

Town of Brunswick, Maine

Item 10

Back up
materials

Town of Brunswick, Maine

OFFICE OF THE TOWN MANAGER

MEMORANDUM

TO: Town Council

FROM: Julia Henze, Town Manager

DATE: January 27, 2026

SUBJECT: Ordinance Authorizing the Issuance of Bonds for Acquisition of 2 Industry Road

With this item, I request that the Town Council set a public hearing to consider an ordinance to authorize the issuance of bonds in an amount not to exceed two million dollars (\$2,000,000) to fund the acquisition of 2 Industry Road as part of the Public Works Facility Project.

Phase 1A of the Public Works Facility Project was authorized by the Town Council at its meeting on December 1, 2025, for the following:

Phase 1a (\$4,700,000)

1. Design/build new fuel island
2. Design/build new salt shed
3. Overall facility site design
4. Utility improvements

Acquisition of 2 Industry Road, located adjacent to the current Public Works facility, was proposed by staff as part of Phase 1A, but Council voted to exclude it at that time.

In the ensuing weeks, staff have continued their due diligence to demonstrate the need to acquire the 1.1-acre parcel. Benefits include:

- Scope of the Public Works Facility Project can be significantly reduced by siting the Administration/Maintenance Garage in a location that allows us to reuse three existing buildings that will not need to be replaced for another 15-20 years. Costs avoided are approximately \$19,500,000.
- Critical functions of the Public Works Department can be maintained without interruption by the continued use of those three existing buildings throughout the construction period.
- The public-facing portion of the Public Works campus can be “squared off” with a significant part of Industry Road discontinued as a public road, thus presenting a uniform, easily identifiable entrance

- The Administration function can be positioned at the front of the campus to better welcome visitors, monitor use of shared resources (fuel and salt/sand), and supervise department activities.
- The Administration/Maintenance Garage can be constructed as a single building to achieve energy efficiency, cost-savings, and a smaller campus footprint.
- Traffic flow in and around the campus can be improved to allow for safe and efficient access to all areas.
- Spin-off of a Fleet Management Department can be accommodated with proper sizing of the Maintenance Garage as part of a single building, along with Administration.

The following Public Works facility comparisons of the fifteen (15) largest municipalities in Maine, by population, illustrate the importance of 2 Industry Road despite its relatively small parcel size. “Lane Miles” is an indicator of the resources needed to maintain public roads and associated infrastructure, the primary responsibility of all municipal Public Works departments. For Brunswick, the 310 lane miles referenced does not include approximately 40 lane miles of private roads located at Brunswick Landing and Marriners Landing.

Public Works Facilities: Total Developed Acres

MUNICIPALITY	POPULATION	LANE MILES	DEVELOPED ACRES
Lewiston	38,772	400	25.2
Bangor	32,446	370	18.7
Portland	69,568	560	13.1
Biddeford	22,370	230	12.9
Sanford	22,497	370	11.8
Augusta	19,168	290	11.8
South Portland	26,994	330	11.3
Gorham	18,545	310	11.2
Scarborough	24,010	350	10.9
Westbrook	21,386	120	9.5
Saco	21,064	260	9.4
Brunswick (Phase I and 2)	22,631	310	9.0
Brunswick (Phase 1)	22,631	310	9.0
Windham	19,600	300	8.7
Brunswick (current)	22,631	310	7.2
Auburn	25,200	487	5.0
Waterville	17,336	360	3.2

