined rate. As of July 1, 2020, the current employer rate is 10.1% for municipal employees under Plan A, and 10.8% for certain police and firefighters under Special Plan Option #2, of annual covered payroll. Beginning April 1, 2019, MePERS began to assess employers 5% of those employees that had retired from MEPERS then returned to work wages. The State of Maine pays 95.84% of the employer’s share of State funded teachers,

while the Lewiston School Department pays 4.16% for State funded and 19.12% for Federally funded teachers. The teachers' employee share is 7.65%. The contribution rates of plan members and the City of Lewiston are established and may be amended by the MePERS Board of Trustees.

Upon joining the consolidated plan on July 1, 1997, the City's initial unfunded unpooled actuarial liability (IUUAL) was calculated. The IUUAL represents the remaining amount of the City's pension liability under its then existing PLD at the time it transitioned to the consolidated plan. The outstanding IUUAL at that time was amortized over a 20 year period, with the annual payment increasing by 6%, until the IUUAL is paid in full. In December 2001, the City issued general obligation pension bonds, with a total par value of \$16,395,000 to pay off its outstanding IUUAL. The City refunded the outstanding portion of these bonds on December 15, 2011 with an issue of \$10,000,000 general obligation pension refunding bonds and a transfer from undesignated unreserved fund balance. The outstanding balance of these pension obligation bonds, as of June 30, 2020, was \$1,305,000.

Effective July 1, 2006, the City amended its Special Plan Option #2C to include full retirement benefits for all firefighters serving 25 years of service with a no age provision. This modification resulted in an IUAAL of \$2,467,807 to be amortized over a 15 year period. Annually, the City remitted IUUAL payments of \$269,616. On May 9, 2017, the City Council approved a supplemental appropriation to fund the remaining outstanding balance of \$940,525 to pay the liability in full.

During the previous five years, the following total contributions were made by the City:

Fiscal Period ⁽¹⁾	Contributions	
	Employer	Employee
2020	\$4,111,976	\$4,531,431
2019	3,725,449	4,232,135
2018	3,571,139	4,071,269
2017	3,259,850	4,109,536
2016	3,247,638	3,767,960

⁽¹⁾ City contributions coincide with the State's fiscal year (July 1 - June 30).

Source: MePERS and the City of Lewiston.

In addition to MePERS, the City provides a pension plan administered by the City which covers certain police, fire and public works employees who joined prior to the City's participation in the Maine Public Employee Retirement System. Once the City elected to participate in MePERS, employees were no longer eligible to join this plan. This plan calls for retirement benefits of ½ of the average final compensation to be paid upon an employee attaining the age of 65 or having served not less than 25 years. Beneficiaries of fire and police retirees are also entitled to survivor benefits. Cost-of-living adjustments provided to the members and beneficiaries, are made through Finance Committee authorization. At July 1, 2020, the plan consisted of 1 retiree beneficiary. Given the amount, the City no longer obtains an actuarial evaluation and has converted it to a pure pay-as-go plan with a FY21 appropriation of \$30,805. There are no active employees in the plan.

The City funds the plan on a pay-as-you-go basis and budgets sufficient funds, each year, to meet the annual pension cost. As a result, no funds have been accumulated, nor are any funds expected to be accumulated for the payment of these benefits. All benefits are paid directly by the City when they become due.

Year	Contributions
2020	\$30,113
2019	30,758
2018	27,585
2017	37,165
2016	58,626

Other Post-Employment Benefits. In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis. The Governmental Accounting Standards Board ("GASB") Statement 75 requires public sector entities to

report the future costs of these non-pension, post-employment benefits in their financial statements. These accounting standards do not require pre-funding the payment of these costs as the liability for them accrues, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if the cost of such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits. Although cities and towns that choose to self-insure all or a portion of the cost of the health care benefits provided to employees and retirees may establish a trust fund for the purpose of paying claims, Maine law does not currently provide cities and towns with general legal authority to establish a trust fund for the purpose of pre-funding this liability in the same manner as traditional pension benefits.

The City does not pay for post-employment health benefits. Non-School retirees pay their own health insurance costs as members of the City’s plan. The City’s only exposure to the cost of post-employment benefits comes from the higher utilization of health services by retirees, which raises the risk profile of the entire system. For retirees from School Department, post-employment health benefits are paid by the State of Maine Department of Education. The City’s Net OPEB Liability as of the January 1, 2020 measurement date is \$5,058,417, based on a 2.74% discount rate.

The following are the City’s annual OPEB expenditures:

	<u>2020</u>	<u>2019</u>	<u>2018*</u>	<u>2017</u>	<u>2016</u>
Annual OPEB Cost	\$1,020,082	\$1,648,495	\$317,836	\$262,773	\$249,124
Actual Contribution	\$716,800	\$691,407	\$146,100	\$214,672	\$206,123
Percentage Contributed	70.3%	41.9%	46.0%	81.7%	82.7%
Total OPEB Liability	\$19,427,203	\$17,980,217	\$4,690,858	\$1,643,729	\$1,508,397

* Amounts for FY18 include restatement amounts to implement GASB 75.

PROPERTY TAXATION AND VALUATION

The major source of revenue for the City is the tax on real and personal property. The amount to be levied each year is the amount appropriated or required by law to be raised by municipal expenditures less estimated receipts from other sources and amounts voted from available funds.

The Tax Collector receives the tax commitment from the City Assessor in July; all real estate and personal property tax bills are mailed by August 1. The due dates are September 15 and March 15; payments made after these dates accrue interest at a maximum rate set by the State Treasurer. The fiscal year 2021 interest rate is 8.0% per annum.

Real estate taxes are a first lien on the property, subject to any paramount federal lien and bankruptcy and insolvency laws, and that lien may be enforced through the tax lien mortgage procedure. The Tax Collector, after eight months and within one year of the commitment of the tax, may give written notice to the person against whom the tax is assessed that a lien is claimed and that payment must be made within thirty days. If payment is not made within this thirty-day period, the Tax Collector records a tax lien certificate at the Androscoggin County Registry of Deeds, thus creating a tax lien mortgage on the property to the City. The Tax Collector is required to send true copies of the tax lien certificate to all mortgagees of record and to the owner of record if the property was not assessed to such owner at the time the tax lien certificate is recorded. If the tax, together with the interest and costs, is not paid within 18 months after the filing of the certificate, the mortgage “shall be deemed to have been foreclosed and the right of redemption to have expired.” If the tax, together with the interest and costs, is paid by the owner or any mortgagee within the applicable redemption period, the City records a discharge of the tax lien at the Androscoggin County Registry of Deeds. In case of hardship, an escrow account may be established to allow the taxpayer to accrue payments to cover all taxes, interest, and costs. Once funds in the escrow account are sufficient to pay all taxes and penalties owed, those funds may be used to re-purchase the property from the City.

Alternatively, the City may, after eight months and within one year of the commitment of the tax, obtain a judgment for the tax, interest, and costs of suit and proceed to sell the real estate publicly. Such real estate may be redeemed within one year of the date of the sale. The City may also sell such real estate without a judgment, delivering the deed to the purchaser only after two years have elapsed. To enforce unpaid personal property taxes, the City, pursuant to its ordinances, may refuse the payment of any monies due a taxpayer and withhold the issuance of various licenses and permits.

A single tax rate applies for each fiscal year to all taxable real and personal property. The rate is equal to the amount to be raised divided by the total assessed value. The following table sets forth the trend in the City's assessed valuations, tax rates, gross tax levies and tax levy per capita.

Valuations

Fiscal Year	Real Estate Valuation ⁽¹⁾	Personal Property Valuation ⁽²⁾	Total Assessed Valuation	Tax Rate Per \$1,000 of Assessed Valuation	Gross Tax Levy	Tax Levy Per Capita ⁽³⁾
2021	\$1,790,292,470	\$143,947,850	\$1,934,240,320	\$28.67	\$55,454,670	\$1,521.93
2020	1,793,099,770	145,356,350	1,938,456,120	28.91	56,040,766	1,538.02
2019	1,767,118,440	145,075,200	1,912,193,640	28.67	54,822,592	1,504.58
2018	1,742,564,075	165,800,400	1,908,364,475	28.02	53,472,373	1,467.53
2017	1,729,746,460	163,784,950	1,893,531,410	27.54	52,147,855	1,431.17

(1) Excludes Homestead Value Exemption.

(2) Excludes Business Equipment Tax Exemption.

(3) The 2013 Census Estimate used for fiscal years 2017 to 2021 is 36,437.

Classification of Property

The following table shows the breakdown of the total assessed valuation for fiscal year 2021 by use:

Use	Assessed Valuation	Percentage of Total
Residential.....	\$ 830,175,890(1)	43.0%
Commercial.....	715,495,380 (2)	37.0
Industrial	111,146,490 (2)	5.7
Utilities.....	<u>277,422,560 (2)</u>	<u>14.3</u>
Total	<u>\$1,934,240,320</u>	<u>100.0%</u>

(1) Does not include \$86,909,081 Homestead Exemption Value.

(2) Does not include \$94,537,819 Business Equipment Tax Exemption.

State Equalized Valuation

Under Maine law, cities and towns are required to revalue when local assessed valuation is at or less than 70% of state equalized valuation.

Fiscal Year	State Equalized Valuation	City Assessed Valuation	Assessed Valuation as a % of Equalized Valuation
2021	\$2,423,350,000	\$1,934,240,320	79.8%
2020	2,323,400,000	1,938,456,120	83.4
2019	2,235,850,000	1,912,193,640	85.5
2018	2,237,250,000	1,908,364,475	85.3
2017	2,203,000,000	1,893,531,410	86.0

Largest Taxpayers

The following is a list of the ten largest taxpayers for fiscal 2021 (1):

<u>Name</u>	<u>Nature of Business</u>	<u>Fiscal 2021 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Central Maine Power	Utility	\$162,999,020	8.43%
Brookfield White Pines	Utility	86,105,300	4.45
Wal-Mart Stores East LP	Distribution Center	72,290,600	3.74
Gendron Properties	Construction	32,659,500	1.69
Northern Utilities/Unitil	Utility	26,774,370	1.38
Lepage Bakeries	Bakery	19,363,200	1.00
T D Bank	Banking	16,376,320	0.85
Lewiston Prop LLC	Real Estate	10,950,840	0.57
Elmet Technology	Metal/Wire Mfg	9,382,650	0.49
CPS Ventures LLC (Geiger)	Promotional Products	<u>9,363,150</u>	<u>0.48</u>
	Total	<u>\$446,264,950</u>	<u>23.07%</u>

(1) All these taxpayers are current on payment of real estate and personal property taxes to the City.

CALCULATION OF TAX LEVIES

The following table shows the details of the calculation of the tax levies for the current and most recent fiscal years:

	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>
Estimated Requirements: ⁽¹⁾					
Operational Budget:					
General Government.	\$3,044,259	\$3,069,934	\$2,816,660	\$2,756,868	\$2,671,888
Public Works.....	6,174,633	6,710,137	6,426,517	6,089,735	6,111,938
Public Safety.....	14,273,374	14,118,485	13,100,104	12,653,228	12,043,452
Culture and Recreation	1,288,117	1,371,388	1,293,174	1,264,665	1,201,627
Social Services.....	867,251	831,314	1,222,717	1,153,181	1,015,431
Education	89,402,070	86,818,641	82,983,096	74,200,068	68,793,143
Capital Outlay.....	0	0	0	0	0
Debt Service.....	9,137,556	8,736,406	8,163,478	8,044,655	7,862,252
Intergovernmental.....	4,645,408	4,509,204	4,278,919	4,008,069	3,845,588
Miscellaneous ⁽²⁾	10,279,747	9,566,429	8,806,434	9,188,079	9,039,144
TIF Financing	2,095,503	2,196,222	2,151,968	2,139,492	2,134,625
Overlay.....	<u>1,799,069</u>	<u>1,263,282</u>	<u>2,181,978</u>	<u>1,596,049</u>	<u>1,056,901</u>
Total Estimated Requirements	<u>\$143,006,987</u>	<u>\$139,191,442</u>	<u>\$133,426,045</u>	<u>\$123,094,089</u>	<u>\$115,775,989</u>
Less:					
Anticipated Revenue.....	76,756,896	77,147,609	74,304,385	66,269,904	58,869,757
Prior Year's Surplus	<u>5,593,339</u>	<u>1,766,686</u>	<u>202,000</u>	<u>126,332</u>	<u>1,938,260</u>
Total Estimated Revenue	<u>82,350,235</u>	<u>78,914,295</u>	<u>74,506,385</u>	<u>66,396,236</u>	<u>60,808,017</u>
Amount to be Raised Through Tax Levy	<u>\$60,656,752⁽⁵⁾</u>	<u>\$60,277,147⁽⁷⁾</u>	<u>\$58,919,660⁽⁶⁾</u>	<u>\$56,697,853⁽³⁾</u>	<u>\$54,967,972⁽⁴⁾</u>

(1) Estimated requirements and anticipated revenue do not include the budgets of the Water, Sewer and Storm Water Departments.

(2) Includes Insurance, Retirement, Workers Compensation, and Unemployment Compensation.

(3) Includes \$1,499,665 State Homestead Exemption reimbursement and \$1,725,815 State Business Equipment Tax Reimbursement

(4) Includes \$1,152,063 State Homestead Exemption reimbursement and \$1,668,054 State Business Equipment Tax Reimbursement

(5) Includes \$2,491,683 State Homestead Exemption reimbursement and \$2,710,399 State Business Equipment Tax reimbursement.

(6) Includes \$1,885,356 State Homestead Exemption reimbursement and \$2,211,400 State Business Equipment Tax reimbursement.

(7) Includes \$1,894,520 State Homestead Exemption reimbursement and \$2,341,861 State Business Equipment Tax reimbursement.

