



# GARDINER CITY COUNCIL AGENDA ITEM INFORMATION SHEET



<b>Meeting Date</b>		<b>Department</b>	
<b>Agenda Item</b>			
<b>Est. Cost</b>			

Background Information

<b>Requested Action</b>	
<b>City Manager and/or Finance Review</b>	
<b>Council Vote/ Action Taken</b>	
<b>Departmental Follow-Up</b>	

<i>City Clerk Use Only</i>	1 <sup>st</sup> Reading _____	Advertised _____	<b>EFFECTIVE DATE</b> _____
	2 <sup>nd</sup> Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____

## Memo: Applying for CDBG Downtown Revitalization Grant for Arcade Lot Improvements

To: Gardiner City Council

From: Melissa Lindley, Economic Development Director

Date: 2/26/2025

### Background

Driven by recommendations from the recent Downtown Master Plan and priorities and initiatives set by the Gardiner Economic and Community Development Committee, I have been working with engineers at Harriman to plan for improvements to the Arcade Parking Lot since November 2024. On January 30, 2025 a public feedback session was held at City Hall to share the project with residents, businesses, building owners and to hear their concerns and priorities for the site. This would be a major project, and planning is still in development. There will be opportunities for additional public feedback once potential design options are ready. Harriman is contracted to prepare the design along with construction documents and cost estimating.

### CDBG Downtown Revitalization Funding

Given the size of the property and scope of the improvement project, we are pursuing funding sources to support moving the construction forward. One source is the Community Development Block Grant (CDBG) Downtown Revitalization Program with a maximum grant award of \$300,000 and requiring a 25% municipal cash match (\$75,000). At the January 12, 2025 meeting City Council approved submitting a Letter of Intent to Apply for this CDBG fund to the Maine Office of Community Development. After their review of our submission, the City was invited to submit a full application for the program, due on March 7<sup>th</sup>.

With an early draft construction budget provided by Harriman and review and discussion with Finance Director Brown, a proposed cost estimate and potential funding sources were included in the initial Letter of Intent. Assuming a \$1.5M budget and construction in 2026, below is the initial concept of how the project could be funded, along with when each source would be secured.

<u>Funding Source</u>	<u>Amount</u>	<u>Date Secured</u>
Downtown TIF Fund	200,000	FY25 & FY26 Budget Revenue
Wastewater Enterprise Capital Reserve	25,000	Available reserve
General Obligation Bond	750,000	TBD Based on Award Funding
Fund Balance	125,000	Available fund balance
Public Works Paving Budget	100,000	FY26 & FY27 budgets
CDBG DR Grant	300,000	TBD

### Next Steps

I propose council to consider the City submitting the full CDBG grant application. Doing so does not commit the City to adhering to the funding sources proposed above or accepting the funds if awarded. Approval of receiving these funds would need to be authorized by the City Council.