Public Works Facilities: Total Square Feet of All Buildings

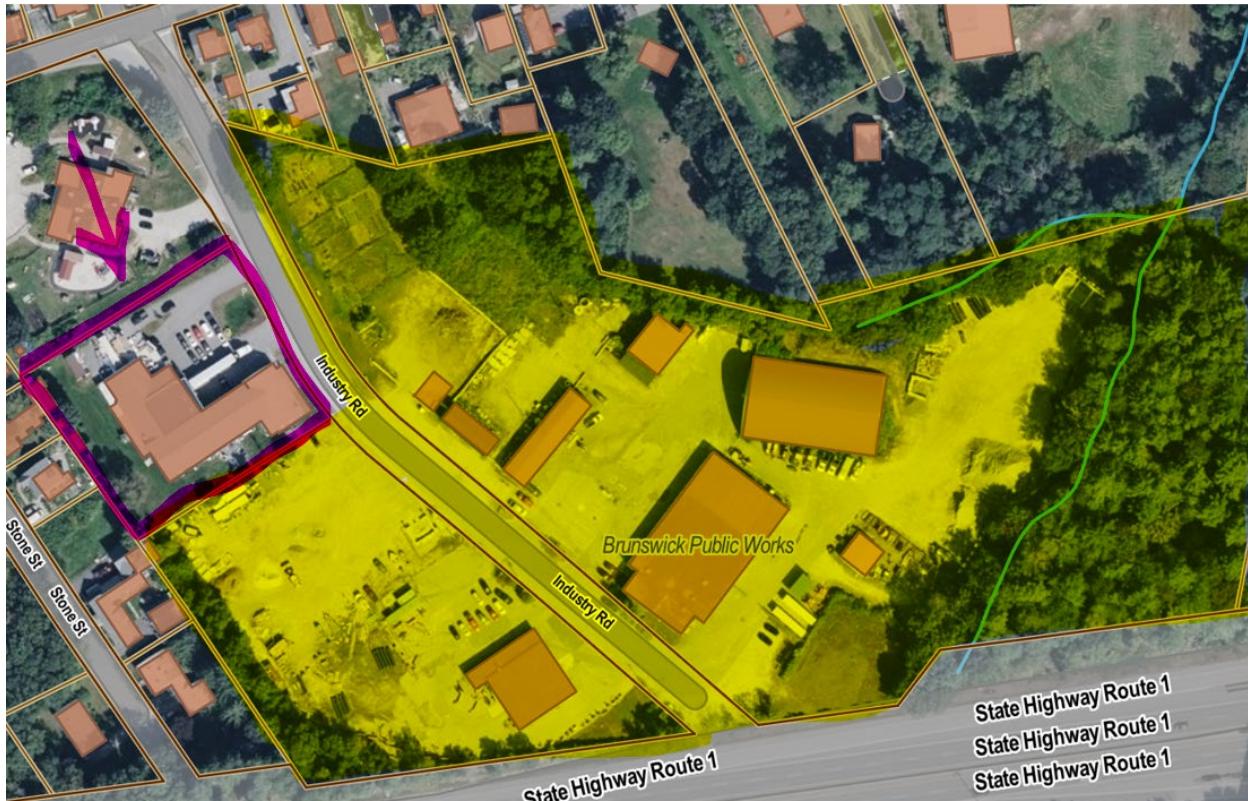
MUNICIPALITY	POPULATION	LANE MILES	TOTAL BUILDING SF
Portland	69,568	560	170,000
Brunswick (Phase I and 2)	22,631	310	109,475
Lewiston	38,772	400	95,900
South Portland	26,994	330	81,200
Biddeford	22,370	230	79,800
Auburn	25,200	487	77,550
Scarborough	24,010	350	74,400
Brunswick (Phase 1)	22,631	310	72,002
Bangor	32,446	370	55,300
Westbrook	21,386	120	54,100
Gorham	18,545	310	52,800
Saco	21,064	260	45,900
Augusta	19,168	290	45,410
Sanford	22,497	370	44,400
Waterville	17,336	360	42,900
Brunswick (current)	22,631	310	40,862
Windham	19,600	300	40,200

The timing of the acquisition is essential to the overall site design process that was authorized as part of Phase 1A. Knowing that 2 Industry Road is part of the usable site now will allow for a focused and timely planning process.

Additionally, terms of the purchase had already been largely negotiated leading up to the December 1, 2025, meeting, including a proposed purchase price and the renegotiation of two existing tenant leases. cPort, the mortgagee of the property, has indicated a strong preference not to initiate foreclosure proceedings with the current owner in favor of seeing the property sold to the Town. However, the property owner continues to be unable to make scheduled mortgage payments and the outstanding balance grows with each passing month. Conversations with the property owner and cPort contribute to the sense of urgency and time-sensitivity of the purchase of 2 Industry Road.