Tax Base Sharing

Under Maine Law, a municipality may establish an agreement to share the tax revenues generated by a specific parcel or parcels of land with another municipality. The City has two such agreements with the City of Auburn: the Auburn-Lewiston Airpark located in Auburn and the Brookfield White Pines (BWP) Hydroelectric Generating Facility in Lewiston. The Airpark is a 125-acre industrial park located next to the Auburn-Lewiston Airport. The Airpark had assessed valuation of \$20,068,694 and generated tax revenues of \$475,227 in fiscal year 2020 of which \$185,052 (35%) was paid to the City of Lewiston. In addition, tax revenue from a sphere of influence adjacent to the Airpark generated tax revenue at a rate of 17.5%, providing additional taxes of \$13,950 to the City. The BWP facility is located at the falls in the Androscoggin River between Auburn and Lewiston, near the respective downtowns. The facility is capable of generating about 25 megawatts of power, and has a fiscal 2020 assessed valuation of \$36,363,200, generating tax revenues of \$1,051,260, of which 82.5% is retained by the City and 17.5% is paid to the City of Auburn.

TAX COLLECTIONS AND ABATEMENTS

The following table compares the City's tax collections with its gross tax levies for the past five fiscal years.

<u>Fiscal Year</u>	<u>Gross Tax Levy</u>	<u>Collected Year of Levy*</u>	<u>% of Tax Levy</u>	<u>Collected as of 12/31/20</u>	<u>% of Net Levy</u>
2021*	\$55,454,670	\$28,486,969	51.37%	\$28,486,969	51.37%
2020	56,040,766	54,832,447	97.84	55,376,825	98.82
2019	54,822,592	53,631,195	97.83	54,716,443	99.81
2018	53,472,373	52,293,855	97.80	53,409,174	99.88
2017	52,147,855	51,006,285	97.81	52,122,905	99.95

*For fiscal year 2021, collection amount is as of December 31, 2020.

CITY FINANCES

Budget and Appropriation Process

The budget process in the City of Lewiston normally commences with a request by the City Administrator that all departments submit to him, in writing, a detailed estimate of the appropriations required for the efficient and proper conduct of their respective departments during the next fiscal year. On or before the first day of April the City Administrator must submit to the City Council a copy of the budget for the ensuing fiscal year which contains a clear general summary of its contents and, in detail, all estimated income, the proposed property tax levy and all proposed expenditures, including debt service.

The City Council, by resolution, adopts the budget not later than one month prior to the end of the current fiscal year. In the event the Council fails to adopt the budget at least one month prior to the end of the current year, the Administrator and School Committee, within seventy-two hours thereafter, present a final budget to the Council. If the Council fails to adopt a budget at least twenty days prior to the end of the current fiscal year, the Administrator's and School Committee's final budget are deemed to be automatically adopted.

Budget Comparison (1)

The following table sets forth the final budgets for fiscal years 2017 through 2021:

	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>
General Government	\$3,044,259	\$ 3,069,934	\$ 2,816,660	\$ 2,756,868	\$ 2,671,888
Public Safety.....	14,273,374	14,118,485	13,100,104	12,653,228	12,043,452
Public Works	6,174,633	6,710,137	6,426,517	6,089,735	6,111,938
Human Services.....	867,251	831,314	1,222,717	1,153,181	1,015,431
Culture/Recreation.....	1,288,117	1,371,388	1,293,174	1,264,665	1,201,627
Debt Service	9,137,556	8,736,406	8,163,478	8,044,655	7,862,252
Intergovernmental ⁽²⁾	4,645,408	4,509,204	4,278,919	4,008,069	3,845,588
Education.....	89,402,070	86,818,641	82,983,096	74,200,068	68,793,143
Miscellaneous ⁽³⁾	<u>10,279,747</u>	<u>9,566,429</u>	<u>8,806,434</u>	<u>9,188,079</u>	<u>9,039,144</u>
Total General Fund.....	\$139,112,415	\$135,731,938	\$129,091,099	\$119,358,548	\$112,584,463
Water, Sewer, & Storm Water Enterprises ⁽⁴⁾	<u>15,683,842</u>	<u>15,790,918</u>	<u>15,374,953</u>	<u>14,697,883</u>	<u>13,873,335</u>
Total General Fund and Enterprises.....	<u>\$154,796,257</u>	<u>\$151,522,856</u>	<u>\$144,466,052</u>	<u>\$134,056,431</u>	<u>\$126,457,798</u>

⁽¹⁾ These categories include Capital Outlay.

⁽²⁾ Intergovernmental includes payments to the Auburn-Lewiston Airport, the regional 911 communications system, the Lewiston-Auburn Regional Transit Committee, and Androscoggin County.

⁽³⁾ Miscellaneous includes Insurance, Retirement, Workers Compensation, and Unemployment Compensation.

⁽⁴⁾ The Water and Sewer Enterprises include debt service for projects within those divisions. These Enterprises are entirely supported through user charges. A Storm Water Enterprise Fund was established as of July 1, 2006. As with the Water and Sewer Enterprises, the Storm Water Enterprise will be fully supported through user charges.

STATE AID

The City receives financial assistance from the State of Maine through a number of programs. State aid is subject to annual appropriation. Fiscal 2020 State Aid totaled \$68,749,984. State Aid, as of December 31, 2020, totaled \$36,630,738 (unaudited).

School aid represents the largest proportion of state funding. Under Maine statutes, the State is required to allocate funds equaling a certain percentage of approved educational expenses, including debt service for certain State-approved construction projects. These funds are allocated based on calculated amounts per-pupil, adjusted by valuation, and certain other factors. The percentage of the school budget supported by state aid for fiscal 2021 was 71.6%. In fiscal 2020, School Aid equaled \$63,428,592 as of year-end. School Aid, as of December 31, 2020, totaled \$33,120,292 (unaudited).

The State of Maine has approved state subsidies for three recent school construction projects. These were replacing the Farwell Elementary School, the Pettingill Elementary School, and the Robert V. Connors School, a new consolidated elementary school under construction with a projected 850-880 capacity, to replace the Longley and Martel Elementary Schools. The City issued \$11,026,000 general obligation bonds on November 1, 2007 to finance the replacement of the Farwell Elementary School. Subject to annual appropriation by the State of Maine, the State is expected to fully subsidize debt service on \$10,426,410 par amount of those bonds, or approximately 94.6% of the total. The City issued \$18,975,000 general obligation bonds on December 15, 2008 to finance replacement of the Pettingill Elementary School. Subject to annual appropriation by the State of Maine, the State is expected to fully subsidize debt service on \$18,211,265 par amount of those bonds, or approximately 96.0% of the total. On October 4, 2017, the City, through the Maine Municipal Bond Bank, sold two series of general obligation bonds totaling \$44,721,394, to construct the Connors Elementary School and relocate the Lewiston High School's Sport Complex. One bond, totaling \$42,616,633 is expected to be fully subsidized by the State of Maine. The second issue for \$2,104,761 represents the combined project's local share cost.

Another major aid program is State-Municipal Revenue Sharing. This program distributes a percentage of State sales and income tax revenue to Maine municipalities. The formula dictates that approximately 5% of the State's sales and income

taxes are to be distributed in this manner. The allocation of these funds is based upon population and property tax burden, with greater amounts going to communities with larger populations and higher tax rates. Distributions of State Revenue Sharing have been threatened in recent years as the State looks for ways to balance their budget. However, recent enacted legislation increased funding from FY19's 2% of sales and income tax to 3%, producing an estimated increase of \$1,181,718. In fiscal 2020, the City received \$4,607,001 through this program, and \$2,981,182 for fiscal 2021, as of December 31st (unaudited).

Maine state law imposes limits on municipal property tax levies (see "SOURCES OF PAYMENT AND REMEDIES – Limitation on Municipal Property Tax Levy" herein) and provides that the State will increase school aid to a level that will support 55 percent of eligible public school expenditures no later than fiscal 2009. The legislation also provides for increases in municipal revenue sharing. Due to the present fiscal demands, the State, has moved closer to funding the 55 percent funding level for school aid in prior years and met the 55% threshold in the current fiscal year.

MOTOR VEHICLE EXCISE

The motor vehicle excise tax is assessed at a uniform state-wide rate based on factory list prices on domestic vehicles and port of entry (POE) prices on foreign vehicles. The rates are based on the automobile's age as follows: \$24.00 per thousand the first year, \$17.50 the second year, \$13.50 the third year, \$10.00 the fourth year, \$6.50 the fifth year, and \$4.00 for the sixth and subsequent years. The tax rate always applies to factory list/POE prices as suggested by the manufacturer at the time of manufacture. Fiscal 2020 collections were \$4,910,079 and fiscal 2021 receipts totaled \$2,854,289 as of December 31st (unaudited).

INVESTMENTS

The City invests cash balances from its various funds in demand deposits, certificates of deposits, and perfected repurchase agreements.

As of December 31, 2020 (unaudited), the market value and carrying value of the City's General Fund cash and money market funds were \$38,746,927 and the total amount invested in fully insured certificates of deposit was \$3,627,000. The audited balances as of June 30, 2020, are \$41,378,718 for cash and money market funds and \$3,876,000 for fully insured certificates of deposit.

WATER, SEWER, AND STORM WATER ENTERPRISES

The operations of the water, sewer and storm water divisions are entirely supported by user charges. All enterprise rates are under the control of the City Council, although the City must seek permission of the Maine Public Utilities Commission for any increases in water rates.

The basic quarterly rate for water is \$45.60 for the first 1,200 cubic feet of metered consumption, \$2.95 per 100 cubic feet for the next 9,000 cubic feet of metered consumption, and \$2.65 per 100 cubic feet for any additional usage. These rates went into effect on July 1, 2013, an increase totaling 20% over previous rates. As a result of this increase, the Water Division will remain fully supported by user charges.

The City's basic sewer rate, increased on July 1, 2017 by 16% in order to maintain full cost recovery. The sewer rates are \$2.90 per 100 cubic feet for the first 800 cubic feet of metered water consumption, and \$4.82 per 100 cubic feet for any excess metered water consumption. In addition, there is a "ready-to-serve" charge which is based on meter size.

An enterprise fund was established in July 2006 to fund the cost of storm water operations through user charges rather than property taxes. The rate for storm water user charges is based on the square footage of impervious surface area on properties in the City, a measure which reflects the impact of a property on the storm water system. In order to minimize administrative burdens and expenses, the current flat fee of \$60 per year for the first 2,900 square feet of impervious surface has been established. Single family homes are charged this flat rate and duplex residential units are charged a flat rate of \$90 per year. Other properties are charged a flat rate of \$60 per year for the first 2,900 square feet of impervious surface and \$0.0616 for every additional square foot exceeding the base amount. These rates reflect a 15% rate increase for the storm water utility on July 1, 2017.

COLLECTIVE BARGAINING

The City employs approximately 1,371 (347) full-time equivalent employees, of whom 1,024 are employed by the school department, 98 by the police department, 78 by the fire department, 106.5 by the public works department (including water, sewer, and storm water) and the balance by various other departments. City employees other than confidential employees are entitled to join unions and to bargain collectively on wages, hours and other terms and conditions of employment. Approximately 1,269 full time employees are represented by 12 unions.

The following table indicates the status of contracts between the City and the various unions representing City employees.

Union Contracts

<u>Employee Group</u>	<u>Contract Expiration</u>	<u>Number of Employees</u>
Teachers	8/31/21	534
Food Service Workers	6/30/22	58
School Administrators	8/31/22	26
Educational Technicians	8/31/22	250
General Government	6/30/23	43
Police: Patrolmen	6/30/24	61
Police: Supervisory	6/30/21	15
Firefighters	6/30/22	70
Department of Public Works	6/30/23	64
Food Service Managers	8/31/22	8
Professional-Technical	6/30/23	57
General Government – School	6/30/23	75

PHYSICAL AND ECONOMIC CHARACTERISTICS

General

Lewiston is the second largest city in Maine with a population of 36,211 (American Community Survey 2013 -2017 Estimate). Lewiston is the largest city in the Lewiston-Auburn Metropolitan Statistical Area (MSA), the fourth largest MSA in Maine, with a population of 107,702 at the last Census count. The other major municipality in the MSA is the City of Auburn.

The City is part of a broad and diverse economy. In addition to the economic opportunities in the Lewiston-Auburn MSA, City residents find employment opportunities as far away as Augusta, Portland, southern Maine, and further south in New Hampshire and Massachusetts. Given the geographic dimensions of the state, long commuting distances are not unusual.

The City is a major junction for State Highways 4, 121, 126, 136, and 196, and U.S. 202. The Maine Turnpike, which is Interstate 95, is a major connector to southern New England and the rest of the nation. The City is served by three interchanges, with one in Lewiston, and one in each of the neighboring communities of Auburn and Sabattus. Private air service is available at the Auburn-Lewiston Airport. Commercial air service is available at the Portland International Jetport, 34 miles to the south, and at Bangor International Airport, 100 miles to the north. Public transit service is provided six days a week in Lewiston.

Located at the base of the Great Falls of the Androscoggin River, Lewiston harnessed the power of the river and developed as a manufacturing center, mostly of textiles, which drove the local economy in the nineteenth and early twentieth centuries. In more recent years, commerce and services, such as health care, financial services, education (Lewiston is the home of Bates College and two other colleges), precision manufacturing, telecommunications and warehousing/distribution contribute to the City's economic life.

Principal Employers (1)

The following is a list of the largest employers in the City, except for the City itself.

