BATES MILL REDEVELOPMENT STRATEGY

Presented to
The Maine Conference

for
Technical Assistance to Brownfield Communities

By
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Bates Mill Property Manager

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BATES MILL

Community Brownfields Programs

Work
Bates Mill Complex
Why Did Lewiston Get Involved In This Project?

Historic Preservation
Environmental Remediation
Economic Revitalization
Investment
Jobs
Taxes
BATES MILL
(circa 1868)

1847  Benjamin Bates sees Great Falls on Androscoggin River
1848  Construction begins on Bates Mill
1850  Construction begins on canal system
1852  Canals completed; Bates hires first 200 employees
1860  Three sets of mill buildings built.

The Bates Mill is one of the largest and most admirably fitted in New England. It runs 36,000 spindles employing 1,000 and producing 5,700,000 yards of cotton goods. Lowell and Lawrence cannot equal it.

Lewiston Falls Journal, 1857
Major supplier to the Union during Civil War
Famous for Bates Bedspreads
5,000 employees by 1950
The mills came first and the growth of the Bates Mill is reflected in the growth, character, and culture of Lewiston.
CITY HISTORY WITH BATES MILL

1992  City Takes Over Mill to Save < 100 Jobs
1993  Development Corporation Established to
      Oversee Redevelopment  LMRC
1994  Federal Grant Received for Building Improvements
1996  Phase I Environmental Assessment
      City Enters into an Agreement with Developer
      Development Master Plan for Mill Prepared
1997  Community Education/Participation
1998  EPA Removal Action
1999  Brownfields Grants bAssessment & Planning
2000  Brownfields Grant bRevolving Loan
CITY HISTORY WITH BATES MILL

• 2000  Phase II Environmental Site Assessment Report

  2000  Voluntary Response Action Plan (VRAP)
  Submitted to MDEP

  2001  MOA Between MDEP and City for Clean-Up

  2002  Engineering Evaluation and Cost Analysis

  2002  Lead/Asbestos Removal

  2003  Certification of Completion
LEWISTON'S APPROACH

- Environmental Clean Bill of Health
- Lewiston Mill Redevelopment Corporation
  - Non Profit Development Corporation to provide oversight, guidance, and fiscal management.
- Public/Private Partnerships
  - Use public resources to leverage private investment
  - Public investment used to identify and fix environmental issues & build traditional infrastructure
  - Creative development agreement
  - Real estate option
  - Development consulting service cost sharing
ENVIRONMENTAL ISSUES

JOB #1

If project isn’t clean, it’s not bankable

Phase II ESA focused on 1 million s.f. of mill buildings

ESA completed in 1999/00

Contamination mostly heavy metals and dye chemicals (PAHs)

Maine DEP response: No Action Assurance

- Document location of contamination
- Isolate or remove contamination
- Deed documentation
BATES MILL
MANAGEMENT ORGANIZATIONS

Lewiston Mill Redevelopment Corporation (LMRC)

15- Member Board of Directors

Organized as a nonprofit

Mission Statement:

The Lewiston Mill Redevelopment Corporation will provide the guidance and oversight needed to turn the Bates Mill Property over the private sector in a way that insures its viability as a successful business enterprise and best serves the Citizens of Lewiston.

Annual Operating Budget

$1.416 million

(includes Bates Mill Lot Owners Association budget)
LEARNINGS

Things that worked

- Public/Private partnership
- Brownfields Programs
- Federal Cooperation
  - HUD
  - EDA
  - USDA
  - SBA
  - EPA
- Community Public Relations
- Strategic Planning

Challenges

- LMRC/City Role
- Municipal Funding Limits
- Perceived Competition with the Private Sector
Ownership Highlights

- Mills #1, #2, #3, #6, #7 and associated parking
- Own a total of 671,311 s.f. of building space
  - 344,800 s.f. redeveloped and leased
  - 326,511 s.f. net available for lease (in #1, #2 & #6)

<table>
<thead>
<tr>
<th>Mill</th>
<th>#3</th>
<th>#6</th>
<th>#7</th>
<th>#2 SH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total s.f.</td>
<td>161,200</td>
<td>53,400</td>
<td>48,000</td>
<td>38,200</td>
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<tr>
<td>Leased</td>
<td>161,200</td>
<td>35,600</td>
<td>48,000</td>
<td>24,000</td>
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<tr>
<td>Available</td>
<td>0</td>
<td>17,400</td>
<td>0</td>
<td>14,200</td>
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</table>
## FUNDING SOURCES

### Operational

- **$3.0 Million** HUD (entitlement)
- **$7.0 Million** Local Public
- **$0.5 Million** HUD EDI Loan Program

**TOTAL**  **$10.5 Million**

### Infrastructure Investment

- **$1.8 Million** EDA (1994/95 roof & boiler for majority of complex)
- **$0.5 Million** HUD EDI Grant (1996 roof on remainder of buildings)

**$2.3 Million Total**

<table>
<thead>
<tr>
<th>1997 - Mill #7</th>
<th>2000 – Mill #3</th>
<th>2005 - Mill #6</th>
<th>Mill #2 SH</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.0 Million Private</td>
<td>$3.25 Million – Private</td>
<td>$5.0 Million – Private</td>
<td>$3.0 Million – Private</td>
</tr>
<tr>
<td>$1.0 Million Public</td>
<td>$5.00 Million – Public</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
<tr>
<td>$3.0 Total</td>
<td>$1.67 Million – HUD S.P.</td>
<td>$5.0 Total</td>
<td>$3.0 Total</td>
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<td></td>
<td>$.20 Million – USDA RBEG</td>
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<td>$10.12 Total</td>
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### Environmental

- **Brownfields – Planning and Assessment**
  - **$275,000**

- **Brownfields – Revolving Loan Fund**
  - **$500,000**
City Cost & Return on Investment

$8.87 million  Total City bonds

-4.2 million  Chestnut Street Parking Structure

$ 4.67 million  Difference

-2.0 million  Sale proceeds of Bates Mills #3, #6, & #7

$2.67 million  Net City Investment

$17 million  Total Private Sector Investment

Each $1 of net City investment in Bates Mill has leveraged more than $6 in private investment.
### Bates Mill Related Capital Investment
(As of February 2002)

<table>
<thead>
<tr>
<th>USE</th>
<th>COST (millions)</th>
<th>SOURCE</th>
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<tbody>
<tr>
<td>Chestnut Street Parking</td>
<td>$ 6.00</td>
<td>City Bond ($4.20)</td>
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<tr>
<td>Structure</td>
<td></td>
<td>Federal Grants ($1.8)</td>
</tr>
<tr>
<td>Property Acquisition</td>
<td>$0.670</td>
<td>City Bond</td>
</tr>
<tr>
<td>Mill Street</td>
<td>$0.300</td>
<td>City Bond</td>
</tr>
<tr>
<td>Courtyard</td>
<td>$0.720</td>
<td>City Bond</td>
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<tr>
<td><strong>PUBLIC INFRASTRUCTURE</strong></td>
<td></td>
<td><strong>SUBTOTAL</strong> $7.69</td>
</tr>
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</table>
| Bates Mill Rehab (Mill No. 7, Roofs, Boiler Plant) | $4.48 | City Bond ($2.67)  
| Environmental Planning     | $0.775          | Federal Grant ($1.8)          |
| and Clean-Up               |                 | **BATES MILL REHAB AND**      |
| **ENVIRONMENTAL SUBTOTAL** |                 | **ENVIRONMENTAL SUBTOTAL** $5.26 |

**GRAND TOTAL** $12.95 million