

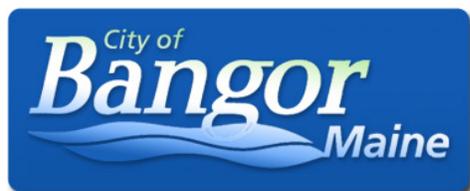
BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

Tuesday, February 2, 2016 5:15 PM
City Council Chambers

AGENDA- REVISED

1. Commission on Cultural Development Grant Recommendations (see attached Memo)
 - a. Bangor Symphony Orchestra
 - b. Maine Discovery Museum/Maine Science Festival
 - c. Bangor Band
 - d. Bangor Ballet
2. Authorizing Consent to Sublease between USABFIT, LLC and Harvest Moon Deli at 366 Griffin Road (see attached Memo)
3. Subordination Agreement- 61 Pine Street (see attached Memo and sample Agreement)

MEMORANDUM



TO: Business & Economic Development Committee
FROM: Tanya Emery, Director of Community and Economic Development
DATE: January 26, 2016

Commission on Cultural Development Grant Recommendations

At its most recent meeting on January 14, 2016, the Commission on Cultural Development recommended that the Bangor City Council approve the following four grant applications.

Bangor Symphony Orchestra

Project Summary

The Bangor Symphony Orchestra (BSO) would like to continue its outreach initiatives throughout Bangor via its "On the Town" program. The BSO has requested funding to conduct ensemble performances at a variety of locations in Bangor (they plan to budget for 14 performances in 2016). BSO's grant request was for \$5,000. The Commission recommendation is to award a grant for \$2,500.

Maine Discovery Museum/Maine Science Festival

Project Summary

The Maine Science Festival (MSF), to be held in March 2016 in Bangor, is committed to showcasing and highlighting the remarkable science that happens throughout Maine every day. The requested funds will support general funding for the Festival. The Maine Discovery Museum is acting as the fiscal sponsor for the MSF. The request was for \$2,500. The Commission recommendation is to award the full amount of \$2,500.

Bangor Band

Project Summary

The Bangor Band will be hosting the 35th annual R.B. Hall Day—a day to honor the memory of Robert Browne Hall, a Maine-born cornetist, who was prolific in his composition of many marches that have gone on to become standards in concert band performance literature. The funding will go towards printing costs of programs and commemorative t-shirts, rental of portable toilets and a tent. The request was for \$1,700. The Commission recommendation is to award a grant for \$1,250.

Bangor Ballet

Project Summary

With this funding, Bangor Ballet plans to provide up to 25 students at Downeast School with the opportunity to learn classical ballet and to attend a live performance of Sleeping Beauty. The project will take place between February and June of 2016. The request was for \$1,518.75. The Commission recommendation is to award a grant for \$1,518.

If the 4 projects are funded by the Council at the recommended levels, the Commission will have \$2,028.80 remaining for this fiscal year.



Memorandum

To: Members of the Business & Economic Development Committee
From: Stephen A. Bolduc, Executive Manager
Date: February 2, 2016
Subject: Consent to Sublease between USABFIT, LLC and Harvest Moon Deli at 366 Griffin Road (Map 100, Lot 006)

Issue

USABFIT, LLC d/b/a Union Street Athletics wishes to sublease a portion of its building at 366 Griffin Rd., Bangor (Lot No. 10, BIA Commercial / Industrial Park). The sublease must be approved by the City of Bangor.

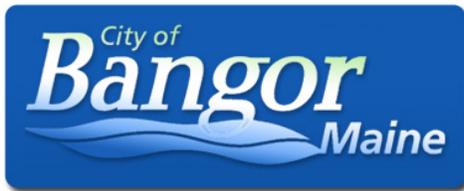
Background

USABFIT, LLC has leased the lot since 2001. Its lease term runs through 2016 with four (4) options of five (5) years each which could extend the lease through 2036. The sublease would be for 925 sq. ft. to Harvest Moon Deli for operation of a delicatessen.