<u>Name</u>	<u>Product/Service</u>	<u>Approximate # of Employees</u>
Central Maine Medical Center	Health Care	2,135
Sisters of Charity Health Care Systems	Health Care	2,000
TD Bank	Banking	989
Bates College	Education	947
Wal-Mart Distribution Center	Retail Distribution	645
McKesson	Health Care Administration	380
Lepage Bakery	Bakery	375
Sazerac/Boston Brands of Maine	Liquor Manufacturing & Distributor	279
Androscoggin Home Health	Health Services	273
State of Maine	Department of Human Services	250
Grand Rounds	Medical IT	240
Hannaford	Grocery Store	230
Tri-County Mental Health	Social Services	220
Geiger Brothers	Printed & Novelty Products	182
Maine Community Health Options	Health Insurance Cooperative	164
Elmet Technologies	Primary Metals Mfg.	155
Carbonite	Computer Data Center	154
Lewiston Sun/Journal	Newspaper Publication	147
Elmet Technologies	Primary Metals Mfg.	155
Marden's	Retail	135
Central Distributors	Distribution	130
Shaw's Supermarket	Grocery Store	130
Androscoggin Bank	Banking	110
Russell Street Rehabilitation	Health Services	100
Marshwood Center	Nursing Home	92
Argo Marketing	Marketing and Call Center	90
Modula	Precision Manufacturing	90
Compound Solutions	Plastic	89
Community Concepts	Nonprofit Housing & Service Provider	82
Valley Beverage	Distribution	79
Northeast Bank	Banking	60

(1) As of December 2020.

Employment and Payrolls

	Number of Firms	Payroll	Number of Employees
2020 (Q2 only)			
Manufacturing.....	69	<u>\$21,683,660</u>	<u>1,740</u>
Non-Manufacturing.....	1,002	<u>\$228,614,484</u>	<u>17,976</u>
Total.....	1,071	<u>\$250,298,144</u>	<u>19,716</u>
2019			
Manufacturing.....	70	\$81,687,634	1,686
Non-Manufacturing.....	1,064	\$1,085,262,237	22,197
Total.....	<u>1,134</u>	<u>\$1,166,949,871</u>	<u>23,883</u>
2018			
Manufacturing.....	66	\$73,398,245	1,584
Non-Manufacturing.....	1,034	\$1,025,701,563	22,059
Total.....	<u>1,100</u>	<u>\$1,099,099,808</u>	<u>23,643</u>
2017			
Manufacturing.....	67	\$71,147,501	1,557
Non-Manufacturing.....	1,068	\$1,002,192,235	22,246
Total.....	<u>1,135</u>	<u>\$1,073,339,736</u>	<u>23,803</u>
2016			
Manufacturing.....	67	\$67,717,122	1,555
Non-Manufacturing.....	1,073	\$980,589,361	22,500
Total.....	<u>1,140</u>	<u>\$1,048,306,483</u>	<u>24,055</u>
2015			
Manufacturing.....	66	\$69,726,130	1,580
Non-Manufacturing.....	<u>1,061</u>	<u>\$957,953,604</u>	<u>22,380</u>
Total.....	<u>1,127</u>	<u>1,027,679,734</u>	<u>23,960</u>

Source: Maine Department of Labor, Center for Workforce Information and Research, Total Annual Industry Employment and Wages. Data based on place of employment. Data are annual averages for each year.

Building Permits

The following table sets forth the number of building permits issued and the total reported dollar value of new construction and alterations for fiscal years 2012 through 2020, and through the 1st quarter for fiscal 2021 for private and public construction projects.

<u>Fiscal Year</u>	<u>Total Permits Issued</u>	<u>Residential</u>	<u>Non-Residential</u>	<u>Additions & Alterations⁽¹⁾</u>	<u>Total</u>
2021	216	\$1,942,516	\$1,165,599	\$2,099,778	\$5,207,893
2020	569	7,119,844	8,697,774	11,463,787	27,281,405
2019	656	5,328,985	43,079,569	21,547,841	69,956,395
2018	634	5,017,573	49,309,958	19,776,957	74,104,488
2017	580	3,182,507	3,163,912	22,237,078	28,583,497
2016	582	8,753,989	913,931	10,525,258	20,193,178
2015	550	4,299,330	44,554,954	1,173,413	50,027,697
2014	525	8,160,470	20,642,977	1,189,825	29,993,272
2013	625	4,592,870	16,628,693	1,533,424	32,785,781
2012	533	10,351,466	21,713,521	1,607,533	33,672,520

(1) Includes accessory buildings, renovations and tenant fit-out, additions

Source: City of Lewiston, Development Department

ECONOMIC DEVELOPMENT

During the past twenty years, the City has seen over \$800 million in public and private investment across the City. Approximately \$427 million of this amount has occurred in the City's Centreville, or downtown. This level of investment followed decades during the second half of the 20th century when the City experienced economic stagnation or contraction.

Between January 2000 and December 2009, \$432.6 million in public and private development was built in the City. Since January 2010, \$407.5 million in economic development investment has been completed or is underway. Investment has occurred across a broad spectrum of industries, including healthcare, manufacturing, warehousing/distribution/logistics, financial services, education, telecommunications, utilities, hospitality, and multi-family development. Lewiston's economy has diversified significantly from its origins in textile and shoe manufacturing. The narrative and charts below detail the more significant recently completed or in progress economic development projects in various sectors of the City.

Gendron Place

Acquired in 2016 by a local real estate developer, the former **Promenade Mall** is finding new life after years of high vacancy rates and a changing retail market. Today, the lower level has been converted to warehousing with the entire 81,322 s.f. are leased. In the upper main floor level, the second-floor mezzanine space has been removed and 83,000 s.f. is now leased for warehousing. Major retail anchors remain in the front section of the mall including **Staples**, occupying 24,000 s.f., and **Dollar General**, occupying 11,500 square feet. In September 2020, approval was granted for an additional 64,800 square feet of new warehouse/light industrial space to be completed in 2021.

Centreville (downtown)

In the first decade of the 21st century, \$212 million was invested in economic development, including \$21.7 million of City investment in road, streetscape, and parking infrastructure improvements, as well as expansion and improvements at the library. Private sector investment and business growth has been supported through the creation of 2,526 parking spaces.

Since January 2010, an additional \$160.8 million in development has been completed or begun, including construction of 46,900 s.f. of Class A Office Space for **Grand Rounds**, a high tech medical services provider in the Bates Mill complex, the relocation and expansion of **Central Maine Medical Center's** emergency room and lab, construction of the **Lincoln Street Parking Garage**, several new restaurants, and the renovation of several historic buildings for housing and other uses.

Construction was completed in May 2019, on the 63 unit **The Hartley Block**, a mixed income housing project being built in the heart of downtown at 159 Lisbon Street. The project has a mix of one, two, and three bedroom units with 22 of them being market rate. All but six of them were rented before the ribbon cutting, with the remainder leased shortly after and a current waiting list. The developer installed two 9' x 9' tile art mosaics on the Lisbon Street façade, replicating and celebrating the art of the building's name sake, Marsden Hartley. The building has 4,000 s.f. of commercial space at street level. Construction costs were \$8.3 million.

On Blake Street, **Sophia's House** was developed from a historic building that had been vacant for over ten years. This property has community space and a mix of market and affordable housing units available to women in transition. This redeveloped building was awarded a 2020 Maine Preservation Honor Award.

Redevelopment of historic downtown buildings on the National Register continue. Construction has been completed at the **Le Messenger Building** at 223 Lisbon Street, of a three-bedroom unit, a two-bedroom unit, and a penthouse 4-bedroom apartment on formerly vacant floors. All were leased within weeks of completion for rents significantly higher than projected. A historic fire station located at **188 Lincoln Street** was completely renovated in 2020 to include two market rate apartments, fully rented, and ground floor commercial space. In 2016, **46 Lisbon Street** was renovated into 2 market rate apartments and street level commercial space by two architects who purchased the building in 2015, relocating from Manhattan to Lewiston.

In 2020, **The Scruton Block** at 197 Lisbon Street received a complete renovation to create 12 market rate apartments and two floors of commercial space as well as, restoring the original look to the façade. The street-level commercial space is already occupied by **Anchour**, a long-time business who continues to grow in Lewiston. Residential apartments are expected to be leased in early 2021, with rents higher than originally projected. A TIF was established to support this development.

The Dominican Block at 145 Lincoln Street, was purchased in 2020 by a Portland-based developer and will be renovated into market rate apartments and commercial space, with construction expected to begin in 2021.

As quickly as it is developed, market rate housing west of Park Street is snatched up, a testament to the strength of the market demand for quality downtown living options. Developers have taken notice as is evidenced by the **Hartley Block, Dominican Block, and Continental Mill** (later described in the Western Gateway/ Riverfront Island section). The City's current rental vacancy rate is extremely low at 3.4% according to 2019 Census 5-year estimates.

Rinck Advertising relocated to another historic building that had been mostly vacant for 30 years. The building had \$1.6 million invested in renovations. With more than 30 employees, Rinck is bringing new energy and vitality to the downtown.

Auburn based Center Street Dental purchased 110 Canal Street, in 2015 and spent approximately 18 months designing and renovating the space. They invested \$1.9 million into the building and the dental practice expanded, relocated, and rebranded as **Maple Way Dental Care** in the fall of 2017.

A Massachusetts based developer, **Weston and Associates**, acquired three residential development properties in 2015 and invested \$14 million in renovations. Two of the properties, Chestnut Place and Gateway apartments, are located in the downtown; the third, Pleasant View Acres, is located in an outer residential neighborhood.

Rainbow Bikes, a well-known regional bike shop, purchased a downtown building in December 2011. The grand opening celebration for the 5,000 s.f. of renovated space was held in December 2012. Located in the same building as Rainbow Bikes are **Quiet City Books**, and **Boba** which relocated and brought its celebrated Asian fusion dining to Lisbon Street in the spring of 2019, adding to the mix of restaurants and growing vitality on Lisbon Street.

After more than a year of renovations to the building, **Forage**, a local foods market, grocery store, café, and wood fired bakery opened in spring 2012. A yoga studio, artist space and apartment occupy the upper two floors.

The **McGillicuddy Building** was purchased in spring 2012. It is a National Historic Register property. In 2013, a full gut rehabilitation of the interior, replacement of all windows, and cleaning and repointing of exterior brick has resulted in the creation of eight market rate apartments on the upper floors. A restaurant occupies the street level space, and **Sonder & Dram**, has become a destination for creative cocktails and food within the brick walls, warm wood, and vintage lighting of the side entrance basement.

Eric Agren renovated the historic Lyceum Hall in 2007 and donated the space to a gallery. After the gallery closed, Agren further improved the space in 2015 adding a special events room for private and community events. Agren renovated a 5,000 s.f. urban loft style apartment above the restaurant and gallery. In 2011, he converted Lyceum Hall to condominiums and sold the top floor to a local dentist who renovated it for use as his home. In 2012, Agren renovated a neighboring building, building three market rate apartments on the second floor. The first floor of this building has been renovated for a start-up microbrewery, **Bear Bones Beer**, which opened fall 2015. This brewery is the second microbrewery to locate in Lewiston and the third in the Lewiston/Auburn area, adding to Maine's growing craft beer economy. In 2013, Agren renovated the 3rd floor of Lyceum Hall, building two residential condominiums.

The City sold **84 Lisbon Street** for \$50,000 to a party who redeveloped the top floor as their home, and created a combined total of four market rate apartments on the second and third floors. The street level space was renovated for commercial use which is tenanted by **The Vault**, a wine and beer shop.

In addition to funding infrastructure improvements, the City has encouraged and helped support downtown revitalization efforts with Historic and Commercial Façade programs, and Microenterprise, Economic Development, and Mixed Use Residential loan and grant programs. These grant and loan programs are funded through the Federal Community Development Block Grant (CDBG) Program, requiring private sector matching funds and target the downtown Lisbon and Main Street corridors. Many of the projects listed above took advantage of these loan and grant programs.

In 2011, **Community Concepts, Inc.** built and took occupancy of a \$2.2 million Class A office building adjacent to downtown's Kennedy Park. Seventy-five people, including the agency's top management, work in the building.

The City has continued to invest in public parks aiming to enhance Lewiston's desirability as a place to live. The ribbon was cut in November 2018 for **Jude's Place**, Maine's first universally accessible playground. Funding for **Jude's Place** came from CDBG and private sector funding. Installation of a new soccer field, fencing, shelter, and play equipment at **Mark W. Paradis Park** began in the 2012 construction season and was completed in 2015. In 2010, a new pool house was built adjacent to the public pool in **Kennedy Park**, the downtown's most utilized public park. In 2017, CDBG funds were used to install new playground equipment, a water feature, benches, and resurface the basketball court in **Lionel Potvin Park**.

Bates Mill Redevelopment

The City led the charge in redeveloping and revitalizing the **Bates Mill Complex**. This downtown facility, once a textile mill of 1.25 million square feet, has been co-developed by the City and a private developer as a multi-use complex. Currently, thirteen business tenants employ approximately 2,000 people and lease about 547,000 s.f. When fully redeveloped, employment in the Bates Mill Complex is expected to exceed 5,000. Recent activity in the Bates Mill Complex includes diversifying the mix of uses to include housing and light manufacturing.

As of 2020, **Northeast Bank** occupies a 17,000 s.f., \$2.1 million fit out in Bates Mill #2. In 2011, Northeast Bank merged with a Boston based financial services company and became a subsidiary of Northeast Bancorp, expanding the reach of some of their services nationally.

Grand Rounds, a San Francisco-based medical information services company, took occupancy of 22,000 s.f. of space on the top floor of Mill #6 in late winter 2017. Renovation of the space cost \$1.7 million. Grand Rounds has expanded rapidly in Lewiston and took occupancy of an additional a 46,900 s.f., \$3.25 million expansion in an adjoining mill in January 2020. They currently employ 240 people and are on track to grow.

In 2013, **Community Health Options** - a health insurance cooperative initially capitalized by the federal government and created by the private sector to provide competition in the health insurance marketplace took occupancy on the floor below Cross Insurance, and in 2014 took another floor in the building, expanding their presence to 20,000 s.f.

