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WATERVILLE: School developers want grant funds for project

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WATERVILLE -- Kevin Bunker says he'd start restoring the old Gilman Street School to historic standards tomorrow, if he could.

But Bunker, one of the developers who plans to turn the old school into 33 affordable apartments to the tune of about \$10 million, acknowledges there is another step to be taken before that can occur.

"The financing piece is the last major piece," Bunker, of Developers Collaborative, of Portland, said Monday.

Bunker will be at tonight's City Council meeting, where a public hearing will be held on a \$250,000 Community Development Block Grant the city wants to apply for, to be used for the Gilman School project.

After the public hearing, to be held at 6:45 p.m., councilors will vote at the regular 7 p.m. meeting whether to apply for the housing assistance grant.

Bunker and his partners received approval from both the Planning Board and Council for the project. The developers also passed a major hurdle recently when they received approval from Maine Housing to proceed with the project, named Gilman Place. Maine Housing will award tax credits to the project once Developers Collaborative has met all the requirements.

The next step is to obtain an equity investor, typically banks, who will buy the tax credits. Bunker says in the past that has not been an issue but with current financial markets uncertain, he and his partners feel it prudent not to incur more costs until they have more assurances in that area.

"We're having some good conversations with folks right now who are interested in investing in Waterville," Bunker said. "So, this is the kind of tack that we're taking. We're really hoping that somebody will really step up to the plate and allow the project to become a reality."

Bunker said the one, two and three-bedroom apartments would rent for \$435 to \$745. The use of the gymnasium is not yet known.

"We'd love to have the city in there -- we'd love to rent it for \$1," he said. "We've broached the topic with the city but we're looking forward to following up on that conversation."

Asked when he wants to start the project, Bunker said it will probably take a month or two to sort out the financial piece and then design work would start; that takes several months.

"It might be possible to start this fall," he said.

Peter Arena of Brunswick owns the building and Bunker said Developers Collaborative has a commitment with Arena for the building and has given him a considerable amount of money that is non-refundable.

"We decided we were willing to risk it," he said. "We're in it for the long run now."

He said a lot of people, and not just in Waterville, are excited about the project and he has met a lot of people who used to play basketball in the gymnasium.

"This project has struck a chord with Maine Housing," he said. "They really want this project to succeed."

Developers Collaborative recently was chosen by the town of Orono to develop the former Webster pulp and paper mill in that town, he said. Orono acquired the building, which has been empty since 1996, for non-payment of taxes, Bunker said.

In other matters tonight, councilors will vote on a letter of intent for Educare; a license for Maine State Credit Union for underground utilities at its new site; and rezoning of 8 Highwood St.