Recommendation

Staff recommends approval of Consent to sublease between USABFIT, LLC and Harvest Moon Deli.

MEMORANDUM



TO: Business and Economic Development Committee
FROM: Jeff Wallace, Housing Rehabilitation Coordinator
DATE: February 2, 2016

Subordination Agreement – 61 Pine Street – NSP House Sold

In December of 2013 the City sold the NSP property located at 61 Pine Street. As part of the sale the City holds a mortgage that is forgiven in five years from the closing date with one fifth of the original amount forgiven on each anniversary of the closing date. The original amount of the mortgage was \$4,582.62. One fifth of the mortgage amount (\$916.52) was forgiven in December 2014 and again in December 2015. The current balance of the mortgage is \$2,749.58. The City currently stands in second position of the two mortgage holders on the property.

The owner of the property is working to refinance the mortgage that is in first position. A requirement of the mortgage company the owner is working with is to have the City subordinate position to the new mortgage holder. If approved, in effect the creditor in position number one will change while the City retains its current position of second.

The Residential Rehabilitation Loan Program has a process for approving subordination requests. This is a HUD approved process and adapts to the NSP program as well. A copy of the requirements for a subordination request has been attached and the items below correspond with the numbers from the attachment.

- 1) The purpose of the refinancing is to reduce the interest rate from 4.25% to 3.99%. This will also lower the cost of private mortgage insurance for the owner by \$69 per month.
- 2) The current outstanding principal balance of the first mortgage is \$108,461.59; original terms were 30 years with 28 years remaining; interest rate is 4.25%.
- 3) The proposed loan amount of the refinance is \$110,036 with a 30 year term and 4.00% interest.
- 4) The appraised amount of the property is \$116,000 and the City Assessing Department assesses it at \$99,500.
- 5) A copy of the Subordination Request form is also attached.

In July of last year this matter was brought to the BED Committee and approved. The homeowners chose not to proceed with that particular mortgage provider and now have decided on a different mortgage provider. The numbers have changed ever so slightly due to passage of time, a different interest rate and a lower refinance amount but are essentially the same as in July, 2015.

Staff recommends approval of the subordination request for 61 Pine Street and requests authorization for Director of Community and Economic Development to sign the Subordination Request form submitted by the owner's mortgage originator.



After Recording Return To:
City Of Bangor

Order # FNTGI-114722

SUBORDINATION AGREEMENT

THIS INDENTURE, made this _____ day of _____, 2016, by and between CITY OF BANGOR, hereinafter called party of the First Part, and PROSPECT MORTGAGE, hereinafter called Party of the Second Part,

WITNESSETH, that whereas Party of the First Part is the owner and holder of a certain Mortgage dated 12/14/2013, in the original principal indebtedness of Four Thousand Five Hundred Eighty Two and 62/100 Dollars (\$4,582.62), to Party of the First Part, which Mortgage was recorded on 12/30/2013 as Book 13431 Page 150, encumbering the land situate in the County of Penobscot, described as follows:

SEE COMPLETE LEGAL ATTACHED AS EXHIBIT "A"

Parcel ID: BANG M: 049 L: 041
Commonly known as 61 Pine Street, Bangor, ME 04401

AND WHEREAS, ERIN OUELLETTE and KIRSTIN WHITE, have made application to the Party of the Second Part for a loan (Prospect Mortgage, Loan # _____) in the amount of not to exceed One Hundred Ten Thousand Thirty Six and 00/100 Dollars (\$110,036.00), to be secured by a First Mortgage encumbering the above described premises, and Party of the Second Part has required as a condition precedent to making of said loan that the Party of the First Part subordinate its mortgage and the lien thereof and all of its rights there under to the mortgage to be placed upon said premises as aforesaid, and Party of the First Part is agreeable to such subordination.