The Town Manager is recommending that the Town Council approve funding through the issuance of bonds not to exceed \$2,000,000 for acquisition of property (1.1 acres) located at 2 Industry Road as part of the Public Works Facility Project.

2 Industry Road



Attachments:

- Ordinance Authorizing the Issuance of Bonds for Acquisition of 2 Industry Way as Part of the Public Works Facility Project
- Bond Amortization Estimate

TOWN OF BRUNSWICK, MAINE

An Ordinance Authorizing Acquisition of Property at 2 Industry Road, With Total Project Costs Not to Exceed Two Million Dollars (\$2,000,000), and Further Authorizing Issuance of Bonds in an Amount not to Exceed Two Million Dollars (\$2,000,000), plus any Additional Appropriation Authorized Hereunder

WHEREAS, the existing public works facility at 9 and 10 Industry Road is 40,702 square feet and is severely undersized for the current public works operations. The 16,972 square-foot main building (administration and garage) was constructed in 1956 of concrete blocks. It lacks insulation, compliance with the Americans with Disabilities Act, adequate locker rooms/crew facilities, and basic environmental systems such as ventilation and separation of personnel and vehicle exhaust; and

WHEREAS, a project to construct a new public works facility (the “Public Works Facility”) has been in the Town’s Capital Improvement Program (“CIP”) since 2020, and in the CIP for the fiscal years ending June 30, 2023-2027, adopted on May 12, 2022, the Town Council approved \$120,000 for a space needs and planning study for the Public Works Facility; and

WHEREAS, the space needs study was completed in June 2024 and, through subsequent discussions and refinements, determined that current and future needs of the Public Works Department would require a facility totaling approximately 110,000 square feet; and

WHEREAS, on July 21, 2025, the Town Council determined that the best location for the new Public Works Facility is the current location on Industry Road, and directed staff to continue work on planning the facility in that location; and

WHEREAS, during work on the location and design of the Public Works Facility, several Councilors expressed support for centralizing municipal vehicle and equipment maintenance in a Fleet Management Program; and

WHEREAS, the Town’s Economic Development Director and Brunswick Development Corporation (“BDC”) have been working with the owner of the property at 2 Industry Road for a number of years, and in early summer 2025 became aware of his intention to sell the property, which is adjacent to the Public Works Facility; and

WHEREAS, working with the design consultants and Councilors, staff determined that the 1.1 acre property located at 2 Industry Road, Brunswick, Maine, would increase the usable space for the Public Works Facility by 16%, allowing for an improved layout and better options for phasing the project while maintaining operations during construction; and

WHEREAS, the proposed Phase 1 of the project, totaling an estimated \$12,500,000, included the new fuel station and salt shed at the front of the facility to be more accessible to all users, extensive underground utility work and the approximately 26,000-square-foot main administrative and garage building large enough to accommodate the Public Works Department, a new Fleet Management Department, six to eight vehicle maintenance bays and a wash bay; and

WHEREAS, staff further divided Phase 1 into two parts: Phase 1a for \$6,500,000 to construct the new fuel station and new salt shed, acquire real property located at 2 Industry Road, Brunswick, Maine, and further refine the site design for the Public Works Facility, and Phase 1b for \$6,000,000 to construct the main administrative and maintenance garage building; and

WHEREAS, on November 17, 2025, the Town Council authorized the Town Manager to execute a Purchase and Sales Agreement for 2 Industry Road, conditional on final ratification by the Council; and

WHEREAS, the Town negotiated with the property owner and completed a term sheet to purchase the property for \$1,750,000, honoring existing tenant leases but reducing the lease terms to four years, and requiring the seller to retain full responsibility and liability for the property for the balance of the lease terms; and