The Lofts at Bates Mill, a 48 unit mixed-income housing project, opened in November 2012. The addition of high quality urban loft style apartments to the complex have added significantly to the after business hours vitality of the complex and downtown, fostering and supporting restaurant, retail, service and cultural activity. More details are provided in the Housing TIF section.

Willis Insurance took occupancy in August 2012, of 10,000 s.f. of Class A office space renovated for them in Bates Mill #2 Wing/Storehouse. In 2014, Willis Insurance was purchased by **Cross Insurance Agency**. Cross Insurance offices remain in Bates Mill #2.

Baxter Brewing began shipping beer in January 2011 from 5,000 s.f. of mill space renovated into a 30 barrel craft beer production brewery. They invested \$1.4 million into the renovation and equipment. Baxter was the first brewery in New England to produce and deliver micro-brewed beer in cans. They doubled production capacity in summer 2011, and in March 2014 completed additional expansion to increase capacity to 400%. They have grown from 5,000 barrels of production in their first year to having capacity for 33,000 barrels three years later, making them the 3rd largest brewery in Maine. They have grown from 5 employees to 25. To date they have invested \$4 million and renovated 5,000 s.f. of mill space above the brewery for use as their corporate offices. The taps started flowing in summer 2019 at **The Pub at Baxter** a 4,800 s.f. tap room and restaurant built adjacent to the brewery.

Bates Mill LLC has completed renovating the **Atrium** area between Mills #1 and #2 with a total investment of \$2.5 million for new entries, an elevator, food court, retail space, and a grand staircase connecting the east and west sides of the Complex. The Atrium has been used to host several gala events and conferences. The long term plan for the space is for restaurant/retail space as part of the larger Bates Mill campus.

The following is a brief review of Bates Mill development in the years 2000 through 2007. Bates Mill buildings #3, #7, and #6 were sold to Bates Mill LLC in 2001, with a developer committed to invest an additional \$10 million in the mills. The rest of the complex, with the exception of Mill #5 and the steam plant, was sold to the same development group in 2004. A more detailed discussion of the future of Mill #5 site can be found in the “Western Gateway” section below.

Beginning in 2005, more than \$5 million has been invested in redeveloping Mill #6. Current tenants include **Fishbones**, an upscale seafood restaurant; 17,000 s.f. of back office operations for **Androscoggin Bank**; **Bates Mill Dermatology**; and **Symquest**, an IT and managed print services company.

Davinci’s Restaurant, an early tenant of Mill #1, relocated to Mill #2 Wing and Storehouse in July 2007, tripling their square footage. Development cost for this new space was \$600,000.

Southern Gateway

Since 2004, a combination of private and public investment in the Southern Gateway transformed this important area from blight and despair to vitality and promise. As outlined below, the redevelopment of this area was successful enough that in 2019, it attracted the eye of a real estate investor who invested \$6 million acquiring the Northeast Bank, First Light Fiber, and Purdue Global office buildings, as well as vacant land currently used for parking. It is the City’s understanding that the developer plans to develop the vacant land.

In 2004, **Oxford Networks** invested \$4 million constructing and equipping a 3,000 s.f. building on Lisbon Street to house its fiber optic, video, and telecommunications switching equipment on Lisbon Street. In September 2004, Oxford Networks took occupancy of an 18,000 s.f., \$1.6 million Class A office building built for them in the gateway. In addition to these building projects, Oxford Networks invested \$10 million installing a state of the art fiber optic network in downtown Lewiston and Auburn, and have continued to expand to L.A. industrial parks. This world-class fiber optic infrastructure, which can transmit data at 10 gigabits per second, making Lewiston more competitive in attracting companies with high telecommunications needs.

Other Southern Gateway businesses include **VIP Parts, Tire, and Service's** flagship store. The company bought and invested \$1.8 million renovating an 18,000 s.f., 1906 vintage building in the Gateway in 2004.

The Public Theatre, an equity theater company that was an early pioneer in the Southern Gateway, has completed their \$2.4 million expansion plans.

Franklin Property Trust was the developer and owner of the Kaplan University, Oxford Networks and Northeast Bank office buildings. A TIF district was created to support developing these projects.

The Lewiston Auburn Metropolitan Chamber of Commerce renovated a 20,000 s.f. historic building in the Southern Gateway that serves as their base of operation on the first floor of the **Key Bank Business Service Center**. Other tenants in the building include **Merrill Lynch**, engineering/environmental firm **CES, Inc**, and paper and plastics recycling firm **Canusa**. In 2020, **Flower Foods**, owner of **Lepage Bakeries**, acquired the top floor of this building to relocate their corporate offices. The property is located between both of their Lewiston plants.

Western Gateway /Riverfront Island

In October 2007, the City adopted a formal development program for the Western Gateway district. Much like the Southern Gateway described above, the Western Gateway was recognized by the City as a focal point for redevelopment efforts in the downtown area and the City believes that it should serve as an appealing welcome for those travelling to Lewiston across the Androscoggin River.

The City identified four major project areas for the initial phase of the Western Gateway development program:

- ❖ Construction of a \$10 million, 100-room high quality hotel located along the Lewiston riverfront,
- ❖ Redevelopment of the 345,000 s.f. Bates Mill #5 on the corner of Lincoln and Main Streets,
- ❖ Clearance and redevelopment of the R.I. Mitchell site (15 Lincoln St.),
- ❖ Redevelopment/improvement of the Bates Mill #5 surface parking lot to support the Western Gateway and other associated projects.

In 2007, the City acquired and cleared 15 Lincoln Street. An underground Combined Sewer Overflow (CSO) facility was built on a portion of the site to meet Federal clean water requirements, at a combined total cost of \$5.6 million including acquisition and clearance. The CSO project saved the City an estimated \$14 million in comparison with the alternative of separating sewer and storm water lines.

Acting upon another Western Gateway Development District goal, the 396-car, \$5 million **Lincoln Street Parking Garage** opened in December 2010. It is located on the southwest corner of the Bates Mill #5 surface lot.

In 2012, the City utilized a HUD Economic Development Initiative Grant to develop a **Riverfront Island Master Plan**. The master plan used the Western Gateway Development Program as a starting point, and expanded and built upon it. Riverfront Island is 77 acres in size and bounded on the east by the main canal, on the south by Cedar Street, and by the Androscoggin River on the west and north. With 3,700 feet of riverfront, and over a mile of canal frontage the area is entirely bounded by water. It has 1.8 million s.f. of mill space prime for redevelopment, 4 public parks, and 1,250 public parking spaces. One third of the land is either publicly owned, or owned by the Lewiston Auburn Railroad Company, an entity in which the City is the majority shareholder.

The driving force behind the planning effort was to develop a mixed-use plan that capitalizes on the potential of the area and that draws the “creative economy” to Lewiston by offering a mix of hospitality, arts and culture, housing, green space, and diverse employment and recreational opportunities. The nine month planning process led by Goody Clancy, with oversight by a 17-member advisory committee; included interviews with 40 stakeholders groups. Three public meetings, designed to engage citizens in imagining the future of this area, each attracted more than 100 residents who actively participated in discussing, shaping, and fine tuning the plan. The Northern New England Chapter of the American Planning Association awarded it their “2012 Plan of the Year.”

The plan is market based. An economic study conducted as part of the planning effort estimated demand for up to 400 market rate, urban loft style apartments; 2 full service restaurants and 2 to 5 smaller food/beverage establishments; 200,000

s.f. of office space; a grocery anchored retail center; and a 90 room hotel. A partial list of physical improvement recommendations included improving access to the water for fishing, boating and walking; improved or new trail systems along the water; a new gateway park better connecting **Simard Payne Park** (a 7 acre riverfront park) to Lincoln Street; and enhanced streetscape adjacent to the canals in order to better capitalize upon them as assets. **Gateway Park**, a \$592,000 public investment, was completed in 2014, providing a distinctive entrance to Simard Payne Park. Additionally, \$162,000 was invested in tripling the size of and upgrading the pedestrian bridge entrance into Simard Payne Park. Constructed in 2015 is a new amphitheater and river access in Simard Payne Park, a \$379,000 public investment. In 2019, a new vehicular bridge was built to improve access to the park and the many special events held there including the Great Falls Balloon Festival, Dempsey Challenge, and Great Falls Brewfest. The bridge cost \$779,000.

The plan also recommended adopting design standards for the area to ensure quality development, which were approved by the City Council in 2020, and to develop shared parking arrangements with private landowners in order to reduce the amount of decked public parking to be built. It also recommended demolishing Bates Mill #5 and utilizing the land for a mixture of public green space and high quality commercial development. However, as noted below, a concerned group of citizens rallied to see Bates Mill #5 redeveloped rather than demolished. The City was recently awarded a \$500,000 EPA Brownfields Cleanup Grant to aid in the reuse or redevelopment of the property.

The Pamco Mill was purchased in 2020 by a private developer who has confirmed plans to develop market rate apartments. They are additionally exploring opportunities for commercial space on the first floor.

In 2019, **Chinburg Properties** purchased the 560,000 s.f. Continental Mill, which is located on the river front, just south of Simard Payne Park; and the Hill Mill, a 330,000 s.f. mill located adjacent to the Bates Mill Complex on the edge of the downtown commercial corridor. **Chinburg Properties** is a New Hampshire based developer of market rate housing and fine homes. They have a strong track record of success in developing former mills into market rate housing and mixed use properties. They are currently in the design stage of Phase 1 on the redevelopment and are working with the City on public and private infrastructure improvements on the property

The **Hampton Inn** is located on the river, at the corner of Main and Lincoln Streets (15 Lincoln Street). The Hampton Inn is the first hotel located in Lewiston's downtown in more than 30 years. The hotel welcomed its first guests in October 2014. It was a \$12 million, 93 room investment.

As explained under Bates Mill Redevelopment, 30,000 s.f. of new Class A office space has been leased at the Bates Mill to Cross Insurance and Maine Community Health Options. Construction of the production capacity upgrades and corporate headquarters have been completed at Baxter Brewing; and a new brewpub/taproom opened in summer 2019.

In the fall of 2013, the City entered into a purchase and sale option with **Platz Associates** to transfer Bates Mill #5. Platz has courted several institutional investors for the building, including relocation of the YMCA from Auburn, as well as interest from an education and a finance institution. The YMCA space will include a 1/6th of a mile indoor track, 8 lane lap pool and therapy pool in addition to other weight and aerobic equipment.

Industrial and Business Parks

The City is home to a number of publicly and privately managed industrial and business parks that have attracted private sector investment over a number of years.

Gendron Business Park

The City approved construction of this privately owned business park in 2003, and the road and utility infrastructure for this approximate 35 acre, 7-lot subdivision was completed in 2004. All seven lots have been sold, with eleven businesses; **Max Finkelstein, Micronettix, Cianbro, Eaton Corporation, Childcare Services, Fielding's Oil, Cash Energy, Yorktowne Casket Company, Baxter Brewing, Apria Healthcare, and AutoParts International** currently operating in the Park. (A twelfth, Fed Ex consolidated operations from multiple facilities in a new facility nearby, see below.) In total, these eleven operations use over 190,000 s.f. and represent \$9.5 million in investment.

A second phase has been designed and is under construction. **Gendron Business Park Phase II** is an eleven lot, 145 acre business park that will accommodate over 1 million s.f. of industrial/commercial space when fully developed. The City invested \$5.11 million to build roads, install a storm water management system, extend water, sewer, and electrical utilities,

and pay the City's share of wetland mitigation costs. At full build out, Phase II is conservatively projected to have a total real property assessed valuation of \$54 million. Park infrastructure and site work on the lots were completed in 2014.

Gendron & Gendron completed construction of a 44,000 s.f. building leased by **Modula** in 2018.

On River Road, just beyond the boundaries of Gendron Business Park, two major distribution facilities have been built since 2006. **Estes Express Lines**, a nationwide carrier, completed construction of a \$2.7 million, 15,000 s.f. truck terminal and office building in 2006. In the summer of 2008, **FedEx Ground** opened its \$5 million, 78,000 s.f. regional hub.

Lewiston Industrial Park

Lewiston's first industrial park, completed in the 1960's, occupies 200 acres. The **Lewiston Development Corporation (LDC)** developed and manages the park. It is currently home to 41 businesses and is at 95% of capacity. The park has direct access to the Maine Turnpike System. **Pathways Metroflex** completed a 17,000 s.f., \$2.2 million expansion of their main facility in 2007. **L.L. Bean** had been manufacturing the rubber bottoms of their iconic boots in a 50,000 s.f. light industrial building within the park, and in 2017 relocated to a 100,000 s.f. building in the park. They invested \$1 million in new equipment and expanded their local manufacturing workforce by 100 people.

Turnpike Industrial Park

The Lewiston Development Corporation also manages a 70-acre, fully serviced industrial park in South Lewiston. The park has direct access to the Maine Turnpike. Approximately fifty acres of the park remain to be developed.

Current tenants include **Modula** and **Stanley Elevator**. Modula was formed when Diamond Phoenix, a manufacturer of automated material handling system, merged with System S.P.A., a multinational company headquartered in Italy. As noted elsewhere in this report, they have invested \$6 million in equipment and purchased their 100,000 s.f. building. Stanley Elevator warehouses equipment and parts, operates a regional service and repair business out of space formerly occupied by Radio City.

In 2002, fifty-two acres of this park were rezoned from Industrial to Urban Enterprise. The change allows retail as a permitted use. The site is adjacent to a turnpike interchange and has turnpike visibility. The Maine Turnpike Authority and Maine Department of Transportation completed the second phase of construction of a fully redesigned Exit 80 which will accommodate additional commercial and industrial growth in the area. Phase I of the project, which entailed realignment of the north and south bound on-ramps was completed in 2014. Phase II, which entails realignment of the north and south bound off-ramps was completed in 2015. Bridge work and installation of a Single Point Urban Interchange (SPUI) was completed in 2016, as well as improvements to Alfred Plourde Parkway. Total construction costs for all phases were \$22.5 million.