NOW THEREFORE, in consideration of the sum of One Dollar (\$1.00), and other valuable consideration in hand paid by the Party of the Second Part to the Party of the First Part, receipt whereof is hereby acknowledged, and as inducement for making the aforesaid loan by the Party of the Second Part to the aforesaid ERIN OUELLETTE and KIRSTIN WHITE, the Party of The First Part does hereby subordinate the aforesaid mortgage by it and the lien thereof and all of its rights and there under to the mortgage recorded in Official Records Book _____, at Page _____, of the Public Records of Penobscot County, Maine, encumbering the above described premises and does hereby covenant with the Party of the Second Part that it has not transferred or assigned the aforesaid mortgage held by it, nor the Promissory Note it secures, nor any interest held by it in either of said instruments, and it executed this Subordination Agreement as the sole owner of the entire interest held by it in said Note and Mortgage and declare any right or claim held by it to be subject and inferior to the Mortgage held by the Party of the Second Part and to all rights of the Party of the Second Part there under.

IN WITNESS WHEREOF, THE PARTY OF THE FIRST PART HAS HEREUNTO SET ITS HAND AND SEAL ON THE DAY AND YEAR FIRST WRITTEN.

WITNESSES:

CITY OF BANGOR

By: _____

PRINT NAME

Its: _____

PRINT NAME

STATE OF _____ }

COUNTY OF _____ }

BEFORE ME, the undersigned authority, personally appeared _____ who is _____ For: CITY OF BANGOR, who is known to me or has shown _____ as identification, who after being by me first duly sworn, deposes and says that he/she has the full binding authority so execute this Subordination Agreement and he/she subscribed his/her name thereto in certification thereof.

NOTARY PUBLIC

My Commission Expires

No title search was performed on the subject property by the preparer. The preparer of this deed makes neither representation as to the status of the title nor property use or any zoning regulations concerning described property herein conveyed nor any matter except the validity of the form of this instrument. Information herein was provided to preparer by Grantor/Grantee and /or their agents; no boundary survey was made at the time of this conveyance.

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PENOBSCOT, STATE OF MAINE, AND IS DESCRIBED AS FOLLOWS:

A CERTAIN LOT OR PARCEL OF LAND TOGETHER WITH ANY IMPROVEMENTS AND BUILDINGS THEREON SITUATED IN BANGOR, COUNTY OF PENOBSCOT, STATE OF MAINE, MORE PARTICULARLY BOUNDED AND DESCRIBED AS FOLLOWS:

BEING ON THE EASTERLY SIDE OF PINE STREET, BEING PART OF LOT NO. 134, BULFINCH'S PLAN OF KENDUSKEAG POINT, OR OF LOT NO. 11, HOLLAND'S SURVEY AS EXTENDED AND REVISED BY JOSEPH TREAT IN 1822, DESCRIBED AS FOLLOWS: BEGINNING ON THE WESTERLY LINE OF SAID LOT NO. 134, THIRTY (30) FEET FROM ITS NORTHWESTERLY CORNER; THENCE NORTHERLY ON SAID WEST LINE THIRTY (30) FEET; THENCE EASTERLY BY THE NORTHERLY LINE OF SAID LOT NO. 134, ABOUT SIXTYNINE (69) FEET TO A STAKE ABOUT FIFTY-TWO AND ONE-HALF (52.5) FEET FROM THE NORTHEAST CORNER OF SAID LOT; THENCE SOUTHERLY PARALLEL WITH SAID LOT NO. 134, AND THREE (3) FEET THEREFROM, ABOUT THIRTY-FIVE (35) FEET TO A STAKE; THENCE WESTERLY TO THE BOUND BEGUN AT; SAID LAST LINE BEING AT RIGHT ANGLES WITH PINE STREET AND PARALLEL WITH THE NORTH SIDE OF THE DWELLING HOUSE STANDING NEXT SOUTHERLY OF THE LOT HEREBY CONVEYED AND BEING TWO (2) FEET THEREFROM.

PARCEL ID: BANG M: 049 L: 041

COMMONLY KNOWN AS 61 PINE STREET, BANGOR, ME 04401