WHEREAS, on December 1, 2025, the Town Council adopted an ordinance approving \$4,700,000 of Phase 1a of the Public Works Facility Project, consisting of construction of the new fuel station and new salt shed, and refining the design of the site and the main administrative and garage building, but not including the acquisition of the property at 2 Industry Road; and

WHEREAS, the Town Council directed staff to continue work on the plan for the Public Works Facility and the Fleet Management Program; and

WHEREAS, staff has continued discussions with the owner and mortgage holder of the property at 2 Industry Road, who have communicated the urgency of the need to sell the property and offering the Town the current opportunity to purchase the property; and

WHEREAS, based on the continued analysis of the site, the long-term future of the Public Works function, the prospect to realize efficiencies with a Fleet Management Program, and the time-sensitive opportunity to acquire the adjacent 2 Industry Road parcel, the Town Manager is recommending that the Town Council approve funding for acquisition of the property for no more than \$2,000,000; and

WHEREAS, the Charter of the Town of Brunswick, Maine (the “Charter”) requires that any capital acquisition to be financed solely or partly by the issuance of bonds or notes to be authorized by ordinance;

NOW THEREFORE, THE FOLLOWING ORDINANCE IS ADOPTED.

Section 1. Funding Sources and Appropriations.

- a. A total of up to Two Million Dollars (\$2,000,000), plus any additional amounts authorized under this ordinance, are appropriated to finance the acquisition of real property located at 2 Industry Road, Brunswick, Maine. (the “Project”).
- b. The issue and sale, from time to time, of the Town’s general obligation bonds and notes in anticipation thereof is authorized in an aggregate principal amount not to exceed Two Million Dollars (\$2,000,000), plus the cost of issuance (the “Bonds”). The proceeds of the Bonds are appropriated to finance all or a portion of the costs of the Project and costs of issuance of the Bonds.

Section 2. Authorization for Project.

- a. The Town Manager is authorized to negotiate, execute, and deliver, in the name of and on behalf of the Town, such contracts, agreements, and other documents and certificates as the Town Manager may determine to be necessary or appropriate in connection with the Project and issuance, sale or delivery of the Bonds. The aforementioned items shall be in such form and contain such terms and conditions as may be approved by the Town Manager. Such approval shall be conclusively evidenced by the Town Manager’s execution thereof, provided however, that the Town Manager may delegate the authority granted hereunder as the Town Manager deems appropriate.
- b. The Town Manager, in consultation with the Town Attorney, is authorized to negotiate, execute, and deliver, in the name of and on behalf of the Town, such contracts, agreements, and other documents and

certificates as the Town Manager may determine to be necessary or appropriate in connection with the acquisition of the 2 Industry Road property.

Section 3. Project Costs Defined. The term “cost” or “costs” as used herein and applied to the Project, or any portion thereof, includes:

- a. the cost of land, structures, real property interests, rights, easements, and franchises acquired in connection with the Project;
- b. the costs of financing the Project including but not limited to financing charges and issuance costs, underwriters' fees and costs, legal and accounting fees and costs, application fees, and other fees and expenses related to financing the Project;
- c. interest costs, underwriters' fees and costs, legal and accounting fees and costs, application fees, and other fees and expenses related to the financing transaction;
- d. any other costs identified in the Project budget, and the cost of any other items or services deemed to be cost under generally accepted accounting principles (“GAAP”) as determined by the Town’s Finance Director.

Section 4. Details of the Bonds or Notes.