South Park Industrial Park

The City-established **South Park Development Corporation (SPDC)** which operates a 95-acre industrial park in South Lewiston. It also has direct access to the turnpike. The park includes a wide array of tenants, including a financial institution's back office operations, manufacturers, federal and state agencies, a construction firm, a wood waste to fuel facility, and a regional travel tour company.

Compounding Solutions cut the ribbon in May 2011, on a 28,000 s.f. expansion, adding to their 20,000 s.f. footprint. The expansion includes a clean room where Compounding Solutions custom blends plastic compounds to specifications for medical applications, building upon their expertise in plastic compound blending for industrial applications. The Planning Board approved a 40,000 s.f. expansion for Compounding Solutions in early 2017. Construction was completed in 2018.

Construction was completed in 2012, on an \$8 million, 32,000 s.f. **Community Based Outpatient Clinic** built for the **Veteran's Administration (VA)**. The facility is owned by Summit Smith and leased to the VA making the property taxable.

In 2004, a 22MVA 115/12.47 KV substation was built by **Central Maine Power Company** within the confines of the park. This \$3.2 million substation helped meet the needs of the Wal-Mart Distribution Center adjacent to the park as well as support future industrial and retail demands in the area. Road, traffic, water and sewer improvements related to the Wal-Mart project were also made in adjacent portions of South Park.

Wal-Mart opened a mechanized food distribution center in 2006. The 850,000 s.f. facility has a total assessed valuation (including personal property) of over \$65.4 million. The center currently has over 640 employees. It ranks as the largest single private investment in Lewiston in over 30 years.

Foss Road Business Park

This privately owned 55-acre, 13-lot park was established in 1988. Current tenants include a number of manufacturers as well as a wholesale distribution company. In 2005, the Lewiston Development Corporation completed a \$1.4 million, 18,000 s.f. building in the park occupied by **Northland Industrial Truck Co. Inc. (NITCO)**, a materials handling solutions provider. In early 2007, another key tenant, **Central Distributors**, completed a 31,400 s.f., \$1,200,000 expansion of its warehouse in 2005. **Clariant**, an international specialty chemical company with a division that manufactures colorings and specialty compounds for plastics received Planning Board approval for a 12,000 s.f. addition at their Foss Road plant. The expansion was completed in 2017.

Fairgrounds Business Park

This project, consisting of the redevelopment of the old Lewiston Fairgrounds, began in 1993 and was completed in 1995. This project was originally assisted through a Tax Increment Financing (TIF) district. Three new tenants sited in the park in 2011. **St. Mary's Healthcare** renovated a former state office building for medical office use. **Merrimack River Medical Services** renovated and opened a clinic in 5,500 s.f. **Carbonite**, a leading provider of automatic online computer backup services, renovated 5,500 s.f. for use as a call and technical service center. Since then, Carbonite has doubled the size of their tenancy and increased their workforce to 154 employees.

In 2015 **Woodlands Senior Living** opened a 70 bed memory care facility, investing \$6.5 million in the project.

Other businesses located in the park include: **McKesson**, **Central Maine Power** residential energy program, **Hartford Insurance**, **Lever's Daycare**, several state agencies including the **Department of Motor Vehicles**, **Department of Labor**, and **Worker's Compensation Bureau**. In 2005, **Pediatric Associates** opened its \$3.4 million, 22,500 s.f. medical office, and **Marco's Restaurant**, which relocated from its downtown location after a fire; invested \$1,000,000 to renovate an old auto repair shop into a restaurant. **Winner's Circle**, an off-track betting facility, constructed a \$600,000, 8,000 s.f. building in 2007. Construction was completed in 2017 on a new Subway franchise and 3,000 s.f. spec. building on a lot at the entrance to the park.

Industry Sector - Specific Development

Much of the previous discussion has focused on a geographical snapshot of where development has occurred in Lewiston in recent years. However, the City has witnessed concentrations of development activity in certain sectors that bear highlighting. Three sectors and development associated with them are listed below:

Financial Sector

Beginning in 1999 with Peoples Heritage Bank's tenancy of 48,000 s.f. at Bates Mill #7, Lewiston has seen significant growth in the financial sector. Peoples Heritage Bank embarked on an aggressive growth as they grew to become **TD Bank**, one of the 15 largest banks in the United States, employing nearly 1,000 people locally.

Androscoggin Bank is headquartered here, and they expanded their back office operations to Bates Mill #6. Design work is underway to expand their presence in Lewiston within the next few years, with an addition to their corporate headquarters on Lisbon Street, and possible construction of a branch and training center in Lewiston's Western Gateway.

Construction has been completed on **Dirigo Credit Union's** \$2.8 million corporate office and branch. **Community Credit Union** invested \$1 million renovating their flagship location in 2018. **Lisbon Federal Credit Union** chose Lewiston for their first branch expansion, opening to the local market in December 2011. In 2010, **Bangor Savings Bank** cut the ribbon on a new branch and **Maine Family Credit Union** cut the ribbon on a \$3.5 million, 24,000 s.f. expansion. Other branch locations or expansions in recent - years include: **Five County Credit Union** acquiring two floors in a signature downtown building and investing \$611,000 in renovations; **Auburn Savings Bank** investing \$762,000 in a new branch; and **Androscoggin Bank** investing \$700,000 in demolishing and rebuilding their Sabattus Street branch. **Key Bank** built a state-of-the-art 3,300 s.f. branch at a cost of \$2 million; and locally based **Mechanics Savings Bank** reconstructed a new branch on their previous site on Main Street. This \$900,000 full-service branch went into service in January 2009.

Health Care Sector

Development in this sector is driven by the City's two largest employers, **Central Maine Medical Center** and **St. Mary's Health System**.

Both hospitals have grown significantly in recent years. St. Mary's recently completed a new Child and Adolescent Behavioral Unit and a new Oncology/Infusion wing. They are also constructing a new Adult Behavioral Unit set to open in late 2021, for a combined investment of \$13.5 million. In 2011, St. Mary's Health Systems opened the doors to a new \$15 million surgical suite. In spring 2010, they cut the ribbon on an \$8.6 million emergency care facility. They opened the \$2 million, 10,000 s.f. **Center for Joint Replacement** in 2007, and a \$10 million **Women's Health Pavilion** in 2001. St. Mary's also completed its **Nutrition Center** in the former Wallace School in downtown Lewiston in 2007.

Central Maine Medical Center started construction in 2020 on a \$33 million Cancer Center expected to bring state of the art cancer care to Lewiston. The new 50,000 s.f. facility will replace and centralize all of the hospitals cancer care into one location. In 2012, Central Maine Medical Center (CMMC) relocated and expanded the **Patrick Dempsey Center for Cancer Hope and Healing** to 10,000 s.f. in the Lowell Court. In 2011, they began serving patients in their relocated and expanded emergency room and lab. Combined, the lab and emergency room represent \$43 million in new investment. Other projects over the last decade include the \$76 million **Central Maine Heart and Vascular Institute**, which brought approximately 200 high quality jobs to the community.

CMMC has begun construction on a new \$1.24 million off campus medical office building/clinic. Other significant projects completed by CMMC since 2000 include a \$10 million renovation of a former shoe factory into medical business services space (Lowell Court), a \$2.3 renovation of an adjacent building into a nursing school; and in 2006, nearly \$2 million in renovations and upgrades to existing hospital facilities. CMMC invested an additional \$7.1 million in outfitting its new 39,000 s.f. intensive care unit on the 4th floor of the Central Maine Heart and Vascular Institute which came online in October 2007.

Pediatric Associates built a \$3.4 million medical office building in 2005; and **Tri-County Mental Health** built a \$1.4 million office building in 2006.

As detailed in the South Park Industrial Park section, construction is done on a new **Veteran's Administration Community Based Outpatient Clinic**.

Although the majority of St. Mary's and CMMC's investments are tax-exempt, the City believes that the multiplier effects, improvements to the quality of life, and the enhanced status of Lewiston as a service community are significant positives.

Woodlands Senior Living, a memory care facility, broke ground in Lewiston in 2014 with their 7th facility in Maine. This \$6.5 million project opened its doors in October 2015, adding a needed service for the area as well as 40 new jobs.

Education Sector

Over the past nine years, **Bates College** has invested \$88 million in new or renovated facilities with their most recent investment of \$30 million constructing two new dormitories. In 2008, the College opened its new two-story dining hall and a 52,000 s.f. residence hall, while also renovating the campus library and existing dormitories. The football stadium was rebuilt in 2010. In 2019, work began on a \$39 million Science, Technology, Engineering and Math Facility expected to be completed by 2021, to be followed by a renovation of their existing Dana Science Center. They are also investing in historic buildings, with a recent award winning restoration of the Gomes Chapel. All told Bates will invest \$75 million in STEM education over the next few years.

The **University of Southern Maine's L/A College** is one of the State of Maine's most rapidly growing educational institutions. In 2008, USM-LA completed a 25,000 s.f., \$5 million classroom building expansion. In 2015, they completed a \$600,000 expansion of their occupational therapy and nursing program facilities. They are exploring opportunities to grow elsewhere in Lewiston.

In 2017, **the Maine College of Health Professions**, a long-standing health education program, became a baccalaureate institution, offering a RN to BSN degree. Healthcare represents both the largest sector and the largest projected job growth

in the State of Maine through 2024. The college's ability to support these degrees ensures we can continue to meet demand for these high-quality jobs.

In addition to these post-secondary institutions, the City of Lewiston has also made significant investment in its own school system with the **Geiger Elementary School**. This 93,000 s.f., \$14.3 million state-of-the-art facility opened its doors to students in August 2009. Construction is complete on a \$5.5 million addition to the **McMahon Elementary School** and a \$9.5 million three story expansion of the **Lewiston Middle School**. With a growing population of school age children, the Lewiston Public School System added in 2015, a \$1.5 million classroom expansion to the **Farwell Elementary School**. In 2017, voters had approved the development of the \$44,721,394 million new **Robert V. Connors Elementary School** to replace two older elementary school buildings: Martel and Longley Schools. The new school opened in September 2019. \$42,616,633 of the cost of the new school was paid by state revenues. Lewiston voters approved the balance of the cost of the new school for a regulation size gymnasium, installation of artificial turf on a relocated baseball/field hockey field, and full air conditioning of the facility so it can be used for summer school and other summer programming. Additionally, last fall voters approved an addition to the **Lewiston High School** for a classroom wing dedicated to cultural and art education. The project is estimated at \$13.4 million

Manufacturing Sector

Valley Beverage is expanding their footprint in Lewiston with a \$3.7 million investment, bringing 79 jobs and 41 vehicle registrations. This is their second expansion of the Lewiston facility since acquiring Federal Distributors in 2017. This planned expansion will enable the company to consolidate their distribution facilities to one location and position themselves to serve their current contracts as well as future service areas. A TIF was used to support this development.

In November of 2020, a Maine investor group, led by Anania & Associates Investment Company, LLC launched **Poly Labs** with the acquisition of the 88,000 square foot former Jones & Vining facility. Poly Labs has a 35+ year legacy of producing highly engineered polyurethane, TPE, TPR and TPU based components for a diverse set of industrial markets including defense, medical, footwear and impact protection.

The business was formerly Jones and Vining's industrial division before being spun off in 2020 as an independent company. The company is a global leader in producing small pour molded polyurethane components for the most demanding applications. As a result of economic impacts due to the coronavirus pandemic, Jones & Vining Inc made the decision to close their Lewiston division in September 2020. Anania & Associates saw opportunity, were attracted to the facility's experienced workforce and projected sales market, and assembled a team of investors with manufacturing expertise to make the \$5.5 million acquisition and launch of Poly Labs.

Elmet Technologies, a global manufacturer of high performance refractory metal products, was sold in early 2015. Anania & Associates Investments Company, the Maine Technology Institute, and a small group of committed individual investors worked to secure the business. Elmet employs 155 people in the Lewiston Auburn area. Both the Elmet and Jones and Vining acquisitions demonstrate continued strength in the City's manufacturing industries.

In 2017, **Sazerac's** \$1,000,000 expansion allowed the company to increase their production of Boston Brands of Maine liquors and add a third shift, an increase of 40 jobs. In 2020, they continued to grow, completing a \$4,000,000 equipment upgrade which allowed for an increase in positions to a total of 279.

Automated material handling equipment manufacturer **Modula/System Logistics** installed state of the art manufacturing technology at their Lewiston facility with a capital investment of \$6 million in 2015 and in 2018. In 2018, they purchased their building. They also expanded and leased 44,000 s.f. in Gendron Business Park II.

Expansions at **Compounding Solutions** and **Clariant** have been covered in the Industrial and Business Park section of above.

Recent and Upcoming Developments

Lewiston Loop – The Maine Public Utilities Commission approved Central Maine Power Company's proposed \$43.3 million upgrade to downtown Lewiston's electrical infrastructure to an 115kV system. It is anticipated that it will provide greater safety, reliability, longevity, and improve the infrastructure to not only downtown Lewiston, but industrial parks in the region. The costs of the 115kV will be shared by all rate payers that are part of the ISO New England grid. Maine rate

payers will pay 8% of the costs. Construction of the upgraded lines and new substation began in July 2015 and was completed in 2018.

Central Maine Power Company has been chosen by Massachusetts to be the provider of Clean Energy to the state for an initial period 20 years. Known as **New England Clean Energy Connect**, CMP will build a \$950 million transmission line to deliver Quebec Hydro energy to Massachusetts. As part of that project, Lewiston will receive a \$250 million AC/DC Converter Station. The project is currently going through permitting. It has received approval from State authorities and Army Corps of Engineers. It is currently awaiting its last federal approval for the crossing of an international border. The site plan application has been submitted to the City, and the Lewiston Planning Board will take action on this project in January 2021, with construction to begin a few weeks after. The project is expected to come on line in 2022. Tax revenue to Lewiston is projected to be \$6 -\$7 million annually.

Saxon Development is going through the development review process to build 245 units of market rate studio and one bedroom apartments at 10 Avon Street, a 5.5 acre riverfront parcel. The apartments will be quality finishes and high amenity, targeted to healthcare employees. The \$30 million project has been rezoned to allow higher density, and the City Council approved a credit enhancement TIF on the project in 2019. The developer is currently seeking financing to complete this project.

Avesta Housing has Planning Board approval to build a 35 unit mixed income housing project. Fourteen of the units will be market rate, the rest will be workforce housing. The project has planning board approval and the City has approved a 15 year, 50%TIF on the project. Construction is anticipated to start in the 2021 construction season.

In addition to the many commercial and residential developments in the City, Lewiston is also attracting a number of high-quality **public art** installations aimed at driving economic growth. On December 31, 2019, Charlie Hewitt's "Hopeful" sign was installed on Bates Mill #5. The L-A Metro Chamber of Commerce received a Creative Communities = Economic Growth grant from the Maine Arts Commission to support public art installations in Lewiston and Auburn by renowned professional artists. Lewiston has a number of highly regarded pieces including a mural by Brazilian artist Arlin Graff, Charlie Hewitt's Rattle, and a newly-installed bear sculpture by Andy Rosen. The latter two will be part of a planned sculpture walk in the downtown. Additional public art installations will be supported by the Choice Planning and Action Grant, discussed in further detail below.

In 2018, the City and partners were awarded a highly competitive \$1.3 million **Choice Planning and Action Grant** from US Housing and Urban Development. Los Angeles and Philadelphia were the only other two cities to receive this grant in 2018. This grant is designed to replace distressed public housing and improve economic opportunities for residents. This grant supports activities designed to improve quality of life in the Choice neighborhood, including public art installations. As a recipient of this grant, the City and partners have the opportunity to apply for a Choice Implementation grant to put into place the goals and strategies outlined in the Choice Neighborhood Transformation Plan.

Additional projects set to break ground in 2021 include:

- NextGrid Solar's 41 acre, \$12 million solar array on three parcels
- a 16,000 sf. warehouse/light industrial building and associated parking at the property located at 10 Gould Street
- 9 unit multi-family structure at property located at 198 Blake Street.
- a 13,650 sf. building expansion to the existing warehouse facility located at 2001 Lisbon Street for Butler Brothers.
- a commercial building totaling 10,000 sf., built in two phases, at 3 Trident Drive for Simard and Sons

ANNUAL PROJECT LISTINGS

The following tables set forth commercial/industrial and residential projects valued at over \$200,000 completed or started in the City in fiscal years 2011-2019 and through Q1 FY 2020. Values and dates shown are taken from building permits.

<u>Major Projects</u>	<u>Description</u>	<u>Value</u>
July 1, 2020 through December 29, 2020		
<u>Commercial/Industrial</u>		
1222 Sabattus St	7500 s.f. office/warehouse	\$350,000
133 Mollison Way	Addition to rear of building	\$369,278
1124 Lisbon St	Reno of Dunkin Donuts	\$230,000
1128 Lisbon St	2,158 s.f. two-unit commercial building	\$210,000
1896 Lisbon St	6,915 s.f. multi-unit commercial	\$525,000
156 East Ave	addition to Lewiston HS	\$9,263,382
1896 Lisbon St	reno for new Dunkin Donuts	\$400,000
16 Bridge St	Interior Renovation	\$2,500,000
1965 Lisbon St Rear	Extraction lab construction	\$280,921
95 Campus Ave	Update systems and windows	\$1,867,332
<u>Residential</u>		
603 Old Greene Rd	Single family home	\$450,000
56 Ferry Rd	Single family home	\$300,000
134 No Name Pond Rd	Single family home	\$210,000
July 1, 2019 through June 2020		
<u>Commercial/Industrial</u>		
88 Commercial Street	Renovation	\$270,000
685 Sabattus Street	New medical building	\$1,240,898
197 Lisbon St	12 market rate apts, 2 commercial floors	\$996,000
15 Strawberry Ave	renovate for conference space	\$372,365
135 Oxford St	12 unit rehab	\$244,950
96 Commercial St	Construction of lab, freezer, supporting spaces	\$225,087
55 North Temple St	New Fire sub station	\$3,573,720
36 Chestnut St Unit 2	Commercial banking operations center	\$1,946,250
25 Canal St	Mill #1, Grand Rounds	\$3,250,000
45 Campus Ave	Bates College Science Building	\$39,000,000
<u>Residential</u>		
4 Commons Drive	Single family home	\$350,000
10 Macadamia Lane	Single family home	\$235,000
9 Matobian Avenue	Single family home	\$200,000
19 Cortland Way	Single family home	\$250,000
13 Macadamia Lane	Single family home	\$250,000
157 Golder Rd	Single Family home	\$300,000
76 Ferry Rd	Single family home	\$350,000
18 Bristol Rd	Single family home	\$435,000
20 Doe Run	Single family home	\$220,000
150 Old Webster Rd	Single family home	\$296,000
11 Cortland Way	Single family home	\$320,000
5 Matobian Ave	Single family home	\$300,000
12 Matobian Ave	Single family home	\$300,000
14 Matobian Ave	Single family home	\$300,000

July 1, 2018 to June 30, 2019

Commercial/Industrial

40 East Avenue	Trampoline Park Renovation	\$750,000
381 Main Street	Dirigo Credit Union - HQ and branch	\$2,800,000
144 Howe Street	Tree Street Youth - renovation/expansion	\$1,000,000
1775 Lisbon Street	Liberty Mutual - tenant fit out	\$1,102,500
85 Cedar Street	Lepage Bakery - 2 loading docks	\$1,066,000
45 Campus Avenue	Bates College - new STEM building	\$39,000,000
95 Campus Avenue	St. Mary's Hospital – new infusion center	\$3,256,850
188 Lincoln Street	Portland Pie Co. & 2 apartments	\$700,000
223 Lisbon Street	Renovations & apartments	\$440,000
25 Canal Street	Grand Rounds tenant improvements	\$3,250,000
31 Alfred Plourde Parkway	Wal Mart - renovations	\$450,000
403 Sabattus Street	New construction - Aroma Joe's Coffee	\$302,000

Residential

143 Blake Street	Sophia's House	\$776,500
127 Old Lisbon Road	Single family home	\$350,000
8 Macadamia Lane	Single family home	\$250,000
21 Commons Drive	Single family home	\$225,000
26 Amos Court	Single family home	\$320,000
9 Cortland Way	Single family home	\$250,000
18 Bowdoin Drive	Single family home	\$225,000
16 Stone Ledge Court	Single family home	\$250,000
12 Cortland Way	Single family home	\$275,000
68 Ferry Road	Single family home	\$300,000
7 Buttonwood Lane	Single family home	\$240,000
5 Cortland Way	Single family home	\$230,000

July 1, 2017 to June 30, 2018

Commercial/Industrial

25 Canal Street	The Pub at Baxter	\$810,000
1035 Lisbon Street	McDonald's renovation	\$300,000
2 Andrews Road	Bates College - Lane Hall Renovation	\$900,000
35 Ash Street	Five County Credit Union renovations	\$261,000
1434 Lisbon Street	3 storage buildings - new construction	\$600,000
17 Foss Road	Clariant - warehouse addition	\$1,200,000
400 Bartlett Street	Connors Elementary School	\$36,751,000
449 Sabattus Street	New Gas & Convenience Store	\$475,000
300 Main Street	CMMC emergency room rehab & new MRI suite	\$1,057,100
685 Lisbon Street	Installation of 3 cell towers	\$250,000
692 Sabattus Street	Hannaford rehabilitation	\$2,900,000
2019 Lisbon Street	Federal Distributors renovations	\$770,050
300 Main Street	CMMC nursing unit renovations	\$428,700
2019 Lisbon Street	Federal Distributors addition	\$1,843,600

Residential

159 Lisbon Street	The Hartley Block - 63 units & 4,000 s.f. retail	\$8,300,000
120 Cotton Road	New single family home	\$226,000
130 No Name Pond Road	New single family home	\$312,150
155 Switzerland Road	New single family home	\$227,000
10 East Merrill Road	New single family home	\$200,000
74 Cotton Road	New single family home	\$210,000

July 1, 2016 to June 30, 2017

Commercial/Industrial

51 Mt. Hope Avenue	Construction of 2 buildings totaling 9,800 s.f.	\$550,000
70 Lincoln Street	Grand Rounds tenant improvements	\$1,315,000
113 Lisbon Street	Rinck Advertising renovations	\$1,017,430
70 Mt. Hope Avenue	Geiger redevelopment	\$8,852,273
110 Canal Street	Maple Way Dental tenant improvements	\$1,891,252
10 Greystone Drive	6,500 s.f. warehouse for Hudson Bus	\$325,000
144 Howe Street	Tree Street Youth renovations	\$776,000
1 Mollison Way	Subway Store	\$705,000
129 Lisbon Street	Berman & Simmons interior renovations	\$357,000
691 Main Street	New Cumberland Farms	\$940,000
855 Lisbon Street	Paychex - 15,000 s.f. tenant improvements	\$312,000
95 Campus Avenue	St. Mary's Hospital - behavioral health unit	\$1,100,000
258 Goddard Road	Compounding Solutions' 40,000 s.f. expansion	\$798,000

Residential

7 Cortland Way	New single family & attached garage	\$200,000
111 Webster Street	Renovation of former office building into 8 units	\$300,000
10 Cortland Way	New single family home	\$230,000

July 1, 2015 to June 30, 2016

Commercial/Industrial

143 Lincoln Street	Addition of stairway and elevator	\$2,432,177
St. Mary's Health Systems	Interior renovations to surgical practice	\$375,000
St. Mary's Health Systems	Interior renovations to pediatric department	\$692,105
46 Lisbon Street	Interior & exterior renovations to mixed use building	\$325,000
Bates College	Renovations	\$1,036,000
Lewiston Public Schools	6-classroom addition at Farwell School	\$1,512,907
Walmart Distribution Center	Hydrogen storage and re-fueling infrastructure	\$375,000

Residential

4 Marygold Way	New single family home	\$325,000
Pierce Place Housing Project	29-units, 3 multi-family housing project	\$5,253,194

TAX INCREMENT FINANCING

Under Maine law, municipalities may create Tax Increment Financing (TIF) districts and use a portion or all of the additional tax revenues generated by development within the district to finance infrastructure improvements and/or provide financial support for projects within the districts. There are two ways municipalities can provide financial support to projects through this mechanism: bonding and credit enhancement. In a bonded TIF, a municipality borrows money for infrastructure improvements such as roads, sewer, and utilities. Tax revenues generated by new development within the improved area are earmarked for debt retirement. In a credit enhancement TIF, a municipality does not have to borrow money. Instead, a portion of the tax revenue generated by new development within a TIF district is returned to the taxpayer. The criteria governing how the money may be used are more lenient in credit enhancement TIFs. During the tenure of a TIF, tax revenue that is not earmarked for debt retirement or credit enhancement obligations goes to the City's General Fund. After the term of the TIF district expires, 100% of the tax revenues go to the General Fund.

Tax Increment Financing allows municipalities to shelter that portion of the increase in property value that is necessary to generate tax revenue sufficient to meet debt retirement or credit enhancement obligations from inclusion in the municipality's total assessed valuation. Doing so minimizes the impact of the new development on the amount the municipality receives in State Revenue Sharing, State Aid to Education, and the amount paid in County tax. In Maine, as total assessed valuation increases, the amount received in State Revenue Sharing and State Aid to Education decreases, and the amount paid in County tax increases.

Lewiston has been aggressive in utilizing tax increment financing to leverage private sector investment. In recent years, credit enhancement TIFs have been the preferred funding mechanism. What follows is a brief outline of each Lewiston TIF district, beginning with the most recent and working backwards.

In March 2020, the City Council approved two TIF districts to support commercial development. **Valley Beverage** will be increasing operations in Lewiston with a \$3.7 million expansion that will add 24 jobs to the area and 41 vehicle registrations. The district will last for 18 years with 40% captured in years 4-18 to offset developer cost restraints. A second TIF district at **197 Lisbon St – Scruton Block** will support a \$2,350,600 investment in a vacant building to create 12 market rate apartments and two floors of prime commercial space. A tenant was secured for the street level commercial space prior to renovation. The 17-year district will capture 0% value in years 1 and 2 and 100% in years 3-17. Forty percent will be captured to offset developer costs due to infrastructure improvements, and 60% will be captured by the City for Economic Development uses including marketing, a revolving loan fund, and programs. This will give the City additional tools to support economic growth.

Sophia's House at 143 Blake St, approved in December of 2019, is a \$1.6 million convent renovation with affordable and market rate units to support women in transition. The district will last five years and capture a varying percentage of revenue, decreasing from 100% to 75% over five years. The captured revenue will cover operating costs for Sophia's House. The parcel will then make a Payment-in-Lieu of Taxes. This parcel has been non-taxable since 1904. Also approved by City Council in December 2019, is the **Saxon Partners – Residence at Great Falls** TIF district. This district will support 245 market rate apartments on a blighted property with a \$30 million investment. The agreement includes easements for a second water main feed and trail extension, adding to the City's robust trail network. 63% of captured value will be returned to the developer to offset development costs for 22 years (no value will be captured in years 1 and 2). The City will capture a small varying percentage for ten years to offset infrastructure improvement costs, including sidewalk and street improvements, with remaining funds placed in the General Fund.

In December 2015, the City Council approved the **Exit 80 - South Lewiston** Omnibus Tax Increment Financing District and Development Program. Under that program, the City will pay for the extension of water and sewer to the site and for offsite traffic improvements required by the development. New tax revenues generated will be used to pay the city's debt service associated with the project, as well as to pay the developer 40% of the new taxes generated within the district for 20 years or until he has been made whole for the extraordinary site costs incurred, whichever comes first.