- a. **Execution and Delivery of Bonds.** The Bonds issued hereunder, and any Bonds issued as the result of exchanges or transfers, shall be signed by the Treasurer and be countersigned by the Chair of the Town Council. The Bonds shall have the seal of the Town affixed thereon, and be attested by the Town Clerk. The Treasurer and Chair of the Town Council, from time to time, shall execute such Bonds as may be required to provide for exchanges or transfers of Bonds hereinbefore authorized. The execution of any of the Bonds by any of the authorized Town officers, officials or employees shall be conclusive evidence of their acceptance of the terms thereof.
- b. **Book Entry Certificates** In lieu of physical certificates of the Bonds, the Treasurer be and hereby is authorized to undertake all acts necessary to provide for the issuance and transfer of such Bonds in book-entry form pursuant to the Depository Trust Company Book-Entry Only System. As an alternative to the provisions herein regarding physical transfer of bonds or notes, and the Treasurer is authorized and empowered to enter into a Letter of Representation or any other contract, agreement or understanding necessary or, in the Treasurer’s opinion, appropriate in order to qualify the Bonds for and participate in the Depository Trust Company Book-Entry Only System.
- c. **Tax Exempt Bonds Option.** The Treasurer and Chair of the Town Council are individually authorized to determine whether to issue the Bonds authorized herein on a taxable or tax-exempt basis. To the extent such bonds or notes are issued as on a tax-exempt basis, the Treasurer and Chair of the Town Council are individually authorized to covenant and agree, on behalf of the Town and for the benefit of the holders of such bonds or notes, that the Town will file any required reports and take any other action that may be necessary to ensure that interest on the bonds or notes, or both, will remain exempt from federal income taxation and that the Town will refrain from taking any action that would cause interest on the bonds or notes to be subject to federal income taxation.
- d. **Arbitrage Certificate.** The Treasurer and Chair of the Town Council are individually authorized to covenant and certify on behalf of the Town that no part of the proceeds of the Bonds shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would

cause such Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”).

- e. **Qualified Tax Exempt Obligations.** The Treasurer is hereby authorized and empowered, with the advice of bond counsel, to take all such action as may be necessary to designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b) of the Code to the extent such designation is legally available and deemed advisable by the Treasurer.
- f. **Principal Denominations.** The principal amount of the Bonds of the same maturity shall be such minimum denomination as the Treasurer, in the Treasurer’s discretion, may approve.
- g. **Maturities and Interest Rates.** The maturity(ies), interest rate(s) and sale price of the Bonds issued hereunder shall be either sent out to bid or negotiated by the Treasurer in such manner as the Treasurer deems appropriate and in the best interest of the Town and the financing of the above-referenced Project. The Treasurer be and hereby is authorized to provide that any of the Bonds hereinbefore authorized may be made callable, with or without premium, prior to their stated dates of maturity. The Bonds hereby authorized shall be in such form and otherwise contain such other terms and provisions as the Treasurer may approve, his or her approval to be conclusively evidenced by his/her execution thereof.
- h. **Consolidation of Bond or Notes.** Any or all of the Bonds issued hereunder may be consolidated with and become a part of any other issue of bonds or notes authorized to be issued by any previous or subsequent ordinance of the Town Council of the Town of Brunswick.
- i. **Other Authorized Officials.** If the Treasurer, Chair of the Town Council or Town Clerk are for any reason unavailable to approve and execute the Bonds hereinbefore authorized or any other documents necessary or convenient to the issuance, execution and delivery of the Bonds, the person or persons then acting in any such capacity, whether as an assistant, a deputy, or otherwise, is authorized to act for such official with the same force and effect as if such official had performed such act.
- j. **Absence of Officials Prior to Delivery.** If any of the officials of the Town who have signed or sealed the Bonds shall cease to be such officials before the Bonds shall have been actually authenticated or delivered by the Town, such Bonds nevertheless may be authenticated, issued, and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such officer or official; and also any such Bonds may be signed and sealed on behalf of the Town by those persons who, at the actual date of the execution of such Bonds, shall be the proper officials of the Town, although at the nominal date of such Bonds any such person shall not have been such officer or official.

Section 5. Sale of Bonds or Notes and Registrar, Paying Agent and Transfer Agent

- a. **Manner of Sale.** The Bonds may be sold through public offering, private placement, negotiated sale or by any other legal means to an investment bank, financial institution, the Maine Municipal Bond Bank, the United States of America or any other person or persons (each a “Purchaser”).
- b. **Official Statement.** The Treasurer is authorized to prepare, or cause to be prepared, a Preliminary Official Statement and an Official Statement for use in the offering and sale of the Bonds. The Preliminary Official Statement and Official Statement shall be in such form and contain such information as may be approved by the Treasurer, with the advice of the underwriter for the Bonds and bond counsel for the Town. The distribution of the Preliminary Official Statement and

the Official Statement in the name of and on behalf of the Town in connection with offering the Bonds is approved.