The Exit 80 South Lewiston Omnibus TIF District is 426 acres in size and will last for 30 years. The retail site, which is included within the district, is 56 acres. Attracting a major retail anchor to the Exit 80 area will serve as a catalyst and springboard for development in the larger district. A full build out analysis for the area projects \$150 million in development could occur in the South Lewiston area over the next 20-30 years.

In May 2013, the Council approved a 10 year TIF program with **Argo Marketing**. Over the first 5 years of the TIF 50% of the new taxes paid will be returned to the developer to help offset high redevelopment costs. The TIF reimbursement will drop to 40% in Years 6 -10. The redevelopment project included the creation of 4,900 s.f. of retail and restaurant space which is available for lease. If 50% or more of the lease space is rented during the first five years of the district, the TIF reimbursement rate will drop to 40% in the year following the tenancy, and remain at that level for the remainder of the TIF term. The City sheltered other TIF revenues generated by the project and will use the revenues to provide funding for economic development programs, marketing of the community as a business and arts location, capitalization of commercial loan programs, and downtown infrastructure that will support tourism development.

The Council approved a 10 year TIF program for the **Hampton Inn**. On average the hotel will annually receive \$100,000 of the new tax revenue generated from the project. The level of TIF support is higher in the early years of the hotel, during the ramp-up phase to stabilize occupancy levels. The TIF reimbursement is \$110,000 in Year 1; \$120,000 in Year 2; \$130,000 in Year 3; and then drops to \$100,000 for Years 4-7. For the last three years of the TIF, the reimbursement rate drops to \$90,000, \$80,000, and \$70,000 respectively. Total project costs for the hotel are estimated at \$9.9 million. Over the course of the TIF term, the hotel is projected to generate a total of \$500,000 in General Fund revenue and produce an estimated minimum of \$159,000 annually in taxes thereafter.

In 2015, **Central Maine Power Company (CMP)** completed the **Maine Power Reliability Program (MPRP)**, a \$1.4 billion upgrade to the electrical transmission infrastructure in Maine. The purpose of the upgrade was to expand the capacity and improve the reliability of the transmission grid in Maine. In Lewiston, CMP invested an estimated total of \$108 million in the MPRP, including \$71.3 million for a new substation, \$11.4 million in other substation improvements, and \$25.9 million in transmission line upgrades. A group of Lewiston residents who reside along an approximately 6.6 mile section of the transmission corridor voiced objections to the impacts the MPRP would have on their properties. The City worked with CMP and the citizen group to develop an alternative construction scenario that was acceptable to the residents. The estimated additional construction cost for these changes is \$3.5 million.

The City created a TIF district that utilizes a portion of the new taxes generated within the district to pay CMP \$358,723 annually for 20 years and reimburse CMP \$65,000 annually for the taxes they will pay on the requested additional upgrades. The \$65,000 annual tax reimbursement is based on what they are estimated to pay in taxes during the first year, and will remain steady over the 20 year term of the TIF. The combined annual total of these payments represents 35% of the new taxes to be generated within the TIF district. It is a Credit Enhancement TIF – the City will not have municipal debt associated with the project. The TIF district became active in 2014, when the MPRP investment in Lewiston was fully realized. CMP powered up the new \$71.3 million Larrabee Road Substation in December 2012. General Fund tax revenue totaled \$1,031,300 in FY21.

In spring 2009, the City received State approval for a TIF on **Gendron Business Park Phase II**, an eleven lot, 145 acre business park that is estimated to accommodate over 1 million s.f. of industrial/commercial development. The City borrowed approximately \$5 million to fund construction of the road, installation of the storm water system, extension of water, sewer, and electrical and the City's share of wetland mitigation costs for this project. The City will only use tax revenues generated by the project as necessary to pay its debt service on bonds used to fund these improvements. In the early years of the TIF district, after all development expenditures have been made but before sufficient economic development occurs to generate enough taxes to cover the debt service, shortfalls in funding are expected. Under the Development Program, those tax revenue shortfalls will be made up as additional development is realized and the assessed valuation and generated taxes will allow. After TIF revenues have been used to pay accumulated and current bonded debt associated with the project, the amount of revenue used for debt service will decline and the percentage of the new real property taxes going to the general fund will increase. This will become possible after the shortfalls have been covered, and as the serial debt service payments decline.

A TIF district was approved in 2004 for **Franklin Property Trust**. Under the TIF agreement, the City will reimburse Franklin Property Trust 100% of the incremental real property taxes paid within the district for 20 years. Included within the district are the Oxford Networks and Northeast Bank buildings, and the renovated Kaplan University space. This level of support was necessary to write down lease rates and attract new investment to the most blighted area of the City. The City will deposit all personal property taxes generated by the new investment in the General Fund. The Southern Gateway

project and Franklin Property Trust investments have already attracted more than \$10 million in new investment to the gateway that is located outside of the TIF district.

In December 2003, the State approved the creation of a bonded debt TIF that will allow the City to pay its debt service on a \$1.04 million bond for the City's share of the \$3.2 million **Central Maine Power** substation project. The City will use 100% of the real property tax revenues generated for 20 years to pay the associated serial debt costs. The new substation provides power for the new **Wal-Mart Mechanized Distribution Center**, expands electrical capacity to permit build out of the industrial/commercial land in South Lewiston (including multiple phases of Plourde Business Park), and improves reliability and redundancy for much of the already developed industrial/commercial areas of the City. In FY2021, an additional \$35,619 of net new taxes were received by the City.

Wal-Mart completed construction on an 850,000 s.f., \$91 million mechanized food distribution center in 2006. Fifty-nine million dollars of the investment is in real property, with the remaining \$32 million in personal property (mostly refrigeration and mechanized material handling systems). Beginning in 2006, the City agreed to return 50% of the real property taxes paid on the property for 20 years. The City will retain all of the taxes paid on personal property. Fifty percent of the personal property taxes will be sheltered from the City's total valuation under the TIF agreement, and will be used to pay bonded debt associated with the project and for other economic development related expenditures that would have otherwise been paid by the General Fund. In fiscal year 2021, the City expects to receive approximately \$456,613 in net new property tax revenues from the project.

Affordable Housing TIFs

While similar in structure to traditional economic development Tax Increment Financing, where valuations of new investments can be sheltered and portions of tax revenue generated by the project can be returned to the developer to offset development costs, Affordable Housing Tax Increment Financing (AHTIF) is an affordable housing tool from Maine Housing. AHTIFs are designed to encourage development of affordable housing that would otherwise not be economically viable due to high development costs and the artificially low rents required over many years to qualify as "affordable" for the purposes of obtaining financing. The revenue returned to a project through an AHTIF can be used to offset approved project costs over the life of the AHTIF.

Lewiston's first experience using an AHTIF was on the **Bates Street Senior Housing** project developed by Community Concepts, Inc. (CCI). This 30-unit senior housing project was completed in 2008. The CCI AHTIF is structured so that the percentage of TIF revenues used to help offset operational expenses will decline over the term of the TIF district. For the first five years of the district, 80% of the incremental increase in taxes will be returned to Community Concepts to fund the development program. For years six through ten, 65% of the incremental taxes will be returned. For years eleven through twenty, 50% of the incremental taxes will be returned. In fiscal year 2021, the City realized \$20,255 in net new real estate property tax revenue from this TIF.

In September 2007, the Lewiston City Council approved the creation of a second AHTIF to assist in the development of a new 20-unit senior housing project being built on the Birch Street Hill area. The project, **Birch Hill Elderly Housing Associates**, added 20 affordable senior rental apartments into the City's housing stock. All of the units are occupied by senior households earning not more than 60 percent of the area median income with not less than 8 units occupied by households earning less than 50 percent of median income. Construction on the \$4.5 million project began in spring 2009 and units became available in March 2010.

For the Birch Hill project, the TIF structure is based on the City's receipt of a fixed amount of tax revenue in the first year (\$5,000 or \$250 per unit), with an annual increase of 2.5% over the life of the TIF. The TIF percentage for a given year will be calculated based on how much of the total TIF revenue would be returned to the project after the City receives its required amount rather than being based on a set percentage. Over its 17-year term, the TIF will help offset operational expenses and keep rents affordable. In fiscal year 2021, the City realized \$6,560 in net new real estate property tax revenue from this TIF.

The developer began welcoming tenants to the redeveloped **81 Ash Street/In Town Manor** in January 2012. This historically significant downtown building has been redeveloped as 32-units of affordable senior housing. This AHTIF is

designed to return 60% of the incremental tax revenues to the property annually over its 17-year life. The City will realize \$12,216 in net new real estate property tax revenue from this TIF in fiscal year 2021.

In 2010, Lewiston approved AHTIF for **The Lofts at Bates Mill** project. This project represents Lewiston's first effort at introducing a housing component into the historic Bates Mill Complex. It is also unique in being the first mixed income project on which we have utilized the Affordable Housing TIF mechanism. The project consists of a total of 48 units, of which 33 are affordable and the remaining 15 are market rate. This AHTIF is designed to return 50% of the incremental tax revenues to the project annually over 20 years. Tenancy began in November 2012. The project fully leased up several months ahead of projections, with the market rate units being the first to fill. Net new taxes totaled \$25,057 for 2021.

In June 2016, the City Council approved an agreement for Development Assistance and Tax Increment Financing (TIF) for the **Hartley Block** to support the development of 63 residential units and 4,100 square feet of commercial space at 149-177 Lisbon Street. The AHTIF will return 50% of the new taxes generated by the project within the district to the developer for a period of 20 years. Those tax revenues will be used to help offset operational expenses of the project. As part of the agreement, the developer will invest a minimum of \$11 million in the project to achieve an optimal assessed value of \$3.2 million. Of the 63 apartments, 22 will be market rate. In fiscal year 2021, this TIF generated \$45,280 in tax revenue.

OTHER DATA

Unemployment (1)

Month or Year	Unemployment Rates			
	City of Lewiston	Lewiston- Auburn MSA	State of Maine	United States
2020	5.7%	5.0%	5.4%	6.9%
2019	2.5%	2.3%	2.1%	3.8%
2018	3.5%	3.2%	3.4%	3.9%
2017	3.5%	3.2%	3.4%	4.4%
2016	3.8%	3.6%	3.8%	4.9%
2015	4.3%	4.2%	4.4%	5.3%

(1) Maine Department of Labor. Full year annual averages, except for 2020, which is for the month of October. The 2020 figures reflect the effects of the COVID-19 pandemic, See "**OTHER CONSIDERATIONS – Coronavirus**" herein

Income Levels

The following table presents 1990, 2000, and 2010 census figures for Lewiston, the State and the country.

	Lewiston	Maine	United States
Median Age:			
2010.....	37	43	37
2000.....	37.6	38.6	35.4
1990.....	33.4	33.9	32.9
Median Household Income:			
2010.....	\$36,743	\$46,933	\$51,914
2000.....	30,033	45,529	49,997
1990.....	24,073	32,422	35,225
Per Capita Income:			
2010.....	\$20,014	\$25,385	\$27,334
2000.....	17,032	19,200	21,684
1990.....	12,185	12,957	14,420

Population Trends

Based upon the 2010 census, population density in the City is 1,045 persons per square mile.

<u>Census</u>	<u>Population</u>
2013 estimate	36,437
2010.....	36,592
2000.....	35,690
1990.....	39,757

Source: Federal Census.

Public School Enrollments

The Lewiston Public Schools include five elementary schools, a middle school, an alternative school building, and a comprehensive high school /regional technical center. Enrollment, as of October 1, 2020 was 5,156 with a staff of 1,024 full-time equivalents, of which 528 are teachers. Excluding special services, the average class size is 19 to 1. Total capacity of the Lewiston Public Schools is currently slightly over 6,400 students. After years of enrollment growth, levels have tapered off permitting a reduction in average class size and additional classroom space. Additions to McMahon Elementary School, Farwell Elementary School, and the Lewiston Middle School expansion projects and the construction of the new Connor Elementary School are complete. Construction on the new Lewiston High School New Classroom Wing project is underway. The project not only improves building security and accessibility, but furnishes 20 additional classrooms.

The following table shows the actual school enrollments as of October 1, 2016 through 2020.

Grades (1)	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Elementary	3,200	3,272	3,211	3,037	2,796
Middle School.....	727	789	780	768	752
High School	1,431	1,441	1,491	1,545	1,524
Outplaced Students.	<u>144</u>	<u>13</u>	<u>84</u>	<u>82</u>	<u>109</u>
Totals.....	<u>5,502</u>	<u>5515</u>	<u>5,566</u>	<u>5,432</u>	<u>5,181</u>

(1) As of October 1 of each school year.

LITIGATION

At present there are no cases pending in which the City is a defendant. The only litigation in which the City is currently engaged is as the plaintiff in several code enforcement or building violation cases where land owners or building owners are the defendants.

**CITY OF LEWISTON,
Maine**

By: /s/ Heather A. Hunter
Finance Director

Dated: January 26, 2021

APPENDIX A

The following are Balance Sheets for fiscal years ending June 30, 2016 through 2020, the Comparative Statements of Revenues and Expenditures (General Fund) for fiscal years ending June 30, 2016 through 2020, and the Comparative Statements of Revenues, Expenses, and Changes in Net Position (Water, Sewer, and Storm Water Funds) for the fiscal years ending June 30, 2016 through 2020. These figures have been excerpted from the audited financial statements of the City for those years.