- c. Counsel. The Treasurer is authorized to select Issuer Counsel, Bond Counsel and any other counsel the Treasurer deems necessary in connection with the planning, sale and issuance of the Bonds, and to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.
- d. Underwriter. The Treasurer is authorized to select an underwriter for the Bonds, and to execute and deliver such contracts or agreements as may be necessary or appropriate in connection therewith.
- e. Registrar, Paying Agent and Transfer Agent. The Treasurer is authorized to select the registrar, paying agent, and transfer agent for the Bonds and to execute and deliver such contracts and agreements as may be necessary or appropriate to secure their services. The Bonds shall be transferable only on the registration books of the Town kept by the transfer agent. Upon surrender of the Bonds with an accompanying written instrument of exchange or transfer, executed by the registered owner or the owner's attorney, duly authorized in writing and satisfactory to the transfer agent, the Town and the transfer agent shall make a charge sufficient to cover any tax, fee or any other governmental charge required to be payable with respect to such exchange or transfer. Subsequent to the first exchange or transfer, the cost of preparing new bonds or notes upon exchanges or transfer thereof shall be paid by the person requesting the same.

Section 6. Refunding. The Treasurer and Chair of the Town Council be and hereby are authorized to issue bonds or notes from time to time to refund the Bonds hereinbefore authorized when the Treasurer and the Chair of the Town Council determine that such refunding is in the best interest of the Town. All delegated authority provided pursuant to this ordinance shall also apply to any bonds or notes issued to refund the Bonds hereinbefore authorized.

Section 7. Continuing Disclosure. The Treasurer and Chair of the Town Council be and hereby are individually authorized to covenant, certify, and agree, on behalf of the Town, for the benefit of the holders of such Bonds, that the Town will file any required reports, make any annual financial or material event disclosure, and take any other action that may be necessary to ensure that the disclosure requirements imposed by Rule 15c12-12 of the Securities and Exchange Commission are met.

Section 8. Investment Earnings and Other Bond Proceeds. Any investment earnings on the proceeds of the Bonds and any other unexpended proceeds thereof are appropriated for the following purposes:

- a. To any costs of the Project in excess of the amounts authorized herein;
- b. In accordance with the applicable terms and conditions of the Town's Arbitrage and Use of Proceeds Certificate delivered in connection with the sale of the Bonds including, to the extent permitted thereunder, to the payment of interest on the Bonds, or to the Town's general fund;
- c. To any other qualified costs approved by the Town Council and not prohibited by the Town Charter or Ordinances, Maine law or the Internal Revenue Code.

Section 9. Authority to Levy Tax for Debt Service. In each of the years during which any of the Bonds are outstanding, there shall be levied a tax in an amount which, with other revenues, if any, available for that purpose, shall be sufficient to pay the interest on said Bonds, payable in such year, and the principal of such Bonds maturing in such year.

Section 10. Authority to Accept Grants and Contributions. The Town Manager is authorized to accept contributions and make applications for federal and state grant funds in relation to the Project, said contributions and grants to be used in lieu of or in addition to Bond proceeds authorized hereunder to finance all or a portion of the Project. The Town Manager is authorized to accept such contributions and grants on behalf of the Town and said amounts are hereby appropriated to fund any portion of the Project. The total amount appropriated under this Ordinance shall not be greater than the amount of proceeds of the Bonds plus any contributions and grants, and plus any other amounts appropriated herein.

Section 11. Advances to Fund Project. The Town is authorized to make advances, from the Town's general fund to a capital projects fund, in an aggregate amount not to exceed \$2,000,000 in anticipation of the issuance of the Bonds, or for the purpose of financing any part of the Project. Advances used in lieu of the proceeds of the Bonds authorized herein, are appropriated to finance the cost, or any part thereof, of the Project. The Treasurer is authorized to make such advances and to establish and amend all details of any advances including, but not limited to the term, interest rates, and payment schedule. The authority to issue the Bonds authorized herein shall remain and continue in full force and effect during the entire term of the advance(s). The proceeds of the Bonds issued hereunder may be used to repay the advance(s) of any portion thereof.

Section 12. Declaration of Official Intent. For purposes of U.S. Treasury Regulation §1.150-2, the Town reasonably expects to incur debt to reimburse expenditures (including expenditures made within the last sixty (60) days) temporarily advanced from the Town's general fund to pay all or a portion of the cost of the Project. The maximum principal amount of debt to be issued for the Project, including for reimbursement of advanced expenditures, is \$2,000,000.

Section 13. Abandonment of Borrowing Authority. The Treasurer is empowered to declare abandoned the authority to issue all or a portion of any Bonds authorized herein the Treasurer deems to be in excess of the amount necessary to complete the Project. Such a declaration once made may not be reversed other than by ordinance.

Section 14. Ratification of Prior Actions. All actions heretofore taken by any officer, official, employee or agent of the Town in connection with the issuance of the Securities, including distribution of any requests for proposals, are in all respects hereby ratified, approved and confirmed.

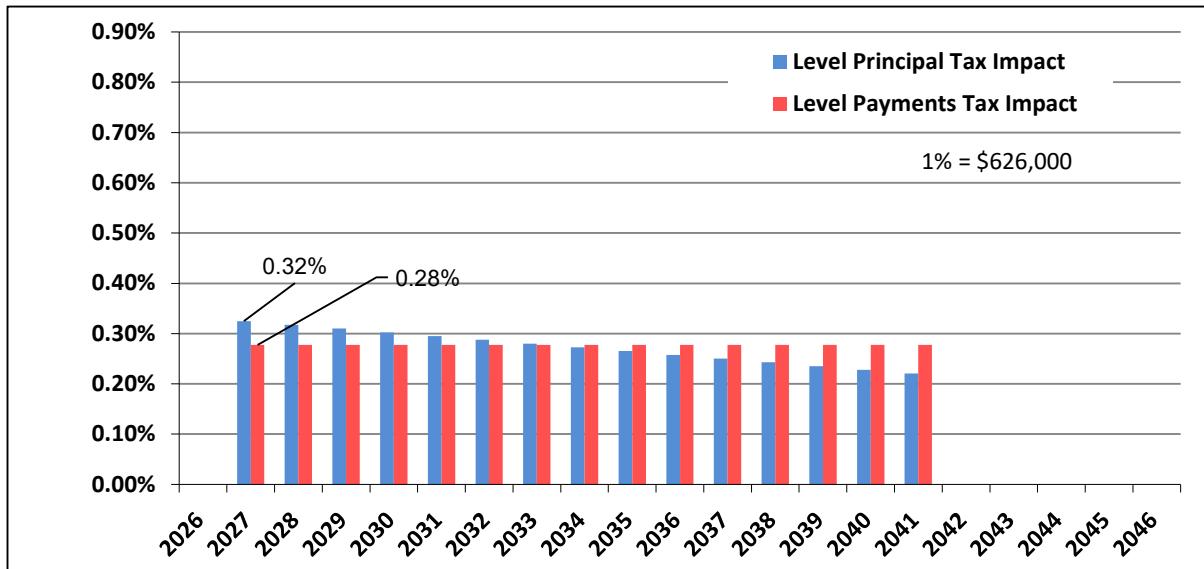
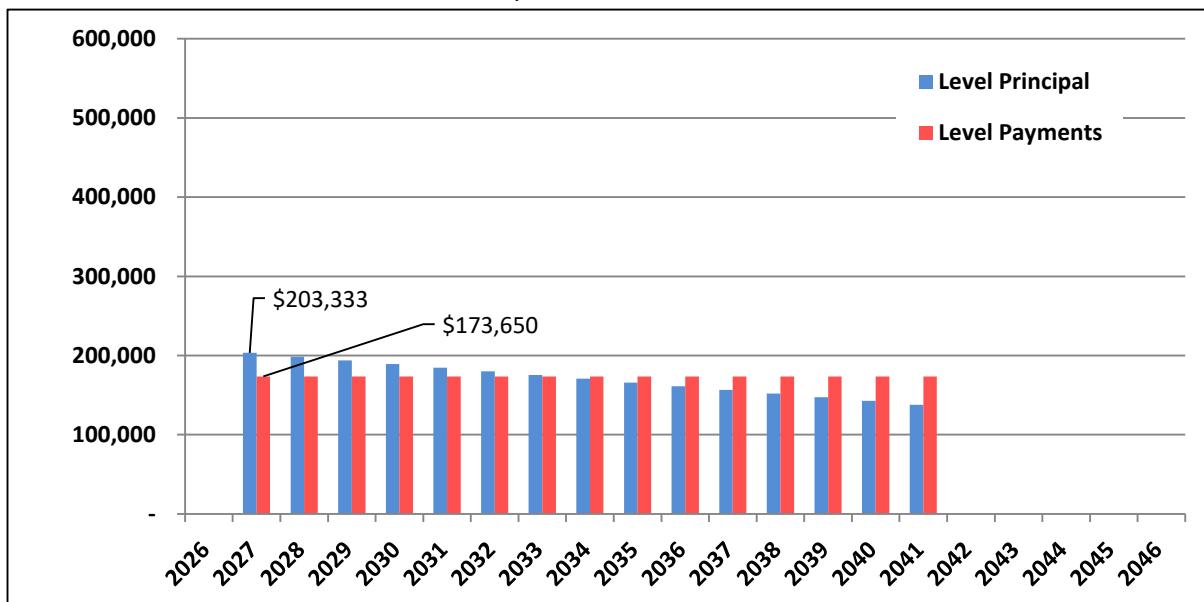
Proposed to Town Council: February 2, 2026
Public Hearing:
Adopted by Town Council:

Estimated Debt Service on Public Works Facility - 2 Industry Rd Acquisition

ASSUMPTIONS:	Level Principal		Level Payments		2025 Interest rates to use for estimates:
	Amount Financed:	\$ 2,000,000	\$ 2,000,000	15	15
Interest Rate:		3.50%	3.50%		
Start Bond Year:		2	2		
Start Fiscal Year:		2026	2026		

2025			
Interest rates to use for estimates:			
5 years	3.00%	-	3.50%
10 years	3.50%	-	4.25%
20 years	4.25%	-	5.00%
30 years	5.00%	-	5.50%

	Cost Difference		
Total Interest:	\$ 560,000	\$ 604,752	\$ (44,752)
Total Cost:	\$ 2,560,000	\$ 2,604,752	\$ (44,752)
First year cost	\$ 203,333	\$ 173,650	
First year tax rate impact where 1% =	\$ 626,000	\$ 626,000	



Estimated Debt Service on Public Works Facility Phase 1a (without 2 Industry Rd)

	Level <u>Principal</u>	Level <u>Payments</u>	2025		
ASSUMPTIONS:			Interest rates to use for estimates:		
Amount Financed:	\$ 4,700,000	\$ 4,700,000	5 years	3.00%	- 3.50%
Number of Years:	15	15	10 years	3.50%	- 4.25%
Interest Rate:	3.50%	3.50%	20 years	4.25%	- 5.00%
Start Bond Year:	2	2	30 years	5.00%	- 5.50%
Start Fiscal Year:	2026	2026			

	Cost <u>Difference</u>		
Total Interest:	\$ 1,316,000	\$ 1,421,167	\$ (105,167)
Total Cost:	\$ 6,016,000	\$ 6,121,167	\$ (105,167)
First year cost	\$ 477,833	\$ 408,078	
First year tax rate impact where 1% =	0.76%	0.65%	
	\$ 626,000	\$ 626,000	