**CITY OF LEWISTON, MAINE BALANCE SHEET
YEAR ENDED JUNE 30,
GENERAL FUND (1) (2)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
ASSETS					
Cash and Equivalents	\$2,858,238	\$11,322,735	\$6,298,043	\$1,011,250	\$ 3,748,730
Investments	42,396,480	28,362,097	28,389,556	22,680,975	20,620,432
Accounts Receivable – net	2,485,892	613,692	950,576	542,216	677,064
Taxes Receivable	1,866,985	1,884,135	1,832,923	1,903,091	1,914,902
Intergovernmental Receivables	748,686	565,703	717,453	785,677	892,433
Loans		1,436,891	1,583,939	1,731,474	1,864,547
Due from Other Funds	1,480,550	1,079,806	899,076	7,796,450	5,676,710
Prepaid Expenditure	240,430	183,054	102,984	197,697	263,011
Inventories	<u>230,178</u>	<u>249,615</u>	<u>267,584</u>	<u>248,261</u>	<u>273,593</u>
TOTAL ASSETS	<u>52,307,437</u>	<u>45,697,817</u>	<u>41,042,132</u>	<u>36,897,091</u>	<u>35,931,421</u>
LIABILITIES, EQUITY, & OTHER CREDITS					
Liabilities					
Accounts Payable	3,712,255	3,720,901	5,555,460	2,802,095	2,370,704
Wages & Taxes Payable	7,049,764	5,994,367	5,632,433	7,366,082	5,826,731
Customer Deposits	56,339	41,245	39,500	4,553	2,594
Deferred Revenue/Credits		0	0	0	0
Unearned Revenue	559,847	772,865	753,774	705,422	711,635
Due to Other Funds		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>11,378,205</u>	<u>10,529,378</u>	<u>11,981,167</u>	<u>10,878,153</u>	<u>8,911,664</u>
Deferred Inflows – Unavailable Tax Revenue	1,640,940	1,654,324	1,668,607	1,708,734	1,693,298
Equity and Other Credits					
Fund Balances					
Nonspendable	470,608	1,074,169	1,085,568	1,230,458	1,390,604
Restricted	6,270,392	6,284,300	2,239,736	1,790,711	4,061,215
Assigned	12,034,142	8,222,345	7,590,885	4,873,803	4,366,131
Unassigned	<u>20,513,151</u>	<u>17,933,301</u>	<u>16,476,169</u>	<u>16,415,234</u>	<u>15,508,510</u>
Total Equity and Other Credits	<u>39,288,293</u>	<u>33,514,115</u>	<u>27,392,358</u>	<u>24,310,206</u>	<u>25,326,460</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	<u>\$52,307,437</u>	<u>\$45,697,817</u>	<u>\$41,042,132</u>	<u>\$36,897,091</u>	<u>\$35,931,421</u>

(1) Extracted from audited financial statements of the City.

(2) Numbers may not add up due to rounding.

CITY OF LEWISTON, MAINE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND (1)
YEAR ENDED JUNE 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES:					
Taxes	\$63,134,711	\$52,061,037	\$59,709,542	\$ 57,735,755	\$57,015,724
Licenses and Permits	436,628	450,598	492,010	407,101	395,564
Intergovernmental	75,121,912	70,403,030	62,894,336	54,560,834	53,595,980
Charges for Services	1,213,399	1,299,398	1,336,459	1,263,393	1,795,925
Fines and Forfeits	225,431	260,622	210,518	192,950	181,372
Interest	1,792,792	1,931,841	1,699,982	1,662,745	1,587,641
Other	<u>241,125</u>	<u>163,353</u>	<u>265,436</u>	<u>376,681</u>	<u>117,650</u>
Total Revenues	<u>142,165,997</u>	<u>136,569,878</u>	<u>126,608,283</u>	<u>116,199,459</u>	<u>114,689,856</u>
EXPENDITURES:					
Current:					
General Government	3,777,537	3,283,588	3,313,696	3,077,144	2,815,220
Public Safety	15,451,839	15,022,673	14,076,322	13,876,063	12,823,752
Public Works	7,970,301	8,332,773	7,173,522	6,689,837	5,971,893
Human Services	694,648	566,244	875,746	1,078,643	935,260
Culture and Recreation	1,323,204	1,441,945	1,496,142	1,360,917	1,239,633
Education	78,353,599	75,999,687	72,306,931	67,344,686	61,661,206
Unclassified	7,300,754	6,520,302	6,832,095	7,312,178	6,407,935
Intergovernmental	<u>4,774,118</u>	<u>4,541,847</u>	<u>4,068,832</u>	<u>3,886,281</u>	<u>3,811,611</u>
Total Expenditures	<u>119,646,000</u>	<u>115,709,061</u>	<u>110,143,286</u>	<u>104,625,749</u>	<u>95,666,511</u>
Excess (Deficiency) of Revenues over Expenditures	<u>22,519,998</u>	<u>20,860,818</u>	<u>16,464,997</u>	<u>11,573,710</u>	<u>19,023,346</u>
Other Financing Sources (Uses):					
Capital Lease		0	7,114	0	0
Operating Transfers In	460,575	497,145	723,718	732,120	537,888
Operating Transfers Out (2)	(17,206,395)	(17,143,632)	(14,113,678)	(13,322,084)	(14,081,550)
Proceeds from Direct Borrowing Agreements		<u>109,053</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	5,774,178	4,323,384	3,082,152	(1,016,254)	5,479,684
Beginning Fund Balance (restated)	<u>33,514,115</u>	<u>29,190,731</u>	<u>24,310,206</u>	<u>25,326,460</u>	<u>19,846,776</u>
Ending Fund Balance	<u>\$39,288,293</u>	<u>\$33,514,115</u>	<u>\$27,392,358</u>	<u>\$24,310,206</u>	<u>\$25,326,460</u>

(1) Extracted from the audited financial statements of the City.

(2) Includes transfers to Debt Service Fund.

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
WATER FUND (1)
YEAR ENDED JUNE 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating Revenues:					
Charges for Services	\$5,430,649	\$5,459,790	\$5,418,991	\$5,448,327	\$5,391,606
Total Operating Revenues	<u>5,430,649</u>	<u>5,459,790</u>	<u>5,418,991</u>	<u>5,448,327</u>	<u>5,391,606</u>
Operating Expenses:					
Cost of Sales & Services	1,981,507	1,950,994	1,972,762	1,887,868	1,853,277
Administration	880,615	839,346	833,127	839,520	855,678
Depreciation	<u>1,359,725</u>	<u>1,292,699</u>	<u>1,269,925</u>	<u>1,252,249</u>	<u>1,247,349</u>
Total Operating Expenses	<u>4,221,847</u>	<u>4,083,039</u>	<u>4,075,814</u>	<u>3,979,637</u>	<u>3,956,304</u>
Operating Income	<u>1,208,802</u>	<u>1,376,751</u>	<u>1,343,178</u>	<u>1,468,690</u>	<u>1,435,302</u>
Non-Operating Revenue (Expenses):					
Interest Revenue	27,365	92,722	34,497	0	147
Interest Expense	(548,171)	(556,443)	(531,941)	(469,043)	(447,295)
Increase/Decrease in Fund Equity (2)	21,463	57,922	19,195	56,429	67,872
Gain/(Loss) on Sale of Capital Assets	2,395	20,709		5,085	(13,799)
Amortization of Deferred Charges	<u>(6,900)</u>	<u>(13,799)</u>	<u>(13,799)</u>	<u>(13,800)</u>	<u>0</u>
Non-Operating Revenues (Expenses)	<u>(503,848)</u>	<u>(398,889)</u>	<u>(492,048)</u>	<u>(421,329)</u>	<u>(393,075)</u>
Income Before Operating Transfers	704,954	977,862	851,130	1,047,361	1,042,227
Total Operating Transfers Out	(36,165)	(35,134)	(26,257)	(25,645)	(22,548)
Contributed Capital	<u>59,111</u>	<u>114,980</u>	<u>42,598</u>	<u>35,876</u>	<u>28,079</u>
Increase in Retained Earnings/Net Assets	727,900	1,057,708	867,471	1,057,592	1,047,758
Beginning Retained Earnings/Net Assets	<u>31,198,176</u>	<u>30,140,468</u>	<u>29,272,998</u>	<u>28,215,406</u>	<u>27,167,648</u>
Ending Retained Earnings/Net Assets	<u>\$31,926,076</u>	<u>\$31,198,176</u>	<u>\$30,140,468</u>	<u>\$29,272,998</u>	<u>\$28,215,406</u>

(1) Extracted from the audited financial statements of the City.

(2) Lake Auburn Watershed Protection Commission.

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
SEWER FUND (1)
YEAR ENDED JUNE 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating Revenues:					
Charges for Services	\$6,794,849	\$6,845,754	\$6,825,174	\$ 5,969,042	\$ 5,061,250
Total Operating Revenues	<u>6,794,849</u>	<u>6,845,754</u>	<u>6,825,174</u>	<u>5,969,042</u>	<u>5,061,250</u>
Operating Expenses:					
Cost of Sales & Services	3,791,553	3,734,397	3,539,017	3,475,507	3,223,800
Administration	758,341	721,947	715,482	645,568	631,654
Depreciation	<u>787,387</u>	<u>762,692</u>	<u>726,942</u>	<u>672,647</u>	<u>663,533</u>
Total Operating Expenses	<u>5,337,281</u>	<u>5,219,036</u>	<u>4,981,441</u>	<u>4,793,722</u>	<u>4,518,987</u>
Operating Income	<u>1,457,568</u>	<u>1,626,718</u>	<u>1,843,733</u>	<u>1,175,320</u>	<u>542,263</u>
Non-Operating Revenue (Expenses):					
Increase in Fund Equity (2)	215,073	441,015	361,736	95,888	54,270
Interest Revenue	73,873	58,400	23,346	4,938	18,619
Interest Expense	(530,133)	(513,668)	(441,114)	(375,491)	(347,406)
Gain on Sale of Fixed Assets	3,195	0	0	0	0
Amortization of Deferred Charges	<u>(270,427)</u>	<u>(170,645)</u>	<u>(130,029)</u>	<u>(113,204)</u>	<u>(68,595)</u>
Non-Operating Revenues (Expenses)	(508,419)	(184,898)	(186,061)	(387,869)	(343,112)
Operating Transfers and Capital Contributions	<u>(34,996)</u>	<u>(49,045)</u>	<u>(39,640)</u>	<u>(42,506)</u>	<u>(44,685)</u>
Increase in Retained Earnings/Net Assets	914,153	1,392,775	1,618,032	744,945	154,466
Beginning Retained Earnings/Net Assets	<u>18,224,769</u>	<u>16,831,994</u>	<u>15,213,962</u>	<u>14,469,017</u>	<u>14,314,551</u>
Ending Retained Earnings/Net Assets	<u>\$19,138,922</u>	<u>\$18,224,769</u>	<u>\$16,831,994</u>	<u>\$15,213,962</u>	<u>\$14,469,017</u>

(1) Extracted from the audited financial statements of the City. Fiscal 2014 beginning net position restated due to change in recognition of depreciation by the Lewiston-Auburn Water Pollution Control Authority.

(2) Lewiston Auburn Water Pollution Control Authority.

**COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
STORM WATER FUND (1)
YEAR ENDED JUNE 30,**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating Revenues:					
Charges for Services	\$3,060,435	\$3,041,376	\$3,021,170	\$2,614,835	\$2,604,641
Total Operating Revenues	<u>3,060,435</u>	<u>3,041,376</u>	<u>3,021,170</u>	<u>2,614,835</u>	<u>2,604,641</u>
Operating Expenses:					
Cost of Sales & Services	720,692	769,031	732,766	828,706	868,510
Administration	362,701	326,800	316,198	363,933	350,066
Depreciation	<u>342,357</u>	<u>304,496</u>	<u>284,215</u>	<u>248,946</u>	<u>220,113</u>
Total Operating Expenses	<u>1,425,750</u>	<u>1,400,327</u>	<u>1,333,179</u>	<u>1,411,585</u>	<u>1,438,689</u>
Operating Income	<u>1,634,685</u>	<u>1,641,049</u>	<u>1,687,991</u>	<u>1,173,250</u>	<u>1,165,952</u>
Non-Operating Revenue (Expenses):					
Interest Revenue	68,094	53,672	24,149	12,410	24,215
Interest Expense	(352,611)	(322,515)	(275,633)	(239,674)	(239,163)
Amortization of Deferred Charges	<u>(155,604)</u>	<u>(128,668)</u>	<u>(112,772)</u>	<u>(99,930)</u>	<u>(87,464)</u>
Total Non-Operating Revenues (Expenses)	(440,171)	(397,511)	(364,256)	(327,194)	(302,412)
Income before Operating Transfers	<u>1,194,514</u>	<u>1,242,538</u>	<u>1,323,735</u>	<u>846,056</u>	<u>863,540</u>
Operating Transfers and Capital Cont.	<u>(313,479)</u>	<u>1,243,538</u>	<u>(253,655)</u>	<u>(365,267)</u>	<u>(389,473)</u>
Increase in Net Assets	881,035	904,271	1,070,080	480,789	474,067
Beginning Net Assets	<u>6,969,634</u>	<u>6,065,363</u>	<u>4,995,283</u>	<u>4,514,494</u>	<u>4,040,427</u>
Ending Retained Earnings/Net Assets	<u>\$7,850,669</u>	<u>\$6,969,634</u>	<u>\$6,065,363</u>	<u>\$4,995,283</u>	<u>\$4,514,494</u>

(1) Extracted from the audited financial statements of the City.

APPENDIX B

There follows in this Appendix audited financial statements of the City of Lewiston, Maine, as of June 30, 2020 together with the auditor's report of RHR Smith & Company, Certified Public Accountants, Buxton, Maine.

The attached report speaks only as of its date, and only to matters expressly set forth therein. The auditors have not been engaged to review this official statement or to perform audit procedures regarding the post audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix B. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix B and are not passing upon and do not assume responsibility for the sufficiency, accuracy in completeness of the financial information presented in Appendix B.